

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

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MICHELLE ANGELI T. HERNANDEZ

Contact Person

(+632) 8662 8888

Company Telephone Number

Month Day
Fiscal Year

Preliminary Information Statement

FORM TYPE

Month Day
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

1,757

Total No. of Stockholders

Total Amount of Borrowings

	Total Annual

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



Notice of Annual Stockholders' Meeting

To all Stockholders:

The annual meeting of the stockholders of Belle Corporation (the "Company") will be held on **April 28, 2025, Monday at 2:00 p.m.** to take up the following:

Agenda:

1. Call to Order
2. Proof of Notice of Meeting and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders held on May 31, 2024
4. Approval of 2024 Operations and Results
5. Ratification of all Acts of the Board of Directors and Management during their term of office
6. Election of Directors for 2025-2026
7. Appointment of External Auditors
8. Other Matters
9. Adjournment

The meeting will be in hybrid format wherein the Chairman of the Meeting, the Secretary of the Meeting, the members of the Board of Directors, and other Officers will be attending in person at the City of Dreams Manila, Entertainment City, Macapagal Avenue corner Aseana Avenue, Paranaque City; the stockholders will be participating by remote communication via Zoom Webinar. The voting shall be conducted *in absentia* through the Company's secure online voting facility.

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

The Board of Directors has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on **March 28, 2025** as the record date to determine the stockholders entitled to receive the notice of meeting, to participate via remote communication, and to vote in absentia at such meeting, and any adjournment thereof.

The meeting will be streamed live, and stockholders may attend the meeting by registering via asmregister.bellecorp.com and submitting the supporting documents listed there until 12:00 noon of April 18, 2025, Friday. All information submitted shall be verified and validated by the Corporate Secretary.

Stockholders who wish to cast votes through a proxy may accomplish the corresponding proxy form (*which need not be notarized*) and submit the same on or before April 15, 2025. Scanned forms may be sent electronically through corsec@bellecorp.com, while paper copies shall be sent to the office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

Stockholders who successfully registered can cast their votes *in absentia* through the Company's secure online voting facility for this meeting. In order to participate remotely, they will also be provided with access to the meeting that will be held virtually. The "Guidelines for Participation via Remote Communication and Voting *in Absentia*" as appended to the Information Statement labeled as "Schedule A" together with the Information Statement, Annual Report on SEC Form 17-A (once available) and other pertinent materials for the Annual Stockholders' Meeting are posted in the Company's website will be posted in the Company's website (bellecorp.com/ASM2025) and PSE Edge.

Pasig City, February 28, 2025


JASON C. NALUPTA
Corporate Secretary

ANNEX “A”

RATIONALE FOR AGENDA ITEMS

Agenda Item 1. Call to Order.

The Chairman of the Board of Directors, Mr. Willy N. Ocier, will call the meeting to order.

Agenda Item 2. Proof of Notice of Meeting and Quorum

The Corporate Secretary, Atty. Jason C. Nalupta, will certify that copies of this Notice were sent to Stockholders of record as of March 28, 2025. Further, the Corporate Secretary will also certify the number of attendees, whether in person or by proxy or through remote communication or in absentia, for the purpose of determining the existence of quorum to validly transact business.

Agenda Item 3. Approval of the Minutes of the Annual Meeting of Stockholders held on May 31, 2024.

The draft minutes of the May 31, 2024 Annual Stockholders' Meeting (ASM) are available on the Company's website: <https://www.bellecorp.com/investor-relations/asm-minutes-and-results-asm/> / https://www.bellecorp.com/sites/default/files/investor_relations/Belle%20ASM%202024%20Signed%20Draft.pdf Stockholders will be asked to approve the Minutes of the 2024 Annual Stockholders' Meeting as recommended by the Board of Directors.

Agenda Item 4. Approval of 2024 Operations and Results

A report on the highlights of the performance of the Company for the year ended 2024 will be presented to Stockholders. The financial reports were reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors which has issued an unqualified opinion on the Audited Financial Statements (AFS). A summary of the 2024 AFS shall also be presented to the Stockholders. Stockholders, after identifying themselves, will be given an opportunity to raise questions regarding the operations and report of the Company.

Agenda Item 5. Ratification of all Acts of the Board of Directors and Management during their term of office

All actions, proceedings and contracts entered into, as well as resolutions made and adopted by the Board of Directors and by the Board committees, as well as of Management, from the date of the Stockholders Meeting held on May 31, 2024 to the date of this meeting, shall be presented for confirmation, approval, and ratification.

Agenda Item 6. Election of Directors for 2025-2026

The nominees for election to the Board of Directors, as nominated, reviewed, qualified, and recommended by the Corporate Governance Committee, are presented in this Information Statement. Their proven expertise and qualifications based on current regulatory standards and the Company's own norms, will help sustain the Company's solid performance that will result to its stockholders' benefit. The profiles of the nominees are contained in the IS for reference of the stockholders and are likewise posted on the Company's website. If elected, they shall serve as such from April 28, 2025 until their successors shall have been duly qualified and elected.

Agenda Item 7. Appointment of External Auditors

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the appointment of Reyes Tacandong & Co. as the Company's External Auditor for 2025. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2025.

Agenda Item 8. Other Matters

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

Agenda Item 9. Adjournment

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

PROXY FORM

The undersigned stockholder of **Belle Corporation** (the “**Company**”) registered in the name of Philippine Central Depository Nominee Corporation, if applicable*, hereby appoints _____, (as sub-proxy,*) or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on April 28, 2025 and at any of the adjournments thereof for her purpose of acting on the following matters:

1. Approval of the Minutes of the Annual Meeting of Stockholders held on May 31, 2024

____ Yes ____ No ____ Abstain

2. Approval of 2024 Operations and Results

____ Yes ____ No ____ Abstain

3. Ratification of all Acts of the Board of Directors and Management from May 31, 2024 to April 28, 2025

____ Yes ____ No ____ Abstain

4. Election of Directors for 2025 to 2026

____ Vote for all nominees listed below

____ Willy N. Ocier

____ Armin Antonio B. Raquel Santos

____ Jacinto C. Ng, Jr.

____ Gregory L. Domingo

____ Maria Gracia M. Pulido Tan (Independent)

____ Paquito N. Ochoa, Jr. (Independent)

____ Laurito E. Serrano (Independent)

____ Withhold authority for all nominees listed above

____ Withhold authority to vote for the nominees listed below:

5. Appointment of Reyes Tacandong & Co. as External Auditors

____ Yes ____ No ____ Abstain

* For PCD Participants/Brokers

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

____ Yes ____ No ____ Abstain

Printed Name of Stockholder/Broker/PCD Participant

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

Date

This Proxy must be submitted together with the following:

For Individual Stockholders

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

For Corporate Stockholders

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

For PCD Participants/Brokers

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

This Proxy should be received by the Corporate Secretary on or before April 15, 2025, or at least seven (7) business days before the date set for the annual meeting as provided in the By-laws. The Chairman of the meeting shall act as the proxy in the event no name is given. This Proxy Form shall be valid for five (5) years from date of signing.

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

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

SPECIAL POWER OF ATTORNEY

Know all men by these presents:

I, _____, _____ citizen, of legal age and a resident of _____, do hereby name, constitute, and appoint _____, _____ citizenship, of legal age and a resident of _____, to be my true and lawful attorney-in-fact for myself and in my name, place and stead, to do and perform the following acts and things, namely:

1. To attend the 2025 Annual Stockholders' Meeting (or any adjournments thereof) of Belle Corporation, of which I am a shareholder, and then and there to exercise my voice and whatsoever privileges, rights, and prerogatives may correspond to me by reason of my shares therein, including to vote at said stockholders' meeting; and
2. To delegate in whole or in part any or all of the powers and authorities herein covered, by means of an instrument in writing in favor of any third person or persons whom the attorney-in-fact may select.

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

IN WITNESS WHEREOF, I have signed this instrument in _____ on _____ 20__.

Name and Signature of Stockholder

Signed in presence of:

Acknowledgement

Republic of the Philippines)
_____)

Before me, a Notary Public for and in the City of _____, this _____ day of _____ 20__ personally appeared _____ who presented to me his/her (Gov't. issued ID No.) issued on _____ at _____ and who was identified by me through his/her competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that his/her signature on the instrument was voluntarily affixed by him/her for the purposes stated therein, and who declared to me that he/she has executed the instrument as his/her free and voluntary act and deed.

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

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

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

SECRETARY'S CERTIFICATE

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

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

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

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

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

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

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

Printed Name and Signature of
the Corporate Secretary

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

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

PROFILES OF THE NOMINEES FOR ELECTION AS MEMBERS OF THE BOARD OF DIRECTORS FOR 2025-2026



WILLY N. OCIER

Chairman, Non-Executive Director
Date of First Election – June 1999
Chairman, Executive Committee
Chairman, Compensation and Remuneration Committee

EDUCATION / EXPERIENCE

Mr. Willy Ocier, 68, Filipino, is a Non-Executive Director and the Chairman of the Board of Belle Corporation. He is also the Chairman and Director of Pacific Online Systems Corporation and APC Group, Inc. Likewise, he is the Chairman and Executive Director of Premium Leisure Corp., its subsidiary PremiumLeisure and Amusement, Inc., and Total Gaming and Technologies, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc. and Director of DigiPlus Interactive Corp. He also sits as a Director of the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

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



ARMIN ANTONIO B. RAQUEL SANTOS

Executive Director
President and Chief Executive Officer effective May 31, 2024
Date of First Election – April 28, 2022
Member, Executive Committee
Member, Compensation and Remuneration Committee

EDUCATION / EXPERIENCE

Mr. Raquel Santos, 57, Filipino, is the Executive Director and the President and Chief Executive Officer of Belle Corporation. He is the President and Chief Executive Officer of Premium Leisure Corp. and its subsidiaries, PremiumLeisure and Amusement, Inc. and Pacific Online Systems Corporation. He is also a Director of APC Group, Inc., Pinoy Lotto Technologies Corporation, Sagittarius Mines, Inc., Tagaytay Highlands International Golf Club, Inc., Manila Golf and Country Club and member of the Board of Trustees of Melco Resorts (Philippines) Foundation Corporation. Formerly, he was Chief Finance Officer of Aboitizland, Inc., Cebu Industrial Park, Inc. and Mactan Economic Zone II and First Philippine Electric Company. He was also former Governor of the Board of Investments (BOI), served as Assistant Secretary with the Department of Trade and Industry (DTI), Vice Chairman and CEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience includes stints with multinational companies; Securities 2000 Inc. (Singapore Technologies Group) and First Chicago Trust Company of New York.

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



JACINTO C. NG, JR.

Non-Executive Director

Date of First Election – August 2000

Member, Executive Committee

Member, Audit Committee

Member, Compensation and Remuneration Committee effective May 31, 2024

Member, Risk Oversight Committee until May 31, 2024

EDUCATION / EXPERIENCE

Mr. Ng, Jr., 55, Filipino, is a Non-Executive Director of Belle Corporation since August 2000.

He was elected as a Non-Executive Director of Premium Leisure Corp. on April 22, 2024. He is likewise the Group Executive Officer of the Joy-Nostalg Group, Founder and Chairman of the Joy-Nostalg Foundation, Chairman of Joy-Nostalg Hearth Corporation, a member of the Rebisco Foundation, XS86 Men for Others Foundation, Inc., Xavier School Educational Trust Fund and Xavier School Inc.'s Board of Trustees. He is also a director of Tagaytay Midlands Golf Club, Inc. and Rayvanes Realty Corporation.

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



GREGORY L. DOMINGO

Non-Executive Director

Date of First Election: May 31, 2024

Member, Executive Committee

Member, Risk Oversight Committee

EDUCATION AND EXPERIENCE

Mr. Domingo, 70, Filipino, is currently a Non-Executive Director of Belle Corporation. He is also a Non-Executive Director of Premium Leisure Corp. He is likewise a Board Adviser to SM Investments Corporation, a Board Director of BDO Private Bank, the private bank subsidiary of Philippine's largest bank, an Independent Director of Alternergy Holdings Corporation and Oceana Gold Philippines, Inc. and a Board Director for a few other corporations. He worked in the private sector for the last 40 years and served twice in the Philippine government – once as Secretary of the Department of Trade and Industry from July 2010 to December 2015 and the other as Head of the Board of Investments from May 2001 to April 2004. During his stint in the government, he chaired the National Development Council, Philippine Economic Zone Authority and served as a board member of various government corporations. Mr. Domingo also served as Chairman of the Asia-Pacific Economic Cooperation Trade Ministers in 2015 and as a Vice Chairperson of the 10th World Trade Organization Ministerial meeting in Nairobi in 2015. He is credited as a key person in the takeoff of the business process outsourcing industry in the Philippines.

He had a distinguished banking career in the U.S spanning 15 years with institutions such as First Boston, Drexel Burnham Lambert and Mellon Bank eventually becoming a Managing Director in the Treasury group of Chemical Bank before deciding to return to the Philippines in the mid 1990s.

He holds a master's degree in Business Administration from the Asian Institute of Management and a Master of Science in Operations Research from the Wharton School of the University of Pennsylvania. He obtained his Bachelor of Science in Management Engineering at the Ateneo de Manila University.

INDEPENDENT DIRECTORS



MARIA GRACIA M. PULIDO TAN

Independent Director

Date of First Election – June 2021

Chairperson, Risk Oversight Committee

Member, Audit Committee

Member, Corporate Governance Committee

Member, Related Party Transactions Committee

EDUCATION AND EXPERIENCE

Atty. Tan, 69, Filipino, is an independent director of the Company. She is likewise the Lead Independent Director of Premium Leisure Corp. and Pacific Online Systems Corporation. She is also a director of Palm Concepcion Power Corporation, Peak Power Energy, Inc. and Trifels, Inc. She is currently a Trustee of the Justice George A. Malcolm Foundation, Inc., and a member of the Tax Faculty of the Philippine Judicial Academy. She is also an arbitrator for the Construction Industry Authority of the Philippines and the Philippine Center for Dispute Resolution, Inc.; a professional lecturer of the University of the Philippines Law Center; a member of the Philippine Institute of Construction Arbitrators and Mediators, Inc., Society of Construction Law Philippines, Dispute Resolution Board Foundation, Office of Alternative Dispute Resolution, International Tax Specialist Group, and the Philippine Institute of Arbitrators.

Atty. Tan is the first woman Chairperson of the Commission on Audit. She also served as Undersecretary of Finance, Commissioner of the Presidential Commission on Good Government., and Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a professor at the University of the Philippines for Mandatory Continuing Legal Education.

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

She graduated from the University of the Philippines in 1976 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Juris Doctor. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and Certified Public Accountant.



PAQUITO N. OCHOA, JR.

Independent Director

Date of First Election – May 31, 2024

Chairman, Corporate Governance Committee

Chairman, Related Party Transactions Committee

EDUCATION AND EXPERIENCE

Atty. Ochoa, 64, Filipino, is an Independent Director of Belle Corporation. He is likewise an Independent Director of Premium Leisure Corp and 2Go. He founded PNO Management and Legal Consulting in September 2016 after completing his term as a government official. He is currently the President of Manuel L. Quezon University (MLQU) from October 2020.

He was a founding member and partner of Marcos Ochoa Serapio Tan Law Firm from 2006 to

2010 and a partner in De Mesa & Ochoa Law Offices from 1995 to 2001.

Atty. Ochoa served as Executive Secretary (Office of the President, Republic of the Philippines) from July 2010 to June 2016. During this period, he also chaired various national government committees among which were, the National Organizing Committee of the 2015 Asia-Pacific Economic Cooperation (APEC), and National Organizing Committee on the Visit of His Holiness Pope Francis in January 2015. He is the longest serving Executive Secretary to date and the only individual to serve the full term of a President.

He also served as City Administrator of the Quezon City Local Government from January 2003 to June 2010 during which period, he introduced prudent spending practices which together with improved revenue collection, allowed the City Government to balance its budget and achieve unprecedented increase in income.

After his career in public administration (from 2016 to present), Atty. Ochoa focused on leading a team that provides advisory services in two major areas: 1) financial advisory services which include conduct of customary financial due diligence; analysis of business operations, financial condition, and prospects; evaluation of debt capacity and capital structure alternatives; financial restructuring; pre acquisition and post-acquisition evaluation; negotiations leading to Transactions (BOT or JV); and 2) legal and regulatory compliance which include legal due diligence; preparation of contracts and other documents covering Transactions, including negotiations; and compliance with government rules and regulations.

Atty. Ochoa holds a Bachelor of Laws degree from the Ateneo De Manila University (class of 1985). He completed his Bachelor of Arts degree in Economics from the University of Santo Tomas in 1981.



LAURITO E. SERRANO

Independent Director

Date of First Election – May 31, 2024

Chairman, Audit Committee

Member, Corporate Governance Committee

Member, Related Party Transactions Committee

Member, Risk Oversight Committee

EDUCATION AND EXPERIENCE

Mr. Serrano, 64, Filipino, is an Independent Director of the Company. He concurrently serves as Independent Director of Rizal Commercial Banking Corporation, Axelum Resources Corp., Anglo-Philippine Holdings, Inc., Century Peak Holdings Corporation and Premium Leisure Corp. He is also a director in RCBC Trust Corporation, Malayan Insurance Company, and MRT Development Corporation.

As independent director in the above entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk oversight committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co. and was likewise associated with, among others, the Metro Rail Transit Group, Fil-Estate Group, Resorts World Manila, Atlas Mining & Development Corporation, Sagittarius Mines, United Paragon Mining Corporation, 2Go Group Inc., and Philippine Veterans Bank.

He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.

Voting Securities

This year's Annual Stockholders' Meeting will be conducted virtually, and will be broadcasted via livestreaming accessible to registered stockholders, the details of which can be found in <https://www.bellecorp.com/ASM2025>. A video recording of the proceedings will be made, a copy of which will be maintained under the custody of the office of the Corporate Secretary.

Stockholders as of Record Date must inform the Corporate Secretary of their intention to participate in the meeting via remote communication and to vote *in absentia* by registering at <https://asmregister.bellecorp.com> on or before 12:00 noon of April 25, 2025 (Friday), subject to the verification and validation by the Corporate Secretary. Stockholders who will participate through remote communication or *in absentia* shall be deemed present for purposes of quorum for the meeting. Voting will be made through a secure online voting facility accessible only to verified stockholders to protect the integrity and secrecy of votes cast.

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

SECURITIES AND EXCHANGE COMMISSION SEC FORM 20-IS

Information Statement Pursuant to Section 20
of the Securities Regulation Code

- a) Check the appropriate box
☒ Preliminary Information Statement
☐ Definitive Information Statement

- b) Name of Registrant as specified in its charter: **BELLE CORPORATION**
- c) Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
- d) SEC Identification Number: **52412**
- e) BIR Tax Identification Number: **000-156-011-000**
- f) Address of principal office: **5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, 1300 Metro Manila, Philippines**
- g) Registrant's telephone number, including area code: **(632) 8662-8888**
- h) Date, time, and place of the meeting of security holders:
Date: April 28, 2025, Monday
Time: 2:00 pm
Venue: Hybrid Meeting

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

Approximate date on which the Information Statement is to be sent or given to security holders: **March 27, 2025**

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

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱1.00 par value	9,696,464,297 (as of January 31, 2025)

- j) Are any or all of Registrant's securities listed on a Stock Exchange?
Yes ☒ No ☐

If so disclose name of the Exchange: **The Philippine Stock Exchange, Inc.**

Class of securities listed: **Common Shares**

Statement that proxies are not solicited:

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

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. BUSINESS AND GENERAL INFORMATION

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

- a) Date: **April 28, 2025 (Monday)**
Time: **2:00 pm**
Venue: **Hybrid Meeting**
[The Chairman of the Meeting, the Secretary of the Meeting, the members of the Board of Directors, and other Officers will be attending in person at the City of Dreams Manila, Entertainment City, Macapagal Avenue corner Aseana Avenue, Paranaque City; the shareholders will be participating by remote communication via Zoom Webinar]
- b) The approximate date on which the Information Statement will be sent or given to security holders is on **March 27, 2025**.
- c) The complete mailing address of the principal office of Belle Corporation (the "Company") is:
5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, 1300 Metro Manila, Philippines.

Item 2. Dissenter's Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on April 28, 2025 are not among the instances enumerated in Sections 41 and 80 of the Revised Corporation Code ("Revised Code") whereby the right of appraisal, defined as the right of any stockholder to dissent and demand payment of the fair value of his shares, may be exercised. The instances where the right of appraisal may be exercised are as follows:

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

Procedure:

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

- (a) A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.
- (b) The dissenting stockholder shall make a written demand on the corporation within 30 days after the date on which the vote was taken for payment for the fair value of his shares. The failure of the stockholder to make the demand within the 30-day period shall be deemed a waiver on his appraisal right;
- (c) If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of corresponding certificate(s) of stock within 10 days after demanding payment for his shares (Sec. 85), the fair value thereof; and
- (d) Upon payment of the agreed or awarded price, the stockholder shall transfer his share to the corporation.

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

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a) No person who has been a director or officer or any nominee for election as director of the Company or associate of such persons, have substantial interest, direct or indirect, in any matter to be acted upon other than the election of directors for the year 2025.
- b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the registrant during the stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- a) As of January 31, 2025, the Registrant has 9,696,464,297 common shares outstanding and each share is entitled to one vote.
- b) As of January 31, 2025, there are 1,958,535,030 common shares outstanding, which are owned by foreigners, and each share is entitled to one vote.
- c) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is March 28, 2025.
- d) With respect to the election of directors, each stockholder may vote such number of shares for as many as the proposed reduced number of directors, or for seven (7) 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 seven (7) 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 seven (7).

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

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

1. Security Ownership of Certain Record and Beneficial Owners

The following persons or groups are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5) of the Company's voting securities as of January 31, 2025:

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	Belleshare Holdings, Inc. Makati Stock Exchange Building, Ayala Avenue, Makati City	Belleshare Holdings, Inc. ¹	Filipino	2,604,740,622	24.664
Common	PCD Nominee Corporation ² GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	2,598,164,910	24.602

Common	PCD Nominee Corporation ² GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	(see footnote)	Non-Filipino	1,897,674,255	17.969
Common	Sysmart Corporation Makati Stock Exchange Building, Ayala Avenue, Makati City	Sysmart Corporation ³	Filipino	1,624,929,505 (Direct) 4,695,964 (Indirect)	15.386
Common	Sybase Equity Investments Corporation Makati Stock Exchange Building, Ayala Avenue, Makati City	Sybase Equity Investments Corporation ³	Filipino	525,073,578 (direct) 6,246,999 (indirect)	4.972

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

² PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead, the participants have the power to decide how the PCD shares in Belle are to be voted.

The shares held by Belleshares Holdings, Inc., Sysmart Corporation and Sybase Equity Investments Corp., Citibank N.A., BDO Securities Corporation, and The Hong Kong Shanghai Business Corporation – Clients' Account, shall be voted or disposed by the persons who shall be duly authorized by these record or beneficial shareholders for the purpose. The natural person/s that has/have the power to vote on the shares of the foregoing companies shall be determined upon the submission of its proxy from the Company, which is not later than seven (7) business days before the date of the meeting.

³ Based on publicly-available information, Sysmart Corporation and Sybase Equity Investments Corporation are beneficially-owned by the following:

1. Sysmart Corporation: Sycamore Pacific Corporation (45.8%)
2. Sybase Equity Investment Corporation: Tesece Corp. (15.6%), Somerset Bay Holdings, Inc. (15.6%), September High, Inc. (15.6%), Rockhampton Holdings, Inc. (15.6%), Stockmore Holdings Corp. (15.6%), HSBB, Inc. (15.6%).

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

1. Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of January 31, 2025:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent
Common	Willy N. Ocier	83,913,702 Direct	Filipino	2.18%
		127,762,900 Indirect		
Common	Armin Antonio B. Raquel Santos*	8,000 Direct	Filipino	0%
Common	Jacinto C. Ng, Jr.	135,860,666 Direct	Filipino	1.4%
Common	Gregory L. Domingo	1,001 Direct	Filipino	0%
Common	Maria Gracia P. Tan	666 Direct	Filipino	0%
Common	Paquito N. Ochoa, Jr.	1 Direct	Filipino	0%
Common	Laurito E. Serrano	10,000 Direct	Filipino	0%
Common	Aileen M. Malto**	0	Filipino	0%
Common	Jason C. Nalupta	0	Filipino	0%
Common	Arthur A. Sy	0	Filipino	0%
Common	Anna Josefina G. Esteban	0	Filipino	0%
Common	Michelle Angeli T. Hernandez	0	Filipino	0%

* elected as President and CEO on May 31, 2024

** appointed as CFO and Treasurer effective August 15, 2024

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

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

Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

There are no existing or planned stock warrant offerings by BEL. There are no arrangements which may result in a change in control of the Company.

Item 5. Directors and Executive Officers

The names and ages of all the incumbent Directors, elected on May 31, 2024 during the ASM, and the Executive Officers, who were appointed, are:

Names of Directors and Officers	Position	Nationality	Age	No. of years and months served as Director / Officer
Willy N. Ocier	Chairman	Filipino	68	25 yrs. and 6 mos.
Armin Antonio B. Raquel Santos	Director President and CEO	Filipino	57	2 yr. and 8 mos. 7 mos.
Jacinto C. Ng, Jr.	Director	Filipino	55	24 yrs. and 4 mos.
Gregory L. Domingo	Director	Filipino	70	7 mos.
Maria Gracia P. Tan	Independent Director	Filipino	69	3 yrs. and 6 mos.
Paquito N. Ochoa, Jr.	Independent Director	Filipino	64	7 mos.
Laurito E. Serrano	Independent Director	Filipino	64	7 mos.
Aileen M. Malto*	Chief Finance Officer and Treasurer	Filipino	56	3.5 mos.
Jason C. Nalupta	Corporate Secretary	Filipino	53	3 yrs. and 9 mos.
Arthur A. Sy	Asst. Corporate Secretary	Filipino	55	14 yrs. and 9 mos.
Anna Josefina G. Esteban	Chief Audit Executive	Filipino	57	8 yrs. and 3 mos.
Michelle Angeli T. Hernandez	Vice President for Governance Chief Risk Officer Compliance Officer	Filipino	53	9 yrs. And 9 mos. 3 yrs. and 6 mos. 2 yrs. and 6 mos.

** appointed effective August 15, 2024*

Board of Directors

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

WILLY N. OCIER

Mr. Willy Ocier, 68, Filipino, is a Non-Executive Director and the Chairman of the Board of Belle Corporation. He is also the Chairman and Director of Pacific Online Systems Corporation and APC Group, Inc. Likewise, he is the Chairman and Executive Director of Premium Leisure Corp., its subsidiary PremiumLeisure and Amusement, Inc., and Total Gaming and Technologies, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc. and Director of DigiPlus Interactive Corp. He also sits as a Director of the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

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

ARMIN ANTONIO B. RAQUEL SANTOS

Mr. Raquel Santos, 57, Filipino, is the Executive Director and the President and Chief Executive Officer of Belle Corporation. He is the President and Chief Executive Officer of Premium Leisure Corp. and its subsidiaries, PremiumLeisure and Amusement, Inc. and Pacific Online Systems Corporation. He is also a Director of APC Group, Inc., Pinoy Lotto Technologies Corporation, Sagittarius Mines, Inc., Tagaytay Highlands International Golf Club, Inc., Manila Golf and Country Club and member of the Board of Trustees of Melco Resorts (Philippines) Foundation Corporation. Formerly, he was Chief Finance Officer of Aboitizland, Inc., Cebu Industrial Park, Inc. and Mactan Economic Zone II and First Philippine Electric Company. He was also former Governor of the Board of Investments (BOI), served as Assistant Secretary with the Department of Trade and Industry (DTI), Vice Chairman and CEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience includes stints with multinational companies; Securities 2000 Inc. (Singapore Technologies Group) and First Chicago Trust Company of New York.

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

JACINTO C. NG, JR.

Mr. Ng, Jr., 55, Filipino, is a Non-Executive Director of Belle Corporation since August 2000. He is a member of the Executive and Compensation and Remuneration Committees. He was a member of the Risk Oversight Committee until May 31, 2024.

He was elected as a Non-Executive Director of Premium Leisure Corp. on April 22, 2024. He is likewise the Group Executive Officer of the Joy~Nostalg Group, Founder and Chairman of the Joy~Nostalg Foundation, Chairman of Joy~Nostalg Hearth Corporation, a member of the Rebisco Foundation, XS86 Men for Others Foundation, Inc., Xavier School Educational Trust Fund and Xavier School Inc.'s Board of Trustees. He is also a director of Tagaytay Midlands Golf Club, Inc. and Rayvanes Realty Corporation.

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

GREGORY L. DOMINGO

Mr. Domingo, 70, Filipino, is currently a Non-Executive Director of Belle Corporation. He is also a Non-Executive Director of Premium Leisure Corp. He is likewise a Board Adviser to SM Investments Corporation, a Board Director of BDO Private Bank, the private bank subsidiary of Philippine's largest bank, an Independent Director of Alternergy Holdings Corporation and Oceana Gold Philippines, Inc. and a Board Director for a few other smaller companies. He worked in the private sector for the last 40 years and served twice in the Philippine government – once as Secretary of the Department of Trade and Industry from July 2010 to December 2015 and the other as Head of the Board of Investments from May 2001 to April 2004. During his stint in the government, he chaired the National Development Council, Philippine Economic Zone Authority and served as a board member of various government corporations. Mr. Domingo also served as Chairman of the Asia-Pacific Economic Cooperation Trade Ministers in 2015 and as a Vice Chairperson of the 10th World Trade Organization Ministerial meeting in Nairobi in 2015. He is credited as a key person in the takeoff of the business process outsourcing industry in the Philippines.

He had a distinguished banking career in the U.S spanning 15 years with institutions such as First Boston, Drexel Burnham Lambert and Mellon Bank eventually becoming a Managing Director in the Treasury group of Chemical Bank before deciding to return to the Philippines in the mid 1990s.

He holds a master's degree in Business Administration from the Asian Institute of Management and a Master of Science in Operations Research from the Wharton School of the University of Pennsylvania. He obtained his Bachelor of Science in Management Engineering at the Ateneo de Manila University

Independent Directors

The following are brief descriptions of the business experiences over the past five (5) years of the incumbent independent directors of the Company:

MARIA GRACIA M. PULIDO TAN

Atty. Tan, 69, Filipino, is an independent director of the Company. She is likewise the Lead Independent Director of Premium Leisure Corp. and Pacific Online Systems Corporation. She is also a director of Palm Concepcion Power Corporation, Peak Power Energy, Inc. and Trifels, Inc. She is currently a Trustee of the Justice George A. Malcolm Foundation, Inc., and a member of the Tax Faculty of the Philippine Judicial Academy. She is also an arbitrator for the Construction Industry Authority of the Philippines and the Philippine Center for Dispute Resolution, Inc.; a professional lecturer of the University of the Philippines Law Center; a member of the Philippine Institute of Construction Arbitrators and Mediators, Inc., Society of Construction Law Philippines, Dispute Resolution Board Foundation, Office of Alternative Dispute Resolution, International Tax Specialist Group, and the Philippine Institute of Arbitrators.

Atty. Tan is the first woman Chairperson of the Commission on Audit. She also served as Undersecretary of Finance, Commissioner of the Presidential Commission on Good Government., and Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a professor at the University of the Philippines for Mandatory Continuing Legal Education.

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

She graduated from the University of the Philippines in 1976 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Juris Doctor. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and Certified Public Accountant.

PAQUITO N. OCHOA, JR.

Atty. Ochoa, 64, Filipino, is an Independent Director of Belle Corporation. He is likewise an Independent Director of Premium Leisure Corp and 2Go. He founded PNO Management and Legal Consulting in September 2016 after completing his term as a government official. He is currently the President of Manuel L. Quezon University (MLQU) from October 2020.

He was a founding member and partner of Marcos Ochoa Serapio Tan Law Firm from 2006 to 2010 and a partner in De Mesa & Ochoa Law Offices from 1995 to 2001.

Atty. Ochoa served as Executive Secretary (Office of the President, Republic of the Philippines) from July 2010 to June 2016. During this period, he also chaired various national government committees among which were, the National Organizing Committee of the 2015 Asia-Pacific Economic Cooperation (APEC), and National Organizing Committee on the Visit of His Holiness Pope Francis in January 2015. He is the longest serving Executive Secretary to date and the only individual to serve the full term of a President.

He also served as City Administrator of the Quezon City Local Government from January 2003 to June 2010 during which period, he introduced prudent spending practices which together with improved revenue collection, allowed the City Government to balance its budget and achieve unprecedented increase in income.

After his career in public administration (from 2016 to present), Atty. Ochoa focused on leading a team that provides advisory services in two major areas: 1) financial advisory services which include conduct of customary financial due diligence; analysis of business operations, financial condition, and prospects; evaluation of debt capacity and capital structure alternatives; financial restructuring; pre acquisition and post-acquisition evaluation; negotiations leading to Transactions (BOT or JV); and 2) legal and regulatory compliance which include legal due diligence; preparation of contracts and other documents covering Transactions, including negotiations; and compliance with government rules and regulations.

Atty. Ochoa holds a Bachelor of Laws degree from the Ateneo De Manila University (class of 1985). He completed his Bachelor of Arts degree in Economics from the University of Santo Tomas in 1981.

LAURITO E. SERRANO

Mr. Serrano, 64, Filipino, is an Independent Director of the Company. He concurrently serves as Independent Director of Rizal Commercial Banking Corporation, Axelum Resources Corp., Anglo-Philippine Holdings, Inc., Century Peak Holdings Corporation and Premium Leisure Corp. He is also a director in RCBC Trust Corporation, Malayan Insurance Company, and MRT Development Corporation.

As independent director in the above entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk oversight committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co. and was likewise associated, among others, with the Metro Rail Transit Group, Fil-Estate Group, Resorts World Manila, Atlas Mining & Development Corporation, Sagittarius Mines, United Paragon Mining Corporation, 2Go Group Inc., and Philippine Veterans Bank.

He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.

Nomination of Regular and Independent Directors for 2025-2026

The nomination, pre-screening and election of the Corporation's regular and independent directors for 2025-2026 were made in compliance with the requirements of the Code of Corporate Governance and the SEC's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Company's By-Laws.

The Corporate Governance Committee, composed of Atty. Paquito N. Ochoa, Jr. (Chairman), Atty. Maria Gracia M. Pulido Tan and Mr. Laurito E. Serrano, is tasked to determine that the nominees for election as Directors, including the Independent Directors, possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Company's Revised Manual on Corporate Governance and Rule 38 of the Implementing Rules of the Securities Regulation Code (SRC).

The Corporate Governance Committee has endorsed the nominations for election of the following as regular and independent directors of the Company for 2025-2026:

Regular Directors

1. Willy N. Ocier
2. Armin Antonio B. Raquel Santos
3. Jacinto C. Ng, Jr.
4. Gregory L. Domingo

Independent Directors

1. Maria Gracia M. Pulido Tan
2. Laurito E. Serrano
3. Paquito N. Ochoa, Jr.

Atty. Tan was nominated by Mr. Joseph T. Chua, Mr. Serrano by Mr. Frederic C. DyBuncio, and Atty. Ochoa by Mr. Jerry C. Tiu. The nominees are not related to the stockholders who nominated them.

Procedure for the Nomination of Directors

The procedure for the nomination of directors is as follows:

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

2. All nominations shall be submitted to the Corporate Governance Committee by any stockholder of record during the first quarter of the year prior to the date of the regular annual meeting to allow the Corporate Governance Committee sufficient time to assess and evaluate the qualifications of the nominees.
3. All recommendations for the nomination of independent directors shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees.
4. After the nomination, the Corporate Governance Committee shall prepare a List of Candidates which shall contain all the information about all the nominees for election as members of the Board of Directors, which list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports as the Corporation will be required to submit to the SEC.
5. The name of the person or group of persons who recommended the nomination of the independent director(s) shall be identified in such report including any relationship with the nominee.
6. Only nominees whose names appear on the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained after the List of Candidates shall have been prepared and finalized. No further nominations for election as director shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
7. Any vacancy occurring in the Board of Directors by reason of death, resignation, retirement or disqualification may be filled by the affirmative vote of a majority of the remaining directors constituting a quorum, upon the nomination of the Corporate Governance Committee, provided, that specific slots for independent directors shall not be filled by unqualified nominees. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Orientation and Continuing Education

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

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

Below is the summary of the directors' attendance to the 2024 continuing education program:

Last Name	First Name	Middle	Designation	Training Provider	Date	Topics
Ocier	Willy	N.	Director, Chairman	Institute of Corporate Directors (ICD)	8/27/2024	Global Economic and Geopolitical Outlook / Artificial Intelligence / Cybersecurity
Raquel Santos	Armin Antonio	B.	Director, President & CEO			
Ng	Jacinto Jr.	C.	Director			
Ochoa	Paquito Jr.	N.	Independent Director			
Serrano	Laurito	E.	Independent Director			
Domingo	Gregory	L.	Director	BDO Unibank, Inc.	7/26/2024	Updated Retail Banking Trends with Generative AI / Cyber Threat Landscape / Risk Managing Cyber Risk
Tan	Maria Gracia	P.	Independent Director	SEC-PSE	11/28/2024	Corporate Governance

Executive Officers

WILLY N. OCIER

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

ARMIN ANTONIO B. RAQUEL SANTOS

Please refer to Mr. Raquel Santos' profile under "Board of Directors".

AILEEN M. MALTO

Ms. Malto, 56, Filipino, is the Chief Financial Officer (CFO) and Treasurer of the Company.

She is a certified Public Accountant with an extensive career on finance spanning over two decades. She was the Chief Finance Officer of SteelAsia Manufacturing Corporation and St. Luke's Medical Center.

Ms. Malto holds a degree in Bachelor of Science in Business Administration-Accounting from Bicol University.

JASON C. NALUPTA

Atty. Nalupta, 53, Filipino, is the Corporate Secretary of the Company. He is also currently the Corporate Secretary of listed firms A. Brown Company, Inc., Asia United Bank, Pacific Online Systems Corporation, and Crown Asia Chemicals Corporation. He is also a Director and/ or Corporate Secretary or Assistant Corporate Secretary of private companies, Mercury Ventures, Inc., Total Gaming Technologies, Inc., Parallax Resources, Inc., SLW Development Corporation, Belle Infrastructure Holdings, Inc. (Formerly: Metropolitan Leisure & Tourism Corporation), Belle Bay Plaza Corporation, Glyphstudios, Inc., Grabagility, Inc., Loto Pacific Leisure Corporation, Stage Craft International, Inc., FHE Properties, Inc., Stanley Electric Philippines, Inc., Sta. Clara International Corporation and PinoyLotto Technologies Corp. He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate, securities, and business laws. Atty. Nalupta earned his Juris Doctor degree, as well as his Bachelor of Science degree in Management (major in Legal Management), from the Ateneo de Manila University in 1996 and 1992, respectively. Atty. Nalupta was admitted to the Philippine Bar in 1997.

ARTHUR A. SY

Atty. Sy, 55, Filipino, is an Assistant Corporate Secretary of the Company. He is also the Senior Vice President for Legal Department of SM Investments Corporation, where he also serves as the Assistant Corporate Secretary. He is likewise the currently appointed Assistant Corporate Secretary of SM Prime Holdings, Inc., Premium Leisure Corp. and 2GO Group, Inc. and the Corporate Secretary of various major companies within the SM Group and the National University. A member of the New York Bar, Atty. Sy holds a Juris Doctor degree from the Ateneo de Manila University, School of Law.

ANNA JOSEFINA G. ESTEBAN *(until February 10, 2025)*

Ms. Esteban, 57, Filipino, is the Chief Audit Executive of the following publicly listed companies: (i) Belle Corporation; (ii) Premium Leisure Corp; (iii) Pacific Online Systems Corporation; and (iv) APC Group, Inc. Prior to joining the Belle Group, she served as Treasurer and Chief Finance Officer of Miriam (formerly Maryknoll) College Foundation, Inc. and worked at the Asian Development Bank for 18 years as Senior Officer at the Office of the Treasurer, Office of the Auditor General and Operations Evaluation Office. Earlier on, she was the Head of the Finance Systems and Audit Unit of Magnolia Nestle Corporation (a joint venture of San Miguel Corporation and Nestle S.A.). She was an auditor and management consultant at Carlos J. Valdes & Co. and was an accounting/finance professor at the College of St. Benilde and the Graduate School of Business of De La Salle University (DLSU). Ms. Esteban is a Certified Public Accountant, Certified Information Systems Auditor and Certified Data Privacy Auditor. She earned her Bachelor of Science degree in Accounting at the College of the Holy Spirit, Manila and her Master in Business Administration (with distinction) at DLSU.

MICHELLE T. HERNANDEZ

Ms. Hernandez, 53, Filipino, is the Compliance Officer, Chief Risk Officer and Vice President for Governance, in which capacity she is mainly responsible for developing, implementing and managing various strategies, processes and policies related to Corporate Governance, Enterprise Risk Management and Corporate Affairs for the Company and its subsidiaries. She is also Premium Leisure Corp.'s Compliance Officer and Chief Risk Officer, Pacific Online Systems Corporation's Compliance Officer and APC Group, Inc.'s Chief Risk Officer. She has a bachelor's degree in Tourism from the University of Sto. Tomas.

Period of Officership:

Name	Office	Period Served
Willy N. Ocier	Chairman and Non-Executive Director	June 22, 2020 to present
	Vice Chairman	June 1999 to June 2020
Armin Antonio B. Raquel Santos	Director	From April 28, 2022 to Present
	President and CEO	From May 31, 2024 to Present
Aileen M. Malto	CFO and Treasurer	From August 15, 2024 to Present
Jason C. Nalupta	Corporate Secretary	From March 26, 2021 to Present
Arthur A. Sy	Asst. Corporate Secretary	From April 2010 to Present
Anna Josefina G. Esteban	Chief Audit Executive	From September 2018 to February 10, 2025
Michelle T. Hernandez	VP for Governance	From March 2015 to Present
	Chief Risk Officer	From June 2021 to Present
	Compliance Officer	From April 2022 to Present

a) Directorships in Other Publicly Listed Companies:

As of January 31, 2025, the following are directorships held by Directors and Officers in other reporting companies in the last five years:

Directors' and Officers' Names	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent) Indicate if Director is also the Chairman
Willy N. Ocier	Pacific Online Systems Corporation APC Group, Inc. AbaCore Capital Holdings, Inc. DigiPlus Interactive Corp. Vantage Equities, Inc.	Non-Executive Director (NED) / Chairman Chairman, NED NED NED NED
Maria Gracia M. Pulido Tan	Premium Leisure Corp. Pacific Online Systems Corporation	Independent Director (ID) ID
Armin Antonio B. Raquel Santos	Pacific Online Systems Corporation APC Group, Inc.	Executive Director; President & CEO NED
Gregory L. Domingo	Alterenergy Holdings Corporation	ID
Laurito E. Serrano	Rizal Commercial Banking Corporation Axelum Resources Corporation Anglo-Philippine Holdings Corporation Century Peak Holdings Corporation	ID ID ID ID

b) Significant Employees

There are no other significant employees.

c) Family Relationships

None.

d) Involvement in Certain Legal Proceedings

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:

- 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;
- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any

type of business, securities, commodities or banking activities; and,

- c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the above persons has violated securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Certain Relationships and Related Transactions

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

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

Related Party	Relationship	Transaction		Transaction Amounts	Outstanding Balance	Terms	Conditions
Advances to Associates							
APC	Associate	Reimbursable expenses (see Note 12)	2024 2023	P– P–	P79,977 P79,974	Noninterest-bearing, due and demandable	Unsecured, provided with allowance for impairment amounting to P79,449
Belle Jai Alai	Entities under common control	Working capital advances	2024 2023	– –	29,398 29,398	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
Others	Entities under common control	Working capital advances	2024 2023	– –	21,488 21,408	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
			2024 2023		130,863 130,780		
		Less allowance for doubtful accounts	2024 2023		(130,254) (130,254)		
			2024 2023		P609 P526		
Advances from Related Parties							
Others	Associate	Advances from related parties (see Note 18)	2024 2023	P42,330 P–	P100,542 P63,062	Noninterest-bearing, due and demandable	Unsecured
Others							
SM Prime Holdings, Inc.	With common stockholders	Lease	2024 2023 2022	P14,402 P13,947 16,068	P– P– –	5 years, renewable	Unsecured
SM Investments Corporation	With common stockholders	Service fees (see Note 30)	2024 2023 2022	66,000 66,000 66,000	– – –	1 year, renewable	Unsecured
Highlands Prime, Inc. (HPI)	With common stockholders	Service fees	2024 2023 2022	27,144 37,697 77,140	– – –	5 years, renewable	Unsecured
Directors and officers	Key management personnel	Short-term employee benefits	2024 2023 2022	27,779 31,104 73,128	– – –	Not applicable	Unsecured
		Long-term employee benefits	2024 2023 2022	3,807 1,682 2,413	– – –	Not applicable	Unsecured
		Professional fees	2024 2023 2022	14,845 20,245 19,142	– – –	Not applicable	Unsecured

There are no guarantees provided or received for any related party receivables or payables. Related party transactions are generally settled in cash. Related party transactions amounting to 10% or higher of the Group's consolidated total assets are subject to the approval of the BOD.

Allowance provided on advances to associates charged to "Investments in and advances to associates" amounted to P130.3 million as at December 31, 2024 and 2023.

Transactions with other related parties are as follows:

- In 2019, the Parent Company entered into a renewable one-year service agreement with SM Investments Corporation. Service fees charged by SMIC to the Parent Company amounted to P66.0 million in 2024, 2023 and 2022. These are recognized under "General and administrative

expenses" in the consolidated statements of comprehensive income.

- In 2015, the Parent Company entered into a renewable one-year service agreement with HPI for sales and marketing services with amendments in 2024 to include the development, management and operations of properties in Tagaytay Highlands. Service fees charged by HPI to the Parent Company amounted to a ₱27.1 million, ₱37.7 million and ₱77.1 million in 2024, 2023 and 2022, respectively. These are recognized under "General and administrative expenses" in consolidated statements of comprehensive income.

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

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

There was no director who resigned or declined to stand for re-election to the Board of Directors since the date of the last Annual Shareholders' Meeting because of a disagreement with the Company.

Item 6. Compensation of Directors and Executive Officers

Summary Compensation Table (Annual Compensation) as of December 31, 2024:

Name	Position	Year	Salary/ Per Diem Allowance	Bonus	Retirement Benefits
Willy N. Ocier	Chairman of the Board				
Armin Antonio B. Raquel Santos	President and CEO				
Michelle Angeli T. Hernandez	VP - Governance				
Anna Josefina G. Esteban	Chief Audit Executive				
Mary Grace W. Buban	AVP - Treasury				
President and 4 Most Highly Compensation Executive Officers		2025 (ESTIMATE)	23,280,700	1,693,900	
		2024	23,280,700	1,693,900	
		2023	25,564,300	1,706,300	
All other Officers and directors as a group unnamed		2025 (ESTIMATE)	17,184,700		
		2024	17,184,700		
		2023	18,780,000		

2024 Per Diem for Attendance to Meetings of Directors

Each member of the Board of Directors received the following as Directors for the year 2024. The amounts represent their per diem for the meetings attended and all other responsibilities undertaken for the Company.

Directors	Per diem in 2024 (Php)
Maria Gracia P. Tan (ID)	3,480,000.00
Laurito E. Serrano* (ID)	2,030,000.00
Paquito N. Ochoa Jr.* (ID)	2,030,000.00
Amando M. Tetangco, Jr.** (ID)	1,875,000.00
Joseph T. Chua** (ID)	1,450,000.00
Willy N. Ocier (NED)	1,260,000.00
Armin Antonio B. Raquel Santos (ED)	1,260,000.00
Jacinto C. Ng, Jr. (NED)	1,260,000.00
Gregory L. Domingo* (NED)	735,000.00
Elizabeth Anne C. Uychaco** (NED)	450,000.00
Virginia A. Yap** (NED)	450,000.00
Jackson T. Ongsip** (ED)	450,000.00

* elected on May 31, 2024

** tenure ended on May 31, 2024

As of December 31, 2024, there were no outstanding warrants or options held by any of the Company's directors and officers.

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

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

Stock Warrants and Options Outstanding

There were no outstanding stock warrants and options held by directors and officers as of December 31, 2024.

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

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

Item 7. Independent Public Accountants

Reyes Tacandong & Co. (RT&Co.) will be recommended for appointment as external auditor for 2025.

Representatives of Reyes Tacandong & Co. which performed the audit of the Company's 2024 financial statements are expected to be present at the Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

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

In compliance with SRC Rule 68, paragraph 3 (b) and (ix) (Rotation of External Auditors), the Company beginning audit year 2021 engaged the services of a new external auditor, Reyes Tacandong and Co. ("RT&Co."), to replace the former external auditor Sycip Gorres Velayo & Co. ("SGV"). The engagement partner for Belle from RT&Co., Ms. Belinda B. Fernando, will only be on her fourth year as such in 2024.

The Company paid RT&Co. for external audit services amounting to ₱1,650,000 both for 2024 and 2023. For each of the last two (2) fiscal years, RT&Co. did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

The Audit Committee, composed of Mr. Laurito E. Serrano. as Chairman, and Mr. Jacinto C. Ng, Jr. and Ms. Maria Gracia P. Tan as Members, recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Executive Committee approves the audit fees as recommended by the Audit Committee.

OTHER MATTERS

Item 15. Action with Respect to Reports

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

At the annual meeting on April 28, 2025, stockholders will be asked to approve and ratify the following:

1. Minutes of the Annual Stockholders' Meeting (ASM) held on May 31, 2024 as appended to this Information Statement as "Annex C". The minutes of the said ASM was posted on the Company's website:
https://www.bellecorp.com/sites/default/files/investor_relations/Belle%20ASM%202024%20Signed%20Draft.pdf within 24 hours from adjournment of the meeting. This includes the following:

- a. Voting procedure used and the tabulation for each agenda item during the April 28, 2025 and the engagement of Ms. Cristina Castro Naguit as the Company's third party validator of votes during the said meeting;
- b. Opportunities presented to the stockholders to participate by asking questions; questions and responses have been included in the minutes of the May 2024 ASM;
- c. List of directors and officers who attended the meeting, as well as description of the stockholders who attended, verified by the Company's stock transfer agent and validated by Ms. Naguit.

The office of the Corporate Secretary has in its full custody the list and names of the stockholders who participated in the May 31, 2024 ASM.

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

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

- 1) Approval of projects;
 - 2) Treasury matters related to opening of accounts and transactions with banks;
 - 3) Appointments of signatories and amendments thereof
3. 2024 Operations and Results are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

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

For the period ended December 31, 2024, there were no self-dealings or related party transactions by any director which require disclosure.

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

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

Ms. Cristina Castro Naguit, a Certified Public Accountant, shall be present during the April 28, 2025 Annual Stockholders' Meeting for the purpose of validating and tallying the votes cast.

Item 16. Matters Not Required to be Submitted

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

Item 18. Other Proposed Actions

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

- a) Election of Directors for 2025-2026;
- b) Appointment of External Auditors; and
- c) Other Matters, if any.

Item 19. Voting Procedures

Vote required for approval

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

Matters presented to stockholders for approval at this year's Annual Stockholders' Meeting, except the amendment of the Articles of Incorporation which will require a 2/3 vote, require only a majority of the stockholders for approval. For election of directors, the stockholders are entitled to cumulate their votes as discussed in Item 4 (d) of this Information Statement.

Methods by which votes will be casted and counted

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

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

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

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

The Corporate Secretary is tasked and authorized to validate, count and tabulate votes by stockholders. For this year's annual meeting, Ms. Cristina Castro Naguit has been engaged and appointed to independently count and validate tabulation of stockholder votes.

Pursuant to the Company's By-laws, duly accomplished proxy forms must be submitted to the Corporate Secretary at least seven (7) business days before the annual meeting. Original and duly signed proxy forms should therefore be submitted no later than 12:00 noon on April 15, 2025 (Wednesday) at the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City for validation. A sample format of the proxy form for individual, corporate stockholder and PCD participants/brokers are here attached and are also available at the Company website at bellecorp.com/ASM2025.

The Corporate Secretary will lead the validation of proxies, in coordination with Belle Corporation's stock and transfer agent, and attended by Ms. Cristina Castro Naguit, a Certified Public Accountant, as independent validator and tabulator of votes. Any questions and issues relating to the validity and sufficiency of proxies, both as to form and substance, shall be resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding on the stockholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the meeting.

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

Stockholders holding Belle Corporation common shares as of March 28, 2025 are entitled to vote on the following matters which are also indicated in the Notice and Agenda included in this Information Statement:

1. Approval of Minutes of the Annual Stockholders' Meeting held on May 31, 2024

The Minutes of the Annual Stockholders' Meeting (ASM) held on May 31, 2024 was posted on the Company's website: https://www.bellecorp.com/sites/default/files/investor_relations/Belle%20ASM%202024%20Signed%20Draft.pdf within twenty-four (24) hours from adjournment of the meeting. Copies of the Minutes of the ASM held on May 31, 2024 are available for inspection during office hours at the office of the Corporate Secretary and will also be made available during this year's ASM. The results of last year's ASM were also timely disclosed to the Philippine Stock Exchange, Inc. (PSE) and the Securities and Exchange Commission (SEC). The Minutes are subject to stockholders' approval during this year's stockholders' meeting.

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

2. Approval of 2024 Operations and Results

The Company's 2024 performance results have been summarized in the Annual Report, which includes the Audited Financial Statements (AFS) of the Company for the year ended December 31, 2024. The AFS, as audited by the external auditor which expressed an unqualified opinion therefor, have been reviewed and approved by the Audit Committee and the Board. Stockholders will be given an opportunity to raise questions regarding the operations and report of the Company during the ASM.

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

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

All actions, proceedings and contracts entered into, as well as resolutions made, including approvals of significant related party transactions of the Board, the Board Committees and the Management from the last ASM held on May 31, 2024 to the date of this meeting will be presented to the shareholders for their confirmation, approval, and ratification. The Company's performance in 2024, as detailed in the Annual Report, is attributed to the strategic directions and key policies set by the Board which were effectively executed and complied with by management in conformance with good corporate governance and ethical best practices. The ratification of the acts undertaken by the Board, Board Committees, and Management is subject to stockholders' approval during this year's stockholders' meeting.

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

4. Election of Directors for 2025-2026

Directors of the Company, including Independent Directors, have been pre-qualified by the Company's Corporate Governance Committee for election as directors for 2025-2026. Their proven competence, expertise and qualifications based on current regulatory standards, will help sustain the Company's solid performance for the benefit of all its shareholders. The profiles of the Board are contained in the Information Statement for reference of the stockholders and are likewise posted on the Company's website. Directors for 2025-2026 will be elected during this year's stockholders' meeting.

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

5. Appointment of External Auditor

Upon recommendation of the Audit Committee, the Board approved and endorses for stockholder approval the appointment of Reyes Tacandong & Co. as the Company's external auditor for 2025.

Reyes Tacandong & Co. is one of the top auditing firms in the country and is duly accredited with the SEC. The appointment of Reyes Tacandong & Co. as external auditor of the Company for 2025 is subject to stockholders' approval during this year's stockholders' meeting.

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

Omitted Items

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

SIGNATURE

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

This report is signed in the City of Pasig on February 28, 2025.


Jason C. Nalupta
Corporate Secretary

MANAGEMENT REPORT

BELLE CORPORATION BUSINESS AND GENERAL INFORMATION

Background

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

In early 2001, Belle decided to spin-off some of its property development assets. The spin-off involved the transfer of approximately 534 hectares of undeveloped land, 70 developed subdivision lots, and 25 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 109.2 million shares in SM Prime Holdings, Inc. (“SMPH”), pursuant to the tender offer with SM Land, Inc. for the shares of Highlands Prime and SM Development Corporation, Belle sold 47.4 million of its SMPH shares from 2015 to 2017, and holds 61.8 million shares as of December 31, 2024.

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

Development of the Business of the Registrant and its Subsidiaries/Affiliates during the Past 3 Years

Belle, the registrant, shifted its principal activity from mining and oil exploration to property development when it developed Tagaytay Highlands in 1989. Its property development projects are located in Tagaytay City and Batangas, and includes the following: Alta Mira, Fairfield, Lakeside Fairways, Lakeview Heights, Nob Hill, Pinecrest Village, Plantation Hills, Tagaytay Highlands International Gold Club, Tagaytay Midlands Golf Club, The Belle View, The Country Club at Tagaytay Highlands, The Parks at Saratoga Hills, The Spa and Lodge at Tagaytay Highlands, The Verandas at Saratoga Hills, The Villas, and The Woodlands.

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

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

Pacific Online Systems Corporation ("Pacific Online"), incorporated in 1993, leases online betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery operations. Pacific Online listed its shares on the Philippine Stock Exchange with a successful initial public offering on April 2, 2007. A total of 39.8 million shares were offered to the public at ₱8.88 per share. Because of high demand for Pacific Online shares, it opened in the market at ₱13.25 per share on the listing date. Belle's subsidiary, Premium Leisure Corp., owns 50.1% of all issued shares in Pacific Online as of December 31, 2024.

Premium Leisure Corp. ("PLC") comprises the group's vehicle for gaming investments. It was originally incorporated as Sinophil Oil Exploration Co., Inc. in 1993 with the primary purpose of engaging in oil and gas exploration and development activities. On June 3, 1997, its name was changed to Sinophil Corporation, with the primary purpose of being an investment holding company. On July 18, 2014, its stockholders approved a further change in its name to Premium Leisure Corp. with the primary purpose being investing in gaming-related businesses. On July 24, 2014, Belle completed transfers to PLC of its 100% stake in PLAI and approximately 102 million shares in Pacific Online (comprising about 34% of issued common shares in Pacific Online), with the Company transferring to Belle various real estate assets and corporate securities. PLC also increased its authorized capital stock from 16.1 billion shares to 43.6 billion shares, with Belle subscribing to 24.7 billion new common shares or approximately 90%. During September and October 2014, Belle, its subsidiaries and affiliates sold a total of approximately 3.5 billion shares in PLC in the secondary market, in order to increase PLC's public float. These share sales reduced Belle's consolidated ownership in PLC to 24.9 billion shares or 78.7%. On August 5, 2015, Belle sold its remaining 47.9 million shares in Pacific Online to PLC. On March 11, 2024, the Board of Directors of Belle approved the conduct of a tender offer for the remaining issued and outstanding common stock of PLC. On the same date, the BOD of PLC approved the voluntary delisting of PLC shares from the PSE. During the Tender Offer Period (March 22, 2024 to April 24, 2024), a total of 6.2 billion common shares or approximately 19.8% of the total issued and outstanding common stock of PLC were tendered. On May 9, 2024, the Tender Offer was successfully completed and on July 9, 2024, PLC was delisted from the PSE. As at December 31, 2024, Belle's ownership in PLC is at 99.5%.

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

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

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

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

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

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

On October 2012, Belle and PLAI entered into a Cooperation Agreement with Melco, which places Belle as a co-licensee and the owner of the land and buildings and Melco’s Philippine affiliate, MRP, as a co-licensee, developer and operator of all the facilities within the resort complex with March 13, 2013 as its effectivity date. As a result, both Belle and MRP were expected to make equal investment contributions to the \$1 billion minimum investment for the project. Melco is the developer and owner of integrated resorts focused on the Macau Market, with its landmark project to date being the highly successful “City of Dreams”. On October 25, 2012, the Belle, as a lessor, entered into a lease agreement with MRP for the lease of land and building structures to be used in the integrated casino development project. The lease period started on March 13, 2013 and is co-terminus with the operating agreement between the Company and MRP, which is in turn co-terminus with the License from PAGCOR, and provides for monthly rentals (with annual escalation) to be paid by MRP to Belle in respect of the land and buildings. PLAI and Melco also entered into an operating agreement that is similarly co-terminus with the License from PAGCOR, whereby MCE was given full management discretion on the operation of the integrated resort and PLAI was accorded a share of earnings from gaming operations in the resort.

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

City of Dreams Manila was substantially completed as of December 2014, with all requirements under the PAGCOR Guidelines being met by Belle and MRP, including the full US\$1 billion investment commitment. The resort’s soft opening was held on December 14, 2014, on which date most of the resort’s facilities, including its mass market gaming operations, were officially open to the public. The Grand Launch of 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, 2024



Bankruptcy, Receivership or Similar Proceedings

None for any of the companies above.

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

PinoyLotto Technologies Corp. (PinoyLotto) Joint Venture

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

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

Products

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

Belle's investments in companies engaged in gaming and gaming-related activities are indicated below. In the Philippines, the gaming industry is relatively untapped by the private sector, creating opportunities for experienced leisure operators. Belle's gaming businesses are undertaken, or will be undertaken, mainly by the following subsidiaries / affiliates:

1. Premium Leisure Corp. ("PLC"), a 99.55%-owned subsidiary of Belle with a primary purpose of investing in gaming-related businesses. PLC owns 100% of PLAI and 50.1% of issued shares of Pacific Online.
2. Premium Leisure and Amusement, Inc. ("PLAI"), together with Belle and other consortium members, is a grantee by PAGCOR of a Regular Casino Gaming License to operate integrated resorts, including casinos, in the vicinity of PAGCOR Entertainment City. The License runs concurrent with PAGCOR's Congressional Franchise, which expires in 2033, renewable for another 25 years by the Philippine Congress. PLAI is a wholly-owned unlisted subsidiary of PLC.
3. Pacific Online Systems Corporation ("Pacific Online"), is a publicly listed subsidiary of PLC. PLC owns a total of 50.1% of all issued shares of Pacific Online.

Pacific Online's primary source of revenue arises from the Equipment Lease Agreement (ELA) with the Philippine Charity Sweepstakes Office (PCSO) for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment. The ELA has been concluded on September 30, 2023.

On June 21, 2021, PinoyLotto, a joint venture corporation owned by Pacific Online, Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), was incorporated and registered with the SEC primarily to provide software support and online lottery equipment service.

PinoyLotto was awarded with the five year-lease of the customized PCSO Lottery System (PLS Project) at a contract price of Php5,800.0 million. PinoyLotto commenced its commercial operations on October 1, 2023, and pursuant to the contract, 6,500 terminals have been installed and are in operation nationwide.

Pacific Online remains committed to looking for opportunities in the industry. Such opportunities include the Web-based Application Betting Platform (WABP) of PCSO.

Revenues and Other Income

The following are the major revenue items in 2023 and 2022:

	2024		2023	
	Amount in Thousands	% of Total Revenue	Amount in Thousands	% of Total Revenue
Revenues and Other Income				
Lease income	2,418,892	42%	1,988,767	36%
Gaming revenue share – net	2,290,602	40%	2,339,335	42%
Equipment rental	527,482	9%	599,221	11%
Revenue from property management	246,012	4%	235,122	4%
Sale of real estate and club shares	202,859	4%	302,594	5%
Other revenues	204,920	1%	136,336	2%
Total	5,890,767	100%	5,601,375	100%

Distribution Methods of Products

Belle's high-end real estate products are sold principally to the A and B property market segments. The Company engaged the services of Highlands Prime, Inc. responsible for marketing and sales of the Company's products, as well as after-sales service. The Company also accredits and taps the services of external brokers to complement engaged marketing and sales teams.

Status of Projects (Real Estate):

The Grove (Plantation Hills Phase 6): The project was completed in 2024.

Lakeside Fairways: As of December 31, 2022, the first seven phases (Kew Gardens, Terrazas de Alava, Lakeside Enclave, Tivoli Place, Cotswold, Katsura, and Yume) of the project were already 100% completed. In 2011, Belle launched its newest subdivision within Lakeside Fairways, Sycamore Heights, with its first three phases having more than 23 hectares in gross land area, comprising 352 residential lots, averaging to 360 sqm per lot. As of December 31, 2022, Sycamore Heights Phases 1-5 were fully sold and completed.

Nob Hill: The project was completed in 2017.

Fairfield: The project was completed in 2013.

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

Plantation Hills: The Sanctuary, The Ridge, The Meadows, The Heights(Phases 1, 2, 3, and 5 of Plantation Hills, respectively) were fully sold and completed in December 31, 2007. Plantation Hills is a farm lots subdivision.

Lakeview Heights: The project was completed in 2002.

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

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

The Verandas at Saratoga Hills: The Verandas at Saratoga Hills ("The Verandas"), located in Tanauan, Batangas beside The Parks, was launched in 2006. It was fully completed as of December 31, 2007.

The Spa and Lodge at Tagaytay Highlands: The Spa and Lodge was completed in 2001. The

Spa and Lodge structure is a hotel-like facility that boasts 25 five-star suites and spa facilities.

Alta Mira: The project was completed in 2000.

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

The Belle View: The project was completed in 1998.

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

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

Gaming

On April 14, 2011, the Company acquired PLAI, which holds a License from PAGCOR, through the issuance of 2.7 billion new common shares, then valued at ₱1.95 per share, in exchange for 100% of the outstanding capital stock of PLAI. This marked the Company's strategic entry into the Integrated Resort Industry. In October 2012, the Company entered into a Cooperation Agreement with Melco, which placed Belle as a co-licensee and owner of the land and buildings and Melco's Philippine affiliate MRP as co-licensee, developer and operator of the integrated resort, which was subsequently branded as "City of Dreams Manila". City of Dreams Manila is sited on 6.2 hectares of prime land at the corner of Roxas Boulevard and Aseana Avenue in Parañaque City, at the entrance of PAGCOR's Entertainment City complex. The construction of the integrated resort was completed 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.

Pacific Online, incorporated in 1993, through its joint venture operation, PinoyLotto, leases online betting equipment to the PCSO for its nationwide lottery operations. It listed its shares on the Philippine Stock Exchange on April 12, 2007.

Competition

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

In gaming, City of Dream Manila (CODM) competes against casinos operated by PAGCOR and the other three licensees that are already operating – Newport World Resorts of Travelers International Hotel Group, Inc. ("Travelers"), Solaire Resort and Casino of Bloomberry Resorts Corporation, and Okada Manila of Universal Entertainment Corporation. Travelers has also broken ground on its planned Westside City (formerly known as Resorts World Bayshore) project in PAGCOR City, with the opening of the casino estimated to be in the last quarter of 2025.

In lottery equipment leasing, Pacific Online, expects the aggressive push for Small Town Lottery (STL) and the prevalence of illegal gambling particularly in interior towns and remote areas to continue to provide competition to its online lotto revenues.

Suppliers

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

Customers

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

City of Dreams Manila's market base spans a diverse range of clients, both local and international. The resort-casino caters to affluent guests seeking exclusive, luxury experiences in gaming, entertainment, fine dining, and world-class amenities.

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

Transactions with and / or Dependence on Related Parties

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

Licenses

Belle acquired all the shares of Premium Leisure & Amusement, Inc. ("PLAI") through the issuance of 2.7 billion new common shares. Belle and PLAI are part of the consortium granted by the Philippine Amusement and Gaming Corporation ("PAGCOR") with a Regular Casino Gaming License to operate integrated resorts, including casinos ("the License"), specifically the casino located along Aseana Avenue and Roxas Boulevard with the brand name City of Dreams Manila. The License, which was issued by PAGCOR on April 29, 2015 and shall be valid until July 11, 2033, is concurrent with the PAGCOR's Congressional Franchise and renewable for another 25 years by the Philippine Congress.

Belle started construction of foundation and structure of the integrated resorts in 2010 on a 6.2-hectare land along the entrance of Entertainment City. In October 2012, Belle and PLAI entered into a Cooperation Agreement with Melco Crown Entertainment Limited, now called Melco Resorts & Entertainment Limited, and its Philippine affiliates (collectively, "Melco"). The Cooperation Agreement placed Belle as a co-licensee and the owner of the land and buildings and Melco's Philippine affiliate, Melco Resorts & Entertainment (Philippines) Corporation ("MRP"), as a co-licensee, developer and operator of all facilities within the integrated resort, which was subsequently branded as "City of Dreams Manila". Belle, PLAI and MRP fully complied with all the PAGCOR requirements under the License as of the date of the soft opening, and in May 2015, City of Dreams Manila became the first integrated resort in Entertainment City to have its License converted from Provisional to Regular status by PAGCOR.

Government Approvals / Regulations

As part of its normal course of real estate operation, the Company secures government approvals such as the Environment Compliance Certificate, Development Permits, DAR Clearances, and Licenses to Sell, etc.

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

Effect of Existing or Probable Government Regulations on the Business

Belle has complied with all the government requirements necessary for its operations. Future

government regulations are perceived to have no material impact to the normal operations of the Company.

Amount Spent on Research and Development Activities and Compliance and Environmental Laws Consultancy fees, engineering and architectural design, surveying, ECC, permits and licenses, etc. are being added to the cost of the project. Generally, these costs represent about 4% of gross revenues.

Number of Employees

As of December 31, 2024, Belle had twenty-nine (29) employees, all of whom are full-time. Belle employees are not subject to Collective Bargaining Agreements. Belle's management has generally not encountered any significant difficulties with its labor force, and no major strikes have ever been staged.

The following are the breakdown of Belle employees as of December 31, 2024, according to type:

Executive	6
Senior Manager	1
Manager	6
Assistant Manager	4
Supervisor	9
Rank and File	3
Total	29

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

Risks

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

Economic and Political Conditions

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

Competition

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

Changes in Local and International Interest Rates

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

Changes in the Value of the Peso

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

Contractors and Suppliers

As is the case with most property development companies, there is a risk that contractual arrangements with contractors may not meet the Company's performance standards. To serve as safeguards to these eventualities, therefore, performance bonds are normally required for these contractors.

Government Regulations

Belle's property development business is subject to certain laws and regulations of various

branches of the government, such as the local governments, the Department of Environment and Natural Resources (“DENR”), and the Housing and Land Use Regulatory Board (“HLURB”). Belle has complied with the licensing and regulatory requirements necessary for its operations.

Belle’s gaming businesses are also subject to certain laws and regulations. Belle’s involvement in the lottery run by the PCSO is via its ownership in Pacific Online, which holds an equipment lease agreement with the PCSO for the operation on on-line lottery system in the Visayas – Mindanao regions. Belle’s subsidiary PLC owns PLAI, which holds a License granted to it by PAGCOR to operate integrated resorts, including casinos, within Entertainment City.

Changes to the Philippine Laws and Regulations

Although laws and regulations are enacted for the common benefit, changes to these laws and regulations may create negative effects to the operating and financial condition of Belle, including its subsidiaries and affiliates.

In order to mitigate the risks mentioned above, the Company will continue to exercise fiscal prudence and adopt what it considers conservative financial and operational controls.

Working Capital

Belle finances its working capital requirements through a combination of internally-generated funds, pre-selling and borrowings.

Credit Risks

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

Information Technology

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

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

Data Privacy

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

Enterprise Risk Management Committee

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

DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

Pursuant to the requirement on Rotation of External Auditors under SEC Memorandum Circular No. 8 Series of 2003, the registrant appointed Reyes Tacandong & Co. as its external auditor for 2024.

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

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE AND FINANCIAL CONDITION

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

December 31, 2024 versus December 31, 2023 Results of Operations (in thousands)

	For the period ended December		Horizontal Analysis		Vertical Analysis	
	2024	2023	Increase (Decrease)		2024	2023
REVENUE						
Lease income	P 2,418,892	P 1,988,767	430,125	22%	41%	36%
Gaming revenue share	2,290,602	2,339,335	(48,733)	-2%	39%	42%
Equipment rental (POSC)	527,482	599,221	(71,739)	-12%	9%	11%
Sale of real estate	202,859	302,594	(99,735)	-33%	3%	5%
Revenue from property management	246,012	235,122	10,890	5%	4%	4%
Others	204,920	136,336	68,584	50%	3%	2%
TOTAL REVENUES	5,890,767	5,601,375	289,392	5%	100%	100%
GENERAL AND ADMINISTRATIVE EXPENSES						
COST OF LEASE INCOME	(1,358,830)	(1,355,969)	(2,861)	0%	-23%	-24%
COST OF LOTTERY SERVICES	(294,229)	(260,670)	(33,559)	13%	-5%	-5%
COST OF PROPERTY MANAGEMENT SERVICES	(178,066)	(170,064)	(8,002)	5%	-3%	-3%
COST OF GAMING OPERATIONS	(153,836)	(142,002)	(11,834)	8%	-3%	-3%
COST OF REAL ESTATE SOLD	(66,355)	(137,774)	71,419	-52%	-1%	-2%
TOTAL COSTS AND EXPENSES	(2,779,735)	(2,836,828)	57,093	-2%	-47%	-51%
INCOME FROM OPERATIONS	3,111,032	2,764,547	346,485	13%	53%	49%
UNREALIZED GAIN ON FINANCIAL ASSET						
AT FAIR VALUE THROUGH PROFIT OR LOSS	(952)	54,078	(55,030)	-102%	0%	1%
INTEREST EXPENSE AND OTHER FINANCE CHARGES	(774,280)	(536,971)	(237,309)	44%	-13%	-10%
INTEREST INCOME	144,303	59,283	85,020	143%	2%	1%
DIVIDEND INCOME	21,821	15,012	6,809	45%	0%	0%
NET FOREIGN EXCHANGE LOSS	199	(2,303)	2,502	-109%	0%	0%
OTHER INCOME (CHARGES)	13,912	213,021	(199,109)	-93%	0%	4%
INCOME BEFORE INCOME TAX	2,516,035	2,566,667	(50,632)	-2%	43%	46%
PROVISION FOR INCOME TAXES						
Current	153,422	149,570	(3,852)	-3%	3%	3%
Deferred	(62,975)	(6,088)	56,887	-934%	-1%	0%
	90,447	143,482	53,035	37%	2%	3%
NET INCOME	P 2,425,588	P 2,423,185	2,403	0%	41%	43%

Belle Corporation (“Belle” or the “Company”) realized net income of ₱2,425.6 million for the twelve months ended December 31, 2024, which is about the same level as the ₱2,423.2 million net income in the same period for 2023. Higher operating performance compensated for the increased financing charges.

Revenues

Total consolidated revenues of ₱5,890.8 million for the period ended December 31, 2024 were higher by ₱289.4 million (5%), compared to ₱5,601.4 million for the period ended December 31, 2023.

Belle’s revenues from real estate operations increased by ₱409.9 million (15%), to ₱3,072.7 million as of 2024 from ₱2,662.8 million as of 2023. Lease revenues from the land and buildings comprising the City of Dreams Manila (“CODM”) amounted to ₱2,418.9 million, which was ₱430.1 million (22%) higher than the ₱1,988.8 million recorded in 2023. Meanwhile, real estate sales and property management activities at the Tagaytay Highlands complex contributed revenues of ₱653.8 million in 2024, which was ₱20.3 million (3%) lower than its revenues of ₱674.1 million in 2023.

PLC’s share in the gaming revenue at CODM decreased by ₱48.7 million (2%), to ₱2,290.6 million in 2024 from ₱2,339.3 million in 2023. Pacific Online’s revenue from leasing online betting equipment for the lottery operations of PCSO, posted a decrease of ₱71.7 million (9%), to ₱527.5 million in 2024 from ₱599.2 million in 2023.

Cost of Lease Income

Costs of lease income in respect of the CODM property increased by ₱2.9 million, to ₱1,358.8 million in 2024 from ₱1,356.0 million in 2023, mainly due to contractual rate escalation.

Cost of Lottery Services

Cost of lottery services at Pacific Online increased by ₱33.6 million (13%), to ₱294.2 million in 2024 from ₱260.7 million in 2023.

Cost of Property Management Services

Cost of property management services increased by ₱8.0 million (5%), to ₱178.1 million for the current period, from ₱170.1 million for the prior period, due to higher consumption.

Cost of Gaming Operations

Cost of gaming operations increased by ₱11.8 million (8%) in 2024 to ₱153.8 million from ₱142.0 million in 2023.

Cost of Real Estate sold

Cost of real estate sold decreased by ₱71.4 million (52%) to ₱66.4 million in 2024, from ₱137.8 million in 2023 mainly due to lesser number of units sold.

General and Administrative Expenses

General and administrative expenses decreased by ₱41.9 million (5%), to ₱728.4 million for the current period from ₱770.3 million for the 2023 period mainly due to lower variable expenses.

Financial Income (Expense)

Interest expense and other finance charges increased by ₱237.3 million (44%) to ₱774.3 million in 2024, from ₱537.0 million in 2023. The increase is mainly due to additional loans drawn during the period. Debt outstanding amounted to ₱7,743.0 million as of December 31, 2024, an increase of ₱1,917.4 million (33%) from ₱5,825.6 million as of December 31, 2023.

Interest income increased by ₱85.0 million (143%), to ₱144.3 million in the current period from ₱59.3 million in the 2023 period, mainly due to higher average yields on investments.

Other Income

Other income decreased by ₱199.1 million (93%), to ₱13.9 million in the current period from ₱213.0 million in the 2023 period mostly due to gains on investments in marketable securities recognized in 2023.

Provision for Income Taxes

The Company's consolidated provision for income taxes decreased by ₱53.0 million (37%) in 2024, to ₱90.4 million from ₱143.5 million in 2023.

Net Income

As a result of the foregoing, the Company realized consolidated net income of ₱2,425.6 million for the period ended December 31, 2024, which was higher by ₱2.4 million compared to the ₱2,423.2 million consolidated net income recorded for the period ended December 31, 2023.

December 31, 2024 vs December 31, 2023 Statement of Financial Position (in thousands)

		Audited December	Audited December 31					
		2024	2023	Horizontal Analysis		Vertical Analysis		
				Increase (Decrease)		2024	2023	
ASSETS								
Current Assets								
Cash and cash equivalents	P	2,357,017	P	2,172,205	184,812	9%	4%	4%
Financial assets at fair value through profit or loss		42,745		100,013	(57,268)	-57%	0%	0%
Receivables		3,847,523		3,826,351	21,172	1%	7%	7%
Real estate for sale		311,573		155,656	155,917	100%	1%	0%
Land held for future development		3,037,326		3,035,959	1,367	0%	5%	5%
Other current assets		2,706,926		2,368,471	338,455	14%	5%	4%
		12,303,110		11,658,655	644,455	6%	21%	21%
Noncurrent Assets								
Contract assets - net of noncurrent portion		753,783		1,053,079	(299,296)	-28%	1%	2%
Financial assets at fair value through other comprehensive income		13,098,696		10,018,341	3,080,355	31%	23%	18%
Intangible asset		3,886,036		4,001,870	(115,834)	-3%	7%	7%
Investment properties		22,553,515		23,712,268	(1,158,753)	-5%	39%	43%
Goodwill		926,008		926,008	-	0%	2%	2%
Property and equipment		747,230		786,328	(39,098)	-5%	1%	1%
Investments in and advances to associates - net		119,745		122,003	(2,258)	-2%	0%	0%
Deferred tax asset		399		3,249	(2,850)	-88%	0%	0%
Right of Use		2,663,414		2,719,462	(56,048)	-2%	5%	5%
Other noncurrent assets		421,774		709,487	(287,713)	-41%	1%	1%
		45,170,600		44,052,095	1,118,505	3%	79%	79%
TOTAL ASSETS	P	57,473,710	P	55,710,750	1,762,960	3%	100%	100%
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other current liabilities	P	1,689,573	P	1,751,419	(61,846)	-4%	3%	3%
Loans payable		300,017		1,300,017	(1,000,000)	-77%	1%	2%
Current portion of:								
Long-term debt		2,130,235		2,087,824	42,411	2%	4%	4%
Lease Liability - current		423,183		392,945	30,238	8%	1%	1%
		4,543,008		5,532,205	(989,197)	-18%	8%	10%
Noncurrent portion of:								
Long-term debt		5,312,706		2,437,765	2,874,941	118%	9%	4%
Lease Liability - noncurrent		4,990,690		5,448,569	(457,879)	-8%	9%	10%
Deferred tax liabilities		2,413,188		2,479,013	(65,825)	-3%	4%	4%
Other noncurrent liability		417,183		397,116	20,067	5%	1%	1%
		13,133,767		10,762,463	2,371,304	22%	23%	19%
TOTAL LIABILITIES		17,676,775		16,294,668	1,382,107	8%	31%	29%
Equity								
Attributable to equity holders of parent:								
Common stock		10,561,000		10,561,000	-	0%	18%	19%
Additional paid-in capital		5,503,731		5,503,731	-	0%	10%	10%
Treasury stock		(2,565,359)		(2,565,359)	-	0%	-4%	-5%
Equity share in cost of Parent Company shares held by associates		(2,501)		(2,501)	-	0%	0%	0%
Cost of Parent Company common and preferred shares held by subsidiaries		(1,154,409)		(1,154,409)	-	0%	-2%	-2%
Other reserves		9,737,426		9,198,493	538,933	6%	17%	17%
Retained Earnings		17,324,660		14,985,481	2,339,179	16%	30%	27%
Total equity attributable to equity holders of the Parent		39,404,548		36,526,436	2,878,112	8%	69%	66%
Non-controlling interests		392,387		2,889,646	(2,497,259)	-86%	1%	5%
TOTAL EQUITY		39,796,935		39,416,082	380,853	1%	69%	71%
TOTAL LIABILITIES AND EQUITY	P	57,473,710	P	55,710,750	1,762,960	3%	100%	100%

ASSETS

Total assets of the Company increased by ₱1,763.0 million to ₱57,473.7 million as of December 31, 2024, from ₱55,710.8 million as of December 31, 2023.

Cash and Cash equivalents

Cash and cash equivalents increased by ₱184.8 million (9%), to ₱2,357.0 million as of December 31, 2024 from ₱2,172.5 million as of December 31, 2023, mainly due to cash flows generated from operations, net of payments of expenses for the period.

Financials Assets at Fair Value through Profit or Loss ("FVTPL")

The Company's financial assets at FVTPL decreased by ₱57.3 million (57%), to ₱42.7 million as of December 31, 2024 from ₱100.0 million as of December 31, 2023, due to the sale of listed shares held by Pacific Online.

Receivables and Contract Assets

Receivables and Contract Assets decreased by ₱278.1 million (6%), to ₱4,601.3 million as of December 31, 2024 from ₱4,879.4 million as of December 31, 2023, because of the Company's collection of receivables.

Real Estate for Sale

Real estate for sale increased by ₱155.9 million (100%) to ₱311.6 million as of December 31, 2024 from ₱155.7 million as of December 31, 2023 due to units repossessed during the period.

Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")

The Company's FVOCI increased by ₱3,080.4 million (31%), to ₱13,098.7 million as of December 31, 2024 from ₱10,018.3 million as of December 31, 2023, due to the increase market values of its investments. As at December 31, 2024, the Company's FVOCI consists of investments in SM Prime Holdings, Inc., SM Investments Corporation, and club shares of Tagaytay Highlands International Golf Club, Inc., Tagaytay Midlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc. and The Spa and Lodge at Tagaytay Highlands, Inc.

Intangible Asset

This pertains to the license from PAGCOR to operate integrated resorts under the brand name City of Dreams Manila. Amortization of the intangible asset started on December 14, 2014, which is the effectivity date of the Notice to Commence Casino Operations. Amortization expense for the period ended December 31, 2024 amounted to ₱115.8 million.

Investment Properties

This account consists mainly of the carrying value of the CODM land and buildings in PAGCOR Entertainment City in Paranaque City. The ₱1,158.8 million (5%) decrease during the period 2024 is due to depreciation.

Property and Equipment

This account consists mainly of lottery equipment, leasehold improvements, office furniture, fixtures and transportation equipment. The ₱39.1 million decrease (5%) is due to depreciation expense recognized during the period.

Goodwill

The Company's goodwill amounted to ₱926.0 million as of December 31, 2024 and 2023, arising from the investment in Pacific Online.

Right-of-Use Assets

Right-of-use assets (or "ROU Assets") represent a lessee's right to operate, hold, or occupy leased property or equipment during the lease term. This includes the property leased in Clark for future expansion. The ₱56.0 million (2%) decrease during the period ended 2024 is due to amortization.

Other Assets

Other assets increased by ₱50.7 million (2%), to ₱3,128.7 million as of December 31, 2024 from ₱3,078.0 million as of December 31, 2023, due to increase in prepaid expenses.

LIABILITIES

Total liabilities increased by ₱1,382.1 million, to ₱17,676.8 million as of December 31, 2024, from ₱16,294.7 million as of December 31, 2023.

Trade and Other Current Liabilities

Trade and other current liabilities decreased by ₱61.8 million to ₱1,689.6 million as of December 31, 2024 from ₱1,751.4 million as of December 31, 2023.

Loans Payable and Long-Term Debt

Total consolidated debt, amounting to ₱7,743.0 million as of December 31, 2024, consists of Peso-denominated borrowings from various local financial institutions, of both Belle and PinoyLotto. Belle's average interest rate is at approximately 5.82% per annum during the period ended December 31, 2024. The outstanding amount of total debt increased by ₱1,917.4 million (33%), from ₱5,825.6 million as of December 31, 2023, due to drawdowns from credit facilities.

EQUITY

The Company's shareholders' equity as of December 31, 2024 of ₱39,796.9 million was higher by ₱380.9 million (1%), compared to its shareholders' equity of ₱39,416.1 million as of December 31, 2023, because of the net income earned for the period and the increase in market values of the financial assets at FVOCI of the Company. Share of non-controlling interests decreased by 86% resulting from the tender offer of PLC shares.

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

Belle Corporation (consolidated)

	December 31, 2024	December 31, 2023
Asset to equity ratio	1.44 : 1.00	1.41 : 1.00
Current or Liquidity ratio	2.71 : 1.00	2.11 : 1.00
Debt-to-equity ratio	0.19 : 1.00	0.15 : 1.00
Net debt-to-equity ratio	0.14 : 1.00	0.09 : 1.00
Interest rate coverage ratio	4.06 : 1.00	5.67 : 1.00
Return on assets	4.3%	4.5%
Return on equity	6.1%	6.4%

Premium Leisure Corp. (consolidated)

	December 31, 2024	December 31, 2023
Asset to equity ratio	1.07 : 1.00	1.07 : 1.00
Current or Liquidity ratio	5.84 : 1.00	5.91 : 1.00
Debt-to-equity ratio	0.03 : 1.00	0.03 : 1.00
Interest rate coverage ratio	51.75	124.09
Return on assets	11.54%	13.16%
Return on equity	12.37%	13.99%

Pacific Online Systems Corporation (consolidated)

	December 31, 2024	December 31, 2023
Asset to equity ratio	1.58 : 1.00	1.62 : 1.00
Current or Liquidity ratio	3.06 : 1.00	3.02 : 1.00
Debt-to-equity ratio	0.38 : 1.00	0.40 : 1.00
Interest rate coverage ratio	1.49 : 1.00	19.20 : 1.00
Return on assets	1%	18%
Return on equity	1%	26%

The above performance indicators are calculated as follows:

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

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of December 31, 2024, consolidated total debt of the Company of ₱7,743.0 million was comprised of borrowings from amortizing term loans from banks. Belle has real estate projects, lease agreements and investments from which it expects to generate cash flow sufficient for its foreseeable requirements. Meanwhile, the Company continues to be compliant with the terms and covenants of all its debt obligations.

As of December 31, 2024, except for what has been noted in the preceding, there were no material events or uncertainties known to management that has a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

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

December 31, 2023 versus December 31, 2022 Results of Operations (in thousands)

	For the period ended December				Horizontal Analysis		Vertical Analysis	
	2023		2022		Increase (Decrease)		2023	2022
REVENUE								
Gaming revenue share	P	2,339,335	P	1,560,845	778,490	50%	42%	29%
Lease income - land and building		1,988,767		2,054,273	(65,506)	-3%	36%	38%
Equipment rental (POSC)		599,221		519,051	80,170	15%	11%	10%
Sale of real estate		302,594		862,889	(560,295)	-65%	5%	16%
Revenue from property management		235,122		211,548	23,574	11%	4%	4%
Others		136,336		210,667	(74,331)	-35%	2%	4%
TOTAL REVENUES		5,601,375		5,419,273	182,102	3%	100%	100%
COST OF LEASE INCOME		(1,355,969)		(1,337,666)	(18,303)	1%	-24%	-25%
COST OF LOTTERY SERVICES		(260,670)		(247,548)	(13,122)	5%	-5%	-5%
COST OF PROPERTY MANAGEMENT SERVICES		(170,064)		(139,612)	(30,452)	22%	-3%	-3%
COST OF REAL ESTATE SOLD		(142,002)		(443,407)	301,405	-68%	-3%	-8%
COST OF GAMING OPERATIONS		(137,774)		(136,346)	(1,428)	1%	-2%	-3%
GENERAL AND ADMINISTRATIVE EXPENSES		(770,349)		(766,549)	(3,800)	0%	-14%	-14%
TOTAL COSTS AND EXPENSES		(2,836,828)		(3,071,128)	234,300	-8%	-51%	-57%
INCOME FROM OPERATIONS		2,764,547		2,348,145	416,402	18%	49%	43%
UNREALIZED GAIN (LOSS) ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS								
		54,078		(372)	54,450	-14637%	1%	0%
INTEREST EXPENSE AND OTHER FINANCE CHARGES		(536,971)		(516,342)	(20,629)	4%	-10%	-10%
INTEREST INCOME		59,283		22,831	36,452	160%	1%	0%
NET FOREIGN EXCHANGE LOSS		(2,303)		(1,658)	(645)	39%	0%	0%
OTHER INCOME (CHARGES)		228,033		14,557	213,476	1466%	4%	0%
INCOME BEFORE INCOME TAX		2,566,667		1,867,161	699,506	37%	46%	34%
PROVISION FOR INCOME TAXES								
Current		149,570		28,585	120,985	423%	3%	1%
Deferred		(6,088)		128,119	(134,207)	-105%	0%	2%
		143,482		156,704	(13,222)	-8%	3%	3%
NET INCOME	P	2,423,185	P	1,710,457	712,728	42%	43%	32%

Belle Corporation (“Belle” or the “Company”) realized net income of ₱2,423.2 million for the year ended December 31, 2023, showing an increase of ₱712.7 million (42%) compared to the ₱1,710.5 million recorded net income in the same period for 2022. This increase in bottom line figure is mainly attributable to the improved operation of the Group’s gaming business units for the period.

Belle recognized consolidated revenues of ₱5,601.4 million for the year ended December 31, 2023, higher by 3% from consolidated revenues of ₱5,419.3 million for the year ended December 31, 2022. The increase in revenues was mainly brought about by the improvements in the Group’s gaming business units due to a more open economy in 2023 as more and more people returned to face-to-face activities with the lifting of quarantine and capacity restrictions while the Covid-19 situation in the country became more controlled and manageable.

The share in gaming revenue at CODM of Belle’s subsidiary, Premium Leisure Corporation (“PLC”), increased significantly by ₱778.5 million (50%), from ₱1,560.8 million as of 2022 to ₱2,339.3 million as of 2023. Pacific Online Systems Corporation (“Pacific Online”), which leases online betting equipment to the Philippine Charity Sweepstakes Office (“PCSO”) for their lottery operations, also showed marked improvement during the period. Pacific Online, which is 50.1%-owned by PLC, posted an increase in revenue of ₱80.2 million (15%), from ₱519.1 million in 2022 to ₱599.2 million in the current period.

Belle’s revenues from real estate operations decreased by ₱676.6 million (20%), from ₱3,339.4 million as of 2022 to ₱2,662.8 million as of 2023. Of the 2023 real estate revenues, ₱1,988.8 million was derived from Belle’s lease of the land and buildings comprising City of Dreams Manila “CODM” to Melco Resorts and Entertainment (Philippines) Corporation (“MRP”), which was ₱65.5 million (3%) lower than its revenues in the prior period of ₱2,054.3 million. Belle’s real estate sales and property management activities at its Tagaytay Highlands complex contributed revenues of ₱674.1 million as of 2023, which was ₱611.1 million (48%) lower than its revenues as of 2022 of ₱1,285.1 million.

Revenues

Total consolidated revenues of ₱5,601.4 million for 2023 were higher by ₱182.1 million (3%), compared to ₱5,419.3 million for 2022. Revenues from the CODM lease decreased by ₱65.5 million (3%) from ₱2,054.3 million for the 2022 period to ₱1,988.8 million for the current period. Revenue from the share of PLC in gaming earnings of CODM increased by ₱778.5 million (50%), from ₱1,560.8 million for the 2022 period to ₱2,339.3 million for the current period. Revenues from real estate development and management activities decreased by ₱611.1 million (48%), from ₱1,285.1 million in the 2022 period to ₱674.1 million in the current period. Revenues of Pacific Online increased by ₱80.2 million (15%), from ₱519.1 million in the 2022 period to ₱599.2 million in the current period.

Costs of Lease Income

Costs of lease income in respect of the CODM property increased by ₱18.3 million (1%), to ₱1,356.0 million in 2023 from ₱1,337.7 million in 2022, mainly due to higher building maintenance costs incurred in 2023.

Costs of Lottery Services

Costs of lottery services at Pacific Online increased by ₱13.1 million (5%), to ₱260.7 million in 2023 from ₱247.5 million in 2022 mainly due to higher variable costs in relation to higher revenues earned.

Costs of Gaming Operations

The costs of gaming operations at PLC was virtually unchanged, from ₱136.3 million for 2022 to ₱137.8 million for 2023. PLAI has a direct economic participation in the gaming operations at CODM, by virtue of an operating agreement with MRP that accords PLAI a share of gaming revenue or earnings. MRP is a Philippine Corporation controlled by Melco Resorts and Entertainment Limited ("Melco"), a Hong Kong-based corporation which develops, owns and operates gaming and entertainment facilities around the world, mostly in Macau.

Costs of Real Estate sold

Costs of real estate sold decreased by ₱301.4 million (68%) to ₱142.0 million in 2023, from ₱443.4 million in 2021, due to lower number of units sold during the period.

Costs of Property Management Services

Costs of property management services increased by ₱30.5 million (22%), to ₱170.1 million for 2023, from ₱139.6 million for 2022, due to higher utilities consumption arising from increased activities in the estate.

General and Administrative Expenses

General and administrative expenses slightly increased by ₱3.8 million, to ₱770.3 million for 2023 from ₱766.5 million for 2022.

Financial Income (Expense)

Interest expense and other finance charges increased by ₱20.6 million (4%) to ₱537.0 million for 2023, from ₱516.3 million for 2022. Increase is mainly due to increasing interest rates in the market and additional debt incurred in the current period to support increased operating activities. Debt outstanding amounted to ₱5,825.6 million as of December 31, 2023, increasing by ₱438.1 million (8%) compared to ₱5,387.5 million as of December 31, 2022.

Other Income

Other income increased by ₱213.5 million, to ₱228.0 million in the current period from ₱14.6 million in the 2022 period mostly due to the realized and unrealized gains pertaining to the Company's marketable securities.

Provision for Income Taxes

The Company's consolidated provision for income taxes decreased by ₱13.2 million (8%), to ₱143.5 million from ₱156.7 million in 2022.

Net Income

As a result of the foregoing, the Company realized consolidated net income of ₱2,423.2 million for 2023, an increase of ₱712.7 million (42%) from its 2022 consolidated net income of ₱1,710.5 million.

December 31, 2023 vs December 31, 2022 Statement of Financial Position (in thousands)

		Audited December 31 2023	Audited December 31 2022	Horizontal Analysis		Vertical Analysis	
				Increase (Decrease)		2023	2022
ASSETS							
Current Assets							
Cash and cash equivalents	P	2,172,205	P	1,873,922	298,283	16%	4%
Financial assets at fair value through profit or loss		100,013		72,682	27,331	38%	0%
Receivables		3,826,351		3,848,556	(22,205)	-1%	7%
Real estate for sale		155,656		163,189	(7,533)	-5%	0%
Land held for future development		3,035,959		3,025,976	9,983	0%	6%
Other current assets		2,368,471		3,945,435	(1,576,964)	-40%	7%
		11,658,655		12,929,760	(1,271,105)	-10%	25%
Noncurrent Assets							
Contract assets - net of noncurrent portion		1,053,079		1,197,151	(144,072)	-12%	2%
Financial assets at fair value through other comprehensive income		10,018,341		9,321,093	697,248	7%	18%
Intangible asset		4,001,870		4,117,704	(115,834)	-3%	8%
Investment properties		26,367,457		23,239,249	3,128,208	13%	44%
Goodwill		926,008		926,008	-	0%	2%
Property and equipment		786,328		73,864	712,464	965%	1%
Investments in and advances to associates - net		122,003		119,272	2,731	2%	0%
Pension asset		4,098		4,508	(410)	-9%	0%
Deferred tax asset		3,249		-	3,249		0%
Right of Use		64,273		77,226	(12,953)	-17%	0%
Other noncurrent assets		705,389		751,886	(46,497)	-6%	1%
		44,052,095		39,827,961	4,224,134	11%	79%
TOTAL ASSETS	P	55,710,750	P	52,757,721	2,953,029	6%	100%
LIABILITIES AND EQUITY							
Current Liabilities							
Trade and other current liabilities	P	1,751,419	P	1,733,781	17,638	1%	3%
Loans payable		1,300,017		450,017	850,000	189%	2%
Current portion of:							
Long-term debt		2,087,824		29,000	2,058,824	7099%	4%
Lease Liability - current		392,945		403,241	(10,296)	-3%	1%
		5,532,205		2,616,039	2,916,166	111%	10%
Noncurrent portion of:							
Long-term debt		2,437,765		4,908,500	(2,470,735)	-50%	4%
Lease Liability - noncurrent		5,448,569		5,842,907	(394,338)	-7%	10%
Pension liability		21,755		17,903	3,852	22%	0%
Deferred tax liabilities		2,479,013		2,483,336	(4,323)	0%	4%
Other noncurrent liability		375,361		376,174	(813)	0%	1%
		10,762,463		13,628,820	(2,866,357)	-21%	19%
TOTAL LIABILITIES		16,294,668		16,244,859	49,809	0%	29%
Equity							
Attributable to equity holders of parent:							
Common stock		10,561,000		10,561,000	-	0%	19%
Additional paid-in capital		5,503,731		5,503,731	-	0%	10%
Treasury stock		(2,565,359)		(2,565,359)	-	0%	-5%
Equity share in cost of Parent Company shares held by associates		(2,501)		(2,501)	-	0%	0%
Cost of Parent Company common and preferred shares held by subsidiaries		(1,154,409)		(1,154,409)	-	0%	-2%
Other reserves		8,946,453		7,763,073	1,183,380	15%	16%
Excess of net asset value of an investment over cost		252,040		252,040	-	0%	0%
Retained Earnings		14,985,481		13,501,329	1,484,152	11%	26%
Total equity attributable to equity holders of the Parent		36,526,436		33,858,904	2,667,532	8%	64%
Non-controlling interests		2,889,646		2,653,958	235,688	9%	5%
TOTAL EQUITY		39,416,082		36,512,862	2,903,220	8%	71%
TOTAL LIABILITIES AND EQUITY	P	55,710,750	P	52,757,721	2,953,029	6%	100%

ASSETS

Total assets of the Company increased by ₱2,953.0 million (6%) to ₱55,710.8 million as of December 31, 2023, from ₱52,757.7 million as of December 31, 2022.

Cash and Cash equivalents

Cash and cash equivalents increased by ₱298.3 million (16%), to ₱2,172.2 million as of December 31, 2023 from ₱1,873.9 million as of December 31, 2022, due mainly to improved collections coming from higher revenues as well as proceeds from sale of investments held for trading, net of payments of expenses during the period.

Financials Assets at Fair Value through Profit or Loss ("FVTPL")

The Company's financial assets at FVTPL increased by ₱27.3 million (38%), to ₱100.0 million as of December 31, 2023, from ₱72.7 million as of December 31, 2022, due to the net increase in market prices of listed shares held by Pacific Online.

Receivables and Contract Assets

Receivables and Contract Assets decreased by ₱166.3 million (3%), to ₱4,879.4 million as of December 31, 2023 from ₱5,045.7 million as of December 31, 2022, because of the Company's collection of receivables.

Real Estate for Sale

Real estate for sale decreased by ₱7.5 million (5%) to ₱155.7 million as of December 31, 2023 from ₱163.2 million as of December 31, 2022 due to the real estate units sold during the period.

Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")

The Company's FVOCI increased by ₱697.2 million (7%), to ₱10,018.3 million as of December 31, 2023 from ₱9,321.1 million as of December 31, 2022, due to the mark to market increase in value of its investments, net of disposals for the period. As at December 31, 2023, the Company's FVOCI consists of investments in SM Prime Holdings, Inc., SM Investments Corporation, and club shares of Tagaytay Highlands International Golf Club, Inc., Tagaytay Midlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc. and The Spa and Lodge at Tagaytay Highlands, Inc.

Intangible Asset

This pertains to the license from the Philippine Amusements and Gaming Corporation ("PAGCOR") to operate integrated resorts which was granted to PremiumLeisure and Amusement Inc. ("PLAI"). Belle and MRP are Co-Licensees under PLAI's PAGCOR license. Amortization of the intangible asset started on December 14, 2014, which is the effectivity date of the Notice to Commence Casino Operations granted by PAGCOR. Amortization expense for the year ended December 31, 2023 amounted to ₱115.8 million.

Investment Properties

This account consists mainly of the carrying value of the CODM land and buildings in PAGCOR Entertainment City in Paranaque City. It also includes property located in Clark. The ₱3,128.2 million increase is due to the newly purchased lots in Aseana City, Paranaque and lease rights for a lot in Clark, Pampanga, net of depreciation of the CODM building.

Goodwill

The Company's goodwill amounted to ₱926.0 million as of both December 31, 2023 and December 31, 2022, as a result of consolidating Pacific Online.

Right-of-Use Assets

Right-of-use assets (or "ROU Assets") represent a lessee's right to to operate, hold, or occupy leased property or equipment during the lease term. The ₱13.0 million (17%) decrease is due to the amortization of ROU Assets for the period.

Other Assets

Other assets decreased by ₱1,623.5 million (35%), to ₱3,073.9 million as of December 31, 2023 from ₱4,697.3 million as of December 31, 2022.

LIABILITIES

Total liabilities was virtually unchanged by ₱49.8 million, to ₱16,294.7 million as of December 31, 2023, from ₱16,244.9 million as of December 31, 2022.

Trade and Other Current Liabilities

Trade and other current liabilities increased by ₱17.6 million to ₱1,741.4 million as of December 31, 2023 from ₱1,733.8 million as of December 31, 2022.

Loans Payable and Long-Term Debt

Total consolidated debt, amounting to ₱5,825.6 million as of December 31, 2023, consists of Peso-denominated borrowings from various local financial institutions, of both Belle and PinoyLotto Technologies Corp., a joint venture company which is 50%-owned by Pacific Online. Belle's average interest rate is at approximately 5.11% per annum during the period ended December 31, 2023. The outstanding amount of total debt increased by ₱438.1 million (8%), from ₱5,387.5 million as of December 31, 2022, due to additional loans drawn by PinoyLotto for its operations.

EQUITY

The Company's shareholders' equity as of December 31, 2023 of ₱39,416.1 million was higher by ₱2,903.2 million (8%), compared to its shareholders' equity of ₱36,512.9 million as of December 31, 2022, because of the net income earned net of the dividends paid, for the twelve months ended December 31, 2023 and the increase in market value of the financial assets at FVOCI of the Company.

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

Belle Corporation (consolidated)

	December 31, 2023	December 31, 2022
Asset to equity ratio	1.41 : 1.00	1.44 : 1.00
Current or Liquidity ratio	2.11 : 1.00	4.94 : 1.00
Debt-to-equity ratio	0.15 : 1.00	0.15 : 1.00
Net debt-to-equity ratio	0.09 : 1.00	0.10 : 1.00
Interest rate coverage ratio	5.67 : 1.00	4.57 : 1.00
Return on assets	4.5%	3.3%
Return on equity	6.4%	4.9%

Premium Leisure Corp. (consolidated)

	December 31, 2023	December 31, 2022
Asset to equity ratio	1.07 : 1.00	1.05 : 1.00
Current or Liquidity ratio	5.91 : 1.00	8.20 : 1.00
Debt-to-equity ratio	0.03 : 1.00	0.00 : 1.00
Interest rate coverage ratio	124.09	5,187.27
Return on assets	13.16%	7.37%
Return on equity	13.99%	7.71%

Pacific Online Systems Corporation (consolidated)

	December 31, 2023	December 31, 2022
Asset to equity ratio	1.62 : 1.00	1.19 : 1.00
Current or Liquidity ratio	3.01 : 1.00	6.49 : 1.00
Debt-to-equity ratio	0.40 : 1.00	0.07 : 1.00
Interest rate coverage ratio	19.10 : 1.00	974.66 : 1.00
Return on assets	18%	19%
Return on equity	26%	23%

The above performance indicators are calculated as follows:

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

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of December 31, 2023, consolidated total debt of the Company of ₱5,825.6 million was comprised of borrowings from renewable short-term bank lines of ₱1,300. million and amortizing term loans from banks of ₱4,525.6 million. Belle has real estate projects, lease agreements and investments from which it expects to generate cash flow sufficient for its foreseeable requirements. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of December 31, 2023, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

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

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

		2022	2021	Horizontal Analysis		Vertical Analysis	
				Increase (Decrease)		2022	2021
REVENUE							
Lease income	P	2,054,273	P 807,921	1,246,352	154%	38%	24%
Gaming revenue share		1,560,845	1,300,291	260,554	20%	29%	38%
Sale of real estate		862,889	587,812	275,077	47%	16%	17%
Equipment rental (POSC)		519,051	426,346	92,705	22%	10%	12%
Revenue from property management		211,548	179,618	31,930	18%	4%	5%
Others		210,686	118,946	91,740	77%	4%	3%
TOTAL REVENUES		5,419,292	3,420,934	1,998,358	58%	100%	100%
COST OF LEASE INCOME		(1,337,666)	(1,294,948)	(42,718)	3%	-25%	-38%
COST OF REAL ESTATE SOLD		(443,407)	(301,406)	(142,001)	47%	-8%	-9%
COST OF LOTTERY SERVICES		(247,548)	(374,204)	126,656	-34%	-5%	-11%
COST OF PROPERTY MANAGEMENT SERVICES		(139,612)	(113,574)	(26,038)	23%	-3%	-3%
COST OF GAMING OPERATIONS		(136,346)	(135,895)	(451)	0%	-3%	-4%
GENERAL AND ADMINISTRATIVE EXPENSES		(766,549)	(693,103)	(73,446)	11%	-14%	-20%
TOTAL COSTS AND EXPENSES		(3,071,128)	(2,913,130)	(157,998)	5%	-57%	-85%
INCOME FROM OPERATIONS		2,348,164	507,804	1,840,360	362%	43%	15%
INTEREST EXPENSE AND OTHER FINANCE CHARGES		(516,342)	(603,832)	87,490	-14%	-10%	-18%
INTEREST INCOME		22,831	24,981	(2,150)	-9%	0%	1%
UNREALIZED LOSS ON FINANCIAL ASSET							
AT FAIR VALUE THROUGH PROFIT OR LOSS		(372)	(23,623)	23,251	-98%	0%	-1%
NET FOREIGN EXCHANGE LOSS		(1,658)	750	(2,408)	-321%	0%	0%
OTHER INCOME (CHARGES)		14,538	310,493	(295,955)	-95%	0%	9%
INCOME BEFORE INCOME TAX		1,867,161	216,573	1,650,588	762%	34%	6%
PROVISION FOR INCOME TAXES							
Current		28,585	12,656	15,929	126%	1%	0%
Deferred		128,119	(541,285)	669,404	-124%	2%	-16%
		156,704	(528,629)	685,333	-130%	3%	-15%
NET INCOME	P	1,710,457	P 745,202	965,255	130%	32%	22%

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

Belle’s revenues from real estate operations increased by ₱1,645.1 million (97%), from ₱1,694.3 million in 2021 to ₱3,339.4 million for the period December 31, 2022. Of the 2022 real estate revenues, ₱2,054.3 million was derived from Belle’s lease of the land and buildings comprising City of Dreams Manila “CODM” to Melco Resorts and Entertainment (Philippines) Corporation (“MRP”), which was ₱1,246.4 million (154%) higher than its revenues in the prior period of ₱807.9 million. Belle’s real estate sales and property management activities at its Tagaytay Highlands complex contributed revenues of ₱1,285.1 million for the period December 31, 2022, which was ₱398.7 million (45%) higher than its revenues in December 31, 2021 of ₱886.4 million.

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

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

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

Revenues

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

Costs of Lease Income

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

Costs of Lottery Services

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

Costs of Gaming Operations

The costs of gaming operations at PLC was virtually unchanged, from ₱135.9 million for 2021 to ₱136.3 million for 2022. PLAI has a direct economic participation in the gaming operations at CODM, by virtue of an operating agreement with MRP that accords PLAI a share of gaming revenue or earnings. MRP is a Philippine Corporation controlled by Melco Resorts and Entertainment Limited ("Melco"), a Hong Kong-based corporation which develops, owns and operates gaming and entertainment facilities around the world, mostly in Macau.

Costs of Real Estate sold

Costs of real estate sold increased by ₱142.0 million (47%) to ₱443.4 million in 2022, from ₱301.4 million in 2021, due to the higher revenue therefrom recognized during the period.

Costs of Property Management Services

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

General and Administrative Expenses

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

Financial Income (Expense)

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

Other Income

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

Provision for Income Taxes

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

Net Income

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

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

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

ASSETS

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

Cash and Cash equivalents

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

Financial Assets at Fair Value through Profit or Loss (“FVTPL”)

The Company's FVTPL minimally decreased to ₱72.7 million as of December 31, 2022 from ₱73.1 million as of December 31, 2021, due to the decrease in share prices of the Company's investments. As at December 31, 2022, the Company's consolidated FVTPL consists of investments of Pacific Online in listed shares of Leisure and Resorts World Corporation, Vantage Equities, Inc., and PLDT, Inc. as well as warrants from Black Spade Acquisition, Inc. held by PLC through a subsidiary.

Receivables and Contract Assets

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

Real Estate for Sale

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

Investment Properties

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

Financial Assets at Fair Value through Other Comprehensive Income (“FVOCI”)

The Company's FVOCI increased by ₱2,050.7 million (28%), to ₱9,321.1 million as of December 31, 2022 from ₱7,270.4 million as of December 31, 2021, due the increase in the market values of the said investments.

Intangible Asset

This pertains to the cost of the License to operate integrated resorts that was granted by the Philippine Amusement and Gaming Corp (“PAGCOR”) to PLAI. Belle and MRP are Co-Licensees under PLAI's PAGCOR License. Amortization of the intangible asset on the License commenced on December 14, 2014, which is the effectivity date of the Notice to Commence Casino Operations granted by PAGCOR. Intangible assets decreased by ₱115.8 million (3%), from ₱4,233.5 million as of December 31, 2021 to ₱4,117.7 million as of December 31, 2022 because of the amortization expense on the PAGCOR License.

Goodwill

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

Right of Use Assets

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

Other Assets

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

LIABILITIES

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

Trade and Other Current Liabilities

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

Loans Payable and Long-Term Debt

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

Other Liabilities

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

EQUITY

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

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

Belle Corporation (consolidated)

	December 31, 2022	December 31, 2021
Asset to equity ratio	1.44 : 1.00	1.55 : 1.00
Current or Liquidity ratio	4.94 : 1.00	2.94 : 1.00
Debt-to-equity ratio	0.15 : 1.00	0.21 : 1.00
Net debt-to-equity ratio	0.10 : 1.00	0.15 : 1.00
Interest rate coverage ratio	4.57 : 1.00	1.32 : 1.00
Return on assets	3.3%	1.5%
Return on equity	4.9%	2.3%

Premium Leisure Corp. (consolidated)

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

Pacific Online Systems Corporation (consolidated)

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

The above performance indicators are calculated as follows:

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

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of December 31, 2022, consolidated total debt of the Company of ₱5,387.5 million was comprised of borrowings from renewable short-term bank lines of ₱1,492.5 million and amortizing term loans from banks of ₱6,880.0 million. Belle has real estate projects, lease agreements and investments from which it expects to generate cash flow sufficient for its foreseeable requirements. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of December 31, 2022, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

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

PART II – OTHER INFORMATION

Financial Risk Management Objectives and Policies

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

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

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

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

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

	(In Thousands)	
	2024	2023
Increase (decrease) in basis points:		
100	(P700,925)	(P183,294)
(100)	700,925	183,294
50	(350,463)	(91,647)
(50)	350,463	91,647

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

As at December 31, 2024 and 2023, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	(in Thousands)			
	2024		2023	
	USD	Peso Equivalent	USD	Peso Equivalent
Cash and cash equivalents	\$66.2	P3,832	\$1,028	P56,899
Consultancy and software license fee payable*	–	–	(161)	(8,898)
Net foreign currency-denominated financial assets	\$66.2	P3,832	\$867	P48,001

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

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was P57.85 and P55.37 to US\$1.0 as at December 31, 2024 and 2023, respectively.

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

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before income tax as at December 31, 2024 and 2023. There is no other impact on the Group's equity other

than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	2024		2023	
	Increase in US\$ Rate	Decrease in US\$ Rate	Increase in US\$ Rate	Decrease in US\$ Rate
Change in US\$ rate*	5%	(5%)	19%	19%
Effect on income before income tax (in thousands)	P125	(P125)	P9,120	(P9,120)

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

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

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2024 and 2023 consolidated total comprehensive income before income tax:

Increase (Decrease) in Equity Price	(In Thousands)	
	2024	2023
Impact in profit or loss		
5%	P2,137	P5,000
(5%)	(2,137)	(5,000)
Impact in comprehensive income		
5%	P654,935	P500,917
(5%)	(654,935)	(500,917)

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

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

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

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

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

(In Thousands)							
2024							
	Neither Past Due nor Impaired	Past Due but not Impaired				Impaired	Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Cash and cash equivalents*	P2,356,951	P-	P-	P-	P-	P-	P2,356,951
Receivables	4,550,026	2,927	13,606	1,003	33,744	470,020	5,071,326
Advances to associates***	609	-	-	-	-	130,254	130,863
Refundable deposits and construction bond****	100,082	-	-	-	-	-	100,082
Guarantee deposits*****	79,000	-	-	-	-	-	79,000
	P7,086,668	P2,927	P13,606	P1,003	P33,744	P600,274	P7,738,222

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

(In Thousands)							
2023							
	Neither Past Due nor Impaired	Past Due but not Impaired				Impaired	Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Cash and cash equivalents*	P2,171,692	P-	P-	P-	P-	P-	P2,171,692
Receivables	4,737,998	4,188	8,764	1,183	127,297	699,428	5,578,858
Advances to associates***	527	-	-	-	-	130,254	130,781
Refundable deposits and construction bond****	130,022	-	-	-	-	-	130,022
Guarantee bonds*****	91,201	-	-	-	-	-	91,201
	P7,131,440	P4,188	P8,764	P1,183	P127,297	P829,682	P8,102,554

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

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

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

Credit Quality of Financial Assets

The financial assets are grouped according to stage whose description is explained as follows:

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

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

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

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

(In Thousands)				
2024				
ECL Staging				
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Cash and cash equivalents*	P2,356,951	P—	P—	P2,356,951
Receivables	4,601,306	—	470,020	5,071,326
Advances to associates**	609	—	130,254	130,863
Refundable deposits and construction bonds***	100,082	—	—	100,082
Guarantee deposits****	79,000	—	—	79,000
Gross Carrying Amount	P7,137,948	P—	P600,274	P7,738,222

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

(In Thousands)				
2023				
ECL Staging				
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Cash and cash equivalents*	P2,171,692	P—	P—	P2,171,692
Receivables	4,868,880	10,550	699,428	5,578,858
Advances to associates**	527	—	130,254	130,781
Refundable deposits and construction bonds***	130,022	—	—	130,022
Guarantee deposits****	91,201	—	—	91,201
Gross Carrying Amount	P7,262,322	P10,550	P829,682	P8,102,554

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

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

The following table summarizes the maturity profile of the Group's financial liabilities as at December 31, 2024 and 2023 based on contractual undiscounted cash flows.

(In Thousands)						
2024						
	On Demand	< 6 Months	6 Months to 1 Year	1–3 Years	> 3 Years	Total
Trade and other current liabilities*	P1,402,370	P—	P—	P—	P—	P1,402,370
Loans payable	17	300,000	—	—	—	300,017
Long-term debt	—	—	2,130,235	2,312,706	3,000,000	7,442,941
Lease liability**	—	382,290	335,516	2,151,831	3,729,598	6,599,235
Refundable deposit***	—	—	—	—	249,495	249,495
	P1,402,387	P682,290	P2,465,751	P4,464,537	P6,979,093	P15,994,058

*Excluding withholding and output tax payable, unearned income and customers' deposits.

**based on undiscounted payments

***Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.

(In Thousands)						
2023						
	On Demand	< 6 Months	6 Months to 1 Year	1–3 Years	> 3 Years	Total
Trade and other current liabilities*	P1,453,386	P—	P—	P—	P—	P1,453,386
Loans payable	—	1,300,017	—	—	—	1,300,017
Long-term debt	—	2,058,824	29,000	2,437,765	—	4,525,589
Lease liability**	—	543,291	327,645	2,284,580	4,465,705	7,621,221
Refundable deposit***	—	—	—	—	138,139	138,139
	P1,453,386	P3,902,131	P356,645	P4,722,345	P4,603,844	P15,038,352

*Excluding withholding and output tax payable, unearned income and customers' deposits.

**based on undiscounted payments

***Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.

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

Capital Management

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

The Group manages its capital structure and adjusts the same, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2024 and 2023.

The Group considers the following as its capital:

	(In Thousands)	
	2024	2023
Common stock	P10,561,000	P10,561,000
Additional paid-in capital	5,503,731	5,503,731
Treasury stock	(2,565,359)	(2,565,359)
Cost of Parent Company common shares held by subsidiaries	(1,154,409)	(1,154,409)
Equity share in cost of Parent Company shares held by associates	(2,501)	(2,501)
Retained earnings	17,324,660	14,985,481
	P29,667,122	P27,327,943

Fair Value of Assets and Financial Liabilities

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

(In Thousands)					
2024					
	Carrying Value	Fair Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Assets measured at fair value:					
Financial assets at FVOCI	P13,098,696	P13,098,696	P12,975,745	P-	P122,951
Financial assets at FVPL	42,745	42,745	42,745	-	-
Assets for which fair value is disclosed - Investment properties (see Note 13)	22,553,515	41,782,462	-	-	41,782,462
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	249,495	249,495	-	-	249,495
Long-term debt	7,442,941	8,613,279	-	-	8,613,279

(In Thousands)					
2023					
	Carrying Value	Fair Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Assets measured at fair value:					
Financial assets at FVOCI	P10,018,341	P10,018,341	P9,883,994	P-	P134,347
Financial assets at FVPL	100,013	100,013	100,013	-	-
Assets for which fair value is disclosed - Investment properties (see Note 13)	23,712,268	41,782,462	-	-	41,782,462
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	237,225	237,225	-	-	237,225
Long-term debt	4,525,589	4,578,903	-	-	4,578,903

The Group has no financial liabilities measured at fair value as at December 31, 2024 and 2023. There were no transfers between fair value measurements in 2024 and 2023.

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

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

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

Refundable Deposits and Guarantee deposits. The carrying value of refundable deposits and guaranteed deposit approximates fair value as at December 31, 2024 and 2023 due to unavailability of information as to the repayment date that would provide reasonable basis for the fair value measurement.

Long-term Debt. The fair value of long-term debt is determined by discounting the obligations' expected future cash flows using the discount rate of 5.89% to 8.63% in 2024 and 4.75% to 7.13% in 2023.

Other Required Disclosures

- A. The attached financial reports were prepared in accordance with accounting standards generally accepted in the Philippines.
- B. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period.
- C. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current period.
- D. Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities. There were no changes in the composition of the Company during the period such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations, except for the accounting for the PinoyLotto Technologies Corporation as a joint operation as discussed above.
- E. There were no material events subsequent to December 31, 2022 up to the date of this report that needs disclosure herein.
- F. There were no changes in contingent liabilities or contingent assets since December 31, 2022, as of the date of this report.
- G. There exists no material contingencies affecting the current period.

2025 Plan of Operations

Cognizant of the Company's commitment to enhance shareholder value as it explores and pursues related ventures and high-growth opportunities in the gaming space, the gaming-focused investment companies of Premium Leisure Corp. (PLC), a Belle subsidiary, has applied for a gaming license with PAGCOR to develop an integrated resort in Clark, Pampanga, a former American air base.

For the Company's real estate business, plans for the expansion of its Japanese-themed subdivision, Yume, are underway. A total 22 residential lots with sizes of approximately 600 square meters, boast scenic views of the Tagaytay Midlands fairways with select lots offering view corridors of Taal Lake. In addition, another development in Midlands West, Trealva (Phase 2), set to be launched in 2025, fosters sustainable living through eco-centric principles. This project offers breathtaking views of Taal Lake, majestic mountains of Makiling and Banahaw, and the impressive Batangas landscape. Furthermore, with the completion of The Grove of our Plantation Hills development, hand-over of the lots to their buyers has commenced in the first quarter of 2025.

The Company through its corporate social responsibility arm, Belle Kaagapay, remains committed to uplifting the lives, and empowering the communities where its businesses are situated. Programs and initiatives on education, health, environment and livelihood take precedence.

With full economic reopening after the Covid-19 pandemic, the Company continues to rely on good risk assessment and responsive actions to safeguard its operations. The Company prioritizes the safety of its employees and other stakeholders, and concentrates on the sustainability of its businesses. Belle shall pursue cost-cutting programs to help preserve future profitability, and put emphasis on the minimization of waste and maximization of operating efficiency to help support the Company's consistent growth.

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

ANNEX TO MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) SECTION

Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of obligation

None. The Company does not foresee and events that may trigger material financial obligation to the Company, including default or acceleration of an obligation.

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

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

FINANCIAL STATEMENTS

The consolidated Financial Statements and Supplementary Schedules as of and for the year ended December 31, 2024 listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Information Statement. Supplementary information are as follows:

a. Supplementary Schedules:

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

b. Schedule of all effective standards and interpretations

c. Map of the relationships of the companies within the group

MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

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

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

Stock Prices in ₱		
	High	Low
2024		
First Quarter	1.99	1.14
Second quarter	2.78	1.78
Third Quarter	2.45	1.85
Fourth Quarter	2.00	1.66
2023		
First Quarter	1.49	1.26
Second Quarter	1.23	1.14
Third Quarter	1.29	1.17
Fourth Quarter	1.25	1.15

As of February 27, 2025, Belle Corporation's market capitalization on 9,696,464,297 outstanding shares in the PSE amounted to ₱15,029,519,660.35 based on the closing price of ₱4.55.

Security Holders

Belle has 1,731 shareholders as of January 31, 2025. Common shares outstanding as of January 31, 2025, totaled 9,696,464,297.

The top 20 stockholders as of January 31, 2025, with their corresponding shareholdings and percentage thereof to total shares outstanding, are:

Belle Corporation Top 20 Stockholders as of 31 January 2025				
	STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES	PERCENTAGE TO TOTAL	NATIONALITY
1	BELLESHARES HOLDINGS, INC.	2,604,740,622	24.664	FILIPINO
2	PCD NOMINEE CORPORATION (FILIPINO)	2,598,164,910	24.602	FILIPINO
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	1,897,674,255	17.969	OTHERS
4	SYSMART CORPORATION	1,624,929,505	15.386	FILIPINO
5	SYBASE EQUITY INVESTMENTS CORPORATION	525,073,578	4.972	FILIPINO
6	SOCIAL SECURITY SYSTEM	442,402,788	4.189	FILIPINO
7	JACINTO C. JR. NG	135,860,666	1.286	FILIPINO
8	EASTERN SECURITIES DEV. CORP.	111,730,866	1.058	FILIPINO
9	SINOPHIL CORPORATION	99,987,719	0.947	FILIPINO
10	JACINTO L. SR. NG	88,835,833	0.841	FILIPINO
11	PARALLAX RESOURCES INC.	86,308,131	0.817	FILIPINO
12	SLW DEVELOPMENT CORPORATION	66,082,333	0.626	FILIPINO
13	F. YAP SECURITIES, INC.	57,803,732	0.547	FILIPINO
14	EASTERN SEC. DEVT. CORP.	50,000,000	0.473	OTHERS
15	WILLY N. OCIER	47,026,709	0.445	FILIPINO
16	JACINTO JR. NG &/OR ANITA C. NG	18,293,333	0.173	FILIPINO
17	LIM SIEW KIM	6,200,000	0.059	MALAYSIAN
18	JAMES GO	4,816,999	0.046	FILIPINO
19	WILLIAM T. GABALDON	4,000,000	0.038	FILIPINO
20	PACITA K. YAP OR PHILIP K. YAP	3,500,000	0.033	FILIPINO

Dividends

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

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

On February 27, 2020, the Company's Board of Directors approved the declaration of a regular dividend of ₱0.120 per share, totaling about ₱1.2 billion, payable on March 27, 2020 to stockholders of record as of March 21, 2020.

On February 28, 2023, the Company's Board of Directors approved the declaration of a regular dividend of ₱0.06 per share, totaling about ₱581.8 million, payable on March 30, 2023 to stockholders of record as of March 15, 2023.

On February 21, 2025, the Parent Company's BOD approved the declaration of cash dividend of ₱0.06 per share amounting to approximately ₱581.8 million to shareholders of record as at March 7, 2025, payable on March 21, 2025.

Belle has no set dividend policy, however, historically, it has been declaring dividends of P0.020/share to P0.180/share since 2014, and paused only during the COVID 19 Pandemic years of 2021 to 2022, and in 2024 when it conducted a tender offer for the shares of PLC.

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

Recent Sales of Unregistered Securities

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

DIRECTORS AND EXECUTIVE OFFICERS

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

COMPLIANCE WITH THE REVISED MANUAL OF CORPORATE GOVERNANCE

Corporate Objectives:

1. Deliver the finer things in life to our customers.

- Identify trends and opportunities in tourism and leisure industries.
- Forge partnerships with world-class organizations: Belle has always looked for businesspartners with a proven track record, domain expertise, and similar values.
- Enhance and launch prime leisure amenities and developments.

2. Enhance a shareholder value.

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

3. Establish a culture of sustainability across our business.

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

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

Board Attendance

Regular meetings of the Board are scheduled before the beginning of the year and are held at least six (6) times annually. Special meetings may also be called by the Chairman, the President or Corporate Secretary. The Board and Committee Meetings for 2025 were scheduled during the Board Meeting in November 2024. A director's absence or non-participation in more than 50% of all meetings in a year is a ground for temporary disqualification in the succeeding election. During 2024, each of the Company's Directors have complied with the requirements. Below table shows the attendance of each board member in the meetings conducted during the year:

ATTENDANCE TO 2024 BELLE CORPORATION BOARD OF DIRECTORS' MEETINGS

Members of the Board	22-Feb-24	28-Feb-24	11-Mar-24	20-Mar-24	25-Apr-24	31-May-24 ¹	31-May-24 ²	8-Aug-24	7-Nov-24	5-Dec-24	Total	%
Ocier, Willy N.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	100
Uychaco, Elizabeth Anne C. ³	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	6/6	100
Ongsip, Jackson T. ³	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	6/6	100
Ng, Jacinto C. Jr.	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/10	90
Raquel Santos, Armin Antonio B.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	100
Yap, Virginia A. ³	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	6/6	100
Tetangco, Amando M. Jr. ³	✓	✓	✓	✓	-	✓	n/a	n/a	n/a	n/a	5/6	83
Chua, Joseph T. ³	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	6/6	100
Tan, Maria Gracia P.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	100
Domingo, Gregory L. ⁴			n/a	n/a	n/a	n/a	✓	✓	✓	✓	4/4	100
Serrano, Laurito E. ⁴			n/a	n/a	n/a	n/a	✓	✓	-	✓	3/4	75
Ochoa, Paquito N. Jr. ⁴			n/a	n/a	n/a	n/a	-	✓	✓	✓	3/4	75

¹ - Annual Stockholders' Meeting

² - Organizational Meeting

³ - End of tenure effective May 31, 2024

⁴ - Tenure Commencement effective May 31, 2024

The schedules of Board and Board Committee Meetings in 2024 were discussed and approved by the Board of Directors in October 2023.

Board Assessment

The Company, through its Corporate Governance Committee, conducts annual performance evaluations of the Board of Directors, its individual members and Board Committees to ensure optimum Board performance. The evaluation seeks to assess the effectiveness and collective performance of the Board through a self-assessment in this evaluation process. In this evaluation process, the directors identify the areas for improvement, such as:

- a. the timelines and integrity of information given to them,
- b. Directors' access to management, the Corporate Secretary and Board Advisors, and
- c. Other form of assistance as needed. The Board reviews the results of these evaluations and agrees on clear action plans to address any issues raised.

The details Board Evaluation Form can be found in the Company's website. Directors are asked to rate the performance of the collective Board, the Board, Committees, themselves as directors, the Company's Chairman of the Board, the Chief Executive Officer, and key officers.

Criteria for Board and Management ratings are as follows:

1. Collective Board Rating – relates to:

- Board Composition – related to how the Board members assess the Board as a whole based on their balance/diversity, knowledge/competencies, qualifications/background and experience;
- Board Efficiency and Importance – related to how the Board members assess the Board's overall performance, oversight over Management's activities, discussion on short- and long-term goals, business strategies and plans, risk and regulation, follow up of business plan and strategy, objective and budget, promotion of good governance principles, policies and mechanisms, and promotion of continuing education and/or training;
- Board Meetings and Participation – relates to how Board members assess frequency of Board meetings, if they were given chance to fully and positively participate, were provided quality materials and sufficient time for study, provided easy and timely access to information or inputs and whether there is efficient use of the time allocated for each meeting.

2. Board Committee Rating – relates to how the Committee members and Management rate the performance of the following Committees for the past year;

- Executive Committee
- Audit Committee
- Risk Oversight Committee
- Corporate Governance Committee
- Related Party Transactions Committee
- Compensation and Remuneration Committee

4. Individual Directors' Self-rating – related to how the Directors assess their independence, participation and expertise

5. Officers Rating – relates to how well the Chairman of the Board and the President/CEO demonstrates leadership, integrity, diligence and adherence to corporate governance principles and practices as well as the assessment of the following key officers for their over-all performance:

- Chief Audit Executive
- Chief Risk Officer
- Compliance Officer

The Board reviews the results of this evaluation and agreed on clear action plans to address any issues raised. In line with governance best practices, the Company also ensures that board evaluations shall be facilitated by a third-party independent assessor every three (3) years reckoned from January 1, 2017 (effectivity date of the 2016 Code of Corporate Governance for Publicly Listed Companies).

The annual Board performance evaluation for 2024 was conducted during the first quarter of 2025. The

results of the evaluation, which found the Board to be functioning well to its mandate, will be discussed and presented to the Board through the Corporate Governance Committee.

Continuing Education Programs

The Board identifies areas of continuing education on corporate governance topics they require. To keep the Board and key officers well-informed of governance related developments, regular annual education programs are conducted in coordination with SM Investments Corporation and training providers duly accredited by the Securities and Exchange Commission. Trainings in 2024 attended by the directors and officers are listed below.

Last Name	First Name	Middle	Designation	Training Provider	Date	Topics
Ocier	Willy	N.	Director, Chairman	Institute of Corporate Directors (ICD)	8/27/2024	Global Economic and Geopolitical Outlook / Artificial Intelligence / Cybersecurity
Raquel Santos	Armin Antonio	B.	Director, President & CEO			
Ng	Jacinto Jr.	C.	Director			
Ochoa	Paquito Jr.	N.	Independent Director			
Serrano	Laurito	E.	Independent Director			
Domingo	Gregory	L.	Director	BDO Unibank, Inc.	7/26/2024	Updated Retail Banking Trends with Generative AI / Cyber Threat Landscape / Risk Managing Cyber Risk
Tan	Maria Gracia	P.	Independent Director	SEC-PSE	11/28/2024	Corporate Governance
Malto	Aileen	M	Chief Financial Officer and Treasurer	Institute of Corporate Directors (ICD)	27-Aug-24	Global Economic and Geopolitical Outlook / Artificial Intelligence / Cybersecurity
Nalupta	Jason	C.	Corporate Secretary			
Sy	Arthur	A.	Assistant Corporate Secretary			
Esteban	Anna Josefina	G.	Chief Audit Executive			
Hernandez	Michelle	T.	Compliance Officer and Chief Risk Officer			

Revised Manual on Corporate Governance

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

The Board approved on February 24, 2021 the Revised Corporate Governance Manual and has been posted in the Company’s website:

<https://www.bellecorp.com/sites/default/files/governance/Amended%20MCG%2002242021%20-%20WEBSITE.pdf>

Since the adoption of the 2021 Revised Corporate Governance Manual, there have been no deviations.

Board Committees

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

1. **Executive Committee** – oversees the management of the Company and is responsible for the Company’s finances, goals, and policies. Further, it is also tasked to foster the long-term success of the Company and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders through sound strategic directions and policies, guidelines and programs that can sustain the Company’s long-term

viability and strength;

2. **Audit Committee** – directly interfaces with the internal and external auditors in the conduct of their duties and responsibilities. Its mandate includes the review of the Company's financial reports and subsequent recommendation to the Board for approval. The Committee also reviews the Company's Internal Control System, its audit plans and audit processes, and the Internal Audit Charter;
3. **Compensation and Remuneration Committee** oversees the development and implementation of policies on salaries and benefits, as well as promotions and other forms of career advancement. The Committee also reviews existing human resource policies to ensure the continued growth and development of the Company's workforce.
4. **Risk Oversight Committee** reviews and assesses the effectiveness of the Company's risk management system in the mitigation of financial and non-financial risks.

Subsequently, the following Board Committees were created:

5. **Related Party Transactions Committee** assists the Board in assessing material agreements with a related party to determine whether to approve, ratify, disapprove or reject a RPT. The Committee takes into account whether the RPT is entered into on terms favorable to the Corporation than terms generally available to an unaffiliated third party under the same or similar circumstances.;
6. **Corporate Governance Committee** advises and assists the Board of Directors in performing its responsibilities with regard to corporate governance compliance in relation to the Company's Manual on Corporate Governance, PSE's rules on disclosures and corporate governance guidelines of the SEC. Likewise, it is also responsible for monitoring the trends on corporate governance and for making the appropriate recommendations to the Board of Directors.

Below is the summary of Board Committee meetings in 2024:

ATTENDANCE TO 2024 BELLE CORPORATION AUDIT COMMITTEE MEETINGS						
	AUDIT COMMITTEE	20-Feb-24	22-Apr-24	7-Aug-24	06-Nov-24	%
Chairman	Tetangco, Amando M. Jr. (ID) ¹	√	√	n/a	n/a	100
Member	Ng, Jacinto C. Jr.	-	√	√	√	75
Member	Tan, Maria Gracia P. (ID)	√	√	√	√	100
Chairman	Serrano, Laurito E (ID) ²	n/a	n/a	√	√	100

¹ -End of tenure effective May 31, 2024

² -Tenure Commencement effective May 31, 2024

ATTENDANCE TO 2024 BELLE CORPORATION CORPORATE GOVERNANCE COMMITTEE MEETINGS				
--	--	--	--	--

	CORPORATE GOVERNANCE COMMITTEE	20-Feb-24	6-Nov-24	%
Chairman	Chua, Joseph T. (ID) ¹	√	n/a	100
Member	Tan, Maria Gracia P. (ID)	√	√	100
Member	Tetangco, Amando M. (ID) ¹	√	n/a	100
Chairman	Ochoa, Paquito N. Jr. (ID) ²	n/a	√	100
Member	Serrano, Laurito E. (ID) ²	n/a	√	100

¹ -End of tenure effective May 31, 2024

² -Tenure Commencement effective May 31, 2024

ATTENDANCE TO 2024 BELLE CORPORATION EXECUTIVE COMMITTEE MEETINGS				
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	EXECUTIVE COMMITTEE	4-Mar-24	19-Sep-24	%
Chairman	Ocier, Willy N.	√	√	100
Member	Uychaco, Elizabeth Anne C. ¹	√	n/a	100
Member	Ongsip, Jackson T. ¹	√	n/a	100
Member	Ng, Jacinto C. Jr.	√	√	100
Member	Raquel Santos, Armin Antonio B.	√	√	100
Member	Yap, Virginia A ¹	√	n/a	100
Member	Domingo, Gregory L. ²	n/a	√	100

¹ -End of tenure effective May 31, 2024

² -Tenure Commencement effective May 31, 2024

**ATTENDANCE TO 2024 BELLE CORPORATION COMPENSATION AND
REMUNERATION COMMITTEE MEETINGS**

	COMPENSATION AND REMUNERATION COMMITTEE	20-Feb-24	5-Dec-24	%
Chairperson	Uychaco, Elizabeth Anne C. ¹	√	n/a	100
Member	Tetangco, Amando M. Jr. (ID) ¹	√	n/a	100
Member	Ongsip, Jackson T. ¹	√	n/a	100
Chairman	Willy N. Ocier ²	n/a	√	100
Member	Armin Antonio B. Raquel Santos ²	n/a	√	100
Member	Jacinto C. Ng, Jr. ²	n/a	√	100

¹ -End of ternure effective May 31, 2024

² -Tenure Commencement effective May 31, 2024

**ATTENDANCE TO 2024 BELLE CORPORATION RISK OVERSIGHT COMMITTEE
MEETINGS**

	RISK OVERSIGHT COMMITTEE	20-Feb-24	6-Nov-24	%
Chairperson	Tan, Maria Gracia P. (ID)	√	√	100
Member	Tetangco, Amando M. Jr. (ID) ¹	√	n/a	100
Member	Ng, Jacinto C. Jr. ¹	√	n/a	100
Member	Serrano, Laurito E. (ID) ²	n/a	√	100
Member	Domingo, Gregory L. ²	n/a	√	100

¹ -End of ternure effective May 31, 2024

² -Tenure Commencement effective May 31, 2024

**ATTENDANCE TO 2024 BELLE CORPORATION RELATED PARTY TRANSACTIONS COMMITTEE
MEETINGS**

	RELATED PARTY TRANSACTIONS COMMITTEE	20-Feb-24	20-Mar-24	6-Nov-24	%
Chairman	Chua, Joseph T. (ID) ¹	√	√	n/a	100
Member	Tan, Maria Gracia P. (ID)	√	√	√	100
Member	Tetangco, Amando M. Jr. (ID) ¹	√	√	n/a	100
Chairman	Ochoa, Paquito N. Jr. (ID) ²	n/a	n/a	√	100
Member	Serrano, Laurito E. (ID) ²	n/a	n/a	√	100

¹ -End of ternure effective May 31, 2024

² -Tenure Commencement effective May 31, 2024

Risk Oversight Committee

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

The Risk Oversight Committee (ROC) evaluates the effectiveness of the Company's risk management system on an annual basis. The Board of Directors, through the ROC, has reviewed the Company's risk management system for 2024 and has found the same effective and adequate.

The Audit Committee

The Audit Committee reviews annually the effectiveness of the Company's internal control system, including information technology security and controls. To facilitate their review, the Committee understands and evaluates the scope of the internal and external auditors' review of internal controls

over financial reporting, and obtains regular reports on significant findings and recommendations, together with management's responses, to obtain reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate and complied with.

The Board of Directors, through the Audit Committee, has reviewed the effectiveness of the Company's internal control system, including the information technology security controls. Effective and adequate internal control mechanisms are in place, implemented and properly complied with for the year 2024.

Code of Business Conduct and Ethics

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

Governance Policies

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

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

Board Diversity

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

The Belle Board matrix below demonstrates compliance with this policy.

Belle Board Skill Set Matrix as of 31 December 2024				INDUSTRY EXPERIENCE / EXPERTISE / COMPETENCIES																	
NAME and DESIGNATION	AGE	GENDER	EDUCATIONAL BACKGROUND	Accounting / Audit	Anti-Money Laundering	Banking	Construction	Corp. Gov.	Economics	Finance	Hospitality / Leisure	IT / Comm	Insurance	Investment	Internal Control	Law	Management	Mining	Real Estate	Risk Mgmt.	Sales & Mktg.
Willy N. Ocier Chairman Non-Executive Director	68	M	Bachelor of Arts in Economics		✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓
Armin Antonio B. Raquel Santos President and CEO Executive Director	57	M	Bachelor of Science in Business Administration Major in Finance Master of Arts in Liberal Studies	✓	✓		✓	✓	✓	✓	✓			✓	✓		✓	✓	✓	✓	✓
Jacinto C. Ng, Jr. Non-Executive Director	55	M	Bachelor of Science Degree in Architecture	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓		✓	✓	✓
Ma. Gracia P. Tan Lead Independent Director	69	F	Bachelor of Science-Business Administration and Accounting, and Bachelor of Laws	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	
			Masters in Law (Tax)																		
Laurito E. Serrano Independent Director	64	M	Masters in Business Administration	✓	✓	✓		✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓
			Certified Public Accountant																		
Paquito N. Ochoa Independent Director	64	M	AB Economics Degree and Bachelor of Laws	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	
Gregory L. Domingo Director	70	M	Bachelor of Science in Management Engineering	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓
			Master in Business Administration																		
			Master of Science in Operations Research																		

Insider Trading Policy

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

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

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

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

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

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

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

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

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

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

information.

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

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

Below is the summary of trading of company shares by its directors as of January 31, 2025:

Name of Beneficial Owner	Number of Shares Held as of 12.31.23	Acquisition (+)	Disposition (-)	Number of Shares Held as of 1.31.25	% of Ownership
Willy N. Ocier	83,913,702	127,762,900	-	211,676,603	2.18
Armin Antonio B. Raquel Santos	8,000	-	-	8,000	0
Jacinto C. Ng, Jr.	135,860,666	-	-	135,860,666	1.4
Gregory L. Domingo*	1,001	-	-	1,001	0
Maria Gracia P. Tan	666	-	-	666	0
Paquito N. Ochoa, Jr.*	1	-	-	1	0.0
Laurito E. Serrano*	10,000	-	-	10,000	0
	220,072,034	127,762,900	-	346,202,938	3.58

* elected on May 31, 2024

Directorships of Non-Executive Directors in Other Listed Companies

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

Tenure of Independent Directors

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

Compliance Officer

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

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

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

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

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

Investor Relations

Michelle T. Hernandez

Vice President - Governance and Corporate Affairs

Belle Corporation

5th Floor Tower A, Two E-com Center

Palm Coast Avenue, Mall of Asia Complex

Pasay City 1300 Philippines

Tel.No.:(632) 8662-8888

Email: [michelle.hernandez @bellec corp.com](mailto:michelle.hernandez@bellec corp.com)

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

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH 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:

ATTY. JASON C. NALUPTA
Corporate Secretary

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

2025 ANNUAL STOCKHOLDERS’ MEETING

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

The 2025 Annual Stockholders’ Meeting (**ASM**) of Belle Corporation (“**Belle**” or the “**Company**”) will be held on **April 28, 2025** at **2:00 pm** and the Board of Directors of the Company has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on **March 28, 2025** (“**Record Date**”) as the record date for the determination of stockholders entitled to the notice of, to attend, and to vote at such meeting and any adjournment thereof.

The Board of Directors of the Company has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote *in absentia* or by proxy.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until April 15, 2025 12:00 noon via asmregister.bellecorp.com and by submitting the following requirements and documents, subject to verification and validation:

1. Individual Stockholders
 - 1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholder (up to 2MB)
 - 1.2. Stock certificate number
 - 1.3. Active e-mail address/es
 - 1.4. Active contact number/s, with area and country codes
2. Multiple Stockholders or with joint accounts
 - 2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders (up to 2MB)
 - 2.2. Stock certificate number/s
 - 2.3. Active e-mail addresses of the stockholders
 - 2.4. Active contact numbers, with area and country codes
 - 2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account
3. Corporate Stockholders
 - 3.1. Digital copy of the Secretary’s Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation
 - 3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative (no more than 2MB)
 - 3.3. Active e-mail address/es of the authorized representative
 - 3.4. Active contact number of an authorized representative, with area and country codes

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

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

An active/valid email address is required for the registration. Any single email address can be used to register up to five (5) times for multiple shareholdings with the Company under different classifications, i.e., single, joint, multiple/joint, corporate and under broker account. If you have exceeded this number of allowable requests, please contact the Company's Governance and Corporate Affairs Department at (+632) 8662-8888 local 2114 or via email at governance@bellec corp.com

ONLINE VOTING

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

1. Access the voting portal by clicking the link, and log in using the unique credentials sent by email to the email-address of the stockholder provided to the Company.
2. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval are appended as **Annex A** to the Notice of Meeting.
 - 2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.
 - 2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees (abstain), or vote for certain nominees only.

Note: A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (7 directors for the Company) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.

Example: A stockholder who has one hundred (100) shares in the Company will have seven thousand (7000) votes (one hundred shares multiplied by seven (7) directors to be elected) to distribute among the candidates. Thus, he or she may 1) divide all votes among all candidates equally; or 2) allocate all votes to one or some candidates in any manner so long as the total number of votes does not exceed nine thousand (7000).

3. Once the stockholder has finalized his or her vote, he or she can proceed to submit the same by clicking the “Submit” button.
4. The stockholder can still change and re-submit votes, provided, such new votes are submitted using the same log-in credentials. Previous votes will be automatically overwritten and replaced by the system with the new votes cast.

ASM LIVESTREAM

The ASM will be broadcasted live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will also be posted at bellec corp.com/ASM2025.

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

OPEN FORUM

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

Stockholders may send their questions in advance by sending an email bearing the subject “ASM 2025 Open Forum” to corsec@bellec corp.com on or before 12:00 noon of April 25, 2025. A section for stockholder comments/questions or a “chatbox” shall also be provided in the livestreaming platform.

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

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

For complete information on the annual meeting, please visit bellec corp.com/ASM2025 in the DIS).

COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

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A	S	I	A		C	O	M	P	L	E	X	,		P	A	S	A	Y		C	I	T	Y						

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

Mr. Jason C. Nalupta

Contact Person

8662-88-07

Company Telephone Number

1	2
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3	1
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Month
Day
Fiscal Year
Meeting

Month

Annual

SEC FORM 17C

FORM TYPE

[illegible]

Primary License Type	Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS

STAMPS

Remarks = pls. use black ink for scanning purposes



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of **Belle Corporation and Subsidiaries (the Company)** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2024 and 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

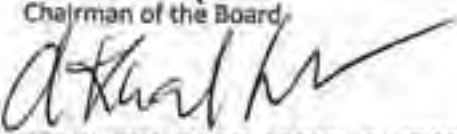
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, for the periods December 31, 2024 and 2023 have audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



WILLY N. OCIER
Chairman of the Board



ARMIN ANTONIO B. RAQUEL SANTOS
President and Chief Executive Officer



AILEEN M. MALTO
Chief Finance Officer / Treasurer

Signed this 21st day of February 2025

FEB 21 2025

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2025 affiants exhibiting to me their Passport and Tax Identification Numbers, as follows:

NAME	PASSPORT/ DRIVER'S LICENSE/ TAX IDENTIFICATION NUMBER	DATE OF EXPIRY	PLACE OF ISSUE
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WILLY N. OCTER

ARMIN ANTONIO B. RAQUEL SANTOS

AILEEN M. MALTO

DOC NO.	:	467
PAGE NO.	:	95
BOOK NO.	:	11
SERIES OF	:	2025.

ATTY. ROSELYN M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 486534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

for
AUDITED FINANCIAL STATEMENTS

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Not Applicable

COMPANY INFORMATION

info@bellecorp.com

(02) 8662-8888

Not Applicable

1,753

4th Monday of April

December 31

CONTACT PERSON INFORMATION

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

Michelle Angeli T. Hernandez

info@bellecorp.com

(02) 8662-8888

+63917-5691734

CONTACT PERSON'S ADDRESS	
--------------------------	--

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

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

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of Belle Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Accounting for Leases – The Group as Lessor

In 2021 to 2023, the Parent Company, as lessor, agreed to provide a series of concessions to its lessee, after considering the effects of the downturn in the economic and business conditions brought about by the pandemic, which started in 2020. This resulted in significant reductions in contractual cash flows on its lease revenues. Accordingly, the Group recognized its lease income only to the extent collectible during those years. In 2024, following the improvement in the lessee's ability and intention to pay the lease consideration, including the agreed-upon escalation rate and bonus rents, the Group reverted to the recognition of lease income on a straight-line basis. The Group's accounting for leases is significant to our audit because the recorded amounts are material to the consolidated financial statements and involve the application of significant judgment and estimates.

We obtained an understanding of the management's considerations and evaluated management's judgment in reverting to the straight-line amortization including new favorable developments in the business conditions and impact on the terms of the lease contract. We also reviewed management's calculation and assumptions used in the straight-line accounting for leases, and assessed the adequacy of the related disclosures in Note 3, Significant Judgments, Accounting Estimates and Assumptions, Note 13, Investment Properties, and Note 34, Lease Commitments, to the consolidated financial statements.

Assessing Recoverability of Goodwill

The Group is required to assess at each reporting date the recoverability of goodwill. As at December 31, 2024, the carrying amount of goodwill arising from the acquisition of Pacific Online Systems Corporation (POSC) amounted to P926.0 million. This matter is considered significant to our audit because the assessment of the recoverability of goodwill involves the exercise of significant management judgment and estimates such as the determination of forecasted cash flows and discount rate, among others. These judgment and estimates are based on assumptions that are subject to uncertainty brought about by current economic conditions and changes in the operations and sources of cash flows of POSC.

Our audit procedures include, among others, assessing management's assessment of the recoverable amount of goodwill considering the potential impact of regulatory processes and decisions, changes in business strategies and expected market or economic conditions. We evaluated the appropriateness of the assumptions used by the Group in the impairment assessment, in particular those involving the forecasted cash flows from existing and committed contracts, discount rate and other areas to which the outcome of the impairment test is most sensitive. We also reviewed the adequacy of the Group's related disclosures in Note 2, Summary of Material Accounting Policy Information, Note 3, Significant Judgments, Accounting Estimates and Assumptions and Note 15, Goodwill, to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

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

REYES TACANDONG & Co.

BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782/P-005; Valid until June 6, 2026

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10467126

Issued January 2, 2025, Makati City

February 21, 2025

Makati City, Metro Manila

BELLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

		December 31	
	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	6	₱2,357,017	₱2,172,205
Investments held for trading	7	42,745	100,013
Receivables	8	3,847,523	3,826,351
Real estate for sale - at cost	9	311,573	155,656
Land held for future development - at cost	9	3,037,326	3,035,959
Other current assets	10	2,706,926	2,368,471
Total Current Assets		12,303,110	11,658,655
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	11	13,098,696	10,018,341
Installment receivables - net of current portion	8	753,783	1,053,079
Investments in and advances to associates - net	12	119,745	122,003
Investment properties	13	22,553,515	23,712,268
Property and equipment	16	747,230	786,328
Right-of-use assets	34	2,663,414	2,719,462
Intangible assets	14	3,886,036	4,001,870
Goodwill	15	926,008	926,008
Deferred tax assets - net	33	399	3,249
Other noncurrent assets	17	421,774	709,487
Total Noncurrent Assets		45,170,600	44,052,095
		₱57,473,710	₱55,710,750

LIABILITIES AND EQUITY

Current Liabilities

Trade and other current liabilities	18	₱1,689,573	₱1,751,419
Loans payable	19	300,017	1,300,017
Current portion of:			
Long-term debt	20	2,130,235	2,087,824
Lease liabilities	34	423,183	392,945
Total Current Liabilities		4,543,008	5,532,205

(Forward)

December 31			
	Note	2024	2023
Noncurrent Liabilities			
Noncurrent portion of:			
Long-term debt	20	₱5,312,706	₱2,437,765
Lease liabilities	34	4,990,690	5,448,569
Deferred tax liabilities - net	33	2,413,188	2,479,013
Other noncurrent liabilities	21	417,183	397,116
Total Noncurrent Liabilities		13,133,767	10,762,463
Total Liabilities		17,676,775	16,294,668
Equity			
Common stock	22	10,561,000	10,561,000
Additional paid-in capital		5,503,731	5,503,731
Treasury stock - at cost	22	(2,565,359)	(2,565,359)
Cost of Parent Company shares held by subsidiaries	22	(1,154,409)	(1,154,409)
Equity share in cost of Parent Company shares held by associates	12	(2,501)	(2,501)
Other equity reserves	11, 22	9,737,426	9,198,493
Retained earnings		17,324,660	14,985,481
Equity Attributable to Equity Holders of the Parent Company		39,404,548	36,526,436
Noncontrolling interests		392,387	2,889,646
Total Equity		39,796,935	39,416,082
		₱57,473,710	₱55,710,750

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, Except for Earnings per Share)

		Years Ended December 31		
	Note	2024	2023	2022
REVENUES				
Lease income	34	P2,418,892	P1,988,767	P2,054,273
Gaming revenue share - net	23	2,290,602	2,339,335	1,560,845
Equipment rental	34	527,482	599,221	519,051
Revenue from property management		246,012	235,122	211,548
Sale of real estate		202,859	302,594	862,889
Others	24	204,920	136,336	210,667
		5,890,767	5,601,375	5,419,273
COSTS AND EXPENSES				
Cost of lease income	25	(1,358,830)	(1,355,969)	(1,337,666)
Cost of lottery services	26	(294,229)	(260,670)	(247,548)
Cost of services for property management	27	(178,066)	(170,064)	(139,612)
Cost of gaming operations	28	(153,836)	(137,774)	(136,346)
Cost of real estate sold	29	(66,355)	(142,002)	(443,407)
General and administrative expenses	30	(728,419)	(770,349)	(766,549)
		(2,779,735)	(2,836,828)	(3,071,128)
OTHER INCOME (CHARGES)				
Interest expense	31	(774,280)	(536,971)	(516,342)
Interest income	31	144,303	59,283	22,831
Unrealized gain (loss) on investments held for trading	7	(952)	54,078	(372)
Net foreign exchange gain (loss)		199	(2,303)	(1,658)
Others - net	32	35,733	228,033	14,557
		(594,997)	(197,880)	(480,984)
INCOME BEFORE INCOME TAX		2,516,035	2,566,667	1,867,161
PROVISION FOR (BENEFIT FROM) INCOME TAX	33			
Current		153,422	149,570	28,585
Deferred		(62,975)	(6,088)	128,119
		90,447	143,482	156,704
NET INCOME		2,425,588	2,423,185	1,710,457
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss in subsequent periods:</i>				
Unrealized valuation gain on financial assets at FVOCI	11	3,052,646	1,405,019	2,087,382
Remeasurement gain (loss) on pension asset/liability - net of tax		2,582	(9,236)	2,116
		3,055,228	1,395,783	2,089,498
TOTAL COMPREHENSIVE INCOME		P5,480,816	P3,818,968	P3,799,955

Years Ended December 31				
	Note	2024	2023	2022
Net income attributable to:				
Equity holders of the Parent Company		₱2,334,359	₱1,883,556	₱1,395,751
Noncontrolling interests		91,229	539,629	314,706
		₱2,425,588	₱2,423,185	₱1,710,457
Total comprehensive income attributable to:				
Equity holders of the Parent Company		₱5,389,511	₱3,249,320	₱3,466,004
Noncontrolling interests		91,305	569,648	333,951
		₱5,480,816	₱3,818,968	₱3,799,955
Basic/Diluted Earnings Per Share	38	₱0.247	₱0.199	₱0.148

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

		Years Ended December 31		
	Note	2024	2023	2022
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
COMMON STOCK	22	₱10,561,000	₱10,561,000	₱10,561,000
ADDITIONAL PAID-IN CAPITAL		5,503,731	5,503,731	5,503,731
TREASURY STOCK - at cost	22			
Balance at beginning of year		(2,565,359)	(2,565,359)	(2,476,697)
Purchase of treasury shares		—	—	(88,662)
Balance at end of year		(2,565,359)	(2,565,359)	(2,565,359)
COST OF PARENT COMPANY SHARES HELD BY SUBSIDIARIES	22			
Balance at beginning of year		(1,154,409)	(1,154,409)	(1,464,322)
Sale of Parent Company shares by a subsidiary		—	—	309,913
Balance at end of year		(1,154,409)	(1,154,409)	(1,154,409)
EQUITY SHARE IN COST OF PARENT COMPANY SHARES HELD BY ASSOCIATES	12	(2,501)	(2,501)	(2,501)
OTHER EQUITY RESERVES				
Balance at beginning of year		9,198,493	8,015,113	5,967,683
Unrealized valuation gain on financial assets at FVOCI	11	3,052,570	1,374,064	2,073,126
Excess of acquisition cost over the carrying amount of noncontrolling interest acquired	5	(2,511,399)	—	—
Realized gain on sale of financial assets at FVOCI transferred to retained earnings	11	(4,820)	(182,384)	(18,585)
Remeasurement gain (loss) on retirement asset/ liability - net of tax		2,582	(8,300)	(2,873)
Reclassification of remeasurement gain on retirement asset/ liability to retained earnings		—	—	(4,238)
Balance at end of year		9,737,426	9,198,493	8,015,113
RETAINED EARNINGS				
Balance at beginning of year		14,985,481	13,501,329	12,175,075
Net income		2,334,359	1,883,556	1,395,751
Realized gain transferred to retained earnings	11	4,820	182,384	18,585
Dividends declared	22	—	(581,788)	—
Sale of Parent Company shares by a subsidiary		—	—	(93,733)
Reclassification of retirement liability		—	—	5,651
Balance at end of year		17,324,660	14,985,481	13,501,329
		39,404,548	36,526,436	33,858,904

(Forward)

Years Ended December 31				
	Note	2024	2023	2022
NONCONTROLLING INTERESTS				
Balance at beginning of year		₱2,889,646	₱2,653,958	₱2,745,464
Noncontrolling interest acquired		(2,576,184)	–	–
Net income		91,229	539,629	314,706
Share in dividends declared by a subsidiary	5	(12,380)	(333,960)	(297,939)
Share in unrealized valuation gain on financial assets at FVOCI	11	76	30,955	14,256
Share in remeasurement gain (loss) on retirement asset/liability - net of tax		–	(936)	4,989
Sale of Parent Company shares by a subsidiary		–	–	(127,518)
Balance at end of year		392,387	2,889,646	2,653,958
		₱39,796,935	₱39,416,082	₱36,512,862

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

		Years Ended December 31		
	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱2,516,035	₱2,566,667	₱1,867,161
Adjustments for:				
Depreciation and amortization	13	1,500,335	1,339,220	1,296,659
Interest expense	31	774,280	536,971	516,342
Interest income	31	(144,303)	(59,283)	(22,831)
Amortization of discount on trade receivables	8	(83,574)	(98,571)	(105,051)
Dividend income	32	(21,821)	(15,012)	(6,300)
Retirement cost	35	18,596	9,732	12,709
Provision for probable losses	30	11,578	124,685	187,301
Share in net loss (income) of associates	12	2,341	(2,733)	417
Unrealized loss (gain) on investments held for trading	7	952	(54,078)	372
Gain on sale of property and equipment	32	(313)	(39)	(396)
Provision of (reversal of) allowance for impairment loss on receivables and other current assets	8, 10	237	(21,192)	(33,578)
Gain on sale of financial assets at FVOCI		(896)	(146,545)	–
Unrealized foreign exchange loss (gain) - net		(199)	2,303	4
Gain on disposal of net assets of subsidiaries	32	–	–	(543)
Operating income before working capital changes		4,573,248	4,182,125	3,712,266
Decrease (increase) in:				
Receivables		382,749	286,048	290,129
Real estate for sale and land held for future development		(157,284)	(2,450)	183,075
Other current assets		(96,033)	(42,968)	(1,563,952)
Decrease in trade and other current liabilities		(37,598)	(114,733)	(264,479)
Net cash generated from operations		4,665,082	4,308,022	2,357,039
Income taxes paid		(116,640)	(262,607)	(28,586)
Interest received		144,303	59,283	22,831
Contributions to retirement plan	35	(4,620)	(23,934)	(10,000)
Net cash provided by operating activities		4,688,125	4,080,764	2,341,284
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Noncontrolling interest - net of shares acquired from a subsidiary	5	(5,087,582)	–	–
Property and equipment	16	(134,232)	(564,380)	(22,656)
Financial assets at FVOCI	11	(33,565)	(9,958)	(19,258)
Investment properties	13	–	(91,878)	–
Right of use asset	34	–	(2,664,337)	–
Proceeds from disposal of:				
Investments held for trading	7	56,316	26,747	–
Financial assets at FVOCI		6,751	864,274	55,966
Property and equipment		3,967	24	3,871
Decrease (increase) in other noncurrent assets		(26,759)	57,463	58,759
Dividends received		21,821	15,012	6,300
Decrease (increase) in investments in and advances to associates and related parties		(82)	2	2
Net cash provided by (used in) investing activities		(5,193,365)	(2,367,031)	82,984

(Forward)

		Years Ended December 31		
	Note	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from avilment of loans payable and long-term debt	19, 20	₱5,680,000	₱1,750,000	₱517,500
Payments of:				
Long-term debt and loans payable	19, 20	(3,762,646)	(1,311,912)	(2,010,000)
Lease liabilities	34	(676,564)	(664,566)	(608,769)
Interest		(538,557)	(267,798)	(233,435)
Dividends paid to noncontrolling interests		(12,380)	(333,960)	(297,939)
Dividends paid to shareholders of the Parent Company		—	(584,900)	—
Net cash provided by (used in) financing activities		689,853	(1,413,136)	(2,632,643)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		199	(2,314)	(4)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		184,812	298,283	(208,379)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		2,172,205	1,873,922	2,082,301
CASH AND CASH EQUIVALENTS AT END OF YEAR				
		₱2,357,017	₱2,172,205	₱1,873,922
COMPONENTS OF CASH AND CASH EQUIVALENTS				
Cash on hand and in banks		₱918,924	₱643,902	₱656,745
Cash equivalents		1,394,270	1,528,303	1,217,177
Restricted cash		43,823	—	—
		₱2,357,017	₱2,172,205	₱1,873,922
NONCASH FINANCIAL INFORMATION				
Reclassification of advances for land acquisitions to investment properties	13	₱—	₱1,525,975	₱—
Reclassification from advances to suppliers to property and equipment	10	—	206,985	—

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024 AND 2023 AND
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

1. General Information

Corporate Information

Belle Corporation (Belle or the Parent Company) is a stock corporation organized and registered in the Philippine Securities and Exchange Commission (SEC) on August 20, 1973 and was listed at the Philippine Stock Exchange (PSE) on February 2, 1977. Belle and its subsidiaries collectively referred to as “the Group”, are mainly in real estate development, principally in the high-end leisure property market, gaming and various investment holdings.

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

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

		As at December 31								
		2024			2023			2022		
		Percentage of Ownership			Percentage of Ownership			Percentage of Ownership		
	Industry	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
<i>Subsidiaries:</i>										
Belle Bay Plaza Corporation (Belle Bay Plaza)*	Investment	100.0	–	100.0	100.0	–	100.0	100.0	–	100.0
Belle Infrastructure Holdings, Inc., (formerly Metropolitan Leisure and Tourism Corporation)*	Investment	100.0	–	100.0	100.0	–	100.0	100.0	–	100.0
Parallax Resources, Inc. (Parallax)*	Investment	100.0	–	100.0	100.0	–	100.0	100.0	–	100.0
SLW Development Corporation (SLW)*	Investment	100.0	–	100.0	100.0	–	100.0	100.0	–	100.0
Belle Grande Resource Holdings Inc. (BGRHI)*	Investment	100.0	–	100.0	100.0	–	100.0	100.0	–	100.0
Premium Leisure Corp. (PLC) and Subsidiaries: PremiumLeisure and Amusement, Inc. (PLAI)	Gaming	99.55	–	99.55	79.8	–	79.8	79.8	–	79.8
Foundation Capital Resources Inc.*	Gaming	–	100.0	100.0	–	100.0	100.0	–	100.0	100.0
Sinophil Leisure and Resorts Corporation*	Investment	–	100.0	100.0	–	100.0	100.0	–	100.0	100.0
Pacific Online Systems Corporation (POSC) and Subsidiaries:	Gaming	–	50.1	50.1	–	50.1	50.1	–	50.1	50.1
Loto Pacific Leisure Corporation (LotoPac)	Gaming	–	100.0	100.0	–	100.0	100.0	–	100.0	100.0
Total Gaming Technologies, Inc. (TGTI)	Gaming	–	98.9	98.9	–	98.9	98.9	–	98.9	98.9
Falcon Resources Inc. (FRI)	Gaming	–	100.0	100.0	–	100.0	100.0	–	100.0	100.0
Futurelab Interactive Corp.**	Gaming	–	99.45	99.45	–	99.45	99.45	–	99.45	99.45
<i>Interest in a Joint Operation -</i>										
PinoyLotto Technologies Corp. (PinoyLotto)	Gaming	–	50.0	50.0	–	50.0	50.0	–	50.0	50.0
<i>*Non-operating</i>										
<i>**50%-owned by POSC and 50%-owned by TGTI</i>										

On March 11, 2024, the Board of Directors (BOD) of the Parent Company approved the conduct of a tender offer for up to 6,312,026,669 common shares constituting 20.22% of the issued and outstanding common stock of PLC (the Tender Offer). On the same date, the BOD of PLC approved the voluntary delisting of PLC shares from the PSE, subject to the successful Tender Offer by the Parent Company and in accordance with the requirements of the PSE for voluntary delisting. This was ratified by the shareholders on April 22, 2024.

The Tender Offer commenced on March 22, 2024 and ended on April 24, 2024 (the Tender Offer Period). During the Tender Offer Period, a total of 6,172,192,242 common shares or approximately 19.77% of the total issued and outstanding common stock of PLC were tendered for a total consideration of ₱5,246.4 million. On May 9, 2024, the Tender Offer was successfully completed and on July 9, 2024, PLC was delisted from the PSE.

As at December 31, 2024, PLC is 99.55% owned by the Parent Company.

POSC. Prior to October 1, 2023, POSC's primary source of revenue arises from the Equipment Lease Agreement (ELA) with the Philippine Charity Sweepstakes Office (PCSO) for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment. The ELA was concluded on September 30, 2023.

POSC remains committed to looking for opportunities in the industry. These opportunities include the lease of its Web-based Application Betting Platform (WABP). On August 30, 2023, the POSC signed a Memorandum of Agreement with PCSO in connection with the latter's implementation of a trial run for a WABP during which the Parent Company will be acting as PCSO's exclusive agent.

On June 19, 2024, POSC received a Notice of Award from PCSO after a bidding process for a five-year lease of its WABP. With the issuance of the Notice of Award, the POSC will now have to comply with the post-Notice of Award requirements of the PCSO; thereafter, the contract between the POSC and PCSO covering the terms and conditions of the WABP project will be executed. The commercial operations will commence 76 days from the receipt of the Notice to Proceed.

On July 12, 2024, however, the trial period for the WABP ended upon the instruction of PCSO as it gears toward making the E-lotto services better as it transitions to a new platform.

As at December 31, 2024, PCSO has not yet issued the Notice to Proceed.

PinoyLotto. On June 21, 2021, PinoyLotto, a joint venture corporation owned by POSC, Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), was incorporated and registered with the SEC primarily to provide software support and online lottery equipment service.

PinoyLotto was awarded with a five year-lease of the customized PCSO Lottery System (PLS Project) at a contract price of ₱5,800.0 million. PinoyLotto commenced its commercial operations on October 1, 2023, and pursuant to the contract, 6,500 terminals have been installed and are in operation nationwide.

The Group's interest in PinoyLotto was accounted for as a joint operation (see Note 37).

Approval of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were endorsed by the Audit Committee to the BOD and were approved and authorized for issuance by the BOD on February 21, 2025.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

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

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for:

- investments held for trading which are measured at fair value;
- financial assets at fair value through other comprehensive income (FVOCI);
- retirement asset or liability which is measured as the difference between the present value of defined benefit obligation and the fair value of plan assets; and
- lease liability which is measured at the present value of future lease payments using the interest rate implicit to the lease.

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair values are included in Notes 7, 11, 12, 13 and 39 to consolidated financial statements.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS.

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

- PIC Q&A 2018-12-D, *PFRS 15, Implementing Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-4)* – On February 14, 2018, the PIC issued PIC Q&A 2018-12, which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On December 15, 2020, the SEC issued SEC MC No. 34-2020, providing relief to the real estate industry by deferring the application of “assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (with an addendum in PIC Q&A 2020-04)” until December 31, 2023.

On July 8, 2021, the SEC issued SEC MC No. 8, series of 2021 amending the transition provision of the above PIC Q&A, providing real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach.

The Group adopted PIC Q&A 2018-12-D effective January 1, 2024, using the modified retrospective approach and elected to apply PIC Q&A 2018-12-D only to contracts that are not completed contracts at the date of initial application.

The Group did not avail the deferral of the adoption of the provision of PIC Q&A 2018-12-E regarding the treatment of land in the determination of percentage of completion and the IFRIC Agenda Decision on over time transfer of constructed goods (PAS 23, *Borrowing Cost*) for the real estate industry. These have already been adopted in prior years.

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated.
- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

The adoption of the PIC Q&A and amendments to PFRS did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amendments to PFRS in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS which are not yet effective as at December 31, 2024 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2025:

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted. Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS and PIC issuances are not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS, is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries and interests in a joint operation.

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

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

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

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

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

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

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

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

If the Parent Company loses control over a subsidiary, it derecognizes the assets, including goodwill, liabilities, and NCI in the subsidiary. The Parent Company recognizes the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the consolidated statement of comprehensive income.

Business Combinations and Goodwill. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method is used. Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. However, business combinations under common control may also be accounted for using the acquisition method of accounting when the transaction has commercial substance from the perspective of the reporting entity.

Under the acquisition method, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed outright.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGU), or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment or determined in accordance with PFRS 8, *Operating Segment*.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash generating unit or group of cash generating units, to which the goodwill relates. When the recoverable amount of the cash generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognized. Impairment loss with respect to goodwill cannot be reversed in future periods.

When goodwill has been allocated to a cash generating unit or group of cash generating units and part of the operations within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

Joint Arrangements. Joint arrangements represent activities where the Group has joint control established by a contractual agreement. Joint control requires unanimous consent for financial and operational decisions. A joint arrangement is either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities, or a joint venture, whereby the parties have rights to the net assets.

The Group accounted for its interest in PinoyLotto as a joint operation. Accordingly, the Group recognizes (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenues and share in revenues from the output of the joint operation, and (iv) its expenses, including its share of any expenses incurred jointly.

The Parent Company reports items of a similar nature to those on the financial statements of the joint arrangement, on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

The financial statements of PinoyLotto with a fiscal period ended June 30, are incorporated in the consolidated financial statements as at December 31. Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of PinoyLotto's financial statements and the date of the consolidated financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classifications.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at FVOCI. The classification of a financial asset largely depends on the Group's business model and on the purpose for which the financial instruments are acquired or incurred and whether these are quoted in an active market.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

As at December 31, 2024 and 2023, the Group does not have financial liabilities at FVPL and debt instruments measured at FVOCI.

Financial Assets at FVPL. Financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "unrealized gain (loss) on financial assets at FVPL" account in profit or loss.

Classified under this category are the Group's investments in equity securities and share warrants included under "Investments held for trading" account.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Classified under this category are the Group's cash and cash equivalents, receivables, installment receivables, advances to associates, guarantee deposits, refundable deposits (presented as part of "Other current assets", "Other noncurrent assets" and "Investment in and advances to associates").

Financial Assets at FVOCI. Equity securities which are not held for trading are irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in OCI and are included under "Other comprehensive income" account in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative valuation gains or losses will be reclassified to retained earnings.

Classified under this category are the Group's investments in quoted and unquoted shares of stock and club shares.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

Classified under this category are the Group's trade and other current liabilities (excluding withholding and output VAT payable, unearned income and customer deposits), refundable deposits (presented as part of "Other noncurrent liabilities"), loans payable, long-term debt and lease liabilities.

Impairment of Financial Assets at Amortized Cost

The Group recognizes an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Trade Receivables. The Group has applied the simplified approach in measuring the ECL on trade receivables. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Assets Measured at Amortized Cost. For these financial assets, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its right to receive cash flows from the asset and either:
(a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Real Estate for Sale and Land Held for Future Development

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Costs include:

- Cost of the land;
- Construction and development costs; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated specifically identifiable costs to complete and the estimated costs to sell. NRV in respect of land under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion.

Other Assets

This account mainly consists of creditable withholding taxes (CWT), excess of input value-added tax (VAT) over output VAT, deferred input VAT, advances to contractors and suppliers, and advances for land acquisitions, among others.

CWT. CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at its net realizable amount.

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from the taxation authority is included as part of "Other current assets" account in the consolidated statements of financial position.

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

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

Carrying amount of deferred input VAT recoverable from the taxation authority is presented under "Other noncurrent assets" account in the consolidated statement of financial position.

Advances to Contractors and Suppliers. Advances to contractors and suppliers represent advance payments on goods and services to be incurred in connection with the Group's projects and operation. These are charged to expense or capitalized to projects in the consolidated statements of financial position, upon actual receipt of services or goods. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers. Refundable advances to contractors and suppliers are classified as financial assets. Advance payments to contractors and suppliers that will be applied against future billings or expected to be refunded beyond 12 months from the reporting date, are presented as part of "Other noncurrent assets" account in the consolidated statements of financial position. Otherwise, these are presented as part of current assets.

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

Investment Properties

Investment properties comprise of land and building held by the Group to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount includes the cost of replacing part of existing investment properties at the time that cost is incurred and if the recognition criteria are met, and excludes the costs of day-to-day servicing of investment properties. Subsequent to initial recognition, investment properties, except land, are stated at cost less accumulated depreciation, amortization and any impairment losses. Land is stated at cost less any impairment losses.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets. The depreciation and amortization periods for investment properties, based on the above policies, are as follows:

Asset Type	Number of Years
Buildings	17 to 40 years
Building improvements	15 years or the term of the lease, whichever is shorter

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy on property and equipment up to the date of change in use.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no further economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Intangible Assets

Intangible asset acquired separately is measured on initial recognition at cost. The cost of intangible asset acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statements of comprehensive income in the year the expenditure is incurred.

The Group made upfront payments to purchase a license. The license has been granted for a period of 18.6 years and renewable for another 25 years by the relevant government agency. The license was assessed as having a finite life and is amortized on a straight-line basis over 43.6 years.

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

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of comprehensive income in the expense category consistent with the function of intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of comprehensive income when the asset is derecognized.

Property and Equipment

Property and equipment, except land, are stated at cost less accumulated depreciation, amortization and any impairment losses. Land is stated at cost less accumulated impairment loss, if any.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Each part of the property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets as follows:

Asset Type	Number of Years
Lottery equipment	4–10 years or term of lease, whichever is shorter
Leasehold improvements	15 years or the term of the lease, whichever is shorter
Machinery and equipment	5 years
Condominium units and improvements	17 years
Transportation equipment	4–5 years
Office furniture, fixtures and equipment	3–5 years

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization is consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

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

Investments in Associates

An associate is an entity in which the Group has significant influence, and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for under the equity method.

Under the equity method, the investments in associates are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associates since their respective acquisition dates. Goodwill relating to the associates is included in the carrying amount of the investments and is not tested for impairment individually but rather as part of impairment assessment for investments in associates.

The profit or loss in the consolidated statements of comprehensive income reflects the Group's share of the results of operations of the associates. Any share in change in OCI of those investees is presented as part of the Group's OCI. When there has been a change recognized directly in the equity of the associates, the Parent Company recognizes its share of any changes and discloses this, when applicable, as part of other comprehensive income and in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The aggregate of the Group's share in income or loss of associates is shown under "Other income (charges)" line item in the consolidated statements of comprehensive income.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that each of the investment in associates is impaired. If such evidence exists, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value and recognizes the loss in profit or loss in the consolidated statements of comprehensive income.

The financial statements of the associates are prepared for the same reporting period as the Parent Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Parent Company.

Upon loss of significant influence over an associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets (excluding Goodwill and Investments in Associates)

Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Common Stock and Additional Paid-in Capital

Common stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Incremental costs directly attributable to the issue of new common stock are recognized as a deduction, net of tax, from the equity.

Treasury Stock

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

Cost of Parent Company Shares Held by Subsidiaries

Parent Company's shares which are held by a subsidiary are treated similar to treasury shares and recognized and deducted from equity at cost. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other reserves.

Equity Share in Cost of Parent Company Shares Held by Associates

Equity share in cost of Parent Company common shares held by associates represents the amount that reduces the Parent Company's "Investments in and advances to associates" account and equity balance by the effective ownership in Parent Company common shares held by associates.

Other Equity Reserves

Other equity reserves comprise of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. Other equity reserves of the Group pertain to excess of acquisition cost over net assets of acquired subsidiaries, cumulative unrealized valuation gains (losses) on financial assets at FVOCI, cumulative remeasurement gains (losses) on retirement asset/liability, accumulated share in cumulative unrealized valuation gains on financial assets at FVOCI of associates, which are not to be reclassified to profit or loss in subsequent periods, and transactions with NCI.

Retained Earnings

Retained earnings represent the cumulative balance of the Group's results of operations, net of dividends declared to date.

Revenue Recognition

The Group has generally concluded that it is the principal in its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Lease Income. Lease income arising from operating leases on investment properties is accounted for on a straight-line basis over the terms of the lease. If the collection of the rentals is not probable, operating lease income is recognized to the extent collectable.

Gaming Revenue Share. Revenue representing monthly payments from Melco Resorts Leisure (PHP) Corporation (Melco) based on the performance of gaming operations of City of Dreams Manila integrated resort and casino is recognized when earned pursuant to an Operating Agreement and is measured at the fair value of the consideration received or receivable, net of Philippine Amusement and Gaming Corporation (PAGCOR) license fee.

In determining the transaction price for gaming revenue share, the Group considers the effect of variable consideration. The Group estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Equipment Rental. Revenue from lease agreements with variable lease payments is recognized based on a certain percentage of gross sales of the lessee's online lottery operations, as computed by the lessee in accordance with the agreement. For lease agreements with fixed payments and is classified as operating lease, revenue is recognized on a straight-line basis over the term of the lease.

Revenue from Property Management. Revenue is recognized as services of providing utilities and maintenance are performed.

Sale of Real Estate. The Group derives its real estate revenue from sale of lots, house and lots and construction of house. Revenue from the sale of these real estate project spread over time across the course of the development or construction since the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties, with consideration of significant financing component under PFRS.

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using performance completed to date. This is based on the monthly project accomplishment report prepared by the Group's engineers which integrates the surveys of performance to date of the construction.

Income from Forfeitures (presented under "Other revenue" account). This represents income from forfeitures of the deposits and, to a certain extent, installments from customers in the event of a default and/or from cancellations of sales. Revenue is recognized upon approval of cancellation.

Income from Sale of Club Shares and Playing Rights (presented under "Other revenue" account). Revenue from sale of club shares and playing rights are recognized when the risk and rewards of ownership of the shares and playing rights have been passed to the buyer and the amount of revenue can be reliably measured.

Interest Income. Interest income from trade receivables, installment receivables and contract assets are recognized as the interest accrues using the effective interest rate method. Interest income from bank deposits is recognized as it accrues.

Dividends (presented under "Other income/charges" account). Revenue is recognized when the Group's right to receive the payment is established.

Penalty (presented under "Other revenue" account). Penalty pertains to income from surcharges related to buyers' default and late payments. Income is recognized when penalty is actually collected.

Commission Income. Commission income from WBAP is recognized at a point in time when the related services are provided and is computed based on a certain percentage of gross sales of the web-based lottery operations.

Other Income. Revenue is recognized when there is an incremental economic benefit, other than the usual business operations, that will flow to the Group and the amount of the revenue can be measured reliably.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Cost of Lease Income. Cost of lease income are recognized as expense when services are rendered.

Cost of Lottery Services, Gaming Operations, and Services for Property Management. Cost of lottery services, cost of gaming operations, and cost of services for property management are recognized as expense when services are rendered.

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

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- a) the right to obtain substantially all of the economic benefits from the use of identified asset; and
- b) the right to direct the use of the identified asset.

Group as a Lessee. At the commencement date, the Group recognizes Right-of-Use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense in profit or loss on a straight-line basis. For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Group will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

ROU Assets. At commencement date, the Group measures ROU assets at cost which is comprised of the following:

- a) the amount of the initial measurement of lease liabilities;
- b) any lease payments made at or before the commencement date less any lease incentives received;
- c) any initial direct costs; and
- d) an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets as follows:

Asset Type	Number of Years
Land and building improvements*	16 years and 4 months
Air rights	14 years and 6 months
Office and warehouse	2 to 5 years

**presented as part of Investment Properties in the consolidated statement of financial position*

Lease Liabilities. At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability consist of the following:

- a) fixed payments, including in-substance fixed payments;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable by the lessee under residual value guarantees; and
- d) the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

Group as a Lessor. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income under operating leases is recognized on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

Operating income is recognized if it is probable that the entity will collect the consideration. In evaluating whether collectability of the amount of consideration is probable, the Group considers the customer's ability and intention to pay. If the collection of the rentals is not probable, operating lease income is recognized to the extent collectible.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term.

In case of a lease modification, the Group accounts for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Pension Costs. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, difference between interest income and return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognize related restructuring costs.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting period.

Foreign Currency Denominated Transactions

Transactions denominated in foreign currencies are initially recorded in Philippine Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the year such are realized.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income tax relating to item recognized directly in equity is recognized in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

- When it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset the current tax assets against the current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Related Parties and Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or a member of the key management personnel of the reporting entity. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with the Group's related party transactions policy.

Earnings Per Share (EPS)

Basic EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the Parent Company, after recognition of the dividend requirement of preferred shares, as applicable, by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the parent by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on EPS.

As the Group has no dilutive potential common shares outstanding, basic and diluted EPS are stated at the same amount.

Operating Segments

The Group is organized into business units wherein operating results are regularly monitored by the chief operating decision maker (CODM) for the purpose of making decisions about resource allocation and performance assessment. As permitted by PFRS 8, *Operating Segments*, the Group has aggregated these segments into a single operating segment to which it derives its revenues and incurs expenses as these segments have the same economic characteristics and are similar in the following respects:

- the nature of products and services;
- the nature of production processes;
- the type or class of customer for the products and services; and
- the methods used to distribute their products and services.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires management to exercise judgment, make accounting estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the consolidated financial statements. The judgment, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgment

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving accounting estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Recognizing Revenue and Cost of Sale from Real Estate Sales:

- *Existence of a Contract.* The Group's primary document for a contract with a customer is a signed contract to sell, which contains all the criteria to qualify as contract with the customer under PFRS 15. In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history of customer, age of receivables and contract assets and pricing of the property. Management regularly evaluates the historical cancellations if it would still support its current threshold of customers' equity before commencing revenue recognition.
- *Revenue Recognition Method and Measure of Progress.* The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

- *Identifying Performance Obligation.* The Group has contracts to sell covering serviced lot. The Group concluded that there is one performance obligation in each of these contracts because, for serviced lot, the developer integrates the plots it sells with the associated infrastructure to be able to transfer the serviced land promised in the contract. Included also in this performance obligation is the Group's service to transfer the title of the real estate unit to the customer.

- *Recognizing of Revenue and Cost of Sale of Real Estate.* Selecting an appropriate revenue recognition method for a particular sale transaction requires certain judgments based on sufficiency of cumulative payments by the buyer, completion of development and existence of a binding sales agreement between the Group and the buyer. The completion of development is determined based on actual costs incurred over the total estimated development costs reconciled with the Group engineer's judgment and estimates on the physical portion of contract work done if the development cost is beyond preliminary stage.

The Group's cost of sale from real estate sales are disclosed in Note 29 to consolidated financial statements.

Assessing Joint Control and Determining Proper Classification of a Joint Arrangement. Management has used judgment in relation to the classification of the Group's interest in PinoyLotto and classified it as a joint operation. PinoyLotto is 50% owned by the Parent Company but controlled jointly with the other owner. PinoyLotto has been classified as a joint operation because the parties have equal number of board representatives and because relevant activities that significantly affect the return on the investment requires approval of representatives from both partners. Management's considerations include, but are not limited to, determining if the arrangement is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity direct rights to the assets and obligations for the liabilities within the normal course of business. Other facts and circumstances are also assessed by management, including the entity's rights to the economic benefits of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

Determining Subsidiaries with Material Non-controlling Interests and Material Associates. The Group is required to disclose certain financial information on its subsidiaries with material NCI and material associates.

Management determines subsidiaries with material NCI as those with assets greater than 5% of consolidated assets, or revenues and net income. Material associates are those where the carrying amount of investment or equity in net earnings is greater than 5% of the consolidated assets or net income at year end.

The Group has determined PLC as a subsidiary with material NCI as at December 31, 2023, and APC group as its material associate as at December 31, 2024 and 2023.

Accounting for Leases:

- *Determining the Lease Term of Contracts with Renewal Options – Group as a Lessee.* The Group has lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease and considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

- *Estimating the Incremental Borrowing Rate (IBR).* The Group uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. It also requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Group's lease liabilities are disclosed in Note 34 to consolidated financial statements.

- *Operating Lease – Group as a Lessor of Land and Building.* The Parent Company, as a lessor, has accounted for the lease agreements for its land and building under an operating lease. The Parent Company has determined that it has not transferred the significant risks and rewards of ownership of the leased properties to the lessee because of the following factors:
 - a. the lessee will not acquire ownership of the leased properties upon termination of the lease;
 - b. the lessee was not given an option to purchase the assets at a price that is sufficiently lower than the fair value at the date of the option;
 - c. the lease term is not a major part of the economic life of the asset; and
 - d. the present value of the minimum lease payments is not substantially all of the fair value of the leased asset.

Lease income earned from lease of land and building are disclosed in Note 34 to the consolidated financial statements.

- *Operating Lease – Group as a Lessor of Lottery Equipment.* POSC and TGTI leases to Philippine Charity Sweepstakes Office (PCSO) the lottery equipment it uses for its nationwide on-line lottery operations. POSC and TGTI have determined that they have retained substantially all the risks and benefits of ownership of the lottery equipment being leased to PCSO. The ownership of the asset is not transferred to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and, the lease term is not for the major part of the asset's economic life. Accordingly, the lease is accounted for as an operating lease.

Revenue from equipment rental are disclosed in Note 34 to consolidated financial statements.

Assessing the Collectability of Lease Income. The Group assesses whether it is probable that it will collect the consideration to which it will be entitled in accordance with the lease agreement. In evaluating whether collectability of an amount of consideration is probable, the Group considers any lease modifications and the customer's ability and intention to pay the amount of consideration. The amount of consideration to which the Group will be entitled may also be less than the consideration stated in the contract because the parties may agree on a concession. The Group assesses the collectability of these contracts at the inception and reassesses if there is an indication of a significant change in facts and circumstances.

In 2023 and 2022, the Group, as a lessor, agreed to a concession wherein the minimum guaranteed rental payments were significantly reduced, and additional variable lease payments will be made subject to certain conditions. Accordingly, the rental income was recognized up to the extent collectible. In 2024, following the improvement in the lessee's ability and intention to pay the lease consideration, including the agreed-upon escalation rate, the Group recognized the lease income on a straight-line basis.

Determining the Classification of Financial Instruments. Classification of financial assets under PFRS 9 depends on the results of the business model test and "sole payment of principal and interest" (SPPI) test performed by the Group. The Group exercises judgment in determining the business model to be used in managing its financial instruments to achieve their business objectives.

Determining the Fair Value of Financial Instruments. PFRS requires certain financial assets and liabilities to be carried at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any changes in fair value of these financial assets would affect profit and loss and equity.

The fair value of the Group's financial assets and liabilities are disclosed in Note 39 to consolidated financial statements.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determining the Impairment of Receivables, Installment Receivables and Contract Assets. The Group uses the simplified approach for its impairment provisions for financial assets which are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates on the basis of current observable data to reflect the effects of current and forecasted economic conditions at the end of each reporting period.

Allowance for impairment losses and the carrying amounts of receivables, installment receivables and contract assets as at December 31, 2024 and 2023 are disclosed in Notes 8 to the consolidated financial statements.

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

The Group did not recognize impairment loss on other financial assets at amortized cost in 2024, 2023 and 2022. The carrying values of cash and cash equivalents, advances to associates, guarantee deposits and refundable deposits and construction bond as at December 31, 2024 and 2023 are disclosed in Notes 6, 10, 12 and 17 to the consolidated financial statements, respectively.

Determining the NRV of Real Estate for Sale and Supplies Inventory. Real estate for sale and supplies inventory are stated at lower of cost and NRV. The Group writes down the carrying value of real estate for sale and supplies inventory whenever the NRV becomes lower than cost.

The Group recognized a reversal of provision for impairment loss on spare parts and supplies. The carrying values of real estate for sale and spare parts and supplies inventory carried at lower of cost and NRV are disclosed in Notes 9 and 10 to the consolidated financial statements.

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

There were no changes in the estimated useful life of gaming license in 2024, 2023 and 2022. The carrying value of the gaming license is disclosed in Note 14 to the consolidated financial statements.

Estimating the Useful Lives of Depreciable Investment Properties, Property and Equipment Intangible Asset and ROU Assets. The Group estimates the useful lives of the depreciable investment properties, property and equipment, intangible asset and ROU assets based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of depreciable investment properties, property and equipment and ROU assets in 2024, 2023 and 2022. The aggregate carrying amount of depreciable investment properties, property and equipment, intangible asset and ROU assets are disclosed in Notes 13, 14, 16 and 34 to consolidated financial statements.

Classifying of a Property. The Group determines whether a property is classified as investment properties or property and equipment as follows:

- Investment properties comprise a portion of buildings and leasehold improvements which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Property and equipment comprise properties that are held for use in the ordinary course of business.

The carrying amounts of the Group's investment properties and property and equipment as at December 31, 2024 and 2023 are disclosed in Notes 13 and 16, respectively.

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

No impairment loss was recognized in 2024, 2023 and 2022. The carrying amount of goodwill as at December 31, 2024 and 2023 is disclosed in Note 15 to consolidated financial statements.

Assessing Impairment of Nonfinancial Assets (Except Goodwill). The Group assesses whether there are any indicators of impairment for all nonfinancial assets at each reporting date. Investments in associates, investment properties, ROU assets, property and equipment and intangible assets are reviewed for impairment when there are indicators that the carrying amounts may not be recoverable. Determining the value in use of these nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements.

The carrying values of nonfinancial assets subjected to assessment of impairment indicators or review as at December 31, 2024 and 2023 are disclosed in Notes 9, 10, 12, 13, 14, 16, 17 and 34 to the consolidated financial statements.

Assessing the Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Recognized and unrecognized deferred tax assets of the Group are disclosed in Note 33 to consolidated financial statements. Management believes that it is not probable that sufficient taxable income will be available to allow all these deferred tax assets to be utilized.

Evaluating Contingencies. The Group recognizes provision for possible claims when it is determined that an unfavorable outcome is probable and the amount of the claim can be reasonably estimated. The determination of reserves required, if any, is based on analysis of such individual issue, often with the assistance of outside legal counsel (see Note 18).

4. Segment Information

The operating businesses of the Group are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is primarily in real estate development, property management and gaming and gaming-related activities. Others pertain to investment companies which are mostly dormant.

Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, receivables, real estate for sale, land held for future development, investment properties, property and equipment and right of use assets, net of accumulated depreciation and impairment. Segment liabilities include all operating liabilities and consist principally of accounts payable and other liabilities. Segment assets and liabilities do not include deferred income taxes, investments and advances, and borrowings.

Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in the consolidation.

The amounts of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring assets and liabilities and profit or loss in the consolidated financial statements, which are in accordance with PFRS.

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

	(In Thousands)				
	2024				
	Real Estate Development and Property Management	Gaming and Gaming Related Activities	Others	Eliminations/ Adjustments	Consolidated
Earnings Information					
Revenue	₱3,136,307	₱2,808,460	₱–	(₱54,000)	₱5,890,767
Costs and expenses	(2,042,958)	(913,406)	(235)	176,864	(2,779,735)
Interest expense	(869,248)	(36,682)	–	131,650	(774,280)
Interest income	20,745	255,204	5	(131,651)	144,303
Other income - net	2,770,674	17,901	3,851	(2,757,446)	34,980
Income before income tax	3,015,520	2,131,477	3,621	(2,634,583)	2,516,035
Provision for income tax	(59,584)	(30,863)	–	–	(90,447)
Net income	₱2,955,936	₱2,100,614	₱3,621	(₱2,634,583)	₱2,425,588
Net income attributable to equity holders of the parent	₱2,955,936	₱2,009,385	₱3,621	(₱2,634,583)	₱2,334,359
Other Information					
Investments in and advances to associates	₱15,495,958	₱317	₱–	(₱15,376,530)	₱119,745
Investments held for trading	–	42,745	–	–	42,745
Investments at FVOCI	13,068,165	178,061	271,418	(418,948)	13,098,696
Total assets	61,382,296	17,810,627	431,252	(22,150,465)	57,473,710
Total liabilities	18,975,638	1,189,423	2,664,813	(5,153,099)	17,676,775
Capital expenditures	33,456	100,776	–	–	134,232
Depreciation and amortization	(1,186,056)	(437,142)	–	122,863	(1,500,335)

(In Thousands)					
2023					
	Real Estate Development and Property Management	Gaming and Gaming Related Activities	Others	Eliminations/ Adjustments	Consolidated
Earnings Information					
Revenue	₱2,714,487	₱2,940,888	₱–	(₱54,000)	₱5,601,375
Costs and expenses	(2,022,167)	(991,162)	(363)	176,864	(2,836,828)
Interest expense	(724,651)	(17,903)	–	205,583	(536,971)
Interest income	10,849	254,012	5	(205,583)	59,283
Other income - net	1,267,829	271,883	9,373	(1,269,277)	279,808
Income before income tax	1,246,347	2,457,718	9,015	(1,146,413)	2,566,667
Provision for income tax	(9,683)	(133,799)	–	–	(143,482)
Net income	₱1,236,664	₱2,323,919	₱9,015	(₱1,146,413)	₱2,423,185
Net income attributable to equity holders of the parent	₱1,236,664	₱1,784,290	₱9,015	(₱1,146,413)	₱1,883,556

Other Information

Investments in and advances to associates	₱10,249,423	₱–	₱–	(₱10,127,420)	₱122,003
Investments held for trading	–	100,013	–	–	100,013
Investments at FVOCI	9,981,060	129,667	205,776	(298,162)	10,018,341
Total assets	53,881,606	18,324,848	358,703	(16,854,407)	55,710,750
Total liabilities	17,547,045	1,276,596	2,664,630	(5,193,603)	16,294,668
Capital expenditures	28,022	536,358	–	–	564,380
Depreciation and amortization	(1,175,634)	(286,449)	–	122,863	(1,339,220)

(In Thousands)					
2022					
	Real Estate Development and Property Management	Gaming and Gaming Related Activities	Others	Eliminations/ Adjustments	Consolidated
Earnings Information					
Revenue	₱3,393,377	₱2,079,896	₱–	(₱54,000)	₱5,419,273
Costs and expenses	(2,305,358)	(942,548)	(86)	176,864	(3,071,128)
Interest expense	(641,454)	(221)	–	125,333	(516,342)
Interest income	728	147,434	2	(125,333)	22,831
Other income - net	1,257,694	6,468	230	(1,251,865)	12,527
Income (loss) before income tax	1,704,987	1,291,029	146	(1,129,001)	1,867,161
Provision for income tax	(121,620)	(35,084)	–	–	(156,704)
Net income (loss)	₱1,583,367	₱1,255,945	₱146	(₱1,129,001)	₱1,710,457
Net income (loss) attributable to equity holders of the parent	₱1,583,367	₱941,239	₱146	(₱1,129,001)	₱1,395,751

Other Information

Investments in and advances to associates	₱10,253,148	₱–	₱–	(₱10,133,876)	₱119,272
Investments held for trading	–	72,682	–	–	72,682
Investments at FVOCI	8,746,796	686,731	196,441	(308,876)	9,321,092
Total assets	54,073,314	16,985,906	347,896	(18,649,395)	52,757,721
Total liabilities	19,567,517	816,521	2,663,890	(6,803,070)	16,244,858
Capital expenditures	22,570	86	–	–	22,656
Depreciation and amortization	(1,158,414)	(261,109)	–	122,864	(1,296,659)

Revenues amounting to ₱4,709.5 million, ₱4,328.1 million and ₱3,615.1 million in 2024, 2023, and 2022, respectively, are solely collectible from Melco and revenues amounting to ₱527.5 million, ₱599.2 million and ₱519.1 million in 2024 and 2023, and 2022 are solely collectible from PCSO.

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

	2024	2023	2022
Revenues			
Total revenue for reportable segments	₱5,944,767	₱5,655,375	₱5,473,273
Elimination for intercompany revenue	(54,000)	(54,000)	(54,000)
Total consolidated revenues	₱5,890,767	₱5,601,375	₱5,419,273
Net Profit for the Year			
Total profit for reportable segments	₱5,060,171	₱3,569,598	₱2,839,458
Elimination for intercompany profits	(2,634,583)	(1,146,413)	(1,129,001)
Consolidated net profit	₱2,425,588	₱2,423,185	₱1,710,457
Assets			
Total assets for reportable segments	₱44,212,524	₱45,470,393	₱43,244,675
Investments in and advances to associates	119,745	122,003	119,272
Investments at FVTPL	42,745	100,013	72,682
Investments at FVOCI	13,098,696	10,018,341	9,321,092
Total assets	₱57,473,710	₱55,710,750	₱52,757,721
Liabilities			
Total liabilities for reportable segments	₱7,420,087	₱7,926,988	₱8,309,531
Loans payable	300,017	1,300,017	450,000
Long-term debt	7,442,941	4,525,588	4,937,500
Deferred tax liabilities - net	2,413,188	2,479,013	2,483,336
Advances from related parties*	100,542	63,062	64,491
Total liabilities	₱17,676,775	₱16,294,668	₱16,244,858

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

The Parent Company's BOD, the chief operating decision maker of the Group, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, financing (including interest expense and interest income) and income taxes are managed as a whole and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Disclosure of the geographical information regarding the Group's revenues from external customers and total assets have not been provided since all of the Group's consolidated revenues are derived from operations within the Philippines.

Capital expenditures consist of additions of property and equipment and expenditures on investment properties.

Disaggregated revenue information

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

Type of revenue	(In Thousands)		
	2024		
	Real Estate Development and Property Management	Gaming and gaming related activities	Total
Lease income	₱2,418,892	₱—	₱2,418,892
Gaming revenue share – net	—	2,290,602	2,290,602
Equipment rental	—	527,482	527,482
Revenue from property management	246,012	—	246,012
Sale of real estate	202,859	—	202,859
Other revenues	204,920	—	204,920
	₱3,072,683	₱2,818,084	₱5,890,767

Type of revenue	(In Thousands)		
	2023		
	Real Estate Development and Property Management	Gaming and gaming related activities	Total
Lease income	₱1,988,767	₱—	₱1,988,767
Gaming revenue share - net	—	2,339,335	2,339,335
Equipment rental	—	599,221	599,221
Sale of real estate	302,594	—	302,594
Revenue from property management	235,122	—	235,122
Other revenues	136,336	—	136,336
	₱2,662,819	₱2,938,556	₱5,601,375

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

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

5. Material Partially-Owned Subsidiary

In 2024, the Parent Company increased its ownership interest in PLC from 79.8% to 99.55% as a result of PLC's Tender Offer for a total consideration of ₱5,246.4 million (see Note 1). The total consideration is inclusive of consideration paid to acquire PLC shares from a subsidiary amounting to ₱159.0 million. The excess of the consideration over the carrying amount of the non-controlling interest amounting to ₱2,511.4 million was recognized as part of "Other equity reserve" account in the consolidated statements of financial position (see Note 22).

As at December 31, 2024 and 2023, PLC's non-controlling interests hold 0.45% and 20.21% ownership interest, respectively.

On November 7, 2024, the PLC's BOD approved the amendment of the Articles of Incorporation to increase the par value of the PLC's common shares from ₱0.25 to ₱1,000.00 per share. This amendment was subsequently approved by PLC's stockholders during the Special Stockholders Meeting held on December 20, 2024. The increase in par value will result in PLC's authorized capital stock of ₱10,907,500,000 being divided into: (a) 9,407,500 common shares with a par value of ₱1,000.00 per share; and (b) 6,000,000,000 preferred shares with a par value of ₱0.25 per share. As of December 31, 2024, the amendment is pending approval from the SEC. The proposed change in par value has no impact on PLC's total equity position.

The summarized financial information of PLC is provided below. This information is based on amounts before the elimination of related party balances and transactions.

Summarized consolidated statements of financial position as at December 31, 2024 and 2023:

	(In Thousands)	
	2024	2023
Total current assets	₱4,695,559	₱4,993,365
Total noncurrent assets	13,043,561	13,327,386
Total current liabilities	(827,703)	(844,510)
Total noncurrent liabilities	(308,423)	(427,988)
Total equity	₱16,602,994	₱17,048,253
Attributable to:		
Equity holders of the Parent	₱16,269,234	₱16,587,482
Non-controlling interests	333,760	460,771
Total	₱16,602,994	₱17,048,253

Summarized consolidated statements of comprehensive income for the years ended December 31, 2024, 2023 and 2022:

	(In Thousands)		
	2024	2023	2022
Revenue	₱2,818,084	₱2,940,889	₱2,079,896
Costs and expenses	(1,002,859)	(978,839)	(942,608)
Other income - net	296,361	495,668	153,744
Income before income tax	2,111,586	2,457,718	1,291,032
Provision for income tax	(30,780)	(133,799)	(35,084)
Net income	2,080,806	2,323,919	1,255,948
Other comprehensive income (loss)	138,127	143,970	62,881
Total comprehensive income	₱2,218,933	₱2,467,889	₱1,318,829
Attributable to:			
Equity holders of the Parent	₱2,165,914	₱2,333,860	₱1,220,228
Non-controlling interests	53,019	134,029	98,601
Total	₱2,218,933	₱2,467,889	₱1,318,829

Below are the summarized consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022:

	(In Thousands)		
	2024	2023	2022
Operating activities	₱2,482,934	₱2,129,956	₱1,723,035
Investing activities	35,473	1,959,291	(118,519)
Financing activities	(2,817,758)	(3,867,638)	(1,486,881)
Net increase (decrease) in cash and cash equivalents	(₱299,351)	₱221,609	₱117,635

Dividends paid to non-controlling interests amounted to ₱12.4 million, ₱334.0 million and ₱297.9 million in 2024, 2023 and 2022, respectively.

6. Cash and Cash Equivalents

This account consists of:

	(In Thousands)	
	2024	2023
Cash on hand and in banks	₱918,924	₱643,902
Cash equivalents	1,394,270	1,528,303
Restricted cash	43,823	—
	₱2,357,017	₱2,172,205

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term investments which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

Interest income earned from cash in banks and cash equivalents amounted to ₱144.3 million, ₱59.3 million and ₱19.2 million in 2024, 2023 and 2022, respectively (see Note 31).

Under its loan agreement, PinoyLotto is required to maintain a debt service reserve account for the security of interest and/or principal repayments to the lenders. PinoyLotto is required to deposit cash to the debt service reserve account equivalent to the upcoming interest and/or principal repayment (see Note 20).

7. Investments Held for Trading

This account consists of the Group's investments in quoted shares of stocks of Vantage Equities, Inc. and DigiPlus Interactive Corp.

Movements in this account are as follows:

	(In Thousands)	
	2024	2023
Balance at beginning of year	₱100,013	₱72,682
Unrealized marked-to-market gain (loss)	(952)	54,078
Disposals	(56,316)	(26,747)
Balance at end of year	₱42,745	₱100,013

The fair values of these securities are based on the quoted prices on the last market day of the year. The Group determines the cost of investments sold using specific identification method.

Unrealized valuation gain (loss) was recognized under "Unrealized gain (loss) on investment held for trading" account in the consolidated statements of comprehensive income.

Gain on disposal of investments held for trading amounted to ₱0.9 million in 2024. This is presented under "Other income (charges) - net" in the consolidated statements of comprehensive income (see Note 32).

8. Receivables

This account consists of:

	Note	(In Thousands)	
		2024	2023
Trade receivables:			
Leases	34	₱2,901,966	₱2,847,521
Real estate sales and installment receivables		1,239,637	1,540,884
Equipment rental		48,333	119,185
Gaming revenue share		219,871	202,500
Property management		29,850	45,858
Receivable from a Share Swap Agreement		422,342	422,342
Advances to consultants	10	109,043	127,500
Others		100,284	273,068
		5,071,326	5,578,858
Less allowance for impairment losses		470,020	699,428
		4,601,306	4,879,430
Less installment receivables - noncurrent portion		753,783	1,053,079
		₱3,847,523	₱3,826,351

Trade receivables from leases, equipment rental and property management are on a 30 to 60 days credit term.

Trade receivables from real estate sales are interest-bearing and are generally collected in installment within three to five years.

Gaming revenue share is collectible on a 20 days credit term. This pertains to the PLAI's receivable from Melco for the gaming revenue share in the operations of City of Dreams Manila.

The receivable from a Share Swap Agreement (the Agreement) is a receivable from Paxell Investment Limited and Metroplex Berhad (both Malaysian companies, collectively referred to as "Metroplex") amounting to ₱422.3 million representing the cost of rescission of the Agreement involving PLC shares. This was fully provided with allowance for impairment loss as at December 31, 2024 and 2023.

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

The movements and balances of allowance for impairment loss are as follows:

	Note	(In Thousands)	
		2024	2023
Balance at beginning of year		₱699,428	₱720,628
Write-off		(230,178)	—
Provision (reversal)	30	770	(21,200)
Balance at end of year		₱470,020	₱699,428

The reversal in 2023 is due to subsequent collection of receivables previously provided with allowance for impairment losses.

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

	Note	(In Thousands)	
		2024	2023
Trade receivables at POC		₱1,337,028	₱1,707,452
Less discount on trade receivables:			
Balance at beginning of year		166,568	215,912
Amortization	24	(83,574)	(98,571)
Discount		14,397	49,227
Balance at end of year		97,391	166,568
		₱1,239,637	₱1,540,884

As at December 31, 2024 and 2023, receivables from real estate at POC of ₱1,337.0 million and ₱1,707.5 million, respectively, were recorded initially at fair value. The fair value of the receivables was obtained by discounting future cash flows using applicable interest rates ranging from 5.55% to 13.83% in 2024 and 3.68% to 21.22% in 2023.

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

Real Estate for Sale

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

	Note	(In Thousands)	
		2024	2023
Balance at beginning of year		₱155,656	₱163,189
Repossession		238,381	114,384
Cost of real estate sold	29	(66,355)	(142,002)
Development costs (savings) incurred		(16,109)	20,085
Balance at end of year		₱311,573	₱155,656

Land Held for Future Development

A summary of the movement in land held for development in 2024 and 2023 is set out below:

	(In Thousands)	
	2024	2023
Balance at beginning of year	₱3,035,959	₱3,025,976
Acquisitions	1,367	9,983
Balance at end of year	₱3,037,326	₱3,035,959

Land held for future development consists of properties in Tagaytay City, Batangas and Cavite. It includes parcels of land with a carrying value of ₱911.2 million and ₱911.1 million as at December 31, 2024 and 2023, respectively, which are already in the Group's possession but are not yet fully paid pending the transfer of certificates of title to the Group. Outstanding payable related to the acquisition shown under "Trade and other current liabilities" account in the consolidated statements of financial position amounted to ₱144.9 million as at December 31, 2024 and 2023, respectively (see Note 18).

As at December 31, 2024 and 2023, the cost of land held for future development and real estate held for sale were lower than its net realizable value. There were no provisions for impairment losses recognized in 2024, 2023 and 2022.

10. Other Current Assets

This account consists of:

		(In Thousands)	
	Note	2024	2023
CWT		₱1,405,949	₱1,164,064
Input VAT		506,041	581,555
Advances to contractors and suppliers		481,033	346,289
Prepaid expenses		171,592	200,553
Guarantee deposits	37	79,000	91,201
Advances to officers and employees		3,599	4,310
Spare parts and supplies		3,063	3,873
Others		79,490	—
		2,729,767	2,391,845
Less allowance for impairment losses		22,841	23,374
		₱2,706,926	₱2,368,471

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

Advances to contractors, consultants and suppliers primarily pertain to noninterest-bearing advances intended for exploration of projects and business opportunities. As at report date, the Group decided to discontinue certain projects and has ongoing negotiations with the consultant to finalize the terms and manner of recovery of the outstanding receivables in the succeeding financial period.

In 2023, the Group reclassified advances to suppliers amounting to ₱207.0 million to property and equipment. This was presented as non-cash transaction in the consolidated statements of cash flows.

Prepaid expenses pertain to various prepayments for insurance, commission, subscriptions and advisory and maintenance services related to the software development, which will be applied in the following year.

Guarantee deposits include cash bonds held in escrow account as part of the agreement with PCSO (see Note 37).

Spare parts and supplies are carried at lower of cost or net realizable value.

The allowance for impairment losses represents provisions made for input VAT and CWT. Movements in allowance for impairment losses are as follows:

		(In Thousands)	
	Note	2024	2023
Balance at beginning of year		₱23,374	₱23,366
Provisions (reversals)	30	(533)	8
Balance at end of year		₱22,841	₱23,374

11. Financial Assets at FVOCI

This account consists of:

	(In Thousands)	
	2024	2023
Club shares	₱11,359,200	₱7,795,100
Shares of stock:		
Quoted	1,616,545	2,088,894
Unquoted	122,951	134,347
	₱13,098,696	₱10,018,341

The movements of financial assets at FVOCI are as follows:

	(In Thousands)	
	2024	2023
Cost		
Balance at beginning of year	₱3,922,746	₱4,402,396
Additions	33,565	9,958
Disposals	(1,036)	(489,608)
Balance at end of year	3,955,275	3,922,746
Cumulative unrealized valuation gain on financial assets at FVOCI		
Balance at beginning of year	6,095,595	4,918,697
Unrealized gain	3,052,646	1,405,019
Realized gain on disposal	(4,820)	(228,121)
Balance at end of year	9,143,421	6,095,595
	₱13,098,696	₱10,018,341

Dividend income earned from financial assets at FVOCI amounting to ₱21.8 million, ₱15.0 million and ₱6.3 million in 2024, 2023 and 2022, respectively, were recognized in "Other income (charges)" account in the consolidated statements of comprehensive income (see Note 32).

Realized gain from sale of financial assets at FVOCI were reclassified from "Other reserves" account to "Retained earnings" account in the consolidated statements of financial position.

The fair value of investments in quoted shares is based on the quoted price as at reporting date while the fair value investment in golf club shares is based on secondary market prices as at reporting date.

Black Spade Acquisition, Inc. (BSA)

PLAI's investment in BSA with a total acquisition cost of ₱496.6 million is composed of 1,000,000 common shares and 500,000 share warrants. Each whole warrant entitles the holder to purchase one Class A ordinary share at a price of \$11.50 per share. Share warrants were classified under "Investments held for trading" account (see Note 7).

On April 17, 2023, SLRC assigned all its rights and obligations to the investment in common shares and share warrants to PLAI. PLAI redeemed the common shares for ₱443.4 million and sold the remaining shares for ₱266.9 million. Share warrants was sold for ₱147.4 million resulting to a gain on sale amounting to ₱146.5 million in 2023 (see Note 32).

12. Investments in and Advances to Associates and Related Parties

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

	Note	(In Thousands)	
		2024	2023
Investments in associates - net of allowance for impairment in value of P5.0 billion		P119,136	P121,477
Advances to associates and related parties - net of allowance for impairment loss of P130.3 million	36	609	526
		P119,745	P122,003

Investment in associates as of December 31, 2024 and 2023 consist of:

	Note	(In Thousands)	
		2024	2023
Acquisition cost		P5,716,536	P5,716,536
Accumulated equity in net losses			
Balance at beginning of year		(5,252,600)	(5,255,333)
Share in net income (loss)	32	(2,341)	2,733
Balance at end of year		(5,254,941)	(5,252,600)
Accumulated share in unrealized gain on financial assets at FVOCI of associates -			
Balance at beginning and end of year		14,061	14,061
		475,656	477,997
Allowance for impairment in value		(354,019)	(354,019)
Equity share in cost of Parent Company common shares held by associates		(2,501)	(2,501)
		P119,136	P121,477

The Group has subscription payable pertaining to these investments amounting to P45.9 million as at December 31, 2024 and 2023 (see Note 18).

The fair values of investment in APC Group, Inc., which is publicly listed in the PSE, amounted to P647.5 million and P822.5 million as at December 31, 2024 and 2023, respectively. Fair values are determined by reference to quoted market price at the close of business as at reporting date.

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

	(In Thousands)	
	2024	2023
Total current assets	P25,273	P27,468
Total noncurrent assets	237,604	241,521
Total current liabilities	110,632	111,662
Total noncurrent liabilities	1,012	3,948
Total equity	151,233	153,379
Revenue	990	13,663
Net income (loss)	(5,017)	5,034
Total comprehensive income (loss)	(2,146)	6,601

13. Investment Properties

This account consists of:

	(In Thousands)				
	2024				
	Land	Building	ROU Building Improvements	ROU Land	Total
Cost					
Balances at beginning and end of year	₱3,486,878	₱18,434,220	₱2,509,013	₱6,962,048	₱31,392,159
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	4,417,196	1,324,536	1,938,159	7,679,891
Depreciation and amortization	–	418,155	215,390	525,208	1,158,753
Balances at end of year	–	4,835,351	1,539,926	2,463,367	8,838,644
Carrying Amount	₱3,486,878	₱13,598,869	₱969,087	₱4,498,681	₱22,553,515

	(In Thousands)				
	2023				
	Land	Building	ROU Building Improvements	ROU Land	Total
Cost					
Balances at beginning of year	₱1,869,025	₱18,434,220	₱2,509,013	₱6,962,048	₱29,774,306
Additions	1,617,853	–	–	–	1,617,853
Balances at end of year	3,486,878	18,434,220	2,509,013	6,962,048	31,392,159
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	4,014,042	1,109,146	1,414,333	6,537,521
Depreciation and amortization	–	403,154	215,390	523,826	1,142,370
Balances at end of year	–	4,417,196	1,324,536	1,938,159	7,679,891
Carrying Amount	₱3,486,878	₱14,017,024	₱1,184,477	₱5,023,889	₱23,712,268

The fair values of investment properties as at December 31, 2024 and 2023, are higher than its carrying value, as determined by management and an independent appraiser who holds a recognized and relevant professional qualification. The valuation of investment properties was based on income approach for the building and sales comparison approach for the land. The fair value was determined in accordance with International Valuation Standards as set out by the International Valuation Standards Committee and management's assessment.

In determining the fair value of the investment properties, management and the independent appraisers considered the neighborhood data, community facilities and utilities, land data, sales prices of similar or substitute properties and the highest and best use of investment properties. The Group assessed that the highest and best use of its properties does not differ from their current use. The fair value of the investment properties is classified under level 3 (significant unobservable inputs) of the fair value hierarchy (see Note 39).

Lease income generated from investment properties amounted to ₱2,418.9 million, ₱1,988.8 million and ₱2,054.3 million in 2024, 2023 and 2022, respectively (see Note 34). Direct cost related to the investment properties amounted to ₱1,358.8 million, ₱1,356.0 million and ₱1,337.7 million in 2024, 2023 and 2022, respectively (see Note 25).

In 2023, advances for land acquisitions were reclassified to investment properties amounting to ₱1,526.0 million.

Depreciation and amortization arise from the following:

	Note	(In Thousands)		
		2024	2023	2022
Investment properties		₱1,158,753	₱1,142,370	₱1,132,186
Property and equipment	16	169,677	58,916	31,399
Intangible asset	14	115,834	115,834	115,834
ROU asset	34	56,071	22,100	17,240
		₱1,500,335	₱1,339,220	₱1,296,659

Depreciation and amortization are allocated as follows:

	Note	(In Thousands)		
		2024	2023	2022
Cost of lease income	25	₱1,159,517	₱1,151,517	₱1,132,186
Cost of lottery services	26	149,001	39,125	29,218
Cost of gaming operations	28	115,834	115,834	115,834
Cost of services for property management	27	14,303	17,590	10,549
General and administrative expenses	30	61,680	15,154	8,872
		₱1,500,335	₱1,339,220	₱1,296,659

14. Intangible Asset

PLAI Gaming License

Intangible asset, pertains to the provisional license granted by PAGCOR for which PLAI is a co-licensee to operate integrated resorts, including casinos. On April 29, 2015, PAGCOR granted the Regular Gaming License (License), which has the same terms and conditions of the provisional license. The License runs concurrent with PAGCOR's Congressional Franchise, set to expire in 2033, renewable for another 25 years.

The amortization of the intangible asset started on December 14, 2014, the effectivity of the Notice to Commence Casino Operations granted by PAGCOR. The unamortized life of the license as at December 31, 2024 is 33.5 years.

The movements in intangible asset are as follows:

	Note	(In Thousands)	
		2024	2023
Cost			
Balance at beginning and end of year		₱5,261,186	₱5,261,186
Accumulated Amortization			
Balance at beginning of year		1,259,316	1,143,482
Amortization	13	115,834	115,834
Balance at end of year		1,375,150	1,259,316
Net Carrying Amount		₱3,886,036	₱4,001,870

Gaming License Application

In July 2024, the Group, through PLC's wholly-owned subsidiaries SLRC and FRCI, applied for a gaming license with PAGCOR for an Integrated Resort development in Clark Special Economic Zone. As at December 31, 2024, the application is under assessment by PAGCOR and accordingly, the fees paid were recognized as taxes and licenses expenses in the consolidated financial statements.

15. Goodwill

The carrying amount of goodwill acquired from business combinations amounting to ₱926.0 million as at December 31, 2024 and 2023 pertains to the acquisition of POSC.

No provision for impairment loss on goodwill was recognized in 2024, 2023 and 2022.

The goodwill from the acquisitions has been subjected to the annual impairment review. The recoverable amounts of the operations have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management. The cash flow projections cover five years, taking into consideration the effect of significant events on the macroeconomic factors used in developing the assumptions.

Key assumptions used in value in use calculations

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

POSC

Discount Rate. Discount rate reflects management's estimate of the risks specific to the CGU. The pre-tax discount rate of 9.66%, 7.42% and 9.79% was used in 2024, 2023 and 2022, respectively, based on the Weighted Average Cost of Capital (WACC) of POSC. Any future significant increase (decrease) in discount rate will result in lower (higher) recoverable amount.

Revenue Growth Rate, Long-Term Growth Rate and Terminal Values. No growth rate was applied to the five-year cash flow projections for 2023, as the main source of cash flow comes from a fixed-price contract. However, in 2024, a 1% growth rate was applied to the five-year cash flow projections. Management assessed that a contract extension or renewal is highly probable, given POSC's technical expertise and historical experience.

FRI

The recoverable amount of goodwill from the acquisition of FRI by TGTI was determined based on value-in-use calculations using actual past results and observable market data such as growth rates, operating margins, among others. The expected cash flows are discounted by applying a suitable WACC.

With the change in FRI's exclusivity arrangement with its principal, goodwill in FRI amounting to ₱110.9 million was fully provided with allowance for impairment loss as at December 31, 2024 and 2023.

16. Property and Equipment

The movements of this account are as follows:

		In Thousands					
		2024					
Note		Lottery Equipment	Land and Leasehold Improvements	Machinery and Equipment	Condominium Units and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment
							Total
Cost							
Balance at beginning of year		¥689,756	¥262,560	¥356,920	¥253,769	¥57,946	¥136,631
Additions		92,311	57	31,445	85	721	8,993
Disposals		-	-	(6,328)	(4,334)	(20,935)	(1,494)
Balance at end of year		782,067	262,617	381,041	250,140	38,632	144,130
Accumulated Depreciation and Impairment							
Balance at beginning of year		23,739	257,851	292,176	245,205	56,675	97,608
Depreciation	13	145,829	776	11,733	1,266	1,094	8,979
Disposal		-	-	(4,143)	(4,085)	(19,811)	(476)
Balance at end of year		169,568	258,627	299,767	242,386	37,958	106,111
Net Carrying Amount		¥612,499	¥3,990	¥81,274	¥7,754	¥64	¥38,019

		In Thousands					
		2023					
Note		Lottery Equipment	Land and Leasehold Improvements	Machinery and Equipment	Condominium Units and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment
							Total
Cost							
Balance at beginning of year		¥495,106	¥253,022	¥338,688	¥248,955	¥61,657	¥121,739
Additions		701,071	3,538	22,233	4,814	577	39,183
Retirement		(506,421)	-	-	-	-	-
Disposal		-	-	-	-	(4,288)	(24,241)
Balance at end of year		689,756	262,560	356,920	253,769	57,946	136,631
Accumulated Depreciation and Impairment							
Balance at beginning of year		495,106	257,613	278,003	243,785	57,326	117,493
Depreciation	13	35,054	289	14,174	1,440	3,476	4,533
Retirement		(506,421)	-	-	-	-	-
Disposal		-	-	-	-	(4,127)	(24,417)
Balance at end of year		23,739	257,851	292,176	245,205	56,675	97,608
Net Carrying Amount		¥666,017	¥4,709	¥66,744	¥8,564	¥1,271	¥39,023

Since the ELA was terminated on September 30, 2023, the Group retired fully depreciated lottery equipment at cost of ¥506.4 million in 2023.

Allowance for impairment loss on property and equipment amounted to ¥186.30 million as at December 31, 2024 and 2023.

17. Other Noncurrent Assets

This account consists of:

		(In Thousands)	
Note		2024	2023
CWT		¥239,962	¥518,629
Refundable deposits		100,082	130,022
Deferred input VAT		36,320	55,698
Pension asset	35	-	4,098
Others		45,410	1,040
		¥421,774	¥709,487

Refundable deposits are subject to adjustments every year and shall be returned to the Group without interest.

Deferred input VAT pertains to noncurrent portion of unamortized input VAT on purchases of capital goods.

Others pertain to deferred charges and other various deposits.

18. Trade and Other Current Liabilities

This account consists of:

	Note	(In Thousands)	
		2024	2023
Trade		₱459,638	₱370,892
Accrued expenses and provisions		648,729	749,645
Withholding and output VAT payable		183,382	219,588
Payables for land acquisitions	9	144,863	144,863
Customers' deposits		103,821	78,444
Advances from related parties	36	100,542	63,062
Subscription payable	12	45,928	45,928
Advances from joint operators		—	67,500
Consultancy, software and license and management fees payable		—	8,866
Others		2,670	2,631
		₱1,689,573	₱1,751,419

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

Accrued expenses mainly represent provisions. Other than provisions, accruals are usually payable within a 30-day term upon receipt of billing. The Group provides for probable losses. Provisions represent estimated probable losses arising in the normal course of business. As allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, further information are not disclosed so as not to prejudice the Group's position on the matter. In 2024, 2023 and 2022, the Group recognized provisions amounting to ₱11.6 million, ₱124.7 million, and ₱187.3 million, respectively (see Note 30).

Payables for land acquisitions represent unpaid purchase price of land acquired from various landowners (see Note 9). These are noninterest-bearing and are due and demandable.

Customers' deposits pertain to collections received from buyers for projects with pending recognition of sale.

19. Loans Payable

Loans payable are unsecured peso-denominated short term loans obtained from local banks with annual interest rates ranging from 3.95% to 8.63% and 3.95% to 6.88% in 2024 and 2023, respectively.

The carrying amount of outstanding loans payable amounted to ₱300.0 million and ₱1,300.0 million as at December 31, 2024 and 2023, respectively.

Interest expense on loans payable charged to operations amounted to ₱294.0 million, ₱27.7 million and ₱30.3 million in 2024, 2023 and 2022, respectively (see Note 31).

20. Long-term Debt

This account consists of the following:

	(In Thousands)	
	2024	2023
Long-term debt	₱7,442,941	₱4,525,589
Current portion	(2,130,235)	(2,087,824)
Noncurrent portion	₱5,312,706	₱2,437,765

BDO Unibank, Inc.

On March 6, 2018, the Parent Company availed of ₱3,000.0 million credit facility for the purpose of refinancing its short-term loans with other banks and other general funding requirements. The loan is payable at the end of its seven-year term, is unsecured and bears an interest rate of 5.85% to 7.13% in 2024 and 3.25% to 4.25% in 2023.

On October 29, 2024, the Parent Company availed ₱3,000.0 million facility and has drawn the full amount for the general corporate purposes which may include capital expenditures, investments, and refinancing. The loan is unsecured and has a term of 5 years with a floater interest rate based on a 3-month benchmark rate plus a certain margin.

The outstanding balance of the loan amounted to ₱3,586.0 million and ₱600.0 million as at December 31, 2024 and 2023, respectively.

China Banking Corporation

On November 13, 2020, the Parent Company availed of ₱3,500.0 million facility for the purpose of financing capital expenditures, refinancing existing debt obligations and other general corporate purposes. These are unsecured and payable annually within five years with an annual fixed interest rate of 4.75%.

On November 12, 2024, the Company availed ₱3,000.0 million facility for the purpose of refinancing of existing debt obligations and financing capital expenditures and/or other general corporate purposes. The three-year unsecured loan bears an interest rate of 6.33%.

The Parent Company has drawn ₱2,000.0 million from the facility in 2024. Outstanding balance of the loan amounted to ₱3,440.0 million and ₱3,455.0 million as at December 31, 2024 and 2023, respectively.

Union Bank of the Philippines, Inc.

On October 15, 2022, PinoyLotto entered into a long-term loan agreement for a facility with a maximum aggregate principal amount of ₱1.0 billion, the proceeds of which shall be used to partially finance the capital expenditure requirements of the PLS Project. The loan has a term of five years, payable in equal quarterly installments beginning on the second year from initial drawdown up to the maturity. The loan bears an annual interest ranging from 6.54% to 8.63% and 6.54% to 7.45% in 2024 and 2023, respectively.

In 2024, PinoyLotto obtained additional bank loan amounting to ₱160.0 million for the same purpose. The additional loan has a term of four years, payable in equal quarterly installments and bears an annual interest of 8.63%.

The outstanding balance of the loan amounted to ₱416.9 million and ₱470.6 million as at December 31, 2024 and 2023, respectively.

The loan is secured by a continuing surety of the Parent Company and PGMC and maintenance of a debt service reserve account (see Note 6).

Covenants

The loan agreements provide certain restrictions and requirements principally with respect to maintenance of required financial ratios and material change in ownership or control.

During the term of the loan, the Parent Company should keep a minimum current ratio of 1.0x to 1.3x and maximum debt to equity ratio of 2.0x to 3.5x. In addition, PinoyLotto is required to observe (a) bank debt to equity ratio not exceeding 3.0x, (b) debt-to-equity ratio not exceeding 3.5x and (c) debt service coverage ratio not falling below 1.2x. PinoyLotto is also restricted from performing certain corporate acts including declaration of dividends, material change in business and ownership, among others, without prior consent of the bank and must adhere to all financial and funding requirements.

As at December 31, 2024 and 2023, the Group complied with the terms of its loan covenants.

Surety Bond

As at December 31, 2024, PinoyLotto has an existing surety bond agreement with Milestone Guaranty and Assurance Corp. to ensure compliance with its obligations related to the 2021 PLS Project. The surety bond agreement is valid until September 30, 2028.

Repayment Schedule

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

	(In Thousands)	
	2024	2023
Within one year	₱2,130,235	₱2,087,824
Within one to five years	5,312,706	2,437,765
	₱7,442,941	₱4,525,589

Interest expense on long-term debt amounted to ₱224.5 million, ₱219.3 million and ₱204.9 million in 2024, 2023 and 2022, respectively (see Note 31).

21. Other Noncurrent Liabilities

This account consists of the following:

	Note	(In Thousands)	
		2024	2023
Refundable deposits		₱249,495	₱237,225
Deferred lease income		137,117	138,136
Retirement liability	35	30,545	21,755
Others		26	—
		₱417,183	₱397,116

Deferred lease income is recognized initially as the difference between the principal amount and present value of refundable deposits at the lease inception date and subsequently amortized on a straight-line basis over the lease term.

22. Equity

Preferred Stock

As at December 31, 2024 and 2023, the Parent Company has not issued any preferred stock out of the authorized 6,000,000,000 shares at ₱1 par value. Pursuant to the Parent Company's articles of incorporation, the rights and features of the preferred stock shall be determined through a resolution of the BOD prior to issuance.

Common Stock

As at December 31, 2024 and 2023, the Parent Company's authorized common stock amounted to ₱14,000.0 million divided into 14,000,000,000 shares at ₱1 par value a share.

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

	2024	2023	2022
Issued shares			
Balance at beginning and end of year	10,560,999,857	10,560,999,857	10,560,999,857
Treasury shares			
Balance at beginning of year	864,535,560	864,536,560	797,873,560
Reissuance	—	(1,000)	—
Purchase	—	—	66,663,000
Balance at end of year	864,535,560	864,535,560	864,536,560
Outstanding shares	9,696,464,297	9,696,464,297	9,696,463,297

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/ Offer Price
August 20, 1973	6,000,000,000	6,000,000,000	P0.01
March 19, 1976	2,000,000,000	464,900,000	0.01
December 7, 1990	-	920,000,000	0.01
1990	-	833,500,000	0.01
October 19, 1990	(7,000,000,000)	(8,136,216,000)	1.00
June 18, 1991	-	3,381,840	1.00
1991	-	47,435,860	1.00
1992	-	11,005,500	1.00
December 7, 1993	-	473,550,000	1.00
1993	-	95,573,400	1.00
January 24, 1994	-	100,000,000	1.00
August 3, 1994	-	2,057,948	7.00
August 3, 1994	-	960,375	10.00
June 6, 1995	-	138,257,863	1.00
February 14, 1995	1,000,000,000	-	1.00
March 8, 1995	-	312,068,408	1.00
March 17, 1995	2,000,000,000	-	1.00
March 28, 1995	-	627,068,412	1.00
July 5, 1995	-	78,060,262	1.00
September 1, 1995	-	100,000,000	1.00
March 1, 1995	-	94,857,072	1.00
September 13, 1995	-	103,423,030	1.00
1995	-	123,990,631	1.00
1996	-	386,225,990	1.00
February 21, 1997	10,000,000,000	-	1.00
1997	-	57,493,686	1.00
1998	-	36,325,586	1.00
March 19, 1999	-	16,600,000	1.00
April 26, 1999	-	450,000,000	1.00
April 27, 1999	-	300,000,000	1.00
1999	-	306,109,896	1.00
2000	-	2,266,666	1.00
2001	-	2,402,003,117	1.00
April 14, 2011	-	2,700,000,000	1.95
July 18, 2011	-	119,869,990	3.00
July 18, 2011	-	1,388,613,267	3.00
October 6, 2015	-	1,617,058	1.00
	14,000,000,000	10,560,999,857	

Cost of Parent Company Shares Held by Subsidiaries

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

As at December 31, 2024 and 2023, subsidiaries collectively hold Parent Company common shares totaling and 252,378,183, with cost aggregating to ₱1,154.4 million. These are presented as "Cost of Parent Company shares held by subsidiaries" account in the consolidated statements of financial position.

Other Equity Reserves

Other equity reserves include transactions with noncontrolling interests pertains to the excess cost (proceeds) and transaction costs over the carrying amount of noncontrolling interest in PLC acquired (sold) without loss of control. The movements in this account are as follows:

	Note	(In Thousands)		
		2024	2023	2022
Balance at beginning of year		₱3,044,128	₱3,044,128	₱3,044,128
Excess of acquisition cost over the carrying amount of noncontrolling interest acquired	5	(2,511,399)	—	—
		₱532,729	₱3,044,128	₱3,044,128

As a result of the tender offer of PLC shares, the difference between the consideration for the acquisition of 19.77% from the remaining noncontrolling interests and its carrying value amounting to ₱2,511.4 million was recognized part as part of other equity reserves.

As at December 31, 2023 and 2022, other equity reserves amounting to ₱3,044.1 million pertains to the proceeds and transactions costs related to the sale of the Group's interest in PLC without a loss of control.

Retained Earnings

The consolidated retained earnings as at December 31, 2024 and 2023 includes accumulated earnings of the subsidiaries and associates which are not currently available for dividend declaration unless declared by the subsidiaries and associates of the Parent Company. The Parent Company's retained earnings available for dividend declaration, computed based on the regulatory requirements of SEC, amounted to ₱8,431.0 million and ₱5,204.5 million as at December 31, 2024 and 2023, respectively.

Dividends

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

Dividends declared subsequent to the reporting period are disclosed in Note 41.

23. Gaming Revenue Share - Net

Gaming revenue share is determined as follows:

	(In Thousands)		
	2024	2023	2022
Gaming revenue share - gross	₱3,011,897	₱3,170,197	₱1,973,906
Less PAGCOR license fee paid by Melco	721,295	830,862	413,061
Gaming revenue share - net	₱2,290,602	₱2,339,335	₱1,560,845

24. Other Revenue

This account consists of:

	Note	(In Thousands)		
		2024	2023	2022
Amortization of discount on trade receivables	8	₱83,574	₱98,571	₱105,051
Tax refund		63,249	—	—
Income from forfeitures		23,194	12,541	37,677
Gain (loss) on repossession		21,168	(3,206)	46,691
Penalty		8,508	2,875	3,297
Administrative fees and other charges		3,079	—	—
Income (loss) from playing rights		(848)	11,696	1,161
Administrative fees and other charges		—	4,972	—
Commission and distribution income	37	—	2,333	—
Others		2,996	6,554	16,790
		₱204,920	₱136,336	₱210,667

Tax refund pertains to tax erroneously paid in prior years which were refunded in 2024.

Income from forfeitures represents deposits, and to a certain extent, and installment payments from customers that were forfeited in the event of default and/or cancellations of real estate sales.

Penalty pertains to income from surcharges for buyers' default and late payments. Income is recognized when penalty is actually collected.

Others pertain to revenues from sale of scrap supplies and various administrative fees, such as utilities charges and payroll processing fees.

25. Cost of Lease Income

This account consists of:

	Note	(In Thousands)		
		2024	2023	2022
Depreciation and amortization	13	₱1,159,517	₱1,151,517	₱1,132,186
Taxes		171,845	171,587	171,587
Insurance		22,769	21,321	25,650
Maintenance		4,699	11,544	8,243
		₱1,358,830	₱1,355,969	₱1,337,666

26. Cost of Lottery Services

This account consists of:

		(In Thousands)		
	Note	2024	2023	2022
Depreciation and amortization	13	₱149,001	₱39,125	₱29,218
Communication fees		67,317	35,853	52,107
Software and license fees	37	43,447	65,552	60,508
Personnel costs		13,046	47,841	45,774
Service fee		6,680	-	-
Repairs and maintenance		4,963	36,253	6,236
Rental and utilities		4,772	15,955	17,433
Transportation and travel		4,764	15,999	11,349
Others		239	4,092	24,923
		₱294,229	₱260,670	₱247,548

27. Cost of Services for Property Management

This account consists of:

		(In Thousands)		
	Note	2024	2023	2022
Water services		₱86,446	₱70,087	₱69,265
Power and maintenance		77,317	82,387	59,798
Depreciation and amortization	13	14,303	17,590	10,549
		₱178,066	₱170,064	₱139,612

28. Cost of Gaming Operations

This account consists of:

		(In Thousands)		
	Note	2024	2023	2022
Depreciation and amortization	13	₱115,834	₱115,834	₱115,834
Transportation and travel		19,400	4,554	4,272
Payroll-related expenses		13,047	13,071	12,207
Others		5,555	4,315	4,033
		₱153,836	₱137,774	₱136,346

29. Cost of Real Estate Sales

The cost of real estate sales amounted to ₱66.4 million, ₱142.0 million and ₱443.4 million in 2024, 2023 and 2022, respectively (see Note 9).

30. General and Administrative Expenses

This account consists of:

	Note	(In Thousands)		
		2024	2023	2022
Taxes and licenses		₱141,701	₱102,493	₱43,871
Personnel costs		131,174	109,574	104,679
Transportation and travel		85,387	80,576	73,856
Security, janitorial and service fees		78,231	67,216	113,239
Service fees	36	66,000	66,000	66,000
Depreciation and amortization	13	61,680	15,154	8,872
Management and professional fees		46,982	48,794	34,872
Representation and entertainment		26,269	26,540	23,893
Marketing and advertising		23,158	19,935	12,692
Rentals and utilities		18,455	18,561	15,041
Provisions	18	11,578	124,685	187,301
Registration fees		6,737	22,344	4,273
Communication		3,452	2,996	3,205
Insurance		2,413	2,568	4,529
Repairs and maintenance		1,789	7,721	7,517
Provision (reversal) of allowance for impairment loss - net	8, 10	237	(21,192)	—
Selling expenses		—	439	25,423
Pre-operating expenses		—	14,362	13,993
Others		23,176	61,583	23,293
		₱728,419	₱770,349	₱766,549

31. Interest Income and Interest Expense

The sources of the Group's interest income follow:

	Note	(In Thousands)		
		2024	2023	2022
Cash and cash equivalents	6	₱144,303	₱59,283	₱19,150
Contract assets		—	—	3,681
		₱144,303	₱59,283	₱22,831

The sources of the Group's interest expense follow:

	Note	(In Thousands)		
		2024	2023	2022
Lease liabilities	34	₱248,900	₱259,932	₱272,936
Loans payable	19	294,030	27,740	30,274
Long-term debt	20	224,513	219,334	204,891
Others		6,837	29,965	8,241
		₱774,280	₱536,971	₱516,342

32. Other Income (Charges)

This account consists of:

	Note	(In Thousands)		
		2024	2023	2022
Dividend income	11	₱21,821	₱15,012	₱6,300
Share in net income (loss) of associates	12	(2,341)	2,733	(417)
Gain on sale of investments held for trading and share warrants	7, 11	896	146,545	—
Gain on sale of property and equipment		313	39	396
Sale of trademark		—	26,786	—
Net claims		—	20,818	—
Gain on deconsolidation		—	—	543
Others – net		15,044	16,100	7,735
		₱35,733	₱228,033	₱14,557

Others mainly pertain to service income, miscellaneous income, bank charges and termination fees.

33. Income Taxes

The provision for current income tax consists of the following:

	(In Thousands)		
	2024	2023	2022
RCIT	₱153,422	₱133,537	₱14,627
MCIT	—	16,033	13,958
	₱153,422	₱149,570	₱28,585

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

	(In Thousands)	
	2024	2023
Deferred tax assets:		
Lease liabilities	₱1,352,038	₱1,458,926
Deferred lease income	34,279	34,534
Discount on trade receivables	24,168	41,462
Accretion of refundable deposits	8,292	8,843
Provision for dismantling cost	1,406	1,310
Unamortized past service costs	678	6,255
Doubtful accounts	650	650
Pension liability	645	1,518
Temporary differences attributable to joint operation	429	—
NOLCO	—	12,910
	1,422,585	1,566,408
Deferred tax liabilities:		
Excess of carrying amount of investment properties over construction costs	(1,571,127)	(1,639,014)
Right-of-use assets	(1,188,543)	(1,303,240)
Difference between straight line accounting for lease income and contractual cash flows	(712,346)	(718,651)
Excess revenue per POC over cash collections	(317,182)	(329,978)
Unaccreted discount on refundable deposits	(35,839)	(38,906)
Deferred lease expense	(9,340)	(9,626)
Cost to fulfill a contract	(668)	—
Unrealized foreign exchange gain	(228)	(141)
Pension asset	(101)	(2,616)
	(3,835,374)	(4,042,172)
Net deferred tax liabilities	(₱2,412,789)	(₱2,475,764)

The components of deferred tax are presented as follows:

	(In Thousands)	
	2024	2023
In profit or loss	(₱2,407,451)	(₱2,470,426)
In other comprehensive income	(5,338)	(5,338)
	(₱2,412,789)	(₱2,475,764)

The deferred taxes presented in the consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	(In Thousands)	
	2024	2023
Deferred tax assets	₱399	₱3,249
Deferred tax liabilities	(2,413,188)	(2,479,013)
Net deferred tax liabilities	(₱2,412,789)	(₱2,475,764)

The components of the Group's unrecognized deferred tax assets as at December 31, 2024 and 2023 are as follows:

	(In Thousands)	
	2024	2023
Allowances for impairment losses and probable losses	₱665,450	₱655,014
NOLCO	178,870	164,017
Excess MCIT over RCIT	33,237	34,775
	₱877,557	₱853,806

The details of the Group's unused NOLCO which can be claimed as deduction from future taxable income during the stated validity are as follows:

	(In Thousands)					
Year Incurred	Beginning Balance	Incurred	Applied	Expired	Ending Balance	Valid Until
2024	₱—	₱7,773	₱—	₱—	₱7,773	2027
2023	16,358	—	—	—	16,358	2026
2022	86	—	—	—	86	2025
2021	691,264	—	—	—	691,264	2026
	₱707,708	₱7,773	—	—	₱715,481	

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 to implement Section 4 of the Republic Act No. 11494 (Bayanihan to Recover as One Act) allowing the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The deferred tax assets related to NOLCO amounting to ₱715.5 million and ₱656.1 million as at December 31, 2024 and 2023 were not recognized since management believes that there will be no sufficient future taxable income against which the deferred tax assets can be utilized.

The details of the Group's MCIT which can be claimed as deduction against income tax liability during the stated validity are as follows:

	(In Thousands)				
Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Valid Until
2023	₱19,279	₱—	₱—	₱19,279	2026
2022	13,958	—	—	13,958	2025
2021	1,538	—	(1,538)	—	2024
	₱34,775	₱—	(₱1,538)	₱33,237	

The reconciliation between the provision for income tax computed at statutory tax rate and the provision for income tax shown in the consolidated statements of comprehensive income is as follows:

	(In Thousands)		
	2024	2023	2022
Income tax at statutory income tax rate	P629,009	P641,666	P466,790
Income tax effects of:			
Nontaxable income	(256,843)	(468,618)	(391,939)
Income subjected to final tax	(260,103)	(60,446)	(4,788)
Change in unrecognized deferred tax assets	(23,751)	12,841	(12,841)
Expired NOLCO and MCIT	1,538	—	47,964
Nondeductible expenses and others	597	46,574	51,518
Effect of optional standard deduction	—	(28,535)	—
Income tax at effective income tax rate	P90,447	P143,482	P156,704

Pursuant to Presidential Decree No. 1869, *Consolidating and Amending Presidential Decree Nos. 1067-A, 1067-B, 1067-C, 1399 and 1632, relative to the Franchise and Powers of the PAGCOR*, as amended by RA No. 9487, *PAGCOR Charter*, co-licensee's share from gaming revenue is subject to 5% franchise tax in lieu of all taxes. Accordingly, PLAI's gaming revenue share is not subjected to income tax.

34. Lease Commitments

Group as Lessee

The Parent Company entered into a lease agreement with the Social Security System ("SSS") for a parcel of land situated in Aseana Business Park, Parañaque City. The lease rates are based on a fixed amount, subject to escalation. The lease agreement is effective until July 31, 2033 and may be renewed or extended upon such terms and conditions that are mutually acceptable to the parties. The ROU asset related to this lease agreement is presented as part of "Investment properties" account in the consolidated statements of financial position (see Note 13).

In November 2023, SLRC (sublessee) entered into a sublease agreement with Global Gateway Development Corporation (sublessor) for the lease of land within the Clark Special Economic Zone. The lease term is 62 years. Rent for the entire lease term, amounting to P2.7 billion, was paid upon execution of the sublease agreement. The ROU asset related to this agreement is presented as part of "Right-of-use assets" account in the consolidated statements of financial position.

The Parent Company and Belle Bay City, through its Board of Liquidators, entered into a Memorandum of Agreement granting the Parent Company an absolute and exclusive right to use the "air rights" over a particular lot owned by Belle Bay City. The Parent Company built a bridge way to connect City of Dreams Manila Phase 1 and Phase 2d. The agreement shall be for a period of 50 years or upon termination of the Parent Company's business operation on the bridge way, whichever comes earlier. Rental payments are subject to escalation as stated in the agreement.

The Parent Company has a lease agreement with SM Prime Holdings, Inc. covering its office space. The lease term shall end on July 31, 2027, with the option to renew subject to mutually agreed upon terms and conditions. Rent is payable within 30 days upon receipt of the billing.

The Group has various lease contracts for office spaces, warehouses, retail equipment and retail outlets and corporate suites. The leases generally have lease terms of between 2 and 5 years.

The Group applies the “short-term lease” recognition exemptions for leases with terms of 12 months or less. Rent expense related to short-term leases amounted to ₱38.6 million, ₱43.0 million and ₱15.0 million in 2024, 2023 and 2022, respectively.

Movements of right-of-use assets follows:

(In Thousands)					
2024					
Note	Air Rights	Office and Warehouse	Equipment	Land	Total
Cost					
Balance at beginning of year	₱53,673	₱46,326	₱163,499	₱2,664,337	₱2,927,835
Lease modification	—	—	—	23	23
Balance at end of year	53,673	46,326	163,499	2,664,360	2,927,858
Accumulated Depreciation and Amortization					
Balance at beginning of year	18,506	17,221	163,499	9,147	208,373
Depreciation and amortization	13	3,701	8,487	43,883	56,071
Balance at end of year	22,207	25,708	163,499	53,030	264,444
Carrying amount	₱31,466	₱20,618	₱—	₱2,611,330	₱2,663,414

(In Thousands)					
2023					
Note	Air Rights	Office and Warehouse	Equipment	Land	Total
Cost					
Balance at beginning of year	₱53,673	₱46,326	₱163,499	₱1,815	₱265,313
Additions	—	—	—	2,662,522	2,662,522
Balance at end of year	53,673	46,326	163,499	2,664,337	2,927,835
Accumulated Depreciation and Amortization					
Balance at beginning of year	14,805	7,969	163,499	—	186,273
Depreciation and amortization	13	3,701	9,252	9,147	22,100
Balance at end of year	18,506	17,221	163,499	9,147	208,373
Carrying amount	₱35,167	₱29,105	₱—	₱2,655,190	₱2,719,462

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

(In Thousands)				
Note	2024	2023	2022	
Interest expense on lease liabilities	31	₱248,900	₱259,932	₱272,936
Amortization of right-of-use assets	13	56,071	22,100	17,240
Expenses relating to short-term leases	26, 30	38,600	42,963	15,041
		₱343,571	₱324,995	₱305,217

Movements of lease liabilities follows:

(In Thousands)		
Note	2024	2023
Balance at beginning of year	₱5,841,514	₱6,246,148
Payments	(676,564)	(664,566)
Interest expense	31	248,900
Lease modification	23	—
Balance at end of year	5,413,873	5,841,514
Current portion of lease liabilities	423,183	392,945
Noncurrent portion	₱4,990,690	₱5,448,569

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

	(In Thousands)	
	2024	2023
Within 1 year	₱660,360	₱662,441
After 1 year but not more than 5 years	3,707,945	2,812,192
After 5 years	2,173,485	3,729,598

Refundable Deposits

The Group paid deposits as security to various leases which are refundable at the end of the lease term. The deposits are initially recognized at their present values and subsequently carried at amortized cost using effective interest method.

Group as Lessor

Equipment Rental. POSC leased online lotto equipment and accessories to PCSO starting July 31, 2021 as provided in the 2020 Amended ELA, with a series of extensions until September 30, 2023.

Rental income amounted to ₱9.6 million, ₱469.8 million and ₱512.7 million in 2024, 2023 and 2022, respectively, (see Note 37). The rental income in 2023 and 2022 is based on a percentage of gross sales of lotto tickets from PCSO's Luzon and VISMIN operations while the rental income in 2024 is primarily due to continuing costs incurred from ticket validations.

On October 1, 2023, PinoyLotto commenced its commercial operations for the five year-lease of the customized PCSO Lottery System at a contract price of ₱5,800.0 million. Pursuant to the contract, 6,500 terminals were installed and are in operation nationwide. Rental income attributable to the joint operation amounted to ₱517.9 million, ₱129.5 million and ₱6.4 million in 2024, 2023 and 2022, respectively.

Lease Agreement with Melco. On October 25, 2012, the Parent Company, as a lessor, entered into a lease agreement with Melco for the lease of land and building structures to be used in the City of Dreams Manila project ("the Project"). The lease period is co-terminus with the operating agreement between the Parent Company and Melco which is effective on March 13, 2013 until the expiration of the License on July 11, 2033.

In 2022, the Parent Company and Melco further agreed to amend its lease contract wherein the minimum guaranteed lease payments were reduced, and additional variable lease payments will be made subject to certain conditions. The subsequent rental payments will consist of a fixed base rent, subject to an annual escalation based on the headline inflation rate, and a variable rent based on the percentage ratio of actual against target gross gaming revenues of City of Dreams Manila.

In 2023 and 2022, the Parent Company recognized lease income to the extent collectible due to the significant concessions granted by the Parent Company to Melco. In 2024, following the improvement in the lessee's ability and intention to pay the lease consideration, including the agreed-upon escalation rate, the Group recognized lease income on a straight-line basis. The income recognized on the lease of land and building to Melco amounted to ₱2,418.9 million, ₱1,988.8 million and ₱2,054.3 million in 2024, 2023 and 2022, respectively.

As at December 31, 2024 and 2023, the future minimum lease payments on the land and building structures are as follows:

	(In Thousands)	
	2024	2023
Within one year	₱2,448,175	₱2,324,505
In more than one year and not more than five years	13,010,615	10,265,763
In more than five years	8,459,978	13,939,490
	₱23,918,768	₱26,529,758

The Group's receivables from these leases are presented under the "Receivables" account in the consolidated statements of financial position amounting to ₱2,902.0 million and ₱2,847.5 million as at December 31, 2024 and 2023, respectively (see Note 8).

Costs incurred for these leases, which consist of taxes, property insurance and other costs, are presented under "Cost of lease income" account in the consolidated statements of comprehensive income (see Note 25).

35. Retirement Plan

The Parent Company and certain of its subsidiaries have funded, noncontributory defined benefit retirement plans covering all regular and permanent employees. The benefits are based on employees' projected salaries and number of years of service. Costs are determined in accordance with the forecasted actuarial study, the latest of which is dated December 31, 2024.

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

Changes in the retirement benefits of the Group in 2024 are as follows:

	(In Thousands)		
	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Asset (Liability)
Balance at beginning of year	(₱171,078)	₱153,421	(₱17,657)
Net retirement costs in profit or loss:			
Current service cost	(14,184)		(14,184)
Past service cost	384		384
Net interest	2,079	(6,875)	(4,796)
	(11,721)	(6,875)	(18,596)
Benefits paid	(44,940)	35,556	(9,384)
Contributions	—	4,764	4,764
Actual return excluding amount included in net interest cost	888	—	888
Remeasurement loss recognized in OCI:			
Actuarial changes from changes in:			
Experience adjustment	—	5,842	5,842
Financial assumptions	—	3,598	3,598
	888	9,440	10,328
Balance at end of year	(₱226,851)	₱196,306	(₱30,545)

Changes in the retirement benefits of the Group in 2023 are as follows:

	(In Thousands)		
	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Asset (Liability)
Balance at beginning of year	(P146,395)	P133,000	(P13,395)
Net retirement costs in profit or loss:			
Current service cost	(10,532)	—	(10,532)
Past service cost	1,941	—	1,941
Net interest	(10,008)	8,867	(1,141)
	(18,599)	8,867	(9,732)
Benefits paid	10,710	(10,481)	229
Contributions	—	23,705	23,705
Actual return excluding amount included in net interest cost	—	(1,670)	(1,670)
Remeasurement loss recognized in OCI:			
Actuarial changes from changes in:			
Experience adjustment	(10,133)	—	(10,133)
Financial assumptions	(6,449)	—	(6,449)
Demographic assumptions	(212)	—	(212)
	(16,794)	(1,670)	(18,464)
Balance at end of year	(P171,078)	P153,421	(P17,657)

The retirement liability presented in the consolidated statements of financial position as at December 31, 2024 and 2023 follows:

		(In Thousands)	
	Note	2024	2023
Retirement asset	17	P—	P4,098
Retirement liability	21	(30,545)	(21,755)
Net retirement liability		(P30,545)	(P17,657)

The major categories of plan assets as a percentage of the fair value of total plan assets as at December 31 are as follows:

	2024	2023
Cash and cash equivalents	38%	38%
Debt instruments - government bonds	27%	27%
Unit investment trust funds	27%	27%
Mutual fund	6%	6%
Others	2%	2%
	100%	100%

The Group's plan assets are administered by a Trustee. The Group and the retirement plan have no specific matching strategies between the retirement plan assets and defined benefit asset or benefit obligation under the retirement plan.

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

	2024	2023
Discount rates	6.05%-6.15%	6.05%-6.11%
Future salary increases	8%	8%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023 assuming all other assumptions were held constant:

	2024		2023	
	Increase (Decrease)	Increase (Decrease) in Defined Benefit Obligation (In thousands)	Increase (Decrease)	Increase (Decrease) in Defined Benefit Obligation (In thousands)
Discount rate	1.00% (1.00%)	(P33,026) 40,868	1.00% (1.00%)	(P78,219) 70,393
Salary increase rate	1.00% (1.00%)	48,860 (32,903)	1.00% (1.00%)	78,873 (69,538)

The average duration of the Group's defined benefit obligation is 13.02 years in 2024.

The maturity analysis of the undiscounted benefit payments follows:

	(In Thousands)	
	2024	2023
Less than 1 year	P2,113	P30,247
More than 1 year to 5 years	4,303	9,576
More than 5 years	191,924	220,725

36. Related Party Transactions

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

Related Party	Relationship	Transaction	Transaction Amounts	Outstanding Balance	Terms	Conditions	
Advances to Associates							
APC	Associate	Reimbursable expenses (see Note 12)	2024 2023	P- P-	P79,977 P79,974	Noninterest-bearing, due and demandable	Unsecured, provided with allowance for impairment amounting to P79,449
Beila Jai Abai	Entities under common control	Working capital advances	2024 2023	- -	29,348 29,898	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
Others	Entities under common control	Working capital advances	2024 2023	- -	21,448 21,408	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
			2024 2023		130,863 130,780		
		Less allowance for doubtful accounts	2024 2023		(130,254) (130,254)		
			2024 2023		P609 P526		

Related Party	Relationship	Transaction		Transaction Amounts	Outstanding Balance	Terms	Conditions
Advances from Related Parties							
Others	Associate	Advances from related parties (see Note 18)	2024 2023	₱42,330 ₱—	₱100,542 ₱63,062	Noninterest-bearing, due and demandable	Unsecured
Others							
SM Prime Holdings, Inc.	With common stockholders	Lease	2024 2023 2022	₱14,402 ₱13,947 16,068	₱— ₱— —	5 years, renewable	Unsecured
SM Investments Corporation	With common stockholders	Service fees (see Note 30)	2024 2023 2022	66,000 66,000 66,000	— — —	1 year, renewable	Unsecured
Highlands Prime, Inc. (HPI)	With common stockholders	Service fees	2024 2023 2022	27,144 37,697 77,140	— — —	5 years, renewable	Unsecured
Directors and officers	Key management personnel	Short-term employee benefits	2024 2023 2022	27,779 31,104 73,128	— — —	Not applicable	Unsecured
		Long-term employee benefits	2024 2023 2022	3,807 1,682 2,413	— — —	Not applicable	Unsecured
		Professional fees	2024 2023 2022	14,845 20,245 19,142	— — —	Not applicable	Unsecured

There are no guarantees provided or received for any related party receivables or payables. Related party transactions are generally settled in cash. Related party transactions amounting to 10% or higher of the Group's consolidated total assets are subject to the approval of the BOD.

Allowance provided on advances to associates charged to "Investments in and advances to associates" amounted to ₱130.3 million as at December 31, 2024 and 2023 (see Note 12).

Transactions with other related parties are as follows:

- In 2019, the Parent Company entered into a renewable one-year service agreement with SM Investments Corporation. Service fees charged by SMIC to the Parent Company amounted to ₱66.0 million in 2024, 2023 and 2022. These are recognized under "General and administrative expenses" in the consolidated statements of comprehensive income (see Note 30).
- In 2015, the Parent Company entered into a renewable one-year service agreement with HPI for sales and marketing services with amendments in 2024 to include the development, management and operations of properties in Tagaytay Highlands. Service fees charged by HPI to the Parent Company amounted to a ₱27.1 million, ₱37.7 million and ₱77.1 million in 2024, 2023 and 2022, respectively. These are recognized under "General and administrative expenses" in consolidated statements of comprehensive income.

37. Significant Contracts and Commitments

Cooperation Agreement with Melco

On October 25, 2012, the Parent Company together with PLAI ("Philippine Parties"), formally entered into a Cooperation Agreement with Melco which governs their cooperation in the development and operation of the City of Dreams Manila. The Cooperation Agreement places the Group as a co-licensee and the owner of the site's land and buildings, while Melco will be a co-licensee and operator of all the facilities within the resort complex.

Operating Agreement with Melco

On March 13, 2013, the Parent Company, together with PLAI, entered into an Operating Agreement with MPHIL Holdings No. 2 Corporation, MPHIL Holdings No.1 Corporation and Melco. Under the terms of the Operating Agreement, Melco was appointed as the operator and manager of the casino development project. The Operating Agreement shall be in full force and effect for the period of the PAGCOR License, unless terminated earlier in accordance with the agreements among the parties.

Pursuant to this agreement, PLAI is entitled to a revenue share from the casino gaming operations. Gaming revenue share amounted to ₱2,290.6 million, ₱2,339.3 million and ₱1,560.8 million in 2024, 2023 and 2022, respectively (see Note 23).

Agreements with PCSO

POSC. POSC had an ELA with the PCSO for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment of PCSO. This also includes the supply of betting slips and ticket paper rolls. The ELA was concluded on September 30, 2023.

PCSO is the principal government agency for raising and providing funds for health programs, medical assistance and services, and charities of national character through holding and conducting charity sweepstakes, races, and lotteries.

Pursuant to the amended ELA, the POSC was required to deposit cash bond to guarantee the unhampered use and operation of the lottery system, including equipment, servers, network communication and terminals. As at December 31, 2024 and 2023, total guarantee deposits under the ELA are included under "Other current assets" account in the consolidated statements of financial position, amounted to ₱79.0 million and ₱91.2 million, respectively (see Note 10).

The rental fee, presented as "Equipment rental" in the consolidated statements of comprehensive income, is based on a percentage of gross sales of lotto tickets from PCSO's Luzon and VISMIN operations in 2023 and 2022, while the rental income in 2024 is primarily from continuing ticket validations. POSC's rental income amounted to ₱9.6 million, ₱469.8 million and ₱512.7 million in 2024, 2023 and 2022, respectively (see Note 34).

On August 30, 2023, POSC was granted a 1-year trial period to provide a web-based betting platform for PCSO. Under the arrangement, POSC will be acting as PCSO's exclusive agent and generate commissions based on a certain percentage of revenues. This was launched on December 15, 2023, and ended on July 13, 2024 upon the instruction of PCSO as it gears towards making e-lotto services better and as it transitions to a new platform (see Note 1). The commission income amounting to nil, ₱2.3 million and nil in 2024, 2023 and 2022, respectively, is included as part of "Others" under "Revenues" in the consolidated statements of comprehensive income (see Note 24).

POSC's Contracts with Scientific Games and Intralot

Scientific Games. POSC had a contract with Scientific Games, a company incorporated under the laws of the Republic of Ireland, for the use of computer hardware and operating system for the Visayas-Mindanao Online Lottery System until September 30, 2023. Pursuant to the contract, POSC paid Scientific Games a pre-agreed percentage of the revenue generated by the terminals from PCSO's conduct of online lottery operation. The contract shall continue as long as the POSC's ELA with PCSO is in effect.

Intralot. POSC and TGTI have contracts with Intralot Inc., a company subsidiary domiciled in Atlanta, Georgia, for the supply of hardware, operating system software and terminals and the required training required to operate the system. POSC and TGTI paid Intralot a pre-agreed percentage of the revenue generated by the terminals from PCSO's conduct of online lottery operations. The contract was extended, with POSC until September 30, 2023, and TGTI until March 31, 2022.

Software and license fee recognized pertaining to above contracts amounted to ₱43.4 million, ₱65.6 million and ₱60.5 million in 2024, 2023 and 2022, respectively (see Note 26).

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

On June 21, 2021, PinoyLotto, a jointly controlled entity owned by POSC, PGMCM and ILTSI, was incorporated and registered with the SEC primarily to provide software support and online lottery equipment service.

Interest in joint operation pertains to POSC's 50% ownership in PinoyLotto, the entity which was awarded a five-year lease of the customized PCSO Lottery System, also known as '2021 PLS Project' with a contract price of ₱5,800.0 million.

The contractual arrangements give the joint operators direct rights to the assets and obligations for the liabilities within the normal course of business.

The relevant financial information of PinoyLotto and the Group's share of the assets and liabilities as at December 31, 2024 and 2023, and share in revenue and expenses for the years ended December 31, 2024 and 2023 are as follows:

	(In Thousands)	
	2024	2023
Current Assets		
Cash and cash equivalents	₱54,994	₱72,608
Trade and other receivables	49,737	96,667
Creditable withholding taxes	16,681	—
Other current assets	72,725	29,488
Total Current Assets	194,137	198,763
Noncurrent Assets		
Property and equipment	652,001	706,092
ROU asset	54	541
Advances to supplier	—	69
Deferred tax assets	429	—
Total Noncurrent Assets	652,484	706,702
Total Assets	₱846,621	₱905,465
Current Liabilities		
Trade payables and other current liabilities	₱131,846	₱110,783
Nontrade payable	—	67,500
Current portion of:		
Loan payable	138,980	58,824
Lease liability	57	294
Total Current Liabilities	270,883	237,401

(Forward)

	(In Thousands)	
	2024	2023
Noncurrent Liabilities		
Loan payable - net of current portion	₱277,961	₱411,765
Net retirement liability	662	—
Lease liability - net of current portion	—	208
Total Noncurrent Liabilities	278,623	411,973
Total Liabilities	₱549,506	₱649,374
Revenue from equipment rental	₱517,857	₱129,464
Cost of services	(264,209)	(52,270)
Operating expenses	(130,901)	(51,632)
Finance cost	(36,578)	—
Other income (charges)	(802)	(20,107)
Provision for income taxes	(13,099)	—
Net income	₱72,268	₱5,455

38. Basic/Diluted EPS

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

	(In Thousands, Except for EPS)		
	2024	2023	2022
Earnings attributable to Equity holders of the Parent (a)	₱2,334,359	₱1,883,556	₱1,395,751
Number of issued common shares at beginning of year	10,561,000	10,561,000	10,561,000
Number of common treasury shares at beginning of year	(864,536)	(864,537)	(797,874)
Number of Parent company common shares held by subsidiaries at beginning of year	(252,378)	(252,378)	(319,041)
Weighted average number of treasury shares issued (purchased) during the year	—	1	(60,271)
Weighted average number of parent company common shares held by subsidiaries redeemed during the year	—	—	60,271
Weighted average number of issued common shares - basic, at end of year (b)	9,444,086	9,444,086	9,444,085
Basic/diluted EPS (a/b)	₱0.247	₱0.199	₱0.148

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

39. Financial Risk Management Objectives and Policies, Capital Management and Fair Value Measurement

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

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

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

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

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

	(In Thousands)	
	2024	2023
Increase (decrease) in basis points		
100	(P700,925)	(P183,294)
(100)	700,925	183,294
50	(350,463)	(91,647)
(50)	350,463	91,647

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

As at December 31, 2024 and 2023, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	(in Thousands)			
	2024		2023	
	USD	Peso Equivalent	USD	Peso Equivalent
Cash and cash equivalents	\$66.2	P3,832	\$1,028	P56,899
Consultancy and software license fee payable*	-	-	(161)	(8,898)
Net foreign currency-denominated financial assets	\$66.2	P3,832	\$867	P48,001

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

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was ₱57.85 and ₱55.37 to US\$1.0 as at December 31, 2024 and 2023, respectively.

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

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before income tax as at December 31, 2024 and 2023. There is no other impact on the Group's equity other than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	2024		2023	
	Increase in US\$ Rate	Decrease in US\$ Rate	Increase in US\$ Rate	Decrease in US\$ Rate
Change in US\$ rate*	5%	(5%)	19%	19%
Effect on income before income tax (in thousands)	₱125	(₱125)	₱9,120	(₱9,120)

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

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

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2024 and 2023 consolidated total comprehensive income before income tax:

Increase (Decrease) in Equity Price	(In Thousands)	
	2024	2023
Impact in profit or loss		
5%	₱2,137	₱5,000
(5%)	(2,137)	(5,000)
Impact in comprehensive income		
5%	₱654,935	₱500,917
(5%)	(654,935)	(500,917)

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

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

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

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

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

	(In Thousands)						
	2024						
	Neither	Past Due but not impaired					
	Past due not	Less than	31 to 60	61 to	Over	Impaired	Total
	impaired	30 Days	Days	90 Days	90 Days		
Cash and cash equivalents*	P2,356,951	P-	P-	P-	P-	P-	P2,356,951
Receivables	4,550,026	2,927	13,606	1,003	33,744	470,020	5,071,326
Advances to associates***	609	-	-	-	-	130,254	130,863
Refundable deposits and construction bond****	100,082	-	-	-	-	-	100,082
Guarantee deposits*****	79,000	-	-	-	-	-	79,000
	P7,086,668	P2,927	P13,606	P1,003	P33,744	P600,274	P7,738,222

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

	(in Thousands)						
	2023						
	Neither	Past Due but not impaired					
	Past Due not	less than	31 to 60	61 to	Over	Impaired	Total
	Impaired	30 Days	Days	90 Days	90 Days		
Cash and cash equivalents*	#2,171,692	#-	#-	#-	#-	#-	#2,171,692
Receivables	4,737,958	4,188	8,764	1,183	127,297	699,428	5,578,858
Advances to associates***	527	-	-	-	-	130,254	130,781
Refundable deposits and construction bond****	130,022	-	-	-	-	-	130,022
Guarantee bonds*****	91,201	-	-	-	-	-	91,201
	#7,131,440	#4,188	#8,764	#1,183	#127,297	#829,682	#8,102,554

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

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

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

Credit Quality of Financial Assets

The financial assets are grouped according to stage whose description is explained as follows:

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

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

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

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

	(In Thousands)			
	2024			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Cash and cash equivalents*	₱2,356,951	₱-	₱-	₱2,356,951
Receivables	4,601,306	-	470,020	5,071,326
Advances to associates**	609	-	130,254	130,863
Refundable deposits and construction bonds***	100,082	-	-	100,082
Guarantee deposits****	79,000	-	-	79,000
Gross Carrying Amount	₱7,137,948	₱-	₱600,274	₱7,738,222

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

	(In Thousands)			
	2023			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Cash and cash equivalents*	₱2,171,692	₱-	₱-	₱2,171,692
Receivables	4,868,880	10,550	699,428	5,578,858
Advances to associates**	527	-	130,254	130,781
Refundable deposits and construction bonds***	130,022	-	-	130,022
Guarantee deposits****	91,201	-	-	91,201
Gross Carrying Amount	₱7,262,322	₱10,550	₱829,682	₱8,102,554

*Excluding cash on hand.

**Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.

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

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

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

The following table summarizes the maturity profile of the Group's financial liabilities as at December 31, 2024 and 2023 based on contractual undiscounted cash flows.

	(In Thousands)					
	2024					
	On Demand	< 6 Months	6 Months to 1 Year	1-3 Years	> 3 Years	Total
Trade and other current liabilities*	₱1,402,370	₱-	₱-	₱-	₱-	₱1,402,370
Loans payable	17	300,000	-	-	-	300,017
Long-term debt	-	-	2,130,235	2,312,706	3,000,000	7,442,941
Lease liability**	-	382,290	335,516	2,151,831	3,729,598	6,599,235
Refundable deposit***	-	-	-	-	249,495	249,495
	₱1,402,387	₱682,290	₱2,465,751	₱4,464,537	₱6,979,093	₱15,994,058

*Excluding withholding and output tax payable, unearned income and customers' deposits.

**Based on undiscounted payments

***Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.

	(In Thousands)					
	2023					
	On Demand	< 6 Months	6 Months to 1 Year	1-3 Years	> 3 Years	Total
Trade and other current liabilities*	₱1,453,385	₱-	₱-	₱-	₱-	₱1,453,386
Loans payable	-	1,300,017	-	-	-	1,300,017
Long-term debt	-	2,058,824	29,000	2,437,765	-	4,525,589
Lease liability**	-	543,291	327,645	2,284,580	4,465,705	7,621,221
Refundable deposit***	-	-	-	-	138,139	138,139
	₱1,453,386	₱3,902,131	₱356,645	₱4,722,345	₱4,603,844	₱15,038,352

*Excluding withholding and output tax payable, unearned income and customers' deposits.

**Based on undiscounted payments

***Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.

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

Capital Management

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

The Group manages its capital structure and adjusts the same, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2024 and 2023.

The Group considers the following as its capital:

	(In Thousands)	
	2024	2023
Common stock	₱10,561,000	₱10,561,000
Additional paid-in capital	5,503,731	5,503,731
Treasury stock	(2,565,359)	(2,565,359)
Cost of Parent Company common shares held by subsidiaries	(1,154,409)	(1,154,409)
Equity share in cost of Parent Company shares held by associates	(2,501)	(2,501)
Retained earnings	17,324,660	14,985,481
	₱29,667,122	₱27,327,943

Fair Value of Assets and Financial Liabilities

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

	(In Thousands)				
	2024				
	Carrying Value	Fair Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Assets measured at fair value:					
Financial assets at FVOCI	₱13,098,696	₱13,098,696	₱12,975,745	₱-	₱122,951
Financial assets at FVPL	42,745	42,745	42,745	-	-
Assets for which fair value is disclosed - Investment properties (see Note 13)	22,553,515	41,782,462	-	-	41,782,462
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	249,495	249,495	-	-	249,495
Long-term debt	7,442,941	8,613,279	-	-	8,613,279

	(In Thousands)				
	2023				
	Carrying Value	Fair Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Assets measured at fair value:					
Financial assets at FVOCI	₱10,018,341	₱10,018,341	₱9,883,994	₱-	₱134,347
Financial assets at FVPL	100,013	100,013	100,013	-	-
Assets for which fair value is disclosed - Investment properties (see Note 13)	23,712,268	41,782,462	-	-	41,782,462
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	237,225	237,225	-	-	237,225
Long-term debt	4,525,589	4,578,903	-	-	4,578,903

The Group has no financial liabilities measured at fair value as at December 31, 2024 and 2023. There were no transfers between fair value measurements in 2024 and 2023.

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

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

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

Refundable Deposits and Guarantee deposits. The carrying value of refundable deposits and guaranteed deposit approximates fair value as at December 31, 2024 and 2023 due to unavailability of information as to the repayment date that would provide reasonable basis for the fair value measurement.

Long-term Debt. The fair value of long-term debt is determined by discounting the obligations' expected future cash flows using the discount rate of 5.89% to 8.63% in 2024 and 4.75% to 7.13% in 2023.

40. Supplemental Disclosure of Cash Flow Information

Changes in Liabilities Arising from Financing Activities

(In Thousands)						
2024						
	Balance at beginning of year	Proceeds	Payments	Interest expense	Noncash Transactions	Balance at end of year
Lease liabilities	₱5,841,514	₱—	(₱676,564)	₱248,900	₱23	₱5,413,873
Loans payable	1,300,017	600,000	(1,600,000)	—	—	300,017
Long-term debt	4,525,589	5,080,000	(2,162,648)	—	—	7,442,941
Interest payable	38,407	—	(538,557)	525,380	—	25,230
	₱11,705,527	₱5,680,000	(₱4,977,769)	₱774,280	₱23	₱13,182,061

(In Thousands)						
2023						
	Balance at beginning of year	Proceeds	Payments	Interest expense	Dividends declared	Balance at end of year
Dividends payable	₱—	₱—	(₱915,748)	₱—	₱915,748	₱—
Lease liabilities	6,246,148	—	(664,566)	259,932	—	5,841,514
Loans payable	450,017	1,750,000	(900,000)	—	—	1,300,017
Long-term debt	4,937,500	—	(411,911)	—	—	4,525,589
Interest payable	29,166	—	(267,798)	277,039	—	38,407
	₱11,662,831	₱1,750,000	(₱3,160,023)	₱536,971	₱915,748	₱11,705,527

41. Events After the Reporting Period

Investment Agreement with HHR Philippines Inc.

On January 29, 2025, the POSC entered into an Investment Agreement with HHR Philippines, Inc. (HHRPI) together with the latter's principal shareholders. Pursuant to the agreement, the POSC shall subscribe to 81,000 common shares translating to 37.50% of the total issued and outstanding capital stock of HHRPI for the amount of ₱150.0 million, which shall be paid in three tranches.

The proceeds of POSC's capital infusion will be utilized by HHRPI primarily to fund its expansion program.

HHRPI, a software and professional service provider of electronic gaming platforms for land-based and online gaming operators, is licensed and accredited by the Philippine Amusement and Gaming Corporation (PAGCOR). At the same time, it is a holder of a PAGCOR Gaming License for online gaming (e-Casino) under the brand "Buenas".

Dividend Declaration

On February 21, 2025, the Parent Company's BOD approved the declaration of cash dividend of ₱0.06 per share amounting to approximately ₱581.8 million to shareholders of record as at March 7, 2025.

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

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Belle Corporation and Subsidiaries (the Group) as at and for the years ended December 31, 2024 and 2023 and have issued our report thereon dated February 21, 2025. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole.

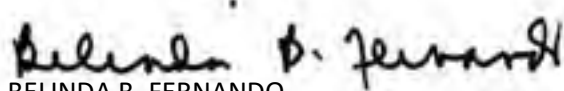
The following supplementary schedules are the responsibility of the Group's management. These are presented for purposes of complying with Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2024
- Schedules required by Annex 68-J as at December 31, 2024
- Conglomerate Map as at December 31, 2024
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2024 and 2023

The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023.

REYES TACANDONG & Co.



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782/P-005; Valid until June 6, 2026

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10467126

Issued January 2, 2025, Makati City

February 21, 2025

Makati City, Metro Manila

BELLE CORPORATION AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024 AND 2023

(Amounts in Thousands, Except for Ratios)

Ratio	Formula	2024	2023
Current Ratio	Total Current Assets divided by Total Current Liabilities		
	Total current assets	₱12,303,110	₱11,658,655
	Divide by: Total current liabilities	4,543,008	5,532,205
	Current ratio	2.71	2.11
Acid Test Ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities		
	Total current assets	12,303,110	11,658,655
	Less: Real estate for sale	311,573	155,656
	Land held for future development	3,037,326	3,035,959
	Other current assets	2,706,926	2,368,471
	Quick assets	6,247,285	6,098,569
	Divide by: Total current liabilities	4,543,008	5,532,205
	Acid test ratio	1.38	1.10
Debt-to-Equity Ratio	Total Interest-Bearing debt divided by Total Equity		
	Total interest-bearing debt	7,742,958	5,825,606
	Total equity	39,796,935	39,416,082
	Debt to equity ratio	0.19	0.15
Asset-to-Equity Ratio	Total Assets divided by Total Equity		
	Total assets	57,473,710	55,710,750
	Total equity	39,796,935	39,416,082
	Asset to equity ratio	1.44	1.41
Interest Rate Coverage Ratio	Income Before Interest and Taxes divided by Total Interest Expense		
	Net income before income tax	2,516,035	2,566,667
	Less: Interest income	144,303	59,283
	Add: Interest expense	774,280	536,971
	Income before interest and taxes	3,146,012	3,044,355
	Divide by: Interest expense	774,280	536,971
	Interest rate coverage ratio	4.06	5.67

Ratio	Formula	2024	2023
Return on Equity	Net Income divided by Average Total Equity		
	Net income	₱2,425,588	₱2,423,185
	Average total equity	39,606,509	37,964,472
	Return on equity	6.12%	6.38%
Return on Assets	Net Income divided by Average Total Assets		
	Net income	2,425,588	2,423,185
	Average total assets	56,592,230	54,234,236
	Return on assets	4.29%	4.47%
Solvency Ratio	Net Income Before Non-Cash Expenses divided by Total Liabilities		
	Net income	2,425,588	2,423,185
	Add: Non-cash expenses	2,058,108	1,473,637
	Net income before non-cash expenses	4,483,696	3,896,822
	Total liabilities	17,676,775	16,294,668
	Solvency ratio	25.36%	23.91%
Net Profit Margin	Net Income divided by Total Revenue		
	Net income	2,425,588	2,423,185
	Total revenue	5,890,767	5,601,375
	Net profit margin	41.18%	43.26%

**PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024**

BELLE CORPORATION

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

	Amount (In thousands)
Unappropriated retained earnings, beginning of reporting period	P5,204,450
Add: <u>Category A</u> : Items that are directly credited to unappropriated retained earnings Realized gain on club shares transferred to Retained Earnings	4,819
	5,209,269
Less: <u>Category B</u> : Items that are directly debited to unappropriated retained earnings Dividend declaration during the reporting period Excess of carrying amount of investment property over construction cost, net of tax	115,825
Difference between straight line accounting for lease income and contractual cash flows	15,911
Accretion of Security deposit, net of tax	9,203
	140,939
Unappropriated retained earnings, beginning of reporting period as adjusted	5,350,208
Add/less: Net income for the current year	2,955,936
	8,306,144
Add/less: <u>Category F</u> : Other items that should be excluded from the determination of the amount of available for dividends distribution Net movement of deferred tax asset not considered in the reconciling items under the previous categories	124,958
Total retained earnings, end of the reporting period available for dividend	P8,431,102

BELLE CORPORATION AND SUBSIDIARIES
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6
PART II OF REVISED SRC RULE 68
DECEMBER 31, 2024

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B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>2</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>2</u>
D	Long-Term Debt	<u>2</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>3</u>

Schedule A. Financial Assets

		(In Thousands)		
Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
Financial assets at fair value through profit or loss				
Vantage Equities, Inc.	43,376,750	₱34,268	₱34,268	₱—
Others	45,821,000	8,477	8,477	—
		42,745	42,745	—
Financial assets at fair value through other comprehensive income				
Tagaytay Midlands International Golf Club, Inc.	2,141	5,994,800	5,994,800	—
Tagaytay Highlands International Golf Club, Inc.	1,306	3,918,000	3,918,000	—
SM Prime Holdings, Inc.	61,795,413	1,554,155	1,554,155	—
The Country Club at Tagaytay Highlands, Inc.	2,063	1,444,100	1,444,100	—
Spa and Lodge at Tagaytay Highlands, Inc.	192	115,200	115,200	—
SM Investments Corporation	48,878	43,941	43,941	—
Costa De Hamilo	1	757	757	—
PLDT	1,605	83	83	—
Others	1	27,660	27,660	—
		13,098,696	13,098,696	—
		₱13,141,441	₱13,141,441	₱—

Schedule B. Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)

(In Thousands)							
Name and Designation of Debtor	Balance of Beginning of Period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at end of period
Employees	P1,840	P7,052	(P7,703)	P-	P1,190	P-	P1,190
Officers	4	-	-	-	4	-	4
	P1,844	P7,052	(P7,703)	P-	P1,194	P-	P1,194

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial statements

(In Thousands)							
Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Allowance for Doubtful Accounts	Current	Not Current	Balance at end of period
Belle Bay Plaza Corporation	P1,624,647	P52	P-	(P1,624,558)	P141	P-	P141
Belle Infrastructure Holdings, Inc.	251,611	16	-	(251,569)	58	-	58
Belle Grande Resource Holdings, Inc.	138,461	267	-	(2,647)	136,081	-	136,081
Premium Leisure Corporation	74	74	(74)	-	74	-	74
SLW Development Corp.	28,483	83	-	-	28,566	-	28,566
Parallax Resources, Inc.	43,187	16	-	(750)	42,453	-	42,453
	P2,086,463	P508	(P74)	(P1,879,524)	P207,373	P-	P207,373

Schedule D. Long-term debt

(In Thousands)			
Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Chinabank	P3,500,000	P1,440,000	P-
Chinabank	3,000,000	-	2,000,000
BDO Unibank Inc.	3,000,000	586,000	-
BDO Unibank Inc.	3,000,000	-	3,000,000
Unionbank	1,000,000	104,235	312,706
	P13,500,000	P2,130,235	P5,312,706

Schedule G. Capital Stock

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under statement of financial position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	14,000,000,000	9,696,464,297	—	5,144,473,751	219,794,036	4,332,196,510
Percentage held	—	—	—	53.06%	2.27%	44.68%
Preferred stock	6,000,000,000	—	—	—	—	—
Percentage held	—	—	—	—	—	—

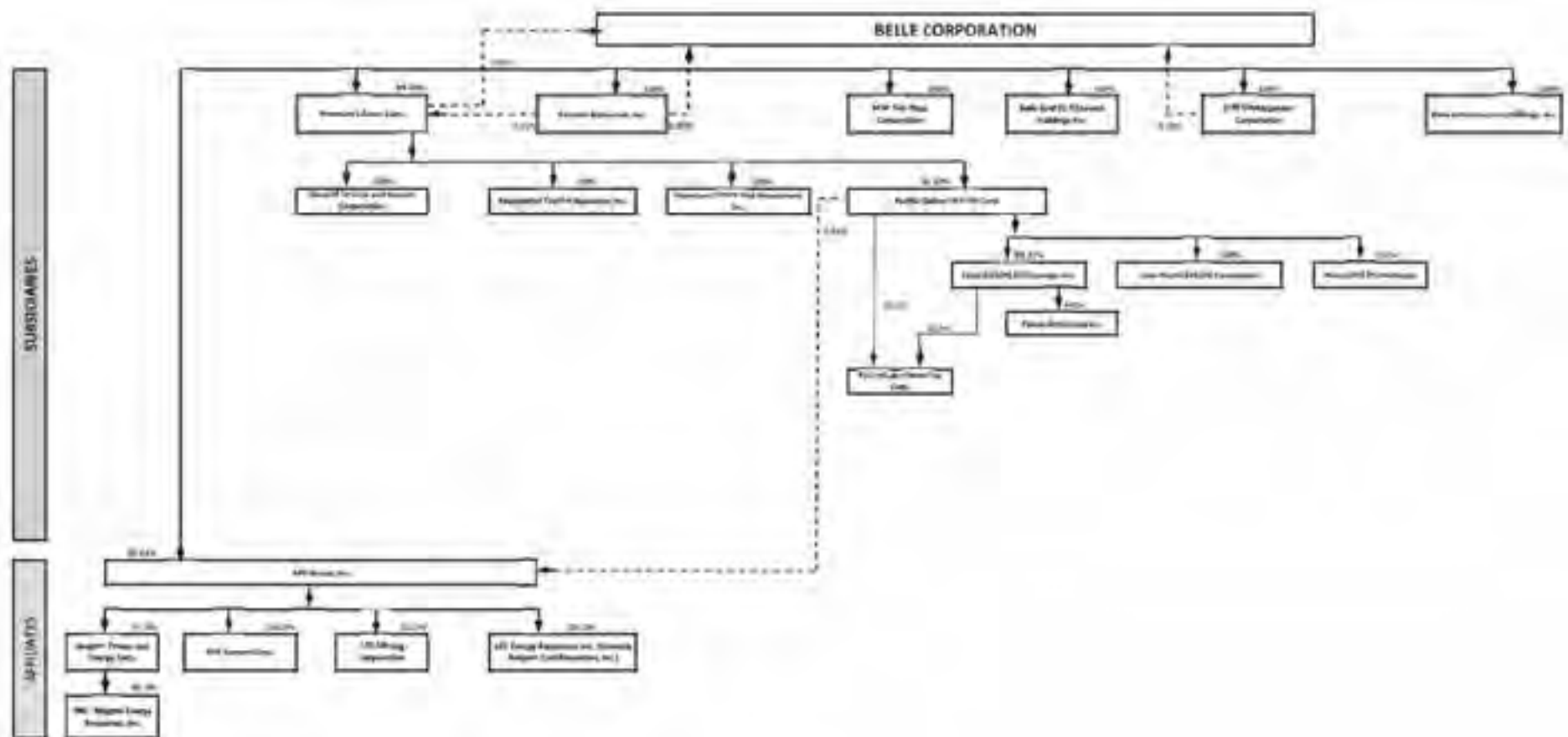
BELLE CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

DECEMBER 31, 2024 AND 2023

	(In thousands)	
	2024	2023
PARENT COMPANY		
Total audit fees	P1,400.0	P1,150.0
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Non-audit fees	—	—
Total Audit and Non-audit Fees	P1,400.0	P1,150.0
OTHER RELATED ENTITIES		
Audit Fees	P2,259.4	P2,795.0
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Audit and Non-audit fees of related entities	P2,259.4	P2,795.0

Conglomerate Map
As at December 31, 2024



REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S.

SECRETARY'S CERTIFICATE

JASON C. NALUPTA, of legal age, Filipino, with office address at 2704 East Tower, Tektile Towers, Exchange Road, Ortigas Center, Pasig City, Metro Manila, under oath, does hereby certify that:

1. I am duly elected and incumbent Corporate Secretary of **BELLE CORPORATION** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, with principal address at the 5th Floor Tower A, Two E-com Center, Palm Court Ave., Pasay, City Metro Manila,

2. Based on the information provided to the Corporation by the members of its Board of Directors and its principal executive officers, none of said members of the Board of Directors and principal executive officers of the Corporation are presently employed by any office or agency of the Philippine Government.

IN WITNESS WHEREOF, this Certificate has been signed this 26th day of February 2025 at Pasig City, Metro Manila.



JASON C. NALUPTA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 26th day of February 2025 at Pasig City, affiant exhibiting to me his Philippine Passport No. [REDACTED] issued at DFA South on [REDACTED] which expires on [REDACTED] as his competent evidence of identity.

Doc. No. 18;
Page No. 5;
Book No. V;
Series of 2025.

Notary Public for the City of Pasig and in the Municipality of Palena
Appointment No. 168 (2024-2025)
Commission Expires on December 31, 2025
2704 East Tower, Tektile Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 304044401.04.25/Pasig City
BP No. 499/60401.06.25/Quezon City
Roll of Attorneys No. 84862
Admitted to the Bar: 05.02.23

GIANNA CHRIS GAILE E. BITANCOR

Notary Public for the City of Pasig
and in the Municipality of Palena
Appointment No. 168 (2024-2025)
Commission Expires on December 31, 2025
2704 East Tower, Tektile Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 304044401.04.25/Pasig City
BP No. 499/60401.06.25/Quezon City
Roll of Attorneys No. 84862
Admitted to the Bar: 05.02.23

CERTIFICATION OF INDEPENDENT DIRECTOR


I, **Marla Gracia M. Pulido-Tan**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director (ID) of **Belle Corporation** (the "Corporation").
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Premium Leisure Corp.	Independent Director	June 2021 to present
Pacific Online Systems Corporation	Independent Director	May 2021 to present
Palm Concepcion Power Corporation	Director	December 2024 to present
Peak Power Energy, Inc.	Director	December 2024 to present
Trifels, Inc.	Director	May 2016 to present
Justice George A. Malcolm Foundation, Inc.	Trustee	2017 to present
Construction Industry Arbitration Commission	Arbitrator	2016 to present
Philippine Judicial Academy	Member, Tax Faculty	
Philippine Center for Dispute Resolution	Arbitrator	
UP Women Lawyers' Circle	General Counsel	
University of the Philippines College of Law	Professorial Lecturer, Mandatory Continuing Legal Education	On call

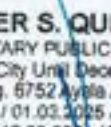
3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances.
4. I am related to any director/officer/substantial shareholder of BEL.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not connected with any government agency or its instrumentalities.
7. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this _ day of FEB 26 2025, at _____


Maria Gracia M. Pulido-Tan

SUBSCRIBED AND SWORN to before me this _ day of FEB 26 2025 at
MAKATI CITY, affiant personally appeared before me and exhibited to me her Tax Identification
Number (TIN) Card with TIN [REDACTED]

Doc. No. 111 ;
Page No. 24 ;
Book No. 02 ;
Series of 20 25


Atty. REINIER S. QUIAMBAO
NOTARY PUBLIC
NC# M-177 Makati City Until December 31, 2026
17/F L.V. Locsin Bldg. 6752 Ayala Ave. Makati City
PTR# 10469593 / 01.03.2025 / Makati City
IBP# 480639 / 12.03.2023 / Tarlac City
TIN 235-251-699 Roll No. 62283
MCLE NO. VII - 0016570 / 04.28.2022

CERTIFICATION OF INDEPENDENT DIRECTOR


I, **Laurito E. Serrano**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Belle Corporation (the "Corporation").
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Premium Leisure Corp.	Independent Director	April 2023 - present
Anglo-Philippine Holdings, Inc.	Independent Director	July 2021- present
Rizal Commercial Banking Corporation	Independent Director	March 2019-present
Axelum Resources Corp.	Independent Director	April 2017-present
Century Peak Holdings Corporation	Independent Director	December 2024-present
MRT Development Corporation	Director	July 2013-present
RCBC Trust Corporation	Director	July 2023-present
Malayan Insurance Company	Director	January 2025-present

3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of BEL.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in government service/affiliated with a government agency or GOCC.
7. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this _____ day of FEB 26 2025 at MAKATI CITY


Laurito E. Serrano

FEB 26 2025

MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____
affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card
with [REDACTED]

Doc. No. 113 ;
Page No. 24 ;
Book No. 02 ;
Series of 2015 ;

Atty. REINIER S. QUIAMBAO

NOTARY PUBLIC

NC# M-177 Makati City until December 31, 2026
17/F L.V. Locsin Bldg. 8152 Ayala Ave. Makati City
PTR# 10459553 / 01.03.2025 / Makati City
IBP# 480639 / 12.03.2024 / Tamarac City
TIN 235-251-699 / Roll No. 82283
MCLE NO. VII - 0010570 / 04.28.2022

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PAQUITO N. OCHOA, JR.**, Filipino, of legal age, and with address [REDACTED] after having been duly sworn to in accordance with law hereby declare that:

1. I am the nominee for independent director of Belle Corporation (BEL).
2. I am affiliated with the following company/ies or organization/s:

Company/Organization	Position/Relationship	Period of Service
Premium Leisure Corp.	Independent Director	April 2024 - present
2GO Group, Inc.	Independent Director	April 2021 - Present
Manuel L. Quezon University	President	October 2020 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of BEL, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of BEL.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of BEL of any changes in the abovementioned information within five days from its occurrence.

Done this _____ day of FEB 26 2025, at MAKATI CITY

SUBSCRIBED AND SWORN to before me this FEB 26 2025 day of _____ at MAKATI CITY,
affiant personally appeared before me and exhibited to me his Tax Identification Number [REDACTED]

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Book No. 02
Series of 2025

NOTARY PUBLIC
Atty. REINIER S. QUIAMBAO
NOTARY PUBLIC
NCR M-177 Makati City Until December 31, 2026
17/F L.V. Loatin Bldg. 6752 Ayala Ave. Makati City
PTR# 10469593 / 01.03.2025 / Makati City
ISPR 480539 / 12.03.2024 / Tatalac City
TIN 238-251-690 Roll No. 62283
MCLE NO. VII - 0016570 / 04.28.2022

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF**

BELLE CORPORATION

Held on May 31, 2024 at 10:00 a.m.
Via Zoom Webinar

TOTAL NUMBER OF SHARES OUTSTANDING	9,696,464,297
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	6,738,602,814

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

WILLY N. OCIER
ELIZABETH ANNE C. UYCHACO
JACKSON T. ONGSIP
ARMIN ANTONIO B. RAQUEL SANTOS
VIRGINIA A. YAP
MARIA GRACE M. PULIDO-TAN (Independent)
JOSEPH T. CHUA (Independent)

The following were likewise in attendance at the shareholders' meeting:

JOSE T. SIO (Board Adviser)
JASON C. NALUPTA (Corporate Secretary)
ARTHUR A. SY (Assistant Corporate Secretary)
MARIA NERIZA C. BANARIA (Chief Financial Officer & Treasurer)
ANNA JOSEFINA G. ESTEBAN (Chief Audit Executive)
MICHELLE ANGELI T. HERNANDEZ (Vice President for Governance, Compliance Officer, Chief Risk Officer, and Contact for Stockholders' Concerns)

as well as the following new nominees for election to the Board:

GREGORY L. DOMINGO
LAURITO E. SERRANO

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

Finally, the following stockholders attended the meeting virtually by remote communication:

JERRY TEO CHUA
JULIUS SANVICTORES

CALL TO ORDER

The Chairman of the Board of Directors, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.



CERTIFICATION OF NOTICE AND QUORUM

At the Chairman's request, the Secretary advised the Body that in accordance with the authority granted by the Securities and Exchange Commission (SEC), notice of the meeting was published in the printed and online editions of Business World and the Daily Tribune on May 6 and 7, 2024. The notice was also posted on the Corporation's website beginning May 2, 2024.

The shareholders as of the Record Date of April 15, 2024 are participating, in person or by proxy, during the virtual meeting.

Business World and the Daily Tribune have executed their respective Affidavit of Publication attesting to the fact of publication, and the Chairman instructed the Secretary to ensure that said Affidavits of Publication shall form part of the records of the meeting.

Thereafter, the Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of Nine Billion Six Hundred Ninety-Six Million Four Hundred Sixty-Four Thousand Two Hundred Ninety-Seven (9,696,464,297) shares of the total outstanding capital stock of the Corporation, Six Billion Seven Hundred Thirty-Eight Million Six Hundred Two Thousand Eight Hundred Fourteen (6,738,602,814) shares were participating in the virtual meeting either in person or represented by proxy, representing an attendance of 69.50% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

The Secretary then informed the shareholders that Ms. Cristina Castro Naguit had been engaged as a third-party tabulator of the votes cast for the meeting and that the meeting would be recorded.

RULES OF CONDUCT AND VOTING PROCEDURES

The Chairman then informed the Body that, while the meeting is being held in a virtual format, the Corporation is giving the shareholders every opportunity to participate therein to the same extent as if they were in an in-person meeting.

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

1. Shareholders who notified the Corporation of their intention to participate in the meeting by remote communication sent their questions or comments through the e-mail address provided for the purpose, corsec@bellecop.com.
2. Shareholders participating through the livestream could continue sending more questions throughout the duration of the meeting through the Q&A button located at the bottom of their screens.
3. Some of the questions or comments received will be read out during the Open Forum, after all matters in the agenda are concluded.
4. Because the time dedicated for the meeting is limited, the questions and comments which will not be read out and responded to during the meeting will be answered via e-mail by the appropriate officers of the Corporation.
5. Resolutions will be proposed for adoption by the shareholders for each of the items in the Agenda for this meeting. Each proposed resolution will be shown on the screen as the same is being taken up.

The proxies received and the votes cast through the e-voting portal as of May 29, 2024, were



tabulated. These votes are from stockholders owning 6,738,602,814 voting shares, representing 69.50% of the total outstanding voting shares. The results of this preliminary tabulation will be referred to when the voting results are reported out throughout the meeting. The results of the final tabulation of votes with full details of the affirmative and negative votes and abstentions will be reflected in the Minutes of the Meeting.

APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

Upon inquiry by the Chairman, the Secretary advised the Body that the minutes of the last stockholders' meeting held on April 24, 2023 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. The Minutes reflect the proceedings of the last Shareholders' Meeting including the matters discussed, resolutions adopted, a description of the voting and vote tabulation results.

The Minutes of the said meeting was thereafter approved, as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	6,738,602,814 69.50% of Total Outstanding Shares {100.00% of Shares Represented at the Meeting}	0	0

The following resolution was thereafter passed:

"RESOLVED, that the Minutes of the Annual Meeting of the Shareholders of BELLE CORPORATION held on April 24, 2023 is hereby approved."

2023 REPORT ON OPERATIONS AND RESULTS

At the request of the Chairman, the President and Chief Executive Officer, Mr. Jackson T. Ongsip, presented his Report on the Corporation's Operations and Results for 2023, as follows:

To our Shareholders, Stakeholders and Guests, good morning and welcome to Belle Corporation's 2024 Annual Shareholders' Meeting.

2023 has been a promising year for Belle Corporation. As we celebrated our Company's 50th anniversary, I am happy to report our strong 2023 results.

Belle's business units remained resilient despite the challenging and competitive operating environment. Our strong performance was largely from our integrated resort business with City of Dreams Manila which is owned and operated by Melco Resorts and Entertainment (Philippines) Corporation. Meanwhile, we continued to maximize our resources and explore opportunities in our legacy real estate business in Tagaytay Highlands.

FINANCIAL REVIEW

In 2023, Belle's consolidated net income increased by 42% to Php2.4 billion from Php1.7 billion recorded in 2022. Consolidated revenues in 2023

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rose by 3% to Php5.6 billion from Php5.4 billion in 2022 driven mainly by our gaming-related ventures.

Our gaming revenue share in 2023 at City of Dreams Manila through Belle's subsidiary, Premium Leisure Corp. or PLC, came in 50% higher to Php2.3 billion from Php1.6 billion in 2022.

Meanwhile, Pacific Online Systems Corporation, which is involved in the national gaming lottery sector by leasing online betting equipment and systems to the Philippine Charity Sweepstakes Office for its lottery operations nationwide, also posted higher revenues in 2023 at Php599 million, 15% higher than the Php519 million realized in 2022.

The Company's real estate operations in 2023 for the lease of the land and building occupied by City of Dreams Manila, and real estate sales and estate management services at Tagaytay Highlands tallied at Php2.6 billion in total revenues but 20% lower than Php3.3 billion in 2022.

Our Company maintains a strong balance sheet. Total assets stands at Php56 billion, which covers our current liabilities by over 2.1 times, while our long-term debt by almost 2.6 times. We also maintained our conservative total debt-to-equity ratio of 15%.

SUSTAINABILITY JOURNEY

Belle is building the foundations to expand our businesses, capture growth opportunities and strengthen commitments to stakeholders. I am proud to report that we recently completed the Tender Offer for Premium Leisure Corp. Effective as of May 9, 2024, Belle now owns approximately 99.55% of PLC's total issued and outstanding capital stock.

Aside from this strategic move, we continue to evaluate opportunities using our 1.5+ hectare land adjacent to our City of Dreams Manila integrated resort complex, and plans to develop new sustainable communities in Tagaytay Highlands have begun. We are also proud to share Pacific Online's two "game-changing" milestones in 2023: the start of the test run of the first-ever official PCSO E-Lotto and launch of the nationwide lottery system by PinoyLotto Technologies Corp., our joint venture company.

Our corporate social responsibility unit, Belle Kuagapay, remains active as we engage with our stakeholders and host community members to enhance the quality of their lives by raising awareness on sustainability matters, and implementing programs with them. Finally, we uphold and support adherence to good corporate governance practices as we conduct our business.

Early this year, your Company won its first Silver Anvil Award for Belle's 2022 Integrated Report: Enhancing Communities from the Public Relations Society of the Philippines.

This recognition affirms our commitment to transparent, balanced and accurate reporting, which we pursued in the publication of Belle's 2023 Integrated Report titled "Stronger Together". We also got a high score in the 2023 ASEAN Corporate Governance Scorecard and maintained our four golden arrows and ASEAN Asset Class awards, along with other listed companies in the Belle Group.



Fifty years of Belle Corporation was achieved due to the Board's leadership and vision. Management's proactive approach and dedication, the hard work and diligence of our staff, and our loyal and supportive shareholders. I am confident of the solid foundations that we have built for Belle Corporation, and that I am leaving behind a much stronger company that can succeed in the years to come. We thank you all for your continued trust and support.

Thereafter, the Chairman reminded the shareholders in attendance that questions on the report on operations, as well as on the Audited Financial Statements for 2023, will be addressed during the Open Forum towards the end of the proceeding. At the Chairman's request, the Secretary then proceeded to announce the results of the voting on the approval of the 2023 Reports on Operations and Results, together with the Audited Financial Statements, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
2023 Report on Operations and Results with the 2023 Audited Financial Statements	6,736,611,484 <small>69.47% of Total Outstanding Shares [99.97% of Shares Represented at the Meeting]</small>	0	1,991,320

The following resolution was likewise approved:

"RESOLVED, that the 2023 Annual Report on the operations of BELLE CORPORATION together with the Audited Financial Statements and accompanying notes thereto for the year ended December 31, 2023, be approved."

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of the corporate acts.

The Secretary explained that the Board of Directors and Management seek the ratification of all the acts of the Board, the Executive Committee, and other board committees exercising powers delegated by the Board, which were adopted from April 24, 2023 until the date of the 2024 shareholders' meeting. The corporate acts of the Board of Directors and Officers for the past year up to the date of the meeting being presented for ratification are items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures. All the acts of the Corporation's officers performed in accordance with the resolutions of the Board, the Executive Committee, and other Board Committees, as well as the By-Laws were performed to implement the resolutions of the Board and its committees or as part of the Corporation's general conduct of business.

Thereafter, the shareholders, voting as follows, ratified the acts of the Board of Directors and Management from April 24, 2023 up to the present:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts from April 24, 2023 to the present.	6,736,611,494 <small>69.47% of Total Outstanding Shares [99.97% of Shares Represented at the Meeting]</small>	0	1,991,320

The following resolution was likewise approved:



“RESOLVED, that all acts of the Board of Directors and Officers of BELLE CORPORATION from the date of the last Annual Shareholders’ Meeting on April 24, 2023 up to the date of this meeting, are hereby confirmed, ratified and approved.”

**AMENDMENT OF ARTICLES ON INCORPORATION
(Reduction of Number of Directors)**

The Body proceeded to take up the next item in the agenda which is the proposal to amend the Corporation’s Articles of Incorporation.

As requested by the Chairman, the Corporate Secretary advised the Body that on April 25, 2024, the Board of Directors approved the amendment of the Sixth Article to reduce the number of directors from nine (9) to seven (7). With the amendment, the ratio of independent members of the Board vis-à-vis the regular directors will increase. Further, the reduction in the membership of the Board is in line with the Corporation’s efforts to streamline its operations throughout the organization as current level of operations of the Corporation does not require an expanded membership in its Board of Directors. The shareholders were then requested to confirm and approve the proposed amendment of the Articles of Incorporation.

The shareholders confirmed and approved the proposal to amend the Sixth Article of the Corporation’s Articles of Incorporation to reduce the number of directors from nine (9) to seven (7), voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Amendment of Article Sixth of the Articles of Incorporation (Reduce the Number of Directors)	6,738,602,814 <i>69.50% of Total Outstanding Shares [100.00% of Shares Represented at the Meeting]</i>	0	0

The following resolution was likewise approved:

“RESOLVED, that the proposal to reduce the number of Directors of BELLE CORPORATION (the “Corporation”) from **nine (9) to seven (7)** be approved; and for this purpose, the Sixth Article of the Articles of Incorporation be amended to read as follows:

“**SIXTH.** That the number of directors of said Corporation shall be **seven (7)** and that the names, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows xxx”

ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year. As disclosed in the Information Statement sent to all shareholders, the Corporation’s Board of Directors is composed of nine (9) members. However, because of the approval of the proposed amendment of the Corporation’s Articles of Incorporation reducing the membership of the Board from nine (9) to seven (7), only 7 directors will be voted in at the meeting with 2 seats to be kept vacant until the Securities and Exchange Commission shall have approved the amendment of the Articles of Incorporation.

[Handwritten signature]

On behalf of the Corporate Governance Committee, the Corporate Secretary announced the names of those nominated for election as members of the Board. The Body was informed that, as required by the Code of Corporate Governance, the Corporate Governance Committee deliberated on and approved the nominees for election to the Board. Furthermore, the profiles of the nominees for election as members of the Board were included in the Company's Information Statement so that the shareholders will be properly apprised of their qualifications.

The Secretary then proceeded to announce the results of the voting on the election of directors and certified that each of the nominees has received enough votes for election to the Board, and, accordingly, that the following resolution for the election of nominees to the Board has been approved:

“RESOLVED, that pursuant to the recommendation of the Corporate Governance Committee, the following individuals are hereby elected as directors of BELLE CORPORATION for a period of one (1) year and until their successors shall have been duly qualified and elected:

WILLY N. OCIER
ARMIN ANTONIO B. RAQUEL SANTOS
JACINTO C. NG, JR.
GREGORY L. DOMINGO

Independent Directors
MARIA GARCIA M. PULIDO-TAN
PAQUITO N. OCHOA, JR.
LAURITO E. SERRANO

The final tally of votes, as tabulated by the Committee of Inspectors of Proxies and Ballots and validated by the third party tabulator, is as follows:

ELECTION OF DIRECTORS	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
WILLY N. OCIER	6,738,100,454	502,360	0
ARMIN ANTONIO B. RAQUEL SANTOS	6,738,602,814	0	0
JACINTO C. NG, JR.	6,688,809,319	502,360	49,291,135
GREGORY L. DOMINCO	6,738,602,814	0	0
MARIA GARCIA M. PULIDO-TAN	6,738,602,814	0	0
PAQUITO N. OCHOA, JR.	6,738,602,814	0	0
LAURITO E. SERRANO	6,738,548,454	54,360	0

The Chairman then congratulated the newly-elected members of the Board of Directors, on whose behalf he also thanked the shareholders for their trust and support.

The Chairman, on behalf of the Board of Directors, Management and staff, took the opportunity to express well wishes and thank the Corporation's outgoing directors Ms. Lizanne C. Uyachaco, Ms. Virginia A. Yap, Mr. Amando M. Tetangco, Jr. and Mr. Joseph T. Chua, together with former Board Adviser Mr. Jose T. Sio, as well as the outgoing President and Chief Executive Officer, Mr. Jackson T. Ongsip, for their clear vision, strategic acumen and passion for excellence which have contributed to the Corporation's success.



APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation's external auditors for Year 2024.

On behalf of the Audit Committee, the Corporate Secretary explained that the Audit Committee pre-screened and recommended, and the Board endorsed for consideration of the shareholders, the appointment of Reyes Tacandong & Co. as the Corporation's External Auditor for 2024. The Secretary also noted that Reyes Tacandong & Co. is one of the leading auditing firms in the country and possesses the necessary accreditation from the Securities and Exchange Commission to act as external auditors for publicly-listed companies.

The Secretary then announced the results of the voting on the proposal to appoint Reyes Tacandong & Co. as the Corporation's external auditor for Year 2024 as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for 2024	6,738,602,814 69.50% of Total Outstanding Shares (100.00% of Shares Represented at the Meeting)	0	0

The following resolution was likewise approved:

"RESOLVED, that BELLE CORPORATION (the 'Corporation') hereby approves the appointment of Reyes Tacandong & Co. as the Corporation's external auditor for Year 2024."

OTHER MATTERS

Before the meeting was adjourned, the Chairman requested the Corporation's Vice President for Governance, Ms. Michelle Angeli T. Hernandez, to read out some of the questions raised by the stockholders so the same can be responded to by the concerned officers.

The first question, sent via email from one of the shareholders, Mr. Jerry Chua, was "[g]iven the logic behind the delisting of Premium Leisure Corp. (PLC), can we expect that Pacific Online Systems Corporation (POSC) will be delisted as well?" The Chairman answered that there are no plans to delist POSC at this time, but should there be any in the future, appropriate disclosures will be made to the Philippine Stock Exchange and the Securities and Exchange Commission.

The next question, also sent in via email, was "[w]ith the successful tender offer of PLC shares, what should shareholders expect from Belle in terms of new projects and with respect to developments in the Tagaytay Highlands Complex?" The Chairman noted that the successful tender offer of PLC shares has placed Belle in a good position to concentrate its resources in gaming and to restructure its strategies given the evolving gaming space. He added that the Company intends to focus on other investments such as developing more sites for leisure development. As for Tagaytay Highlands, the Chairman added that Belle still has substantial landbank in the complex, hence, new residential developments will still continue, as in fact, some are currently being planned the details of which will be released in due time.

The Chairman expressed appreciation for the shareholders' active participation in the meeting through the sending of their questions, and gave assurance, as earlier announced, that questions which were not responded to during the meeting will be answered by the Corporation's officers concerned.

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ADJOURNMENT

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



WILLY N. OCIER
Chairman of the Board of Directors

JASON C. NALUPTA
Corporate Secretary