

LEISURE & RESORTS WORLD CORPORATION

Minutes of the Annual Meeting of the Stockholders

Held via Remote Communication at

<https://zoom.us/j/95451819920?pwd=MUFpOFREbnE5UUZ2RGVPeWJ5QkE5Zz09>

28 August 2020 at 2:00 p.m.

Stockholders Present:

Total No. of Shares Outstanding	2,417,500,000
Total No. of Shares of Stockholders participating remotely or <i>in absentia</i> , and represented in proxy	1,692,190,205
Percentage of Shares of Stockholders participating remotely or <i>in absentia</i> , and represented in proxy	70%

Directors participating remotely, *in absentia*, and/or by proxy:

Mr. Eusebio H. Tanco	-	Chairman of the Board, Chairman of Executive Committee, Member of Nomination Committee
Mr. Eng Hun Chuah	-	President, Member of Executive Committee
Mr. Johnson Cheung	-	Member of Executive Committee, Member of Nomination Committee
Mr. Alfredo Abelardo B. Benitez	-	Member of Executive Committee, Member of Corporate Governance Committee, Member of Compensation Committee, Member of Nomination Committee, Member of Retirement Committee
Mr. Willy N. Ocier	-	Chairman of Nomination Committee, Member of Executive Committee, Member of Related Party Transaction Committee
Mr. Max Aaron Wong	-	Member of Corporate Governance Committee, Member of Compensation Committee, Member of Retirement Committee
Mr. Paolo Martin O. Bautista	-	Member of Audit Committee, Member of Related Party Transaction Committee
Mr. Ignatius F. Yenke	-	Member of Related Party Transaction Committee
Mr. Renato G. Nuñez	-	Member of Corporate Governance Committee, Member of Compensation Committee, Member of Risk Oversight Committee
Mr. Anthony L. Almeda	-	Independent Director, Chairman of Retirement Committee, Chairman of Related Party Transaction Committee, Chairman of Risk Oversight Committee, Chairman of Compensation Committee, Member of Nomination Committee, Member of Audit Committee, Member of Corporate Governance Committee
Mr. Lawrence T. Cobankiat	-	Independent Director, Chairman of Audit

Committee, Chairman of Corporate Governance Committee, Member of Compensation Committee, Member of Risk Oversight Committee, Member of Related Party Transaction Committee, Member of Retirement Committee

Also Present:

Atty. Kristine Margaret R. Delos Reyes	-	Compliance Officer
Atty. Carol Padilla	-	Corporate Secretary
Ms. Donita Marel Rivera	-	Treasurer
Mr. Rafael Jasper S. Vicencio	-	President of AB Leisure Exponent, Inc. (ABLE) and ABLE subsidiaries
Mr. Teh Teng Yeong	-	Head of Blue Chip Gaming operations
Ms. Elaine Eustaquio	-	Chief Internal Audit
Ms. Xiaolu Dong	-	Deputy CFO
Ms. Maria Pilar B. Hernandez	-	SyCip Gorres Velayo & Co. (SGV), External Auditor, and Team
Mr. Ricardo D. Regala	-	Stock and Transfer Service, Inc. (STSI), and Team

I. CALL TO ORDER

The Chairman, Mr. Eusebio H. Tanco, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Carol V. Padilla, recorded the minutes of the meeting.

The Chairman acknowledged the presence of the Company's directors, officers and SyCip Gorres Velayo & Co (SGV) Auditing Firm.

II. PROOF OF NOTICE AND DETERMINATION OF QUORUM

The Corporate Secretary certified that the Notice and Agenda for the 2020 Annual Meeting of the Stockholders was disclosed in the Philippine Stock Exchange's EDGE Submission System, and uploaded in the Company's website on 14 July 2020. The Notice and Agenda for the meeting were also published in newspapers of general circulation, specifically in Business Mirror and Business World, both in print and online, on August 3 and 4, 2020. The Notice and Agenda were further sent by mail and messengerial service to all shareholders as of record date at their respective addresses of record. The Notices were sent out at least twenty one (21) days prior to the Annual Stockholders' Meeting in accordance with the requirements of the Revised Corporation Code and applicable SEC regulations.

Through the Notice, the stockholders were informed that due to the Community Quarantine in effect in Luzon, the Company will not be conducting a physical annual stockholders' meeting, and instead the 2020 Annual Stockholders' Meeting will be streamed live.

The stockholders have also been notified that they can cast their votes remotely, through proxy, or *in absentia*, by sending their votes via e-mail to investorrelations@LRWC.com.ph on or before 5:30pm on 27 August 2020.

For the stockholders who cannot attend the meeting, they were given until 27 August 2020 to submit their respective proxies.

The Corporate Secretary certified that a quorum was present for the transaction of business with the presence of stockholders participating remotely, *in absentia*, or by proxy representing a total of One Billion Six Hundred Ninety Two Million One Hundred Ninety Thousand Two Hundred Five (1,692,190,205) common shares. This constitutes seventy percent (70%) or more than two thirds (2/3) of the Two Billion Four Hundred Seventeen Million Five Hundred Thousand (2,417,500,000) total outstanding common stock of the Company.

III. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 26 JULY 2019

The Chairman proceeded to the first item in the Agenda, which is the approval of the minutes of the annual stockholders' meeting held on 26 July 2019. A summary of the minutes was included in the Information Statement, and can be accessed through the Company's website at www.LRWC.com.ph.

The Corporate Secretary, Atty. Padilla, presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"RESOLVED, that the reading of the minutes of the annual meeting of the stockholders held on July 26, 2019 is dispensed with, and all matters included in the minutes are considered complete and accurate, and are approved for all intents and purposes."

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	1,690,511,565	99.93%
Against	1,678,640	0.07%
Abstain	0	0.00%

V. MANAGEMENT REPORT

The Chairman proceeded to the next item in the agenda, the Management's Report. The Chairman then called the Company's President, Mr. Eng Hun Chuah to deliver the Report for the year 2019, as follows:

"Dear Valued Shareholders,

We are dealing with an extraordinary crisis. Since March, the coronavirus has overtaken our lives and transformed the world. As we face the spiralling effects of this pandemic, we urge everyone to remain focus on what we can do to stay resilient and well-positioned to support our colleagues, business partners, shareholders, customers and communities across the country.

2019 was a defining year for Leisure & Resorts World Corporation (LRWC). We entered this predicament in a position of strength. We were able to acquire a



private placement from new investors. With the new adjustments, the firm managed a total **consolidated gross revenue of Php10,614,058,997, an increase of 7.1%** as of December 31, 2019 versus **Php9,913,847,135** in 2018. We have delivered significant results and we are optimistic to continue doing so in the future, though it should be expected that our earnings will not be spared from the 2020 global crisis. However, these challenges brought by the global pandemic also posted as opportunities for us – opportunities to improve and to innovate. It is our promise that we will work on exploring new ways not only to cope with the situation but also to beat it by bringing continuous and new ways of income generation. For now, let me walk you through the summary of what has transpired in our 2019 operations.

RETAIL group's consolidated gross revenue contribution for 2019 jumped 10.25% to Php 8,162,258,853. The growth was due to strong revenue increases driven by improved gaming sites, opening of new venues and robust product offering during the year. **AB Leisure Exponent, Inc. (ABLE)** reported a gross revenue of Php7,850,640,266 for 2019, a 10.4% increase from Php7,111,489,492 in 2018. With over 10,978 e-bingo machines in 152 bingo parlors, ABLE continues to surpass its competitors with innovative transformation in the gaming industry, delivering greater efficiency, cost savings and improved lead conversions. **Total Gamezone Xtreme Incorporated's (TGXI's)** gross revenue on the other hand climbed 6.9% to Php311,618,587 versus Php291,607,194 last year.

CASINO group has been through both ups and downs. Its consolidated gross revenue contribution slightly decreased by 7% year-on-year to Php1,325,287,557 from the previous year's Php1,430,968,478. Blue Chip Gaming and Leisure Corporation (BCGLC) or Blue Chip posted a gross revenue contribution of Php635,517,177, an 18.7% increase from the Php535,273,626 recorded in 2018. Blue Chip remained bullish about projects that improved the gaming experience of its patrons and targeted promotional campaigns, such as the acquisition of PAGCOR Club San Pedro, addition of new slot machines, addition of in-house services, and many more. **Prime Investment Korea Inc. (PIKI)** recorded a decrease of 23% or Php689,770,381 from last year's Php895,694,852. LRWC's share in **Hotel Enterprises Philippines, Inc.'s (HEPI's)** net income totalled Php149,007,689 or an increase of 29.7% from last year's share in the net income of Php114,866,158.

ONLINE group's **FCLRC** or **First Cagayan Leisure & Resort Corporation** and **LR Data Center and Solutions Inc. (LRDCSI)** never lost sight of opportunities even in a very challenging period and business landscape. FCLRC's gross revenue for 2019 is Php458,352,744, higher by 15.9% from previous year's Php395,499,397 while LRDCSI's gross revenue gained 20.4% to Php99,733,764 from a year ago's Php82,815,034. Both remained resilient and creative in many different ways to stay the course. Overall, the group managed to gain a slight increase of 2.41%, with gross revenue of Php1,079,725,322 from last year's Php1,054,365,127.

PROPERTY group remained strong and stable in 2019, as ABLGI or AB Leisure Global Inc. managed to retain its gross revenue at Php8,499,400, same with last year's Php8,499,400; however, there is a significant increase in the value of the lands that it hold and because of this, the net income of ABLGI has increased to Php1,363,266,473 from last year's Php580,713,241. LR Land, on the other hand, reported a gross revenue of Php38,287,864 in 2019, 126.3% higher than the Php16,917,444 recorded in 2018.

With the significant amount acquired from the private placement, LRWC was able to pay a total amount of Php1,588,910,000 debt off its books. The Company was also able to set aside the cash needed for the redemption of One Billion Six Hundred Fifty Million (1,650,000,000) preferred shares at the par value of One Peso (Php1.00) per share, which happened on January 2020. This meant that we were able to reduce the Company's original Php7,715,252,438 debt to Php4,134,207,102. The Company has streamlined costs and expenses as well. With these, LRWC carries less burden off its shoulders, and is given more room to explore new business development possibilities.

While the future remains uncertain especially at this time, we will continue to do our part to help the government navigate this difficult period. We shall bring our businesses forward and we are determined to turn these uncertainties into fruitful opportunities. We are continuously re-evaluating the situation, and have been busy the past months planning for safety measures under the new normal and making sure we are compliant with all government requirements so that when things have turned around in our favour, we can get back to business and our site employees will be able to get back on their feet.

We would like to express our deep gratitude and appreciation for the tremendous character and capabilities of the board, the management and all our employees, and how everyone has coped during these times of adversity with grace and grit.

Additionally, we would like to take this opportunity to extend our appreciation and gratitude to two of our directors for their years of untiring service to our company as they now step down from their position. Thank you very much, Mr. Anthony Almeda and Mr. Ignatius Yenke for all the support these years. It was a great time serving the Company with you, and LRWC is truly honoured to have you both as part of our Board for these past years.

In closing, we would like to thank our stakeholders for their engagement and continued trust and support for LRWC. We are confident that we will get through this unprecedented situation. Together, we shall stay ON TOP OF OUR GAME!"

VI. APPROVAL OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2019

The Chairman then proceeded to the next item in the agenda, which is the approval of the Annual Report and Audited Financial Statements for the Fiscal year 2019. He mentioned that copies of both the Annual Report and Audited Financial Statements were disclosed and circulated to the shareholders.

The Corporate Secretary then presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"RESOLVED, that the Annual Report and Audited Financial Statements for the fiscal year 2019, electronic copies of which having been made available in the Company's website and in the Philippine Stock Exchange's (PSE) EDGE Submission System, and as circulated together with the Information Package to the shareholders, are hereby approved."



Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	1,690,511,565	99.93%
Against	1,678,640	0.07%
Abstain	0	0.00%

VII. RATIFICATION OF ACTIONS TAKEN BY THE BOARD OF DIRECTORS AND OFFICERS SINCE THE LAST ANNUAL MEETING DATED 26 JULY 2019

Thereupon, the Chairman proceeded to the next item of the Agenda, which is the ratification of all acts and proceedings of the Board of Directors and Management from the Annual Meeting held on 26 July 2019.

The Chairman confirmed that all material information and transactions were duly disclosed to the shareholders and the public.

Upon motion duly made and seconded, the following resolution was unanimously passed and approved:

“RESOLVED, that all the acts of the Board of Directors and of the Officers during the fiscal year 2019 and immediately preceding the August 28, 2020 annual stockholders’ meeting, are approved, confirmed and ratified for all intents and purposes.”

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	1,690,511,565	99.93%
Against	1,678,640	0.07%
Abstain	0	0.00%

VIII. NOMINATION AND ELECTION OF THE COMPANY’S DIRECTORS

The Chairman moved on to the next item in the agenda, which is the election of the members of the Board of Directors for the ensuing year 2020-2021. He then called on the Chairman of the Nomination Committee, Mr. Willy Ocier to announce the nomination.

Mr. Ocier proceeded to the election of eleven (11) directors for the ensuing term. He informed the stockholders that out of the 11 directors to be nominated and elected to the board seats of the Company, the Company is required by law to nominate and elect two (2) independent directors. The nominees to the seats for independent directors have been pre-qualified by the Nomination Committee in accordance with the requirements and procedure set forth under Rule 38 of the Securities Regulations Code.

Upon motion duly made and seconded, the following persons were elected as independent directors for the ensuing year until their successors have been duly elected and qualified:

Mr. Winston Chan
Mr. Lawrence Cobankiat

Mr. Ocier presented the nominees for the remaining nine (9) seats in the Board, are as follows:

1. Eusebio H. Tanco;
2. Eng Hun Chuah;
3. Alfredo Abelardo B. Benitez;
4. Paolo Martin O. Bautista;
5. Renato G. Nuñez;
6. Max Aaron Wong;
7. Xiaolu "Lucy" Dong;
8. Mardomeo Raymundo Jr.; and
9. Willy N. Ocier

Upon the inquiry of the Chairman, the Corporate Secretary presented the tally of votes received by each nominee, as confirmed and validated by the Company's stock and transfer agent, STSI, as follows:

Nominee	Votes in favor		Votes against		Abstain	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1)Eusebio H. Tanco	1,692,046,205	99.99%	0	0.00%	144,000	0.01%
2) Eng Hun Chuah	1,692,190,205	100.00%	0	0.00%	0	0.00%
3) Alfredo Abelardo B. Benitez	1,691,896,205	99.98%	0	0.00%	294,000	0.02%
4) Paolo Martin O. Bautista	1,692,040,205	99.99%	0	0.00%	150,000	0.01%
5) Willy N. Ocier	1,691,896,205	99.98%	0	0.00%	294,000	0.02%
6) Winston Chan	1,692,190,205	100.00%	0	0.00%	0	0.00%
7) Lawrence Cobankiat	1,692,190,205	100.00%	0	0.00%	0	0.00%
9) Renato G. Nunez	1,692,040,205	99.99%	0	0.00%	150,000	0.01%
10) Max Aaron Wong	1,692,040,205	99.99%	0	0.00%	150,000	0.01%
11) Xiaolu "Lucy" Dong	1,692,040,205	99.99%	0	0.00%	150,000	0.01%
12) Atty. Mardomeo Raymundo Jr.	1,692,040,205	99.99%	0	0.00%	150,000	0.01%

There being no other nominations, the Chairman declared the eleven (11) nominees as the duly elected directors of the Company for the ensuing year until their successors have been duly made elected and qualified.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman then announced that the next item in the agenda, the appointment of the external auditor for the ensuing year.

Upon motion duly made and seconded, the following resolution was unanimously approved:

"RESOLVED, that the incumbent external auditor, SyCip Gorres Velayo & Co. (SGV), is re-appointed external auditor of the Company for the ensuing year."

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	1,690,511,565	99.93%
Against	1,678,640	0.07%
Abstain	0	0.00%

IX. QUESTION AND ANSWER

The Chairman then called Mr. Freddie Reyes, from the Investor Relations Department to read out the questions that were submitted on time prior to the meeting.

Mr. Reyes presented the questions raised and answered them briefly, as follows:

- **Question #1: What are the current plans for reopening and how do the different quarantine scenarios affect the operations of LR's Retail group?**

In relation to the Retail Group, we have already reopened at least fifty (50) out of One Hundred Ninety One (191) sites as of today. These are the following guidelines for reopening from PAGCOR:

1. If the site is under ECQ / MECQ – the site is not allowed to reopen
 2. If the site is under GCQ – the site can conduct a dry run and a trial run subject to the approval of the respective LGUs
 3. If the site is under MGCQ –the site can recommence operations subject to the approval of the respective LGUs.
- **Question #2: With regards to the 2019 Annual Report (and the past annual reports). One of the challenges I saw was, with regard to the profitability of the Company, is the Online/Property segment, specifically the business segment working with CEZA.**

Can you share with us the direction the management is taking with regards to improving the profitability of this business segment of LRWC?

This question refers to our **First Cagayan Group** that has an existing agreement with the Cagayan Economic Zone Authority, otherwise known as **CEZA**. The property segment referred to is **LR Land Developers Inc.** which also operates in the economic zone managed by CEZA.

As to the First Cagayan Group, please note that LR Land Developers Inc. remained operational during the community quarantine period. During the ECQ, there was a mandatory lockdown and all land-based gaming was stopped. However, BPO operations in support of gaming was allowed by CEZA and the licensees in the ecozone continued to operate following the quarantine procedures imposed by the government.

As far as the direction to improve profitability with CEZA, **First Cagayan** and **LR Land Developers Inc.** have plans to develop the infrastructure capacity and availability in the Cagayan Ecozone in order to attract more applicants to operate there. We believe that if the infrastructure becomes available, we can grow our business there by increasing the number of our licensees. In light of the pandemic, other gaming companies have increased and expanded their online presence as well as the number of other gaming locations to conduct their business in. Locating and expanding into the Cagayan Ecozone is a part of their plans.

- **Question #3: What is happening to the other bingo sites? What are the safety/operational measures being undertaken by the Group to assure our patrons and customers that our sites are safe?**

As mentioned, our bingo retail operations group for bingo and Gamezone already have fifty (50) sites that are operational:

- They have worked out guidelines so that our patrons and customers can enjoy the use of the facilities while also making sure our employees are provided a safe working environment.
- Our operations group is closely coordinating with PAGCOR in terms of the strategic guidelines and policies needed to reopen the other gaming sites.
- They are also working with the Local Government Units (LGUs) to follow the guidelines that are imposed by each LGU in terms of social distancing, permits, health rules and many others to follow. Each LGU will have its own guidelines on when a site can open and remain open.

Internally, we have prepared our own internal guidelines to make our premises safe for all our employees. We have operating procedures on what needs to be done prior to entry, registration for contact tracing, procedures to follow right after a patron leaves an EBG machine, or marking off the machines that cannot be used because of social distancing requirements.

The challenge is in the schedules to work through with our employees so that they may all be productive but safe and be able to continue to work. It is in the interest of all the parties (LRWC, PAGCOR, LGU) involved if we can have all have our sites to re-open because the government can start to generate revenues that in turn augments the coffers of the government. We do want to operate and open as soon as we get approval we will. But rest assured that we will always follow the guidelines of PAGCOR, the LGU and other government agencies, such as the Department of Health.

• **Question #4: How is LRWC doing? What are the challenges in the next few months given the COVID 19 situation?**

The Company is doing all it can to address the issues related to this pandemic – health standards, safety protocols and proper work conditions.

In the first two months of 2020, LRWC Retail Group achieved four percent (4%) revenue growth compared to same period last year, as both ABLE and TGXI posted revenue increases. Growth can be attributed to improved marketing activities, additional gaming sites and machines, and faster response to operational concerns and changing market trends which resulted from a more efficient organizational structure. However, this growth was wiped out by the abrupt and unprecedented branch closures (154 ABLE and 36 TGXI sites nationwide) starting mid-March as the government declared community quarantines to prevent further spread of COVID-19.

While revenue inflows were put to halt during quarantine, LRWC Retail Group took efforts to mitigate further losses through cost containment measures, such as requesting lessors for free or lower rental charges and non-deployment of unnecessary contracted services. We have cut down our expenses significantly and based on our projections we will have enough for operations until the end of 2020 and onto 2021.

When PAGCOR's memo regarding eventual re-opening was received in the last week of May, LRWC Retail group immediately prepared and submitted strategic return-to-work guidelines. Sites were disinfected, physical distancing markers were set-up, safety

materials and reminder posters were procured and installed in the branches, and employee training on the new SOPs aimed to reduce COVID-19 transmission was conducted. By the end of June, ten (10) ABLE sites resumed operations at fifty percent (50%) occupancy, all located in MGCQ-declared areas. A skeleton workforce was deployed to these 10 sites.

We shall continue to ramp up our efforts in coming up with strategies to facilitate recovery and eventually pursue growth opportunities, while ensuring strict compliance with the rules and regulations set by the government, particularly PAGCOR and the local government units (LGUs) where our venues are located. Our resilience will help us adapt to disruptions and changing business trends while maintaining business operations and safeguarding our people, patrons, assets, and overall brand equity.

Mr. Reyes concluded the question and answer portion and assured the stockholders that Investor Relations will directly reply to the stockholders who sent questions via email should there be any.

X. OTHER MATTERS

During this time, the Chairman took the opportunity to thank Mr. Anthony Almeda and Mr. Ignatius Yenke for their many years of service as members of the Board of Directors of Leisure & Resorts World Corporation. The gentlemen's respective Plaques of Appreciation were shown on screen.

XI. ADJOURNMENT

There being no other business to discuss, the Chairman, on behalf of the Board of Directors and management of the Company, expressed gratitude to all those who participated in the meeting and for their continued support. Thereafter, the meeting was adjourned.

CERTIFIED CORRET:


CAROL V. PADILLA
Corporate Secretary

ATTESTED BY:


EUSEBIO H. TANCO
Chairman