

COVER SHEET

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SEC Registration Number

L E I S U R E & R E S O R T S W O R L D

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

(Company's Full Name)

2 6 t h F l o o r , W e s t T o w e r , P S E C e n t e R

E x c h a n g e R o a d O r t i g a s C e n t e r

P a s i g C i t y

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

Carol V. Padilla

(Contract Person)

8634-2598

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

2 0 - I S

(Form Type)

0 8 2 8

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

[Empty Box]

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/section

[Empty Box]

Total No. of Stockholders

[Empty Box]

Domestic

[Empty Box]

Foreign

To be accomplished by SEC Personnel concerned

[Empty Box]

File Number

LCU

[Empty Box]

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its Charter: **LEISURE & RESORTS WORLD CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

4. SEC Identification Number: **13174**

5. BIR Tax Identification Code: **108-278-000**

6. Address of Principal Office: **26F, West Tower, PSE Center, Exchange Road, Ortigas, Pasig City, 1605**

7. Registrant's telephone number, including area code: **(632) 8634-5099**

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

Date - 28 August 2020
Time - 2:00 p.m.
Place - Zoom Teleconference at the provided link below:
<https://zoom.us/j/95451819920?pwd=MUFpOFREbnE5UUZ2RGVPeWJ5QkE5Zz09>

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **4 August 2020**

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

Title of Each Class	Number of Shares of Common Stock Outstanding and amount of Debt Outstanding
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Common Stock, PhP1.00, par value	2,417,500,000 / Not applicable
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Preferred Shares, PhP1.00, par value	0 / Not applicable
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Warrants Nil-paid	82,500,000 / Not applicable
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11. Are any of the registrant's securities listed in the Philippine Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

PHILIPPINE STOCK EXCHANGE, Common shares, Preferred Shares, Warrants

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders ("ASM") of **Leisure & Resorts World Corporation** (the "Corporation") will be held on **Friday, 28 August 2020**, at **2:00 p.m.** The meeting will be conducted virtually via Zoom Teleconference with the following details:

Link: <https://zoom.us/j/95451819920?pwd=MUFpOFREbnE5UUZ2RGVPeWJ5QkE5Zz09>
Meeting ID: 954 5181 9920
Meeting Password: 082820

The agenda of the meeting will be as follows:

1. Call to Order
2. Proof of Notice
3. Determination of Quorum
4. Approval of the Minutes of the Annual Meeting held on July 26, 2019
5. Management Report
6. Approval of Annual Report and Audited Financial Statement for the fiscal year 2019 and Ratification of actions taken by the Board of Directors and Officers since the last annual meeting held on July 26, 2019
7. Nomination and Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

For the purpose of the meeting, only stockholders of record at the close of business on July 28, 2020 will be entitled to notice and vote thereat.

In light of the COVID-19 global pandemic, the Company will not be conducting a physical annual stockholders' meeting. The conduct of the annual stockholders' meeting will be via Zoom Teleconference, and stockholders may attend the meeting by registering on or before 1:00 p.m. on 28 August 2020. Due to the limitations of available technology, voting will not be possible during the Teleconference, but participants may send in questions or remarks via Zoom chat, and vote through the submission of their respective signed proxy forms with the specific votes per item in the agenda that is subject to the shareholders' approval.

If you wish to cast your votes as a stockholder, you may vote remotely or *in absentia*, or through proxy. Voting by remote communication or *in absentia*, may be done by sending your respective votes by e-mail to investorrelations@LRWC.com.ph on or before 5:30 p.m. on 27 August 2020. The procedures for attendance and voting during the 2020 ASM will be posted in the Company's website at <https://lrwc.com.ph/annual-stockholders-meeting/>.

Stockholders who cannot attend the meeting in person may designate their authorized representative by submitting a Proxy instrument in accordance with Sec. 57 of the Revised Corporation Code. Validation of the proxies shall be held on August 21, 2020 at the office of the Corporation's transfer agent, Stock Transfer Services, Inc., Unit 34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. **WE ARE NOT SOLICITING PROXIES.**

To facilitate your registration of attendance, please have available some form of identification such as company I.D., passport or driver's license.

Thank you.

Pasig City. August 4, 2020.

FOR THE BOARD


CAROL V. PADILLA
Corporate Secretary



26th Floor, West Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City, 1605 Philippines

The undersigned stockholder of **LEISURE & RESORTS WORLD CORPORATION** (the "Company") hereby appoints _____ or, in his absence, the Chairman of the meeting, as *attorney-in-fact* and *proxy*, with power of substitution, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Stockholders' Meeting of the Company on August 28, 2020 at 2:00 p.m. via Zoom Teleconference, and at any adjournments thereof.

The above-named proxy is to vote as follows:

1. Approval of minutes of previous stockholders' meeting held last July 26, 2019

Yes No Abstain

2. Approval of the 2019 Annual Report and Financial Statements

Yes No Abstain

3. Appointment of the Company's External Auditor for 2020

Yes No Abstain

4. Election of Directors

Vote my shares as follows (Please check one):

Equally to all eleven (11) nominees for directors;

Abstain for all eleven (11) nominees for directors;

Distribute or cumulate my shares to the nominee/s, as follows: *(Indicate the number of shares to be voted for each nominee)*

NAME OF NOMINEE	YES	ABSTAIN
Eusebio H. Tanco		
Eng Hun Chuah		
Alfredo Abelardo B. Benitez		
Paolo Martin O. Bautista		
Willy N. Ocier		
Winston Chan <i>(Independent Director)</i>		
Lawrence Cobankiat <i>(Independent Director)</i>		
Renato G. Nuñez		
Max Aaron Wong		
Xiaolu "Lucy" Dong		
Atty. Mardomeo Raymundo Jr.		
TOTAL		

*Total votes cast should not exceed the number of shares held by the stockholder multiplied by the number of board seats (11).

5. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers, and Management from 2019 up to August 28, 2020

Yes No Abstain

6. Any issue/question that may arise related to any item in the Agenda of the meeting

Yes No Abstain

PRINTED NAME OF CORPORATE STOCKHOLDER

NAME AND SIGNATURE OF AUTHORIZED
SIGNATORY OF CORPORATE STOCKHOLDER**

DATE

No. of Shares Held in LRWC	Tel No./Mobile Phone No. of Stockholder

**This proxy must be submitted together with a duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the stockholder corporation.

This proxy must be received by the Office of the Corporate Secretary on or before 12:00 P.M. on August 20, 2020 through email at investorrelations@LRWC.com.ph and hard copies at the 26th Floor, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, 1605 Philippines.

This proxy, 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.

Notarization of this proxy is not required.



26th Floor, West Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City, 1605 Philippines

The undersigned stockholder of **LEISURE & RESORTS WORLD CORPORATION** (the “Company”) hereby appoints _____ or, in his absence, the Chairman of the meeting, as *attorney-in-fact* and *proxy*, with power of substitution, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Stockholders’ Meeting of the Company on August 28, 2020 at 2:00 p.m. via Zoom Teleconference, and at any adjournments thereof.

The above-named proxy is to vote as follows:

- | | |
|---|--|
| <p>1. Approval of minutes of previous stockholders’ meeting held last July 26, 2019</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>2. Approval of the 2019 Annual Report and Financial Statements</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>3. Appointment of the Company’s External Auditor for 2020</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> | <p>5. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers, and Management from 2019 up to August 28, 2020</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>6. Any issue/question that may arise related to any item in the Agenda of the meeting</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> |
|---|--|

4. Election of Directors

Vote my shares as follows (Please check one):

- Equally to all eleven (11) nominees for directors;
- Abstain for all eleven (11) nominees for directors;
- Distribute or cumulate my shares to the nominee/s, as follows: (*Indicate the number of shares to be voted for each nominee*)

NAME OF NOMINEE	YES	ABSTAIN
Eusebio H. Tanco		
Eng Hun Chuah		
Alfredo Abelardo B. Benitez		
Paolo Martin O. Bautista		
Willy N. Ocier		
Winston Chan <i>(Independent Director)</i>		
Lawrence Cobankiat <i>(Independent Director)</i>		
Renato G. Nuñez		
Max Aaron Wong		
Xiaolu “Lucy” Dong		
Atty. Mardomeo Raymundo Jr.		
TOTAL		

**Total votes cast should not exceed the number of shares held by the stockholder multiplied by the number of board seats (11).*

PRINTED NAME AND SIGNATURE OF STOCKHOLDER**

DATE

No. of Shares Held in LRWC	Tel No./Mobile Phone No. of Stockholder
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****If a representative will sign on behalf of the stockholder, this proxy must be submitted together with a duly executed Special or General Power of Attorney showing the authority of the representative to sign on behalf of the individual stockholder.**

This proxy must be received by the Office of the Corporate Secretary on or before 12:00 P.M. on August 20, 2020 through email at investorrelations@LRWC.com.ph and hard copies at the 26th Floor, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, 1605 Philippines.

This proxy, 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.

Notarization of this proxy is not required.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

- (a) Date - August 28, 2020
- Time - 2:00 p.m.
- Place - Zoom Teleconference with the following details:
<https://zoom.us/j/95451819920?pwd=MUFpOFREbnE5UUZ2RGVPeWJ5QkE5Zz09>
Meeting ID: 954 5181 9920
Meeting Password: 082820
- Principal Office - 26/F West Tower, PSE Center, Exchange Road, Ortigas, Pasig City
- (b) Approximate date on which the Information Statement is first to be sent or given to security holders: August 4, 2020

Item 2. Dissenter's Right of Appraisal: The appraisal right is generally available in the instances stated in Section 81 of the Corporation Code as follows:

- (1) In any case amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence.
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
- (3) In case of merger or consolidation.

In the foregoing instances, any stockholder of the registrant may exercise his right of appraisal right in the manner provided below:

- (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 registrant for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken. The failure of the stockholder to make the demand within such period shall be deemed a waiver of the appraisal right.
- (c) If the proposed corporate action is implemented or effected, the registrant shall pay to such dissenting stockholder upon surrender of the certificate(s) of stock representing his shares within ten (10) days after demand thereof, provided the registrant has unrestricted retained earnings; and
- (d) Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the registrant.

In the present meeting, there are no matters to be acted upon which may give rise to any stockholder's exercise of his right of appraisal under Sec. 80 of the Revised Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon: There are no matters to be acted upon which a director, or officer of the registrant, each nominee for election as a director or each associate of any of the foregoing persons, have any substantial interest, direct or indirect, by security holdings or otherwise.



26th Floor, West Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City, 1605 Philippines

The undersigned stockholder of **LEISURE & RESORTS WORLD CORPORATION** (the "Company") indicated below, which is registered in the name of Philippine Central Depository Nominee Corporation (PCD Nominee), hereby appoints _____, as *proxy*, or in his absence, the Chairman of the meeting, with power of substitution, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Stockholders' Meeting of the Company on August 28, 2020 at 2:00 p.m. via Zoom Teleconference, and at any adjournments thereof.

The above-named proxy is to vote as follows:

- | | |
|---|--|
| <p>1. Approval of minutes of previous stockholders' meeting held last July 26, 2019
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>2. Approval of the 2019 Annual Report and Financial Statements
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>3. Appointment of the Company's External Auditor for 2020
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>4. Election of Directors
Vote my shares as follows (Please check one):
<input type="checkbox"/> Equally to all eleven (11) nominees for directors;
<input type="checkbox"/> Abstain for all eleven (11) nominees for directors;
<input type="checkbox"/> Distribute or cumulate my shares to the nominee/s, as follows: <i>(Indicate the number of shares to be voted for each nominee)</i></p> | <p>5. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers, and Management from 2019 up to August 28, 2020
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>6. Any issue/question that may arise related to any item in the Agenda of the meeting
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> |
|---|--|

PRINTED NAME OF BROKER/PCD PARTICIPANT

NAME AND SIGNATURE OF AUTHORIZED SIGNATORY OF BROKER/PCD PARTICIPANT**

DATE

NAME OF NOMINEE	YES	ABSTAIN
Eusebio H. Tanco		
Eng Hun Chuah		
Alfredo Abelardo B. Benitez		
Paolo Martin O. Bautista		
Willy N. Ocier		
Winston Chan <i>(Independent Director)</i>		
Lawrence Cobankiat <i>(Independent Director)</i>		
Renato G. Nuñez		
Max Aaron Wong		
Xiaolu "Lucy" Dong		
Atty. Mardomeo Raymundo Jr.		
TOTAL		

No. of Shares Held in LRWC	Tel No./Mobile Phone No. of Stockholder
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** This proxy must be submitted together with 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.

**Total votes cast should not exceed the number of shares held by the shareholder multiplied by the number of board seats (11).*

This proxy must be received by the Office of the Corporate Secretary on or before 12:00 P.M. on August 20, 2020 through email at investorrelations@LRWC.com.ph and hard copies at the 26th Floor, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, 1605 Philippines.

This proxy, 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.

Notarization of this proxy is not required.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders thereof

- (a) Number of Shares Outstanding and entitled to be voted at the meeting: 2,417,500,000 common stock (as of June 30, 2020)

Number of votes to which each share is entitled: One (1) vote per share

- (b) All stockholders of record as of July 28, 2020 are entitled to notice and to vote at the Annual Stockholders' Meeting.
- (c) Manner of Voting: Each stockholder of record as of July 28, 2020 shall have the right to vote in person or by proxy the number of shares of stock held in his name. In the election of directors, each stockholder entitled to vote, may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit.

Pursuant to Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or *in absentia*, voting may be done by sending your respective votes by e-mail to investorrelations@LRWC.com.ph on or before 5:30 p.m. on 27 August 2020. A stockholder voting remotely or *in absentia* shall be deemed present for purposes of quorum.

Complete information on the Requirements and Procedure for the Voting and Participation in the 2020 ASM via remote participation or voting *in absentia*, as well as on how to join the Zoom Teleconference for the 2020 ASM will be posted in the Company's website at www.LRWC.com.ph.

The Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for all items for approval under the agenda will be flashed on the screen.

No proxy solicitation is being made.

- (d) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5%) as of 30 June 2020

Title of Class (As of June 30, 2020)	Name and address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Holder	Citizenship	No. of Shares Held	Percentage Held
Common	PCD Nominee Corporation 37/F Tower I, The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City Stockholder	*	Filipino	® 702,120,998	29.04%
Common	XII Capital Inc. Vista Corporate Services Center Suite 23, 1 st Floor, Eden Plaza, Eden Island, Mahe, Republic of Seyhelles Stockholder	Record Holder same as Beneficial Owner	Foreign	® 230,000,000	9.51%
Common	Fortunegate Holdings Philippines, Inc. 5/F New World Manila Bay Hotel and Casino, 1588 M.H. Del Pilar corner Pedro Gil Street, Malate, Manila Stockholder	Record Holder same as Beneficial Owner	Foreign	® 230,000,000	9.51%

Common	Globalist Technology Company Limited Unit 1603-04A, 16/F Manulife Financial Centre, Tower A, Wai Yip Street Kwun Tong, Kowloon Stockholder	Record Holder same as Beneficial Owner	Foreign	® 230,000,000	9.51%
Common	Colonial Group Holdings Corporation Level 10-1 Fort Legend Tower 3 rd Avenue and 31 st Street Bonifacio Global City, Taguig City Stockholder	Record Holder same as Beneficial Owner	Foreign	® 230,000,000	9.51%
Common	Leisure Advantage, Inc. 2809 Raffles Corporate Center Emerald Avenue, Ortigas Center Pasig City Stockholder	Record Holder same as Beneficial Owner	Filipino	® 176,647,488	7.31%
Common	Alfredo Abelardo Benitez 26/F West Tower, PSE Center Ortigas Center, Pasig City Stockholder	Record Holder same as Beneficial Owner	Filipino	® 134,841,249	5.58%
Common	Euphonious Holdings, Inc. 8 th Floor STI Holdings Center 6764 Ayala Avenue, Brgy. San Lorenzo Makati City Stockholder	Record Holder same as Beneficial Owner	Filipino	® 121,000,000	5.01%

**Beneficial owner under PCD Nominee Corporation that holds more than 5% shares is Venture Securities, Inc. which holds 20,807,982 shares or 8.64%. Venture Securities, Inc. will be asked to appoint and authorize a representative who will vote in behalf of said corporation.*

Except for the above mentioned *beneficial owner, none of the common shares registered under the name of PCD Nominee Corporation owns more than 5% of the Company's common stock. PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Central Depository and is the registered owner of the shares in the books of the Stock Transfer Service, Inc., the transfer agent of the registrant, and holds the shares in behalf of the beneficial owners.

(2) Security Ownership of Management as of 30 June 2020

Name	Nationality	Direct	Indirect	Total Direct & Indirect Shares	% to Total Outstanding Shares
Eusebio H. Tanco	Filipino	10,432,480	39,634,029	50,066,509	2.07
Willy N. Ocier	Filipino	3,791,200	0	3,791,200	0.16
Alfredo Abelardo B. Benitez	Filipino	136,401,984	119,999,995	256,401,979	10.61
Paolo Martin H. Bautista	Filipino	3,000	0	3,000	0
Eng Hun Chuah	Malaysian	2	0	2	0

Johnson Cheung	Chinese	2	0	2	0
Ignatius F. Yencko	Filipino	1,200	0	1,200	0
Anthony L. Almeda	Filipino	2	0	2	0
Renato G. Nunez	Filipino	2	98,922,593	98,922,595	4.09
Lawrence T. Cobankiat	Filipino	2	0	2	0
Max Aaron Wong	Chinese	2	0	2	0
Kristine Margaret R. Delos Reyes	Filipino	0	0	0	0
Carol V. Padilla	Filipino	0	0	0	0
Donita Marel Q. Rivera	Filipino	0	0	0	0
Total		150,629,876	258,556,617	409,186,493	16.93

(3) Voting Trust Holders of 5% or More

No person holds more than five percent (5%) of a class under voting trust or similar arrangement.

(4) Change in Control

There has been no change in control of the Corporation since the beginning of 2012 and the Corporation is not aware of any existing, pending, or potential transaction which may result in such a change in control.

- (e) Below is the summary list of foreign ownership as of 30 June 2020, the nationality, the number of shareholders, the number of common shares held and the percentage of common shares held by each:

Nationality	No. of Shareholders	No. of Shares Held	% To Total
American	10	141,117	0.01%
British	1	13,619	0.00%
Chinese	75	3,178,911	0.13%
German	1	1,064	0.00%
Malaysian	1	2	0.00%
Spanish	2	19,442	0.00%
Others	5	743,520,935	30.76%

Common shares are composed of 69.1% Filipino and 30.9% Foreign, while warrants are composed of 99.4% Filipino and 0.6% Foreign.

Item 5. Directors and Executive Officers

(a) Legal Proceedings

To the best of the registrant's knowledge and belief, and except as otherwise disclosed, there are no material pending legal proceedings in any court or administrative agency of the Government to which any of the directors and executive officers of the registrant is a party.

b) Directors and Executive Officers

1. Directors and Executive Officers

Name	Age	Directorships in Other Companies	Citizenship	Business Experience for the Past Five Years
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<p>Eusebio H. Tanco</p> <p><i>(Director; July 29, 2011 to present)</i></p>	<p>70</p>	<p>Asian Terminals Inc. PhilhealthCare Inc. Philippine Life Financial Assurance STI Education Systems Holdings, Inc. STI Education Services Group, Inc. iACADEMY Philippine Stock Exchange, Inc. Maestro Holdings, Inc. (formerly STI Investments, Inc.) Eximious Holdings, Inc. (formerly Capital Managers & Advisors, Inc.) STI West Negros University Philippine First Insurance Co., Inc. Global Resources for Outsourced Workers, Inc. Mactan Electric Company International Hardwood & Veneer Corp. Cement Center Inc. United Coconut Chemicals, Inc. Manila Bay Spinning Mills, Inc. M. B. Paseo Philippine Health Educators, Inc. Grow Vite, Inc. Philippine Racing Club Biolim Holdings & Management Corp (formerly Rescom Developers Inc.) First Optima Realty Corp. Marbay Homes Inc. Tantivy Holdings, Inc. (formerly Insurance Builders Inc.) Classic Finance, Inc. Bloom with Looms Logistics, Inc. (formerly STMI Logistics, Inc.) Delos Santos – STI College Total Consolidated Asset Management, Inc. Eujo Phils., Inc. Prime Power Holdings Corporation Venture Securities, Inc. Philplans First, Inc. Prudent Resources, Inc. AB Leisure Exponent, Inc. and Subsidiaries First Cagayan Converge Data Center, Inc. LR Land Developers, Inc. LR Data Center and Solutions, Inc. AB Leisure Global, Inc. and Subsidiaries Blue Chip Gaming and Leisure, Inc. Gold Coast Leisure and World Corporation Total Gamezone Xtreme, Inc. Prime Investment Korea, Inc. Euphonious Holdings, Inc. <i>(All-Director)</i></p>	<p><i>Filipino</i></p> <p>Asian Terminals Inc. <i>(Vice-Chairman and President)</i> STI Education Systems Holdings, Inc. <i>(Chairman)</i> Eximious Holdings, Inc. (formerly Capital Managers & Advisors, Inc. <i>(Chairman)</i>) iACADEMY <i>(Chairman)</i> STI West Negros University <i>(Chairman)</i> Mactan Electric Company <i>(Chairman)</i> International Hardwood & Veneer Corp. <i>(President)</i> Cement Center Inc. <i>(President)</i> First Optima Realty Corp. <i>(President)</i> Marbay Homes Inc. <i>(President)</i> Tantivy Holdings, Inc. (formerly Insurance Builders Inc.) <i>(President)</i> Delos Santos – STI College <i>(Chairman)</i> Grow Vite, Inc. <i>(Chairman)</i> Venture Securities, Inc. <i>(Chairman)</i> Biolim Holdings & Management Corp (formerly Rescom Developers Inc.) <i>(President)</i> Philippine First Insurance Co., Inc. <i>(Chairman)</i> Global Resources for Outsourced Workers, Inc. <i>(President)</i> Bloom with Looms Logistics, Inc. (formerly STMI Logistics, Inc.) <i>(President)</i> Eujo Phils., Inc. <i>(President)</i> Total Consolidated Asset Management, Inc. <i>(President)</i> Prime Power Holdings Corporation <i>(Chairman and President)</i> Classic Finance Inc. <i>(CEO)</i> Prudent Resources, Inc. <i>(Chairman and President)</i> Euphonious Holdings, Inc. <i>(President)</i></p>
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<p>Anthony L. Almeda*</p> <p><i>(Director, June 30, 2004 to present)</i></p>	<p>55</p>	<p>Alameda Corporation Alameda Land, Inc. Alameda Holdings, Inc. Alameda & Company, Inc. Alameda Acquisition, Inc. Uyalmeda, Inc. Alameda Energy, Inc. Calaca High Power Corp. Pacifica21 Holdings, Inc. National Grid Corporation of the Philippines One Laguna Corporation Eclouds Inc. Cadastre One Inc. One Square Meter Inc. Fundacion Romana Miguelinda Educational Corporation ALA HSJ Inc. BigBoss Holdings Inc. BigBoss Cement Inc. BigBox21 Holdings Inc. (All - Director)</p>	<p><i>Filipino</i></p>	<p>Landvision Corp. <i>(Chairman, President)</i> Filipinas Gaming Corp. <i>(EVP)</i> Alameda Land, Inc. Alameda Holdings, Inc. Alameda & Company, Inc. Alameda Acquisition, Inc. <i>(Chairman & CEO)</i> Blue Ocean Acquisitions Inc. <i>(CEO)</i> BB21 Remit Inc. Pacifica21 Holdings Inc. <i>(Managing Director)</i> National Grid Corp. of the Philippines Calaca High Power Corp. Enet Corp. Terra Firma Resources Inc. <i>(Director)</i></p>
<p>Willy N. Ocier</p> <p><i>(Director, July 31, 2009 to present)</i></p>	<p>63</p>	<p>Pacific Online Systems Corporation Philippine Global Communications Inc. Premium Leisure & Amusement, Inc. APC Group, Inc. Tagaytay Midlands Golf Club, Inc. Belle Corporation Tagaytay Highlands International Golf Club, Inc. AB Leisure Exponent, Inc. LR Land Developers, Inc. AB Leisure Global, Inc. and Subsidiaries Blue Chip Gaming and Leisure, Inc. Gold Coast Leisure and World Corporation Total Gamezone Xtreme, Inc. (All-Director)</p>	<p><i>Filipino</i></p>	<p>Pacific Online Systems Corporation Philippine Global Communications Inc. <i>(Chairman and President)</i> Premium Leisure & Amusement, Inc. APC Group, Inc. Tagaytay Midlands Golf Club, Inc. <i>(Chairman)</i> Belle Corporation <i>(Co-Vice Chairman)</i> Tagaytay Highlands International Golf Club, Inc. <i>(Vice Chairman)</i></p>
<p>Paolo Martin O. Bautista</p> <p><i>(Director; July 27, 2018 to present)</i></p>	<p>51</p>	<p>STI Holdings STI Education Services Group, Inc. (All-Director)</p>	<p><i>Filipino</i></p>	<p>STI Holdings <i>(Chief Investment Officer)</i> PhilPlans <i>(Advisor to Investment Committee)</i> Citigroup Global Markets <i>(Director)</i> Credit Suisse <i>(VP-Investment Banking Division)</i></p>
<p>Eng Hun Chuah</p> <p><i>(Director, August 24, 2017 to present)</i></p>	<p>36</p>	<p>AB Leisure Exponent, Inc. and Subsidiaries First Cagayan Leisure and Resort Corp. First Cagayan Converge Data Center, Inc. LR Land Developers, Inc. LR Data Center and Solutions, Inc. AB Leisure Global, Inc. and Subsidiaries Blue Chip Gaming and Leisure, Inc. Gold Coast Leisure and World Corporation Total Gamezone Xtreme, Inc. Prime Investment Korea, Inc. Hotel Enterprises of the Philippines, Inc. (All - Director)</p>	<p><i>Malaysian</i></p>	<p>RGB International Bhd <i>Executive Director</i></p>
<p>Ignatius F. Yenko</p> <p><i>(Director, April 19, 2012 to present)</i></p>	<p>67</p>	<p>TKC Steel Corporation Sterling Bank of Asia Zoraymee Holdings, Inc. (All-Director)</p>	<p><i>Filipino</i></p>	<p>TKC Steel Corporation <i>(Vice Chairman)</i> Sterling Bank of Asia <i>(Board Director)</i> Premiere Horizon Alliance Inc. <i>(Director)</i></p>

<p>Renato G. Nuñez**</p> <p><i>(Director, June 11, 2019 to present)</i></p> <p><i>(Director, September 30, 2005 to February 16, 2012)</i></p>	<p>51</p>	<p>All British Cars, Inc. Coventry Motors Corporation Philippine Realty and Holdings Corp. Total Consolidated Asset Management, Inc. Leisure Advantage, Inc. Arwen Gaming Consultancy, Inc. (All-Director)</p>	<p><i>Filipino</i></p>	<p>All British Cars, Inc. <i>(Director)</i> Coventry Motors Corporation <i>(Director)</i> Cats Motors, Inc. <i>(President)</i> Philippine Realty and Holdings Corp. <i>(Director)</i> Total Consolidated Asset Management, Inc. <i>(Director)</i> Leisure Advantage, Inc. <i>(Director)</i> Techglobal Data Center, Inc. <i>(President)</i> Techzone Philippines, Inc. <i>(President)</i> Tootsie's Tagaytay Restaurant, Inc. <i>(President)</i> Lia PhilFoods, Inc. <i>(President)</i> Everland Estate Dev't Corp. <i>(President)</i> AB Leisure Exponent, Inc. <i>(VP-Administration)</i> First Cagayan Converge Data Center <i>(COO/Board Treasurer)</i> First Cagayan Leisure & Resort Corp. <i>(Vice President)</i> Arwen Gaming Consultancy, Inc. <i>(Chairman and President)</i> Javi Philfoods, Inc. <i>(President)</i> Midas Hotel & Casino <i>(VP and COO)</i> Blue Chip Gaming & Leisure Corp. <i>(Managing Director)</i> AB Leisure Global, Inc. <i>(VP/Director)</i> Binondo Leisure Resources, Inc. <i>(VP Finance)</i></p>
<p>Max Aaron Wong**</p> <p><i>(Director, June 11, 2019 to present)</i></p>	<p>45</p>	<p>GTS Platform Services Limited (HK) GTS Platform Services (Taiwan) Limited BTCC International Limited (HK) AB Leisure Exponent, Inc. and Subsidiaries Blue Chip Gaming and Leisure Corporation First Cagayan Leisure and Resort Corporation First Cagayan Converge Data Center, Inc. Gold Coast Leisure World Corporation LR Data Center and Solutions Inc. LR Land Developers Inc. Prime Investment Korea Inc. Total Gamezone Xtreme Incorporated (All Director)</p>	<p><i>Chinese</i></p>	<p>GTS Platform Services and BTCC Group <i>(Finance Director)</i> Dim.Buy.com Company Limited <i>(Financial Controller)</i> UniCare Enterprise Limited <i>(Financial Controller)</i> Well State Asia Limited <i>(Financial Controller)</i></p>
<p>Alfredo Abelardo B. Benitez***</p> <p><i>(Director, July 26, 2019 to present)</i></p>	<p>53</p>	<p>AB Leisure Global, Inc. AB Leisure Asia Holdings Inc. AB Leisure Holdings Philippines Corp. G Boracay Alpha Holding Corp. G Boracay Beta Holding Corp. G Boracay Gamma Holding Corp. G Boracay Land Holdings G-L Real Estate JV Corporation Blue Chip Gaming and Leisure Corporation Prime Investment Korea, Inc. Gold Coast Leisure World Corp. (All – Director & President)</p>	<p><i>Filipino</i></p>	<p>Congressman of the Third District of Negros Occidental (2010-2019)</p>
<p>Lawrence T. Cobankiat***</p> <p><i>(Director, July 26, 2019 to present)</i></p>	<p>51</p>	<p>Jellco Enterprises, Inc. Protech Global Solutions (All President and CEO) GRP Mobile Solutions Inc. (Chairman) Fidelity Steel Manufacturing, Inc. Hi-Tech Steel Industries Corporation GICA Grinding Wheel Corporation Arrow Plastic Industries Corporation</p>	<p><i>Filipino</i></p>	<p>Jellco Enterprises, Inc. <i>(Director, President & CEO)</i> Protech Global Solutions <i>(Director, President & CEO)</i> West End Property Inc. <i>(President)</i> GRP Mobile Solutions Inc. <i>(Chairman)</i> Fidelity Steel Manufacturing, Inc. <i>(Director)</i> Hi-Tech Steel Industries Corporation <i>(Director)</i> GICA Grinding Wheel Corporation <i>(Director)</i></p>

		(All - Director)		Arrow Plastic Industries Corporation <i>(Director)</i>
Johnson Cheung*** <i>(Director, July 26, 2019 to present)</i>	58	Goldenway Investments Holdings Limited (Chief Operating Officer) Marina Square Properties, Inc. (Chairman & CEO) New Coast Hotel, Inc. (Chairman & CEO) Harbor View Properties and Holdings, Inc. (Director)	Chinese	Goldenway Investments Holdings Limited <i>(COO)</i> Marina Square Properties, Inc. <i>(Chairman & CEO)</i> New Coast Hotel, Inc. <i>(Chairman & CEO)</i> Harbor View Properties and Holdings, Inc. <i>(Director)</i>

*Mr. Anthony Almeda was re-elected as Independent Director in the 28 July 2017 Annual Stockholders' Meeting.

**Mr. Renato G. Nunez and Mr. Max Aaron Wong were elected directors during the 11 June 2019 Board Meeting to replace Atty. Bienvenido M. Santiago and Atty. Carlos G. Baniqued, who resigned on the same date. Mr. Nunez and Mr. Wong were re-elected during the Annual Stockholders' Meeting held on 26 July 2019.

***Mr. Alfredo Abelardo B. Benitez, Mr. Johnson Cheung, and Mr. Lawrence T. Cobankiat are new directors elected in the 26 July 2019 Annual Stockholders' Meeting. They replaced Mr. Reynaldo P. Bantug, Mr. Edgardo S. Lopez, and Ms. Clarita T. Zarraga, who informed the Nomination Committee on 17 July 2019 of their retirement and declined their re-nomination on the 2019 Annual Stockholders' Meeting.

All of the independent directors possess all the qualifications and none of the disqualifications as independent directors under SRC Rule 38 from the time of their election as such independent directors.

The following are the executive officers:

Mr. Eusebio H. Tanco – Chairman (please see discussion on directors)

Mr. Eng Hun Chuah – President (please see discussion on directors)

Atty. Carol V. Padilla – Corporate Secretary

Atty. Carol V. Padilla serves as the Company's Corporate Secretary. Previously, Atty. Padilla was the Assistant Director for Legal and Corporate Affairs of Millennium Pan-Asia Hotel and Resort Inc. She handled compliance with regulatory requirements of PAGCOR and SEC, supervised managing and protecting the intellectual properties of the company such as trademark applications, copyright, and patents, among others, and performed corporate housekeeping services. Atty. Padilla brings a wealth of experience and skills to help LRWC achieve new heights. Atty. Padilla attended college in Ateneo de Manila University and was a consistent dean's lister. She graduated with a degree in Bachelor of Arts, major in Psychology, and later earned her Juris Doctor degree from Ateneo de Manila University School of Law.

Atty. Kristine Margaret R. Delos Reyes – Compliance Officer

Atty. Kristine Margaret Delos Reyes is the Company's Compliance Officer. She received multiple awards from her participation in international and local competitions on international law. She holds a vast experience in performing regulatory compliance for PAGCOR, PSE, SEC, LGU and other government bodies. Atty. Delos Reyes is proficient in M&A, corporate housekeeping, cross border and international business transactions, special projects, fund raising, bond issuance, initial public offering, contract review and negotiations, intellectual property, due diligence, and development of integrated resorts and casinos in the Philippines. She obtained her extensive legal practice from Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA), specializing on litigation before regular courts of law, administrative agencies, and quasi-judicial tribunals. Prior to joining LRWC, she was the Chief Legal Officer and Senior Vice President for Legal and Compliance Department for various gaming companies, such as, Fortunegate Holdings Philippines, Inc.; Millennium Pan-Asia Hotel and Resort Inc.; and, Stotsenberg Leisure Park & Hotel Corporation. She was also the Senior Vice

President for Legal and Corporate Affairs and the Human Resources and Administration Departments of Elxcite Gaming and Entertainment, Inc. and Starcap Management, Inc., as well as the Assistant Vice President and Director for Legal Special Projects and Contracts of Resorts World Manila. Atty. Delos Reyes was a dean's lister from De La Salle University, Manila, graduating Bachelor of Science in Commerce, major in Legal Management. She holds a Juris Doctor degree from Ateneo de Manila University School of Law.

Ms. Donita Marel Q. Rivera - Treasurer

Ms. Donita Marel Q. Rivera is the Company's Treasurer. She previously held position as Treasurer and Group Accountant at Millennium Pan-Asia Hotel & Resort Inc and was a former Senior Audit Associate at SGV & Co. In her short stint at Millennium, Ms. Rivera was able to drive the implementation of treasury and accounting procedures, ensuring that internal controls were put in place. She handled financial due diligence and was responsible for PAGCOR, SEC and BIR Financial Reports. With her experience in liquidity management and financial reports, she is able to aid LRWC towards achieving greater endeavors. Ms. Rivera graduated with a degree in Bachelor of Science in Accountancy in Ateneo de Davao University.

Nominees for Directorship: The Nomination Committee of the Board of Directors of the registrant has determined that the following nominees for the Board of Directors, including the independent directors, to be elected at this Annual Meeting, possess all the qualifications and have none of the disqualifications for directorship set out in the registrant's Manual on Corporate Governance as well as the Guidelines on the Nomination and Election of Independent Directors set forth in SRC Rule 38 as provided in Article II Section 6 of Registrant's Amended By-Laws dated November 28, 2003. The Chairman of the Nomination Committee is Mr. Willy N. Ocier and the members are Mr. Johnson Cheung, Mr. Anthony L Almeda, Mr. Eusebio H. Tanco, and Mr. Alfredo Abelardo B. Benitez.

Name	Age (as of 2020 ASM)	Citizenship
1. Eusebio H. Tanco	70	Filipino
2. Eng Hun Chuah	36	Malaysian
3. Alfredo Abelardo B. Benitez	53	Filipino
4. Paolo Martin O. Bautista	51	Filipino
5. Willy N. Ocier	63	Filipino
6. Mardomeo Raymundo Jr.	46	Filipino
7. Winston Chan (Independent Director)	64	Filipino
8. Lawrence T. Cobankiat (Independent Director)	51	Filipino
9. Renato G. Nunez	51	Filipino
10. Max Aaron Wong	45	Chinese
11. Xiaolu Dong	39	Singaporean

Nomination of Independent Directors: Mr. Lawrence T. Cobankiat, an incumbent of the registrant, and Mr. Winston Chan were nominated by Mr. Willy Ocier.

Mr. Ocier, who recommended the nomination of the independent directors have no relationship to the respective nominees.

The curriculum vitae of the directors nominated for re-election are described in the discussion on "Directors and Executive Officers."

2. Significant Employees

Although LRWC has relied on and will continue to rely on, the individual and collective contributions of each of its executive officers, senior operational personnel and non-executive employees, LRWC believes that it does not depend on the services of a particular employee and that there is no employee that the resignation or loss of whom would have a material adverse impact on its business.

3. Family Relationships

There are no family relationships known to LRWC.

4. Involvement in Certain Legal Proceedings

To the best of the registrant's knowledge and belief, and except as otherwise disclosed, there are no pending material legal proceedings against the directors and officers known to LRWC.

As of June 30, 2019, to the best of the Company's knowledge, there are no other occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director or executive officer of the Company:

- a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b) Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c) Being subject to 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 his involvement in any type of business, securities, commodities or banking activities; and
- d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

5. Certain Relationships and Related Transactions:

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market. There were no transactions or proposed transactions during the last two (2) years to which the registrant or its subsidiaries, in which a director, executive officer, or stockholders owning twelve percent (12%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

For transactions with related parties pertaining to those consummated with its subsidiaries and other related parties, please refer to Note 20 of Notes to the Consolidated Financial Statements for the year 2019.

6. Director's Disagreement with Registrant Leading to Directors' Resignation or Declining to stand for re-election: No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

Data as to all plan and non-plan compensation awarded to, earned by, paid to, or estimated to be paid to, directly or indirectly during the last two completed calendar years and the ensuing calendar year to the Company's President and five other most highly compensated executive officers.

Name and Principal Position	Year	Compensation	Bonuses	Other Annual Compensation
		Estimated	Estimated	Estimated
Eng Hun Chuah, President				
Rafael Jasper S. Vicencio, President Retail Group				
Francis Thadeo Hernando, President FCLRC				
Edgardo Lopez, President FCCDCI				
John Cornejo, AVP FCLRC				
Celina Lim, CFO ABLGI HEPI				
All above-named Officers as a group	2020	P40,245,600		
All other officers as a group unnamed	2020	None	None	None

Eng Hun Chuah, President				
Thadeo Francis P. Hernando, Vice-President				
Katrina L. Nepomuceno, Vice-President				
Alejandro P. Alonte, Vice-President				
Ma. Christina Bautista, Vice-President				
All above-named Officers as a group	2019	P34,644,203		
All other officers as a group unnamed	2019	None	None	None

Reynaldo P. Bantug, Chairman				
Eng Hun Chuah, President				
Katrina L. Nepomuceno, Vice-President				
Alejandro P. Alonte, Vice-President				
Ma. Christina Bautista, Vice-President				
All above-named Officers as a group	2018	P31,666,188	P3,179,799	P248,252
All other officers as a group unnamed	2018	None	None	None

**Other Annual Compensation consists of director's fees of salaried directors.*

(2) Compensation of Directors

Members of the Board of Directors are elected for a term of one year. Except for the Company's President and Vice-President, all other directors receive no compensation except director's per diem of ₱50,000 per meeting, per diem of ₱30,000 per meeting for members of the executive committee, and per diem of ₱20,000 per meeting for audit, compensation, and nominating committees, in years 2018 until the first half of 2019.

Total payments to non-salaried directors amounted to ₱4,915,000 in 2019 and ₱3,060,000 in 2018.

(3) Employment Contracts and Termination of Employment and Change in Control Arrangements

There are no agreements or employment contract in relation to change of control arrangements existing between the Company and any of its directors or executive officers.

There are no arrangements for compensation to be received by these named executive officers from LRWC in the event of a change in control of LRWC.

(4) Outstanding Warrants and Options

As of 31 May 2020, the Corporation has outstanding warrants of 82,500,000 which are listed with the Philippine Stock Exchange. The warrants shall entitle the investor(s) to purchase one (1) common share. The exercise price of the warrant shall be ₱15.00 or the Company's weighted average trading price for three (3) months prior to the exercise date of the warrant less ten percent (10%) discount. The warrants are exercisable starting on the 5th anniversary of the perpetual preferred shares until the 8th anniversary.

No warrants are being directly held by the directors and officers of the Company.

The Company has no outstanding options.

Item 7. Independent Public Accountants

KPMG R.G. Manabat & Co. served as the Company's external auditors for the 2017 and 2016 Financial Statements. Their re-appointment was approved during the Company's annual stockholders' meeting held on 28 July 2017. Mr. Dindo Marco M. Dioso is the partner-in-charge for the Corporation's audit for the 31 December 2017 Financial Statements. They ceased performance of service for the Company on 20 July 2018.

On the annual stockholders' meeting held on 28 July 2018, SGV & Co. was appointed as the external auditors, with Ms. Maria Pilar B. Hernandez as the partner-in-charge for the audit of the Company's financial statements as at and for the period ending 31 December 2018. In compliance with SRC Rule 68 as Amended, Paragraph 3(b)(ix), the handling audit partner is rotated every five (5) years and in case there will be a re-engagement of the same signing partner, a two-year cooling off period shall be observed.

On the annual stockholders' meeting held on 26 July 2019, SGV & Co., was re-appointed as the external auditors, with Ms. Maria Pilar B. Hernandez as the partner-in-charge for the audit of the Company's financial statements as at and for the period ending 31 December 2019.

There were no disagreements with independent accountants on accounting and financial disclosures.

For Year 2020 audit, the recommended independent public accountant will still be SGV & Co. with their partner-in-charge, Ms. Maria Pilar B. Hernandez.

Representatives of the Independent Public Accountant (SGV & Co.) are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Chairman of the Audit Committee is Mr. Lawrence Cobankiat and the members are Mr. Anthony L. Almeda, and Mr. Paolo Martin O. Bautista.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

At the special meeting of the stockholders held on 11 January 2019, the shareholders representing 70.06% of the outstanding capital stock approved the issuance of up to 1,300,147,488 common shares from the unissued capital stock ("Newly Issued Shares") through a private placement at a price based on a premium over the closing price of the shares of the Company on 29 November 2018. Also, at the same meeting, the Board of Directors was granted the authority to implement the private placement, including but not limited to, the determination of the issue price and the subscriber or subscribers to the shares to be issued.

On March 26, 2019, the Board approved and authorized the issuance of One Billion Two Hundred Seventeen Million Six Hundred Forty Seven Thousand Four Hundred Eighty Eight (1,217,647,488) common shares from its unissued capital stock ("Subscribed Shares") at an issue price of Php3.60 per share. This raised a total of Four Billion Three Hundred Eighty Three Million Five Hundred Thirty Thousand Nine Hundred Fifty Six Pesos and Eighty Centavos (Php4,383,530,956.80). Thus, the Corporation entered into private placement agreements and subscription agreements with the following corporate subscribers/investors:

Name of Subscriber/Investor	Number of Shares
Fortunegate Holdings Philippines, Inc.	230,000,000
XII Capital Inc.	230,000,000
Millennium Pan-Asia Business Management Services Inc.	230,000,000
Diamond Fortune Holdings, Inc.	230,000,000
Euphonious Holdings, Inc.	121,000,000
Leisure Advantage, Inc.	176,647,488
TOTAL:	1,217,647,488

On April 2, 2019, the Corporation approved and ratified the substitution of the subscribers as well as the issuance to and subscription of the Substituted Subscribers to the unissued capital stock of the Corporation at an issue price of Php3.60 per share as follows:

Original Subscribers	Substituted Subscribers	Number of Subscribed Shares
Millennium Pan-Asia Business Management Services Inc.	Colonial Group Holdings Corporation	230,000,000
Diamond Fortune Holdings, Inc.	Globalist Technology Company Limited	230,000,000

It was the decision and the request of Millennium Pan-Asia Business Management Services Inc. and Diamond Fortune Holdings, Inc. ("Original Subscribers") to be substituted or replaced by other qualified subscribers. Colonial Group Holdings Corporation and Globalist Technology Company Limited ("Substituted Subscribers") who expressed their interest to substitute and replace the Original Subscribers.

Upon full payment of the subscription price, the Company issued the shares as follows:

Name of Subscriber/Investor	Number of Shares	Subscription Amount	Percentage of Ownership
Fortunegate Holdings Philippines, Inc.	230,000,000	Php 828,000,000.00	5.65%
XII Capital Inc.	230,000,000	Php 828,000,000.00	5.65%
Colonial Group Holdings Corporation	230,000,000	Php 828,000,000.00	5.65%
Globalist Technology Company Limited	230,000,000	Php 828,000,000.00	5.65%
Leisure Advantage, Inc.	176,647,488	Php 635,930,956.80	4.34%
Euphonious Holdings, Inc.	121,000,000	Php 435,600,000.00	2.97%
TOTAL	1,217,647,488	Php4,383,530,956.80	

Change(s) in Number of Issued and Outstanding Shares

Issued Shares

Type of Security/Stock Symbol	Before	After
Common Shares/ LR	1,199,852,512	2,417,500,000
Preferred Shares/ LRP	1,650,000,000	1,650,000,000
Warrants/ LRW	82,500,000	82,500,000

Outstanding Shares

Type of Security/Stock Symbol	Before	After
Common Shares/ LR	1,199,852,512	2,417,500,000
Preferred Shares/ LRP	1,650,000,000	1,650,000,000
Warrants/ LRW	82,500,000	82,500,000

Other Changes, if any

In Percent	Before	After
Public Float	64.46 %	31.99%
Foreign Ownership level	5.04%	31.04%

This transaction would prove to be beneficial to the Company as the proceeds was intended to be used as follows:

- i. 70%-80% of the proceeds will be used to refinance the Company's existing obligations; and,
- ii. 20%-30% will be used to support the Company's expansion programs and working capital requirements.

The proceeds of the private placement in the amount of Four Billion Three Hundred Eighty Three Million Five Hundred Thirty Thousand Nine Hundred Fifty Six Pesos & 80/100 (Php4,383,530,956.80) was indeed used to refinance some of the company's existing long-term obligations amounting to approximately Two Million Four Hundred Eighty Thousand Pesos (Php2,480,000.00), payment of accrued interest of the Preferred Shares in the amount of approximately One Hundred Sixty Million Pesos (Php160,000,000.00), and approximately One Million Seven Hundred Sixty Thousand Pesos (Php1,760,000.00) for the redemption of preferred shares.

On 28 February 2020, the Philippine Stock Exchange ("PSE") issued a Notice of Approval of the Private Placement Transaction. The Notice stated that the PSE Board, in its meeting on 26 February 2020, approved the application of LRWC to list the additional One Billion Two Hundred Seventeen Million Six Hundred Forty Seven Thousand Four Hundred Eighty Eight (1,217,647,488) common shares ("Private Placement Shares") to cover its private placement transaction with the subscribers named above. The Notice further stated that the actual listing and eligibility for trading of the Private Placement Shares will take effect only after certain requirements are met, one of which, is the submission by the Company of a confirmation from the Securities and Exchange Commission ("SEC") that the Transaction is exempt from the Mandatory Tender Offer Requirement, pursuant to Rule 19.3.1.2 of the 2015 Implementing Rules and Regulations of the Securities and Regulation Code.

The Company is currently seeking confirmation of an exempt transaction from the SEC pursuant to Section 10.1 (c) of the Securities Regulation Code as an isolated transaction where the shares were issued from the unissued capital stock. The proceeds of the private placement have been used to refinance some of the company's existing obligations and for general corporate purposes.

Pursuant to the approval of the Board of Directors in its meeting held on 24 October 2019, the Company redeemed One Billion Six Hundred Fifty Million (1,650,000,000) Preferred Shares at the Redemption Price of One Peso (Php1.00) per share on 31 December 2019, which was fully paid on 31 January 2020.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken during the 2020 ASM with respect to any transaction involving (i) merger or consolidation into or with any other person or of any other person into or with LRWC; (ii) acquisition by LRWC or any of its security holders of securities of another person; (iii) acquisition of any other going business or of the assets thereof; (iv) sale or other transfer of all or any substantial part of the assets of LRWC; or (iv) liquidation or dissolution of LRWC.

Item 13. Acquisitions or Disposition of Property

No action is to be taken during the 2020 ASM with respect to acquisition or disposition of any property of LRWC.

Item 14. Restatement of Accounts

No action is to be taken during the 2020 ASM with respect to restatement of any asset, capital or surplus account of LRWC.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The minutes of the previous Annual Stockholders' Meeting dated July 26, 2019 shall be submitted to the stockholders for approval. The stockholders shall approve/ratify the Annual Report and the Audited Financial Statements for fiscal year 2019 and the actions taken by the Board of Directors and Officers since the last annual meeting of the stockholders as follows:

1. Approval of the authorized bank signatories:
 - a. Banco de Oro
 - b. United Coconut Planters Bank (“UCPB”)
 - c. Asia United Bank
 - d. Philippine Business Bank
 - e. Unionbank of the Philippines (“Unionbank”)
2. Approval of the appointment of representative/s to sign the application for additional listing of shares with the Philippine Stock Exchange
3. Approval of the redemption of One Billion Six Hundred Fifty Million (1,650,000,000) Preferred Shares at the Redemption Price of One Peso (Php1.00) per share on 31 January 2020
4. Approval of LRWC’s Related Party Transactions Policy as required by the Securities and Exchange Commission (“SEC”) Memorandum Circular No. 10, series of 2019
5. Approval of the update of authorized bank signatories:
 - a. UCPB
 - b. Unionbank
6. Lease of Office Space and Parking Slots in Philippine Stock Exchange Centre, Ortigas Center, Pasig City

Item 16. Matters Not Required to be Submitted

There are no matters not required to be submitted to a vote of security holders.

Item 17. Amendments of Charter, By-Laws & Other Documents

There are no actions to be taken with respect to any amendment of the registrant’s charter, by-laws or other documents.

Item 18. Other Proposed Actions

There are no other proposed actions to be taken on matters other than those provided in the preceding items.

Item 19. Voting Procedures

(a) Vote required for Approval or Election

With respect to the election of directors, candidates who receive the highest number of affirmative votes will be declared elected.

With respect to: (i) the approval of the reports stated in Item 15 above; (ii) approval of appointment of external auditor of the Company; and (iii) all other matters subject to vote, except in cases when the law provides otherwise, the affirmative vote of majority of the outstanding capital stock entitled to vote is required to approve such matters.

(b) Method by which votes will be counted

Except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of stock standing in his name on the stock books of the registrant, which vote may be given personally or by attorney authorized in writing. The instrument authorizing as attorney or proxy to act shall be exhibited to the Secretary if he shall so request. In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the provisions of the Corporation Code.

Unless required by law, or demanded by a stockholder present in person or proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, in his name or by his proxy if there be such proxy, and shall state the number of shares voted by him. In any and all matters requiring the vote of the stockholders, it is the Company’s Corporate Secretary who shall be authorized to count the votes to be cast.

The Company’s 24,067,100 LR shares acquired by AB Leisure Exponent, Inc., a wholly-owned subsidiary of LRWC will not be voted on as these are deemed treasury shares.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 23 July 2020.

LEISURE & RESORTS WORLD CORPORATION
Issuer

By:



CAROL V. PADILLA
Corporate Secretary

MANAGEMENT REPORT

PART I - BUSINESS AND GENERAL INFORMATION

Business

Business Development

Primary Purpose

Leisure and Resorts World Corporation (hereinafter referred to as “the Company” or “LRWC” or “the Registrant”) was incorporated on 10 October 1957. As part of the corporate restructuring of the Company in 1996, the Company’s primary purpose was amended in 1999 to engage in realty development focusing on leisure business. However, for several years, it had minimal operations and functioned as a holding company.

Share Swap

In October 1999, the Board of Directors of the Company approved the Share Exchange Agreements (Agreements) with the shareholders of AB Leisure Exponent, Inc. (ABLE), operator of a number of bingo parlors, for the acquisition of the entire outstanding capital stock of ABLE in exchange for 750 million new shares of the Company valued at P750 million. By virtue of the Agreements, ABLE became a wholly owned subsidiary of the Company.

On 19 September 2000, the Securities and Exchange Commission (SEC) approved the Company’s increase in authorized capital stock to P2.5 billion. Out of the aforementioned increase which consists of a total 2.5 billion common shares at P1 par value, a total of 750 million common shares with aggregate par value of P750 million have been subscribed and fully paid for through the assignment in favor of the Company of 500,000 common shares of ABLE representing the entire outstanding capital stock thereof by ABLE shareholders. This subscription and payment in ABLE shares was an implementation of the duly executed Agreements between the Company and ABLE’s shareholders. Initially, 236,626,466 shares were approved by SEC for release to previous ABLE shareholders. The remaining shares corresponding to 513,373,534 were principally held in escrow with a local commercial bank. In 2003, the stockholders of LRWC approved the decrease in authorized capital stock from 2.5 billion shares to 1.6 billion shares at P1 par value per share. Accordingly, the Company’s issued capital stock decreased from 1,162,678,120 to 744,114,784. This equity restructuring resulted in a reduction of P418,563,336 in the Company’s deficit as at 01 January 2004 and reduced shares held in escrow to 328,559,059. In 2007 and 2008, SEC approved the release of 322,616,462 shares held in escrow. The remaining shares totaling 5,942,597 were finally approved for release on 10 October 2011.

Corporate Entities

AB Leisure Exponent, Inc. (ABLE)

On 31 March 1995, ABLE was registered with the SEC. The primary purpose of ABLE and its subsidiaries is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic, pulltabs and rapid bingo games. ABLE has established itself as the pioneer in professional bingo gaming in the Philippines. Philippine Amusement and Gaming Corporation (PAGCOR) granted ABLE and subsidiaries/affiliates the authority to operate bingo games pursuant to PD 1869. Since then, bingo outlets of ABLE and its subsidiaries have become community and entertainment centers, a source of revenue for the government, and a sponsor for fund-raising activities relating to social and educational programs.

Total Gamezone Xtreme Incorporated (TGXI)

On 21 July 2014, the Company entered into an Asset and Share Purchase Agreement with Premiere Horizon Alliance Corporation (PHAC) to purchase the latter’s 100% stake in TGXI. TGXI is the assignee and purchaser of the assets, rights and interests of Digiwave Solutions, Inc. (DSI), the operator and licensee of Philippine Amusement and Gaming Corporation (PAGCOR) e-games stations. To date, LRWC is the registered owner to One Hundred Percent (100%) of the TGXI’s outstanding capital stock.

Blue Chip Gaming and Leisure Corporation (BCGLC)

On 09 October 2009, BCGLC was registered with SEC. Its primary purpose is to provide investment, management, counsel, and to act as agent or representative for business enterprises engaged in gaming, recreation and leisure activities. On 20 October 2009, BCGLC (lessor), as the authorized representative of Munich Management Limited - a foreign corporation duly organized and registered in British Virgin Islands, entered into a contract of lease with PAGCOR (lessee) for the use of slot machines and gaming facilities.

On 27 April 2011, LRWC purchased 26,250 shares of BCGLC representing 70% of BCGLC's outstanding capital stock. The purchase was ratified by LRWC's BOD on 24 May 2011. On 01 December 2015, LRWC purchased the remaining 30% or 11,250 shares from BCGLC's minority stockholders.

On 24 July 2015, BCGLC incorporated a subsidiary, Gold Coast Leisure World Corp. (GCLWC) with authorized capital stock of P15,000,000 divided into 150,000 shares with par value of P100, of which P3,750,000 has been subscribed. GCLWC was incorporated to comply with Section 18, Chapter III of the Implementing Rules and Regulations of Republic Act No. 7227. GCLWC obtained an Enterprise Registration with the Subic Bay Metropolitan Authority in 2016.

On 17 December 2015, BCGLC received a letter from PAGCOR, informing that its Board of Directors approved and confirmed the assignment in favor of BCGLC of the Contracts of Lease over four PAGCOR VIP Clubs at: (1) Venezia at Subic Bay Freeport Zone, Subic Zambales with Palmgold International Limited; (2) Pan Pacific, Malate Manila with Pacific Palm Corporation; (3) Paseo Premier Hotel, Sta. Rosa Laguna with Pacific Palm Corporation; and (4) Apo View Hotel, Davao City with Pacific Palm Corporation.

On 18 January 2016, BCGLC assigned the VIP Club at Venezia at Subic Bay Freeport Zone to its subsidiary, GCLWC.

On 28 January 2016, the Amended Contracts of Lease of three (3) VIP Clubs, namely Pan Pacific, Paseo Premier Hotel and Apo View Hotel were executed under the name of BCGLC, while the other VIP Club, Venezia at Subic Bay Freeport Zone was under the name of GCLWC.

Prime Investment Korea, Inc. (PIKI)

On 22 March 2013, LRWC purchased 10,000,000 shares representing 100% ownership of PIKI. The purchase was ratified by LRWC's BOD on 10 June 2013. The acquisition is in line with the Group's goal to expand and venture in other forms of gaming.

PIKI started its commercial operations on 26 July 2013. Together with Philippine Amusement and Gaming Corporation (PAGCOR), PIKI executed a Junket Agreement to jointly conduct junket gaming operations within PAGCOR's Casino Filipino-Midas located at Midas Hotel and Casino in Roxas Boulevard, Pasay City.

Hotel Enterprises of the Philippines, Inc. (HEPI)

On 11 November 2012, LRWC executed an Investment Agreement with Eco Leisure and Hospitality Holding Company, Inc. (Eco Leisure) and Hotel Enterprises of the Philippines, Inc. (HEPI) for the acquisition of fifty-one percent (51%) of the outstanding capital stock of HEPI which owns and operates the Midas Hotel and Casino. LRWC's total investment in HEPI, paid in cash, is ₱750.0 million.

On 26 December 2012, HEPI filed an application for the amendment of its Articles of Incorporation to extend its corporate life, which application, however, was disallowed by the Corporate Registration and Monitoring Department (CRMD) of the Securities and Exchange Commission (SEC). In compliance with the rules of procedure of the SEC, HEPI appealed the SEC-CRMD's decision before the SEC *En Banc* via a Memorandum on Appeal.

On 01 October 2013, the SEC *En Banc* denied HEPI's appeal and affirmed the SEC-CRMD's denial of HEPI's application. On 22 October 2013, HEPI filed a Petition for Review (Petition) with the Court of Appeals seeking the reversal of the SEC Decision citing, among others, the following grounds: (a) HEPI's failure to file the application for the amendment of its articles of incorporation is due to justifiable reasons similar to cases where the SEC has allowed the filing, and eventually approved, application for extension of corporate term notwithstanding its expiration; (b) there is substantial evidence of HEPI's clear and unequivocal intention to continue with its corporate existence; (c) there are practical and socio-economic considerations in favor of allowing the extension of

HEPI's corporate term; and (d) recent developments relating to the corporate term negate the rationale behind the SEC's strict application of the rules.

The Office of the Solicitor General (OSG) filed its Comment dated 28 January 2014 to the Petition on behalf of the respondents essentially reiterating the arguments of the SEC *En Banc* in denying HEPI's Memorandum on Appeal. HEPI filed its Reply to the Comment on 25 February 2014.

On 25 July 2014, HEPI filed its Memorandum. The OSG filed its manifestation that it is adopting its Comment dated 28 January 2014 as its Memorandum.

On 02 December 2014, the Court of Appeals issued a Decision in favor of HEPI and directing the SEC to give due course to HEPI's application for amendment of articles of incorporation to extend its corporate term.

On 10 March 2016, the Amended Articles of Incorporation of Hotel Enterprises of the Philippines, Inc. amending Article II Primary Purpose, Article IV extending the term of the corporate existence of the company to another fifty (50) years from 30 July 2012, Article VI decreasing the number of the Board of Directors to 7 and Article XI adding new provisions governing the issuance and transfer of shares of the corporation.

First Cagayan Leisure & Resort Corporation (FCLRC)

On 26 April 2000, FCLRC was incorporated. The Company acquired 35% of the outstanding capital stock of FCLRC by purchasing 43,750 shares with a par value of ₱100 last 20 September 2005. FCLRC has an existing License Agreement with the Cagayan Economic Zone Authority (CEZA) to develop, operate, and conduct internet and gaming enterprises and facilities in the Cagayan Special Economic Zone Free Port (CSEZFP). Pursuant to the License Agreement, FCLRC was issued the "CEZA Master Licensor Certificate" certifying that FCLRC is duly authorized to regulate and monitor on behalf of CEZA all activities pertaining to the licensing and operation of interactive games. On 03 March 2006, the LRWC's Board of Directors (BOD) approved the additional investment of 40,000 shares in FCLRC for an aggregate amount of ₱32 million. This additional subscription to FCLRC's shares brought LRWC's total investment to 83,750 shares representing 50.75% of the issued and outstanding capital stock. On 03 April 2006, the BOD approved the acquisition of 31,250 shares, representing 25% of the issued shares (prior to issuance of the additional subscription) of FCLRC, from one of its shareholders, Joanna Heights, Inc., for an aggregate amount of ₱25 million on the same terms as the earlier additional subscription. The acquisition was completed upon execution of the Deed of Assignment of Rights on 27 September 2006. With this acquisition, the registrant now holds 115,000 shares representing 69.68% of the issued and outstanding capital stock of FCLRC.

LR Data Center and Solutions, Inc. (LRDCSI)

On 20 May 2016, LRDCSI was registered with SEC primarily to engage in information technology and communication and to own, develop, produce, design, integrate, install, sell buy, rent, establish, manage, audit, rehabilitate, operate, lease except financial leasing or otherwise dispose of and generally deal in and with systems, facilities, equipment, devices and services involving the processing, movement, monitoring and retrieval of information including but not limited to data, voice, image, video, audio, tone or any form or kind of communication whatsoever, such as but not limited to Internet Protocol (IP) Systems products and their improvements, provide services related thereto, such as value added services (VAS), voice over internet protocol (VOIP), internet merchant payment processing and payment solution, premium dial up access services, IP-wide area network services, software development and applications, data center services, co-location services, bandwidth, disaster recovery services and managed services and such allied undertakings, and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

The Company is 80% owned by LRWC.

The Company started its commercial operations on October 01, 2017.

First Cagayan Converge Data Center, Inc. (FCCDCI)

On November 14, 2007, FCLRC and IP Converge Data Center Corporation (IPCDCC), a wholly owned subsidiary of listed firm IPVG Corp., formed a joint venture corporation with the name First Cagayan Converge Data Center Inc. The joint venture corporation was formed to engage in the business of information technology such as IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution, premium dial up access, voice over internet protocol, IP-wide area network services and other value-added services. Presently, FCCDCI provides a range of services to Internet Gaming Operators at the CSEZFP for a fee.

On 01 January 2017, IP Ventures, Inc. ("IPVI") entered into a Deed of Absolute Sale of Share of Stock with LRDCSI, whereby IPVI assigned its rights, interest and participation to its 5,000,000 shares of stock or 20% ownership in FCCDCI with a par and issue value of P1 for a total consideration of P16.4 million to LRDCSI.

By virtue of the Deed of Absolute Sale of Share of Stock entered into by IPVI and LRDCSI, LRWC obtained a 57.808% effective interest and control in FCCDCI through its direct subsidiaries FCLRC and LRDCSI at 60% and 20% equity stake in FCCDCI, respectively. Thus, due to the effect of the 20% additional equity interest, FCCDCI is consolidated into the Group effective 01 January 2017.

AB Leisure Global, Inc. (ABLGI)

On 20 October 2009, SEC approved the incorporation of another wholly owned subsidiary, AB Leisure Global Inc. (ABLGI), whose primary purpose is to purchase, acquire, own, use, improve, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as but not limited to resorts, golf courses, clubhouses and sports facilities, hotels and gaming facilities, with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith. The authorized capital stock of ABLGI is ₱5,000,000.00, divided into 50,000 shares with par value of ₱100.00, of which, ₱1,250,000.00 has been subscribed and ₱312,500.00 has been paid up. On 06 May 2013, the Company's BOD approved the increase in the authorized capital stock from ₱5,000,000 to ₱2,000,000,000 divided into 20,000,000 shares with par value of ₱100 per share. The SEC approved the increase in its authorized capital stock on February 2014. As of 31 December 2013, LRWC has subscribed and paid ₱1,450,000.00.

During 2014, LRWC subscribed and paid additional ₱98,750,000.00 bringing its total investment to ₱1,550,000,000.00.

In 2017, ABLGI incorporated 7 subsidiaries (direct and indirect) including its land holding company for the Boracay project.

LR Land Developers, Inc. (LRLDI)

On 11 December 2007, the SEC approved the incorporation of a wholly owned subsidiary, Northern Philippines Land and Property Development Inc. (NPLPDI), whose primary purpose is to engage in the business of purchasing, leasing, owning, using, improving, developing, subdividing, selling, mortgaging exchanging, leasing, and holding for investment or otherwise, real estates of all kinds and build or cause to be built on any such land owned, held or occupied for management or disposition buildings, houses, or other structures with their appurtenances. On 03 March 2008, SEC approved the amendment to the Articles of Incorporation changing its name to LR Land Developers, Inc.

On 16 April 2012, Techzone Philippines, Inc. (TPI) was incorporated, a 50% owned associate of LRLDI, which is engaged in the acquisition, lease, donation, etc. of real estate of all kinds. TPI started its commercial operations in 2016.

On November 4, 2019, the Company sold the 50% interest of TPI shares for the selling price of P1,750,000,000.

Bingo Bonanza (HK) Limited (BBL)

On March 15, 2010, LRWC incorporated BBL, as its 60%-owned subsidiary. Its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. BBL was incorporated under the Companies Ordinance of Hong Kong and started its operations in March 2012. On 1 February 2014, the company ceased its operation in Hong Kong and is currently applying for the deregistration of its registration with the Inland Revenue & Companies of the company under the Companies Ordinance of Hong Kong.

Binondo Leisure Resources, Inc. (BLRI)

On 11 February 2003 BLRI was incorporated and subsequently amended in 02 July 2003. On 25 July 2003, the Company signed a Memorandum of Agreement (MOA) with BLRI. In accordance with the MOA, the Company acquired a 30% interest in BLRI through the assignment of shares. The MOA also indicated that the Company would subscribe to 200,000 preferred shares of BLRI with a par value of ₱100. On 13 May 2004, the SEC approved BLRI's application for the increase in its authorized capital stock, from ₱5,000,000.00 divided into 50,000 common shares with par value of ₱100.00, to ₱50,000,000.00 divided into 200,000 common shares and 300,000 preferred shares both with par value of ₱100.00.

LRWC Articles of Incorporation and By-Laws

The stockholders of LRWC approved various amendments to the Company's Articles of Incorporation. The more relevant amendments relating to the current operations are as follows:

a) Seventh Article of the Articles of Incorporation

The authorized capital stock of the Corporation shall be increased from ₱1.6 billion to ₱5 billion divided into 2.5 billion shares of common stock with par value of ₱1.00 per share and 2.5 billion shares of preferred stock with par value of ₱1.00 per share. The preferred shares may be issued in tranches or series and shall be non-voting, non-participating, entitled to preferential and cumulative dividends at the rate not exceeding 12% per annum, and shall have such other, rights, preferences, restrictions and qualifications consistent with law and these articles of incorporation, as may be fixed by the Board of Directors at their issuance.

b) Second Article of the By-Laws

The Annual Meeting of the Stockholders shall still be held within the principal office of the Corporation in Metro Manila on the last Friday of July each year, unless a different date is fixed by the Board of Directors. The reference as to the time of the Annual Meeting, i.e. at the hour of 2:00 P.M. shall be deleted.

c) Third Article of the By-Laws

The notice requirement of regular or special meetings of the Board shall be amended to state that written notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be sent by the Secretary to each director by personal delivery (messenger), ordinary or express mail (courier), facsimile or e-mail. The notice shall also include the following (a) inquiry on whether the director will attend physically or through video/teleconference; (b) Contact number/s of the Corporate Secretary and his or her office staff whom the director may call to notify and state whether he shall be physically present or shall attend through video/teleconference; (c) Agenda of the meeting.

If the director chooses to attend the meeting through video/teleconference, he shall give notice of that fact to the Secretary at least two (2) days before the scheduled meeting and inform the latter of his contact number/s. The Corporate Secretary shall inform the director concerned of the contact number/s he will call to set up the video/teleconference to be able to join the meeting. The Corporate Secretary shall keep the records of the details and, on the date of the scheduled meeting, confirm and note such details as part of the minutes of the meeting.

The above-mentioned Increase in Authorized Capital Stock and the Amendment of the Articles of Incorporation and By-Laws were approved by SEC on 18 June 2013.

d) Third Article of the Articles of Incorporation

The Company's specific principal office address is at 26th Floor, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City. This amendment is in compliance with SEC Memorandum Circular No. 6, Series of 2014 and was approved on August 18, 2014.

Cash Dividends

On 4 June 2018, the BOD approved the declaration of cash dividend equivalent to P0.0425 per share payable to all preferred stockholders of record as of 20 June 2018. On 19 July 2019, the BOD approved the declaration of cash dividend equivalent to P0.0942 per share payable to all preferred stockholders of record as of 2 August 2019. On 24 October 2019, the BOD approved the declaration of cash dividend equivalent to P0.0471 per share payable to all preferred stockholders of record as of 31 December 2019.

There were no cash dividends declared by the BOD to common stockholders of the Company in 2018 and 2019.

Others

On 11 March 2011, the BOD authorized the issuance, through private placement, of ₱150 million shares from its unissued capital stock at a price of ₱7.50 per share. The newly issued shares were subscribed by third parties. Twenty-Five percent (25%) of the subscription amount was paid upon the execution of the Subscription Agreements on 24 March 2011, while the remaining Seventy-Five percent (75%) was settled on 15 May 2011. The issuance of these shares was filed with SEC on May 2011 and was approved and ratified by the Stockholders in the Annual Stockholders' Meeting held on 29 July 2011. As a result of this issuance, the total issued and outstanding stocks of the registrant as at 31 December 2011 increased to 999,877,094 shares.

On 11 November 2012, LRWC executed an Investment Agreement with Eco Leisure and Hospitality Holding Company, Inc. (Eco Leisure) and Hotel Enterprises of the Philippines, Inc. (HEPI) for the acquisition of fifty percent (50%) of the outstanding capital stock of HEPI which owns and operates the Midas Hotel and Casino. LRWC's total advances amounted to Seven Hundred Fifty Million Pesos (P750,000,000.00) which pertain to the deposits made by the Company to Eco Leisure in relation to the aforementioned purchase agreement. The deed of absolute sale for the transfer of shares of stocks was executed on 13 November 2012.

On various dates from May 2013 to September 2013, LRWC issued ₱1.65 billion preferred shares through private placement or issuance to not more than nineteen (19) non-qualified buyers under the Section 10.1(k) of the Securities Regulation Code. The ₱1.65 billion perpetual preferred shares have a par value of ₱1.00 per share and an issue price of ₱1.00 per share. The preferred shares are cumulative, non-voting and non-participating. On the fifth anniversary of the issue date of the ₱1.65 billion perpetual preferred shares or on any dividend payment date thereafter, LRWC has the option, but not the obligation, to redeem the perpetual preferred shares in whole or in part at a redemption price equal to the issue price of the perpetual preferred shares plus cumulated and unpaid cash dividend, if any, for all dividend periods up to the date of actual redemption by LRWC. A nil-paid, detachable warrant was issued to the investor/(s) for every twenty (20) preferred shares. Each warrant shall entitle the investor/(s) to purchase one (1) common share. The exercise price of the warrant shall be ₱15.00 or LRWC's weighted average trading price for three (3) months prior to the exercise date of the warrant less ten percent (10%) discount. The warrants are exercisable starting on the 5th anniversary of the perpetual preferred shares until the 8th anniversary.

On 27 November 2017, the BOD authorized ABLGI to avail a loan facility with BDO Unibank, Inc. and approved the terms and transactions contemplated by the Omnibus Loan and Security Agreement by and among ABLGI as borrower, share mortgagor, mortgagor and assignor, ABLGI subsidiaries as sureties, share mortgagors, mortgagors and assignors, LRWC as share mortgagor, mortgagor and surety, ABLE, TGXI, PIKI, BCGLC and FCLRC as sureties, BDO Unibank, Inc. as lender, and BDO Unibank, Inc. - Trust and Investments Group as security trustee.

On November 26, 2018, the Board of Directors proposed to issue up to 1,300,147,488 common shares to investors from the unissued capital stock of the Company. These shares are common shares which have the same features as the existing common shares outstanding including voting rights and dividend rights. The Board also approved to hold a Special Stockholders' Meeting on January 11, 2019 to seek the shareholders' approval for the proposed private placement.

On December 3, 2018, the Board approved a private placement from its unissued capital stock (Newly Issued Shares) at a price based on a premium over the closing price of the shares of the Company on November 29, 2018. The proceeds of the proposed private placement will be used to refinance some of the company's existing obligations and for general corporate purposes.

On January 11, 2019, the Stockholders approved the issuance of up to 1,300,147,488 common shares from the unissued capital stock through a private placement at a price based on a premium over the closing price of the shares of the Company on November 29, 2018 and approved the grant of authority to the Board to implement the private placement including but not limited to the determination of the issue price and the subscriber or subscribers to the shares to be issued.

In March and April 2019, 1,217,647,488 common shares were subscribed at P3.60 per share by virtue of the subscription agreements entered into by the Company with its investors. The proceeds from the issuance of common shares have been used to refinance the Company's existing obligations, for expansion programs and working capital requirements.

On 28 February 2020, the PSE issued a Notice of Approval of the Private Placement Transaction. The Notice stated that the PSE Board, in its meeting on 26 February 2020, approved the application of LRWC to list the additional One Billion Two Hundred Seventeen Million Six Hundred Forty Seven Thousand Four Hundred Eighty Eight (1,217,647,488) common shares to cover its private placement transaction with the subscribers named above. The Notice further stated that the actual listing and eligibility for trading of the Private Placement Shares will take effect only after certain requirements are met, one of which, is the submission by the Company of a confirmation from the SEC that the Transaction is exempt from the Mandatory Tender Offer Requirement, pursuant to Rule 19.3.1.2 of the 2015 Implementing Rules and Regulations of the Securities and Regulation Code.

The Company is currently seeking confirmation of an exempt transaction from the SEC pursuant to Section 10.1 (c) of the Securities Regulation Code as an isolated transaction where the shares were issued from the unissued capital stock. The proceeds of the private placement have been used to refinance some of the company's existing obligations and for general corporate purposes.

Products, Games and Distribution Methods

AB Leisure Exponent, Inc. (ABLE)

ABLE (popularly known as Bingo Bonanza Corporation), the pioneer in professional bingo gaming in the Philippines, is a 100% subsidiary of the Company.

The Electronic Bingo is now the principal product line of ABLE. Through profitable business partnerships, sound business strategy that combines technological innovation and continuous variations of bingo games, ABLE maintains its niche in the industry.

ABLE launched the E-bingo games (EBG) in 2002 with 20 machines. As of 31 December 2018, around 10,536 machines were installed in 153 affiliated bingo parlors.

The Traditional Bingo continues to thrive by implementing game variations, including among others, Quick Shot, Circle 8, Instant Bingo Bonanza, Player's Choice, and X Game. In addition to these variations, ABLE also introduced the Video Link Bingo, which enables bingo players in one parlor to play simultaneously same game with players in other parlors for bigger payouts. The majority of the Metro Manila bingo parlors have been linked for the metro-wide bingo game. Likewise, the Visayas' bingo parlors have been linked to form their own cluster.

In August 2005, ABLE introduced Rapid Bingo with 14 terminals in 14 bingo parlors. At the end of 2018, a total of 155 Rapid Bingo terminals were installed in 148 bingo parlors.

ABLE also introduced Pull Tabs in the latter part of 2005 and continues to market said product to all its operational bingo parlors and other non-affiliated establishments.

As of December 31, 2019, ABLE and its subsidiaries/affiliates operates 152 bingo parlors nationwide (inclusive of 2 minority owned bingo parlors). Most of these bingo parlors are in major shopping malls in Metro Manila and in key provincial cities. Enumerated below is a list of bingo branches, subsidiaries/affiliates, its locations, date of

organization and ABLE's equity interest:

Company-Owned Bingo Parlors				
		Location		
		1	Building A, SM Megamall, J. Vargas Street, EDSA, Mandaluyong City	Bingo Games
		2	Building 1, Sta. Lucia East Grand Mall, Marcos Highway cor. Imelda Avenue, Cainta Rizal	Bingo Games
		2.A	2nd Floor Ph-1, Sta. Lucia East Grand Mall, Felix Ave., Cainta Rizal	Electronic Games
		3	SM City-North Annex Building, EDSA, Quezon City	Bingo Games
		4.	Farmers Plaza, Araneta Center, Cubao, Quezon City	Bingo Games
		4.A	4th Floor New Farmers Plaza, Araneta Center, Cubao, Quezon City	Electronic games
		5	Makati Cinema Square, Pasong Tamo, San Lorenzo Village, Makati City	Bingo Games
		6	SM Southmall, Almanza Uno, Las Piñas City	Bingo Games
Bingo Parlors Owned Through Subsidiaries/Equity				
	Date of Organization	Location		
Alabang Numbers & Gaming Corp., 100%	11/18/1997	7	Festival Mall, Alabang, Muntinlupa City	Bingo Games
		8	V Central Mall, Molino Boulevard, Bayanan, City of Bacoor, Cavite	Electronic Bingo
		8.A	V-Central Mall, Molino Bacoor, Cavite	Electronic Games
		9	Km. 20, The Wharf at Lakefront, East Service Road, Sucat, Muntinlupa City	Electronic Bingo
All Point Leisure Corporation, 100%	7/16/1997	10	SM Centerpoint 3rd Floor Araneta Ave., cor. Magsaysay Blvd. Sta. Mesa, Quezon City	Bingo Games
		11	Harrison Plaza, F.B. Harrison Malate, Manila	Electronic Bingo
Alpha One Amusement and Recreation Corp., 100%	5/23/2013	12	GF & 2F Romero Bldg., 1337 Balintawak Market, EDSA, Balingasa, Quezon City	Electronic Bingo
Big Time Gaming Corporation, 100%	3/27/2006	13	Units 2G-9 and 2G-10, Sunshine Boulevard Plaza, Quezon Avenue cor. Scout Santiago, Quezon City	Electronic Bingo
		14	2/F Intrepid Plaza Bldg., E. Rodriguez Ave. Bgry Bagumbayan, Quezon City	Electronic Bingo
		15	QY Plaza, 233 Tomas Morato Ave., South Triangle, Quezon City	Electronic Bingo
		16	Web Jet Building, E. Rodriguez	Electronic

			Avenue, Libis, Quezon City	Bingo
		17	Robinson's Supermarket, Ema Town Center, El Camino Real Sto. Niño, Brgy. Camalig, Meycauayan City, Bulacan	Electronic Bingo
		18	Madison Square, Alabang - Zapote Road. Las Piñas City	Electronic Bingo
		19	Merville Arcade Building , West Service Road, Brgy. 201, Pasay City	Electronic Bingo
		20	2nd Floor Bocobo Commercial Center, # 1253 J. Bocobo St., cor. Padre Faura St., Ermita Manila	Electronic Bingo
		20.A	2nd Floor Bocobo Commercial Center, # 1253 J. Bocobo St., cor. Padre Faura St., Ermita Manila	Electronic Games
		21	G/F A.S. Commercial Building, Falcon Street, Brgy. Poblacion 5, Sta. Cruz, Laguna	Electronic Bingo
		22	SOGO HOTEL , Distrito 1, Purok 7, Maharlika Highway, San Juan ACCFA, Cabanatuan City	Electronic Bingo
		23	Puregold-San Mateo, Brgy. Banaba, San Mateo, Rizal	Electronic Bingo
		24	ICON Hotel, # 967 EDSA Corner West Avenue Quezon City	Electronic Bingo
		25	2/F ParkMall, Ouano Avenue, Southpoint, Tipolo Mandaue City, Cebu	Electronic Bingo
		26	Skye One Commercial Building, Quezon Avenue, Brgy. San Isidro, Angono Rizal	Electronic Bingo
		27	G/F Roben Theatre, C.M Recto Ave., Brgy. 313, Zone 31 Sta. Cruz Manila	Electronic Bingo
		27.A	Roben Theatre, Ground Floor, Brgy. 313 Sta. Cruz Recto Avenida, Binondo, Manila	Electronic Games
		28	G/F JEA Building 2, E. Lopez St. cor. Jalandoni St., Iloilo City	Electronic Bingo
		28.A	JEA Agro Industrial Complex, E. Lopez St. cor Jalandoni St., Jaro, Iloilo City	Electronic Games
		29	Insular Square Mall, J.P. Rizal Street, Brgy.Tabok, Mandaue City	Electronic Bingo
		30	#252 E.J. Building Arcade, Friendship Highway, Brgy. Anunas, Angeles City Pampanga	Electronic Bingo
		31	Lucky China Town Mall, # 293 Lachambre St., Binondo Manila Lucky Chinatown Mall, #293 Lachambre St., Binondo, Manila	Electronic Bingo
		31.A	Ground Floor and Second Floor	Electronic

			Lucky China Town Mall, Lachambre St. & Reina Regente St., Brgy. 293, Binondo, Manila	Games
		32	Syquio Business Centre, Maharlika Highway, Brgy. Daan Sarile, Cabanatuan City	Electronic Bingo
		33	Blue Horizon Bldg., Alaminos- Sual Road, Alaminos City, Pangasinan	Electronic Bingo
		34	Meerea High Street, North Reclamation Area, Subangdaku, Mandaue City	Electronic Bingo
		35	G/F Dizon Bldg., # 243 Entiero St., Brgy. Sto. Cristo, Angeles City	Electronic Bingo
		36	Emiliano Pineda Bldg., McArthur Highway cor. Gil Puyat Ave., Brgy. San Francisco, Mabalacat, Pampanga	Electronic Bingo
		37	Sir Thomas Square, Matalino St., Cor. Matatag St., Diliman, Quezon City	Electronic Bingo
		38	No.14 Tanjuatco Bldg., Plaza Aldea Tanay Rizal	Electronic Bingo
		39	Robinsons Place-Las Piñas, Alabang-Zapote Road, Talon Uno, Las Piñas City	Electronic Bingo
		40	ATDRMAM Bldg., National Road, Kumintang Ibaba, Batangas City	Electronic Bingo
		41	Robinson's Mall GenSan, G/F Robinson Mall, J. Catolico Sr. Avenue Lagao, General Santos City	Electronic Bingo
Bingo Dinero Corporation, 100%	8/19/1998	42	SM City-Cebu, Mabolo, Cebu City	Bingo Games
Bingo Extravaganza Inc., 100%	1/11/1999	43	SM City-Sucatan, Dr. A . Santos Avenue, Sucatan, Parañaque City	Bingo Games
		44	SM City Bicutan, Bicutan, Parañaque City	Bingo Games
		45	Tonies Mart Puerto Princesa City, Palawan	Electronic Bingo
		45.A	2nd Floor, Tonies Mart Mall, Malvar St., Puerto Princesa City	Electronic Games
		46	2/F LG Bldg., Afan Salvador Street, Guimba, Nueva Ecija	Electronic Bingo
		47	Elorde Sports Center, Sucatan Road, Parañaque City	Electronic Bingo
		48	#424 Division Road, Brgy. Sta. Rosa, Bagumbong Nueva Vizcaya	Electronic Bingo
Bingo Gallery, Inc., 100%	10/16/1998	49	Lianas Shopping Mall, Caruncho Avenue, Pasig City	Bingo Games
		50	SM City- Cagayan de Oro, Masterson's Avenue, Brgy. Canitoan, Cagayan de Oro City	Electronic Bingo
		51	Lower Ground Floor	Electronic

			Robinson Metro East, Marcos Highway, Pasig City	Bingo
		52	678 Commercial Center Molino Blvd., Bacoor City, Cavite	Electronic Games
		52.A	678 Commercial Complex Molino Boulevard, Bayanan City of Bacoor, Cavite	Electronic Bingo
Bingo Palace Corporation, 100%	8/19/1998	53	Robinson Place- Manila, Ermita Manila	Bingo Games
		54	SM Mall of Asia, Bay Boulevard, Pasay City	Bingo Games
		55	Congressional Town Center, Congressional Avenue, Quezon City	Electronic Bingo
		56	G/F Robinsons Luisita, MacArthur Highway, Brgy. San Miguel, Hacienda Luisita, Tarlac City	Electronic Bingo
		57	Europhil Commercial Arcade Unit 1-8, G/F, Rizal Ext., Pob. Brgy. V, San Jose, Occidental	Electronic Bingo
		58	G/F Sicangco Bldg., Brgy. San Rafael, Tarlac City	Electronic Bingo
		59	Benry Square, McArthur Highway, Brgy. San Nicolas, Tarlac City	Electronic Bingo
		60	Manly Bldg., McArthur Highway Dalandanan, Valenzuela City	Electronic Bingo
		61	2ND Flr. FRC Mall, Kalinisan St., Zapote Bacoor Cavite	Electronic Bingo
		62	2/F North Walk 1 Complex, Jose Abad Santos Avenue, Brgy. Dolores, San Fernando City Pampanga	Electronic Bingo
		63	Puregold-Novaliches, #1018 Brgy. Sta. Monica, Quirino Highway, Novaliches, Quezon City	Electronic Bingo
		64	ATI Building, Don Domingo Centro 11, Tuguegarao City, Cagayan	Electronic Bingo
		65	Imall-Camarin, Kiko Road, Camarin, Caloocan City	Electronic Bingo
		66	GD PLAZA-Guiguinto, #8002 McArthur Highway, Brgy. Ilang-Ilang, Guiguinto Bulacan	Electronic Bingo
		67	2/F HBC Building, Norberto St., Poblacion, San Miguel Bulacan	Electronic Bingo
Cebu Entertainment Gallery, Inc., 100%	9/7/1998	68	Elizabeth Mall, Leon Kilat St., Cebu City	Bingo Games
First Leisure and Game Co., Inc., 100%	12/9/1997	69	Robinson Place-Bacolod, Lacson St., Mandalagan, Bacolod City	Bingo Games
		70	Lopue's Art District Bldg., Lacson Street, Mandalagan, Bacolod City	Electronic Bingo
		70.A	Lopues Mall, Lacson St., Mandalagan Bacolod City	Electronic Games

		71	Gustilo Town Center Provincial Road corner National Highway Manapla, Negros	Electronic Bingo
		72	Gaisano City Mall, Brgy. Singcang, Bacolod City	Electronic Bingo
		72.A	Gaisano Grand City Mall, Araneta St., Brgy. Singcang Airport, Bacolod City	Electronic Games
		73	Lower Ground Floor, Gaisano Capital Cagba, Brgy. Tugbo, Masbate City	Electronic Bingo
		74	Centro Mall, Lopez Avenue, Brgy. Batong Malake, Los Baños, Laguna	Electronic Bingo
		75	1/F and 2/F Door No. 5 Rosalie Building, Gaisano Grand Fiesta Mall, Cebu South Road , Brgy. Tabunok , Talisay City, Cebu	Electronic Bingo
		76	2/F Felcris Centrale, Quimpo Blvd., Brgy. 40-D, Davao City	Electronic Bingo
		77	Gaisano Grand - Digos, G/F unit 8 & 9 , Quezon Avenue Digos City, Davao Del Sur	Electronic Bingo
		78	G/F Doors 107 and 108, JLF Parkway Building A. Pichon Cor. Quirino Sts., Davao City	Electronic Bingo
		79	Amkor Building, Brgy. Tunasan, Muntinlupa City	Electronic Bingo
		80	Robinson Place Tagum, Purok Cacao, Brgy. Visayan Village, Tagum City	Electronic Bingo
		81	SM Lanang Premier, Jose P. Laurel Ave., Brgy. San Antonio Agdao, Davao City	Bingo Games
		82	Chimes Mall, Brgy. 27 C, Gov. Sales St. cor. Sta. Ana Avenue, Davao City	Electronic Bingo
		83	City Mall-Mandalagan, Lacson St., cor. G. M. Cordova Ave., Mandalagan, Bacolod City	Electronic Games
		83.A	City Mall-Mandalagan, Lacson St., cor. G. M. Cordova Ave., Mandalagan, Bacolod City	Electronic Bingo
		84	Plazuela de Iloilo Mall, Benigno Aquino Ave., Diversion Road, Mandurriao, Iloilo City	Electronic Bingo
Galleria Bingo Corporation, 100%	10/27/1998	-	Robinson's Galleria, EDSA, Quezon City (temporarily closed since June 1, 2018)	
Gamexperience Entertainment Corp, 100%	5/21/2013	85	G/F Greenhills Town Center, Granada St., Corner Valencia St., Brgy. Valencia, Quezon	Electronic Bingo
		85.A	G/F Greenhills Town Center, Granada St., Corner Valencia St., Brgy. Valencia, Quezon City	Electronic Games
		86	Pueblo Verde, Mactan Economic Zone-II-SEZ, Brgy. Basak, Lapu-lapu City	Electronic Bingo
		87	Gaisano Grand Mall-Mactan,	Electronic

			Basak-Marigondon Road Cor. Ibabao-Gisi-Agus Road, Lapu-lapu City, Cebu	Bingo
		88	Mactan Marina Mall, MEPZ 1, Ibo Lapu-Lapu City, Cebu	Electronic Bingo
G-One Gaming and Technology, Inc., 100%	4/6/1998	89	3/F SM City-Bacoor, Tirona Highway corner E. Aguinaldo Highway, City of Bacoor Cavite	Bingo Games
Grand Polaris Gaming Co., Inc. 100%	5/24/2013	90	SM City-Cauayan , San Fermin, National Highway, City of Cauayan Isabela	Bingo Games
		91	G/F Blocks 7 & 8 Roxas Boulevard, Sergio Osmeña Avenue, Roxas Isabela	Electronic Bingo
Highland Gaming Corporation, 100%	6/6/2000	92	Baguio Center Mall, Magsaysay Avenue, Baguio City	Bingo Games
		93	SM City-Baguio, Luneta Hills, Upper Session Road, Baguio City	Bingo Games
Iloilo Bingo Corporation, 100%	12/1/1999	94	SM City Iloilo, Iloilo City	Bingo Games
Isarog Gaming Corporation, 90%	4/24/1998	95	SM City- Naga, Brgy. Triangulo, Naga City	Bingo Games
		96	ALDP Plaza Mall, Roxas Avenue, Brgy. Triangulo, Naga City	Electronic Bingo
Manila Bingo Corporation, 95%	9/24/1997	97	SM City Fairview, Quirino Highway Fairview, Quezon City	Bingo Games
Metro Gaming Entertainment Gallery, Inc., 100%	6/24/1998	98	SM Supercenter Molino, Molino Road, Bacoor City, Cavite	Bingo Games
		99	168 Shopping Mall, Soler St., Binondo Manila	Electronic Bingo
		99.A	5th Floor, 168 Shopping Mall, Soler St., Divisoria, Manila	Electronic Games
		100	Pasay City Mall and Public Market Taft Ave. cor. Arnaiz Avenue, Pasay City	Electronic Bingo
		101	RSAM Bldg., Nasugbu, Batangas	Electronic Bingo
		102	Starmall-San Jose Del Monte Quirino Highway and Francisco Drive, Northwinds City, San Jose Del Monte City, Bulacan	Bingo Games
		103	Metro Towne Center ,2020 Marcos Alvarez Ave., Talon 5, Las Piñas City	Electronic Bingo
		104	G/F Berzon Bldg., National Highway, Brgy. Del Rosario San Fernando City, Pampanga	Electronic Bingo
Negrense Entertainment Gallery, Inc. 55%	4/24/2012	105	Robinson Place-Dumaguete, Calindagan Road, Dumaguete City, Negros Oriental	Bingo Games
		106	G/F City Mall Golden Field-Bacolod West Side, Araneta Ave., Bacolod City	Electronic Bingo
		107	G/F City Mall Dumaguete , Veterans Ave., National Highway, Daro Dumaguete City	Electronic Bingo

		108	Lee Plaza, IT Park, J. Romero Road, Brgy. Bagacay, Dumaguete City	Electronic Bingo
One Bingo Place, Inc., 80%	5/3/2000	109	SM City Manila, Arroceros St., Manila	Bingo Games
One Bingo Pavillion, Inc. 100%	1/28/2013	110	Puregold-San Pedro, Old National Highway cor. Magsaysay Blvd., Brgy. San Antonio, San Pedro Laguna	Electronic Bingo
		111	Sky 1 Building, McArthur Hi-Way, Bantay Ilocos Sur	Electronic Bingo
		112	Subic Park 'N Shop Building, 537 Rizal Highway, Subic Bay Freeport Zone	Electronic Bingo
		113	TLJ Building, Brgy. Mabiga, Malabacat City, Pampanga	Electronic Bingo
		114	S and R Centre De Venecia Ave., Nalsian Calasiao, Pangasinan	Electronic Bingo
Rizal Gaming Corporation, 100%	11/12/1998	115	G/F and 3/F Robinson Place-Cainta, Ortigas Avenue, Extension Brgy. Sto. Domingo Cainta Rizal	Bingo Games
		116	Ardi Commercial Complex, A. Bonifacio Ave. Parola Cainta Rizal	Electronic Bingo
		116.A	2/F Ardi Commercial Complex, A. Bonifacio Ave. Parola Cainta Rizal	Electronic Games
		117	ITSP Bldg., Ortigas Ave. Extension Brgy. San Isidro Taytay Rizal	Electronic Bingo
		118	Graceland Plaza-Marikina, J.P. Rizal Street Brgy. Lamuan, Mandalay, Marikina City	Electronic Bingo
		119	Hollywood Suites and Resort McArthur Highway, Ibayo Marilao, Bulacan	Electronic Bingo
		120	(RMR Square) Graceland Plaza-Tandang Sora, Tandang Sora Avenue, Quezon City	Electronic Bingo
		121	Luver's Market, M.H. del Pilar St., Brgy. San Rafael, Rodriguez Rizal	Electronic Bingo
		SG Amusement and Recreation Corp., 100%	8/24/2005	122
123	G/F Wilson Square Commercial Center, Wilson corner P. Guevarra Streets, San Juan City			Electronic Bingo
124	Hobbies of Asia, Macapagal Avenue, Pasay City			Electronic Bingo
125	San Juan commercial Building, F. Blumentritt cor. F. Manalo Sts. Brgy. Kabayanan, San Juan City			Electronic Bingo
126	SM Land Anza Bldg. Makati Ave. Cor Anza St., Bel -Air,			Electronic Bingo

			Makati City	
		127	Twin Lakes Tagaytay- Nasugbu Highway, Brgy. Dayap Itaas Laurel, Batangas	Bingo Games
South Bingo Corporation, 100%	12/10/1997	128	SM City-Davao, Quimpo Blvd. Cor. Tulip Drive Matina, Davao City	Bingo Games
		129	Victory Town Center, Lemery Batangas	Electronic Bingo
South Entertainment Gallery, Inc., 100%	12/13/2000	130	SM City-San Fernando, Brgy. San Jose, San Fernando City, Pampanga	Bingo Games
		131	SM Supercenter Tunasan, National Road, Brgy. Tunasan , Muntinlupa City	Bingo Games
		132	SM City Tarlac, MacArthur Highway Brgy. San Roque, Tarlac City	Bingo Games
		133	Robinson Calasiao, Bayombong Road and De Venecia Highway, Calasiao Pangasinan	Bingo Games
Summit Bingo, Inc., 60%	1/19/1999	134	New Street Building, McArthur Highway, Balibago, Angeles City, Pampanga	Electronic Bingo
Topnotch Bingo Trend, Inc. 100%	6/1/2009	135	SM City- Rosales (formerly SM Supercenter -Rosales) Carmen East, Rosales, Pangasinan	Bingo Games
		136	Metro Point Mall, EDSA cor. Taft Ave. & Zamora St., Pasay City	Bingo Games
		137	SM City- Batangas, Brgy. Pallocan West, Batangas City	Bingo Games
		138	SM City-Rosario, Gen. Trias Drive, Tejeros Convention, Rosario Cavite	Bingo Games
		139	SM City-Marikina, Barangay Calumpang, Marikina City	Bingo Games
		140	SM City Clark, Clark Field, Angeles City, Pampanga	Bingo Games
		141	2 SM City-Lipa, Lipa City Batangas	Traditional Bingo
		142	SM San Lazaro , Tayuman Manila	Bingo Games
		143	SM City-Taytay Brgy. Dolores, Manila East Taytay Rizal	Bingo Games
		144	#94 Timog Avenue , Quezon City	Electronic Bingo
		144.A	#94 Timog Ave., Brgy. Sacred Heart, Quezon City	Electronic Games
TOPMOST GAMING CORP. 100%	01/13/1998	145	2/F SM City- Novaliches Quirino Highway, Novaliches Quezon City	Bingo Games
		146	SM Hypermarket-Cainta, Imelda Avenue, Cainta Rizal	Electronic Bingo
		147	SM Hypermarket-Cubao, Main Avenue cor. EDSA Cubao, Quezon City	Electronic Bingo
		148	Fortune Plaza, MacArthur Highway, Balagtas, Bulacan	Electronic Bingo
		149	Sapphire Building, Govic	Electronic

			Avenue, Paulien Dirita, Iba, Zambales	Bingo
Worldwide Links Leisure and Gaming Corp., 100%	12/8/2011	150	Silver City, Frontera Drive cor. Julia Vargas Ave., Pasig City	Electronic Bingo
		151	Reliance IT Center, E. Rodriguez JR. Avenue, Brgy. Ugong Pasig City	Electronic Bingo
Bingo Parlor Owned Through An Affiliate/Equity:				
	Date of Organization	Location		
Insular Gaming Corporation, 40%	12/13/2000	152	G/F and Mezzanine, Berd's Bldg. Gen. Aguinaldo cor. B.S. Ong Sts., Iligan City	
Vinta Gaming Corporation, 50%	4/28/2003	2	Gaisano Mall, Koronadal, South Cotabato (temporary closed)	

Total Gamezone Xtreme, Inc. (TGXI)

TGXI is the assignee and purchaser of the assets, rights and interests of Digiwave Solutions, Inc. (DSI), the operator and licensee of Philippine Amusement and Gaming Corporation (PAGCOR) eGames stations. The company continues to expand its operations through rebranding of existing PAGCOR e-Games Station (PeGS), setting up new gaming venues in new locations, and acquiring existing branches from other operators.

PeGS outlets act as a medium where one can play in an online casino with players from other virtual stations. The total amount of bets placed in these online games is monitored by a centralized server run by the platform provider.

As of 31 December 2019, TGXI has 36 branches with a total 1,047 terminals.

Branch	Location	
BANAWE	1	2/F 238 Banawe Center, Banawe St., Manresa Quezon City
BF PARANAQUE 2	2	G/F R.F. Lopez Bldg., #6 N. Lopez Ave., Lopez Village, Brgy. San Isidro, Parañaque City
BIÑAN-1	3	EL Rancho Hotel, National Highway, Brgy. Canlalay, Biñan, Laguna
BIÑAN-2	4	G/F Kid Tower Mall, San Antonio Highway, Biñan, Laguna
BINANGONAN	5	#2 Bonifacio St., cor. National Road, San Carlos Heights Subd. Binangonan Rizal
CAINTA 4	6	2nd Fl. Saunterfield Place, Km. 20 Ortigas Ave., Ext., Brgy. Sto. Niño, Cainta Rizal
CARMONA	7	Unit 5 Paseo De Carmona, Governor's Drive, Brgy. Maduya, Carmona Cavite
CUEVAS VILLE/ MOLINO 2	8	Units 10 & 11, Bldg. 3, Daanghari, Cuevasville Commercial Center, Molino IV, Bacoar, Cavite
DEL MONTE	9	716 Del Monte Ave., Brgy. Talayan, Quezon City
DON ANTONIO	10	2nd Floor, Don Antonio Sports Center, Block 17, Lot 5, Holy Spirit Drive, Brgy. Holy Spirit, Commonwealth Ave., Quezon City
FESTIVAL MALL	11	Ground Floor, Parkway Lane, Festival Mall, Alabang Muntinlupa City
GUIGUINTO	12	GD Plaza-Guiguinto, 2/F #8002 McArthur Highway, Brgy. Ilang-Ilang, Guiguinto Bulacan
HILLSTOP	13	Hillstop Garden House Restaurant, Sumulong Highway, Brgy. Sta. Cruz, Antipolo City, Rizal
KARANGALAN	14	D'jet Commercial Bldg., Phase II-A, Lot C, NO.25-26, Imelda Ave. Karangalan Village, Pasig City
KATIPUNAN	15	Unit SF-206 Citigold Plaza, 175 Katipunan Ave. cor. Boni Serrano Ave, Quezon City
KAWIT	16	Unit 11 Bautista Arcade, Tirona Highway, Binakayan, Kawit, Cavite
MABALACAT 2	17	Stall #19 Pineda Bldg., 4, McArthur Highway, Mabiga, Mabalacat, Pampanga

MADISON	18	Unit 8, Ground Floor, Building B, Madison Square #4 Pioneer St., Mandaluyong City
MALABON	19	Unit G3 Francis Market, Gov. Pascual cor. M.H. del Pilar Sts., Tinajeros Malabon City
MANGGAHAN 1	20	2nd Floor, MS1 Building, Governor's Drive, Bo. Manggahan, Gen. Trias, Cavite
MAYBUNGA	21	2nd Floor SGC Bldg, 172 C. Raymundo Avenue, Brgy. Maybunga, Pasig City
MEYCAUAYAN	22	665-A McArthur Highway, Brgy. Bancal Meycauayan, Bulacan
PACO	23	Unit 3, Topmark Bldg., 1763 Paz Mendoza Guazon St., Paco Manila
PASO DE BLAS 1	24	2nd Floor , LB Bldg., Paso De Blas cor. Quirino Highway, Malinta Valenzuela City
PLARIDEL	25	Morante Bldg., 1421 Cagayan Valley Road, Plaridel Bulacan
SAN JOSE DEL MONTE	26	Umerez Compound, Tungkong Mangga, San Jose Del Monte City Bulacan
SAN MIGUEL	27	Total Gas Station, National Highway, Cagayan Valley Rd. Brgy. Camias, San Miguel, Bulacan
SAN RAFAEL	28	141 Cagayan Valley Rd., Brgy. Sampaloc San Rafael Bulacan
SILANG	29	Brgy. Buho Silang Cavite
SILVER CITY	30	Ground Floor, Silver City Bldg., Frontera Verde Drive cor. Doña Julia Vargas Ave., Brgy. Ugong Pasig City
STA MARIA	31	112-C Gov. Halili Ave., Brgy. Bagbaguin Sta. Maria, Bulacan
STA ROSA	32	Ground Floor, Puregold Valenzuela, 419 McArthur Highway , Dalandanan Valenzuela
STARMALL EDSA	33	2nd Floor Starmall, EDSA cor. Shaw Blvd. Mandaluyomg City
TUNASAN	34	G/F El Rancho Inn, National Highway cor. E. Rodriguez St., Tunasan, Muntinlupa City
VALENZUELA 2	35	Ground Floor, Puregold Valenzuela, 419 McArthur Highway , Dalandanan Valenzuela
VISAYAS AVE	36	2/F, MSK Building, 241 Visayas Avenue, Tandang Sora , Quezon City

Blue Chip Gaming and Leisure Corporation (BCGLC)

BCGLC has a contract with the Philippine Amusement and Gaming Corporation (PAGCOR) in connection with the VIP Slot Arcade Operation (PAGCOR VIP Club) at Pan Pacific Hotel, Manila, Paseo Premier Hotel, Sta. Rosa, Apo View Hotel, Davao, and Kings Royal Hotel, Bacolor. Pursuant to the said contract, BCGLC provides the gaming space, high end slot machines, furniture, fixtures, equipment and systems for the operations of the aforesaid VIP Slot Arcades. The wholly-owned subsidiary of BCGLC, Gold Coast Leisure World Corporation has a contract with PAGCOR for the PAGCOR VIP Club in Venezia Hotel, Subic Bay Economic Zone and Freeport.

First Cagayan Leisure & Resort Corporation (FCLRC)

On 03 February 2001, FCLRC and CEZA entered into a License Agreement authorizing FCLRC to set up a network operation/hub with its internet server including web sites, gaming software, application programs, administrative software, hardware, internet, as well as telecommunication connections, collection and payment system and toll-free telephone operations, all in connection with the development, operation and conduct of internet and gaming enterprises and facilities in CSEZFP. In line with this mandate, FCLRC was also authorized and licensed to conduct interactive games as defined in the License Agreement.

Subsequent to the signing of the License Agreement, FCLRC and CEZA signed a Supplemental Agreement which provides authority for FCLRC in the following capacity: (1) Appointment as Master Licensor for internet gaming activities and shall be responsible for monitoring all activities pertaining to the licensing and operation of interactive gamines in CSEZFP; (2) Assist CEZA in its functions as regulator for interactive gaming activities on behalf of CEZA in accordance with CSEZFP Interactive Gaming Rules and Regulations; (3) The authorization as Master Licensor shall be exclusive for twenty-five (25) years starting from 2006 until 2031; (4) Authorized to collect a sub-license fee to two percent (2%) of the gross winnings from the internet casino, in accordance with an agreed formula. Also, the Company is authorized to collect from sub-licenses, an annual fixed amount equivalent to \$48,000 for the first year of operations and \$60,000 thereafter, from sportsbook operators; and (5) the Company

must pay CEZA on a monthly basis to commence upon the start of actual operations, an amount equivalent to one percent (1%) of the monthly gross winnings payable not later than the seventh (7th) day of the subsequent month. Starting on the sixth (6th) year after the start of the Company's operation, it shall pay a minimum guaranteed amount of \$250,000 per year.

FCLRC proposed a Master Development Plan in keeping its authority under the License Agreement. The Master Development Plan will accordingly create a self-sustaining industrial zone and mixed-use new township in the CSEZFP with tourism and leisure as the lead sector to be developed.

The Master Development Plan as envisaged by FCLRC shall comprise of the three (3) phases with time frame of completion as follows:

Phase I: which shall be completed one (1) year after authorization of the CEZA BOD, includes telecommunication connectivity via microwave radio, upgrading of the existing internet data center, conversion of the CEZA Complex into a gaming facility, upgrading of the San Vicente naval Airport and construction of a new CEZA Administration Office;

Phase II: which shall be completed three (3) years from completion of Phase I, shall include the telecommunication connectivity via fiber optic, redundant telecommunication connectivity and construction of a leisure and resort complex;

Phase III: which shall be completed three (3) years from completion of Phase II, shall include the implementation of the Comprehensive Feasibility Study that will provide a complete telecommunication infrastructure for the whole of the CSEZFP and development of a beach front property into a leisure and gaming facility.

Previous years' developments significantly affected FCLRC's business and operations due to the issuance on 01 September 2016 by PAGCOR of the "Rules and Regulations for Philippine Offshore Gaming Corporations". The said PAGCOR Regulation was adopted to regulate the issuance of licenses which provide and participate in offshore gaming services or online games of chance via the Internet.

On November 24, 2017, FCLRC and CEZA signed a supplemental agreement which provides for the following: (1) CEZA retains the 25-year appointment of FCLRC as a non-exclusive Licensor for interactive gaming; (2) CEZA shall also grant appointment of FCLRC for land-based gaming after it has complied with all requirements; (3) To protect FCLRC's interest and investment as the pioneer Licensor, CEZA effectively restricted itself from directly issuing Gaming Licenses to FCLRC's current and previous licensees; (4) All applicants for gaming licenses from CEZA shall post the amount of USD100 million as an investment commitment. In consideration of the significant actual and future investments attributable to FCLRC, CEZA shall credit such investments towards the investment commitment compliance of applications for gaming licenses coursed through FCLRC.

As at 31 December 2019, there were 22 licensed locators, 9 of which are operational.

First Cagayan Converge Data Center, Inc. (FCCDCI)

FCLRC and IP Converge Data Center Corporation (IPCDCC), a wholly-owned subsidiary of listed firm IPVG Corp., formed a joint venture corporation with the name First Cagayan Converge Data Center, Inc. which was incorporated on 14 November 2007. FCLRC owns 60% of the outstanding capital stock of FCCDCI. This joint venture corporation was formed to engage in the business of information technology such as IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution, premium dial up access, voice over internet protocol (VOIP), IP-wide area network services and other value added services. Presently, FCCDCI provides a range of services to Internet Gaming Operators at the CSEZFP for a fee. These revenue streams include but are not limited to the following:

- connectivity using wide bandwidth capabilities
- physical housing of the server to host the Internet site, in a high security site
- high quality monitoring and maintenance services for the Internet infrastructure
- hosting services which include connection of servers and data networking equipment to the same monitoring and management system
- a range of call center services
- a range of value added services for ongoing operation of the Internet Site and management of the Internet Casino Site

- office space
- administration services which includes facilities management, server management and network monitoring
- payment and receipt of gaming funds services
- telecommunication services
- physical security and monitored access
- off-site storage of back up materials in secure premises
- second level help desk service that includes provision of a single answering point for operational, performance, reporting and commercial issues
- value added services, such as website monitoring, traffic analysis, marketing analysis, telemarketing, and customer relationship management among others.

FCCDCI commenced its commercial operations on 01 January 2008. In 2009, FCLRC and FCCDCI agreed to apply ₱3.75 million of FCLRC's cash dividend against the subscription payable to FCCDCI.

LR Data Center and Solutions, Inc. (LRDCSI)

LRDCSI is a technology company engaged in aggregating data and telecommunication services. LRDCSI's revenue model involves acquiring services from local and foreign technology and telecommunication companies at wholesale rates, bundling said services and then reselling the services at retail rates.

The premium for such activity is warranted given the bespoke and higher level of customer engagement provided by LRDCSI. LRDCSI's portfolio includes solutions related to data center co-location, Internet, private leased lines, mobile and video platforms, cybersecurity, content delivery networks, e-commerce, and network and website optimization. LRDCSI aims to provide these services to customers and clients in the industry sectors including land based and online gaming operators. LRWC owns 80% of the outstanding capital of LRDCSI while one of the incorporators owns the remaining 20%.

LRDCSI commenced its commercial operations on October 1, 2017.

AB Leisure Global, Inc. (ABGLI)

AB Leisure Global Inc. (ABGLI) and Leisure and Resorts World Corporation (LRWC) entered into various agreements with Belle Corporation (Belle), Premium Leisure and Amusement, Inc. (PLAI) and Belle Grande Resource Holdings, Inc. (Belle Grande) which secured for ABGLI a 30% share of Belle's and PLAI'S economic interests in the City of Dreams-Manila Integrated Resort and Casino located at Aseana Business Park, Paranaque City.

On 04 November 2016, Belle and PLAI ("Belle Group") signed a Termination Agreement with LRWC and ABGLI ("LRWC Group"), which would enable the latter to realize its interests under its existing agreements with the Belle Group. Under the agreement, Belle Group will pay the LRWC Group a total of P5,090.0 million, with P1,018.0 million paid upon signing and the balance at the end of March 2017. Until the finalization of the transaction, ABGLI will continue to share in the net lease income and gaming revenue of Belle Group.

The Termination Agreement was finalized on 31 March 2017. ABGLI received P4,072.0 million, which comprised of: (1) payment for an outstanding loan of Belle Group to ABGLI amounting to P3,762.0 million; and (2) P310.0 million, of which P110.5 million was a collection of the advances made to Belle while the remaining P199.5 million was lodged under "Other Income" in the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income, representing assignment of rights in relation to the Advisory services rendered to the Philippine Consortium in favor of Belle. Effective 31 March 2017, ABGLI shall be deemed to have divested its economic interest in the City of Dreams-Manila Integrated Resort and Casino.

In 2017, ABGLI incorporated 7 direct and indirect subsidiaries as follows:

Company	Incorporation Date	Nature of Business
AB Leisure Asia Holdings Inc.	August 30, 2017	Holding Company
AB Leisure Holdings Philippines Corp.	September 6, 2017	Holding Company
G-L Real Estate JV Corporation	September 15, 2017	Real Estate/Leasing
G Boracay Land Holdings Inc.	October 10, 2017	Holding Company
G Boracay Alpha Holding Corp.	October 18, 2017	Holding Company

G Boracay Beta Holding Corp.	October 18, 2017	Holding Company
G Boracay Gamma Holding Corp.	October 18, 2017	Holding Company

In October 2017, LRWC signed an Omnibus Loan and Security Agreement (OLSA) for P2,500 million with BDO Unibank, Inc. - Trust and Investment Group as Security Trustee and LRWC as Surety. As disclosed, the OLSA was executed to partially fund the acquisition of parcels of land for the planned resort development in Boracay.

LR Land Developers, Inc. (LRLDI)

In 2010, LRLDI entered into an agreement with Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation (CLPDC), both third parties and corporations incorporated in the Philippines, to finance the construction of the airport at Lal-lo, Cagayan. The terms and conditions of the agreement include the following: (1) LRLDI agrees to invest funds or make advances into the Lal-lo Airport Project of CPVDC through a convertible loan in favor of CLPDC of a maximum of P700 million. CPVDC shall only use the advances to finance its capital expenditures and working capital requirements related to the construction development of the airport; (2) LRLDI shall have the right to convert, in whole or in part, the outstanding amount of the advances at the time of the conversion, into new, unissued common shares of CLPDC subject to mutually agreed conversion price per conversion share; (3) CLPDC acknowledges and agrees that the advances will be directly received by CPVDC; and (4) CLPDC shall execute a separate agreement with LRLDI which provides for the specific procedures and details of borrowing, execution of the conversion and or repayment.

The construction of the airport is in line with the Master Development Plan with CEZA within the CSEZFP. LRLDI and FCLRC have significant operations within the CSEZFP which will benefit from the construction of the airport. The construction of the airport is expected to be finished by the first quarter of 2014 when all the documents needed by the Civil Aviation Authority of the Philippines are submitted.

The Group intends to convert portion of the advances into shares of stocks upon consolidation and issuance of land titles.

LRLDI has significant land properties in Cagayan which are carried at fair value.

Competition

ABLE

ABLE manages to stay on top of competition with its extensive network of bingo parlors, and by continuing the development of new parlors and game products. Consolidated sales grew by P309 million or 4.5% from P6,802.5 million in 2017 to P7,111.5 million in 2018.

Ever mindful of the growing major competitors such as Bingo Mania, Bingo Amusement Corporation, as well as small players and new entrants, ABLE sustains its market presence by aggressively offering huge jackpot payouts and launching new products to attract more players. Based on informal surveys, ABLE estimates its market share of the traditional bingo to be 35% to 40% in the last 3 years.

TGXI

TGXI has successfully established its position as one of the major front runners among PeGS operators in the country through the acquisition of Digiwave Solutions, Inc (DSI) and by continuously increasing its number of PeGS gaming terminals. PEGS are open 24 hours a day, 7 days a week and are located all over Metro Manila and nearby areas.

BCGLC

BCGLC and GCLWC are competitive with other game operators because of the expertise of its management team in the selection of top of the line & popular slot machines to cope with market demand. Also, the team is effectively managing the venues with appropriate marketing & promotions for the targeted audience.

FCLRC

Being the master licensor of Internet gaming in Southeast Asia, FCLRC is in the forefront in leading the Cagayan Free Port as the premier i-Gaming licensing jurisdiction.

Major Suppliers

ABLE

Currently, ABLE sources its bingo cards and supplies mainly from BK Systems Philippines, exclusive distributor of Bingo King, USA, one of the world's largest manufacturers and suppliers of bingo cards and bingo related products.

In 2002, ABLE entered into a Lease and Technical Assistance Agreement with FBM Gaming Arizona, Inc., to provide the necessary equipment, systems, facilities and technical support for the conduct and operation of Electronic Bingo Games.

In 2005, ABLE entered into a Memorandum of Understanding with Intralot S.A. Integrated Lottery Systems and Services to supply state-of-the-art hardware/software machines, equipment and accessories for the operation and conduct of computerized "on-line" bingo system known as the Rapid Bingo.

In 2007, ABLE entered into a Lease and Services Agreement with Dingo Systems, Inc. to supply and lease gaming equipment and systems for the operation of the "Dingo Thunder Series System and Games".

In 2011, ABLE and Intralot S.A. Integrated Lottery Systems and Services amended its Equipment Lease and Services Agreement which includes: (1) Assignment of parent company Intralot S.A. Integrated Lottery Systems and Services to Intralot, Inc. and (2) Extension of Equipment lease and Services Agreement from its original scheduled expiration in August 2010 to September 2015.

In 2013, ABLE and Intralot, Inc. entered into a new Equipment Lease and Services Agreement covering a new system and upgraded equipment, with a provision that the contract mentioned in the preceding paragraph automatically terminates on the date that the new Bingo System is ready to accept bets.

Also in 2013, ABLE entered into a System Lease and Technical Assistance Agreement with Gaming Arts, LLC to provide license to their Optima Bingo Software and to lease certain elements of Equipment (collectively the "System") and to render technical support for the conduct and operation of the System.

BCGLC

As of December 2017, BCGLC has 920 slot machines which are supplied by Aristocrat (Australia), IGT (USA), Scientific Gaming (USA), Konami (Japan), Jumbo (Taiwan) and Alfastreet (Slovenia). The PAGCOR VIP CLUBS only caters to its registered members.

Dependence if any to Major Customers

The Company and its subsidiaries are not dependent upon a single customer or a few customers, the loss of any or more of which would not have a material adverse effect on the company and its subsidiaries taken as a whole.

Patents, trademarks & licenses

ABLE

PAGCOR granted ABLE and its subsidiaries/affiliates (the Group), the authority to operate bingo halls pursuant to Presidential Decree No. 1869 (P.D. 1869). In consideration for the Grants, the Group shall pay PAGCOR 20% of its gross cards sales, representing franchise fees and taxes, which shall be remitted to PAGCOR on weekly basis. Pursuant to P.D. 1869, the BIR Franchise Tax shall be in lieu of all kinds of taxes, levies, fees or assessments of any kind, nature or description, levied, established or collected by any municipal, provincial, or national government authority. The Group deposited cash and performance bonds with PAGCOR to ensure due observance of and faithful compliance with the terms and conditions of the Grants.

In 2008, PAGCOR approved and issued to its bingo grantees the Bingo Regulatory Order No. 2008-01 entitled "Modified Computation of the Five Percent (5%) Franchise Tax". The regulation modified the basis for the computation of the BIR Franchise Tax being remitted to PAGCOR by the bingo grantees for their Traditional Bingo operations as follows: fifteen percent (15%) of its gross receipts from bingo card sales (representing PAGCOR share), and five percent (5%) of its gross revenue (i.e. gross sales less payouts), representing BIR franchise tax retroactive to 01 January 2008.

On 13 June 2000, PAGCOR granted ABLE the authority to be the primary and exclusive distributor of the Instant Charity Bingo Game II (ICBG2) cards to complement its existing bingo game operations pursuant to Presidential Decree No. 1869. In consideration for the Grant, ABLE shall pay PAGCOR, upon withdrawal of Instant Charity Bingo Game II cards, the regulatory fee of 12.5% of the gross sales value of the cards sold/purchased. However, because of the poor sales performance, ABLE discontinued the distribution of the cards during 2005 and wrote off the unsold cards amounting to ₱10,197,124.00 million in 2005. On 02 February 2007, ABLE received a letter from PAGCOR stating the conditions to continue the operations of ICBG2. On 12 December 2008, ABLE resumed commercial operations of ICBG2 scratch cards.

On 08 May 2001, PAGCOR granted the Group the authority to operate and conduct Electronic Bingo Games (E-bingo). In consideration for the Grants, ABLE shall pay PAGCOR 60% (representing 5% BIR franchise tax and 55% PAGCOR franchise fee) of their gross revenues from E-bingo operations. Starting 01 May 2010, ABLE shall remit to PAGCOR 52.5% of the gross revenues from E-bingo games to be distributed as follows: 5% representing BIR franchise tax and 47.5% as PAGCOR franchise fee.

On 03 August 2005, PAGCOR granted ABLE, the authority to distribute and sell pull-tabs or break-open cards in all branches and subsidiaries of ABLE. Distribution and sales of pull-tabs or break-open cards followed thereafter. In consideration of the Grant, ABLE shall pay PAGCOR 15% of gross card price, which will be remitted to PAGCOR upon draw-down of cards from the supplier regardless of quantity of cards sold.

On 27 September 2005, PAGCOR granted the Group, the authority to operate and conduct rapid bingo games, subject to the approved terms and conditions of the New Rapid Bingo System (NRBS) operations and the use of the prescribed NRBS card format. In consideration of the Grant, the Group shall pay PAGCOR 15%, representing franchise fees and taxes, of its gross sales from its conduct and operations.

On 20 June 2007, Philippine Congress passed Republic Act No. 9487, an act further amending P.D. 1869, otherwise known as the PAGCOR Charter. PAGCOR was granted from the expiration of its original term on 11 July 2008, another period of twenty-five (25) years, renewable for another twenty-five (25) years.

In September 2016, ABLE received notices from PAGCOR informing that the PAGCOR's Board of Directors issued an order to ABLE and its subsidiaries to immediately cease the operations of its E-Bingo games at its 36 sites due to non-compliance with the distance restriction guidelines under Section 2 of Regulation 3 of the Gaming Site Regulatory Manual (GSRM) for Bingo Games version 2.0. In response to this, LRWC sent a letter of reconsideration to PAGCOR. Should reconsideration be not given, E-Bingo operations at said sites will be transferred to compliant locations. Consequently, ABLE received via email, notices from PAGCOR of the approval by the PAGCOR's BOD to recall the revocation to operate E-Bingo. 20 E-Bingo sites resumed its operations by virtue of the aforesaid approval. The approval was based on the recommendation of PAGCOR's Gaming Licensing and Development Department (GLDD) and the legal opinion of its Corporate and Legal Services Department (CLSD) to honor the licenses of operators whose gaming sites are located inside malls, arcades and hotels and consider them exempted from distance requirements.

The PAGCOR's BOD allowed the resumption of E-Bingo operations until the respective expiration of the licenses of the sites which are renewable every two years. PAGCOR's BOD, GLDD and CLSD are still in the process of studying whether they will permanently maintain the exemption of malls, arcades and hotels from the distance requirements. PAGCOR further allowed the re-opening of 10 sites bringing the remaining closed E-bingo operations as of 31 December 2017 to 6.

For all bingo venues, the Group has secured all other necessary licenses and permits at the local government level.

TGXI

Due to the expiration of IPLMA license of Philweb last 10 August 2016, TGXI closed 3 of its sites as well as 1,494

terminals in its 51 other sites. The following month, TGXI received notices from PAGCOR informing that the PAGCOR's Board of Directors issued an order to immediately cease the operations of its Electronic Games at its 17 sites due to non-compliance with the distance restriction guidelines under Section 2 of Regulation 3 of the Gaming Site Regulatory Manual (GSRM) for Electronic Games version 2.0. In response, LRWC sent a letter of reconsideration to PAGCOR. Should reconsideration be not given, the Electronic Games operations at said sites will be transferred to compliant locations. Subsequently, PAGCOR allowed the re-opening of 5 sites.

The company continues to expand its operations through rebranding of existing sites, setting up new gaming venues in new locations, and acquiring existing branches from other operators. As of 31 December 2019, TGXI has 36 branches with a total 1,047 terminals.

BCGLC

To comply with the requirements of doing business in the Subic Special Economic Zone, the PAGCOR VIP Club at Venezia Hotel, Subic Bay Special Economic Zone with PAGCOR is with Gold Coast Leisure World Corporation (GCLWC), a wholly owned subsidiary of BCGLC.

PIKI

On 26 July 2013, PIKI and the PAGCOR executed a Junket Agreement to jointly conduct junket gaming operations within PAGCOR's Casino Filipino-Midas located at Midas Hotel and Casino in Roxas Boulevard, Pasay City. The Junket Agreement is effective for a period of three (3) years and renewable at the option of PAGCOR.

Concurrent with the execution of the Junket Agreement with the PAGCOR, PIKI executed a Sub-Agency Junket Agreement wherein PIKI and the Sub-Agent will jointly conduct junket gaming operations in accordance with and under similar terms and conditions as the PAGCOR Junket Agreement.

On 13 September 2013, the parties executed a Supplement Junket Agreement to offer supplementary services to enhance the existing junket gaming operations within PAGCOR's Casino Filipino-Midas. The Supplementary Services will allow PAGCOR and PIKI to tap into foreign gaming markets in order to attract foreign tourist arrivals in the Philippines.

The Supplementary Services shall include operating gaming tables equipped with high definition video cameras, VOIP facilities, internet data facilities, among others, which shall allow PIKI to broadcast PAGCOR-approved table gaming activities from within the gaming rooms to PAGCOR-approved locations outside the Casino Filipino-Midas.

All contracts with PAGCOR have been renewed and are valid as of reporting date.

Hotel Enterprises of the Philippines, Inc. (HEPI)

On 08 December 2011, HEPI and PAGCOR executed a Contract of Lease for the operation of a casino on the ground floor, second floor, and penthouse of Midas Hotel and Casino. The term of the lease is ten (10) years, renewable at the option of PAGCOR. In consideration of the lease, PAGCOR shall pay HEPI the amount of ₱9.36 million per month, payable within the first fifteen (15) days of the succeeding month.

Also on same date, HEPI and PAGCOR entered into a Marketing and Cooperation Agreement which shall be co-terminus with the Contract of Lease. Under the Marketing and Cooperation Agreement, HEPI shall formulate the marketing, advertising, and promotion of the casino while PAGCOR shall provide the necessary expertise for the day-to-day operation of the casino. HEPI and PAGCOR agreed to share in net monthly gaming revenues of the casino (total bets placed less payouts less 5% franchise tax) in the following proportion:

- a) 65% to PAGCOR
- b) 35% to HEPI

HEPI is required to devote another 5% of the net monthly gaming revenues (taken from HEPI's share) exclusively for advertising, publicity, marketing and promotional activities for the casino.

FCLRC

By virtue of CEZA Board Resolution No. 05-003-01, dated 30 May 2001, FCLRC was granted by CEZA the

exclusive authority as Master Licensor of internet gaming games and facilities in the CSEZFP for a renewable period of 2 years. CEZA also authorized FCLRC to assist CEZA in its functions as a Regulator of interactive gaming activities. Said appointment of FCLRC as Master Licensor was extended for 25 years by CEZA under Board Resolution No. 09-002-06, dated 15 September 2006. The same resolution also granted FCLRC the authority to manage and operate the telecommunication facility in CSEZFP.

On 24 November 2017, FCLRC and CEZA signed a supplemental agreement which provides for the following: (1) CEZA retains the 25-year appointment of FCLRC as a non-exclusive Licensor for interactive gaming; (2) CEZA shall also grant appointment of FCLRC for land-based gaming after it has complied with all requirements; (3) To protect FCLRC's interest and investment as the pioneer Licensor, CEZA effectively restricted itself from directly issuing Gaming Licenses to FCLRC's current and previous licensees; (4) All applicants for gaming licenses from CEZA shall post the amount of USD100 million as an investment commitment. In consideration of the significant actual and future investments attributable to FCLRC, CEZA shall credit such investments towards the investment commitment compliance of applications for gaming licenses coursed through FCLRC.

Government Regulations

ABLE

ABLE is the biggest contributor to the Company's gross revenue. Bingo Bonanza is the trade name used by ABLE in its traditional and electronic bingo gaming operations.

Prior to April 2013, ABLE and its subsidiaries have been paying only the 5% franchise tax due to the following legal guidelines provided to ABLE by PAGCOR in the previous years.

Effective 01 November 2005, Republic Act No. (R.A.) 9337, "An Act Amending the National Internal Revenue Code, as Amended, with Salient Features," particularly Section 27 (c), excluded PAGCOR from the provision which identifies government-owned or controlled corporations or agencies exempted from the corporate income tax.

The management believes that ABLE's payment of 5% Franchise Tax to the Bureau of Internal Revenue (BIR) was effectively equivalent to the payment of corporate income tax. Based on consultations with tax advisers, the management also believes that the collection of income tax in addition to the 5% Franchise Tax has no legal basis.

Pursuant to P.D. 1869, also known as PAGCOR Charter and as amended by R.A. 9487, the 5% Franchise Tax shall be in lieu of all kinds of taxes, incurred or otherwise, levies, fees or assessments of any kind, nature or description, levied, established or collected by any municipal, provincial, or national government authority. This exemption inures to the benefits of corporations, associations, agencies or otherwise, or individuals with whom PAGCOR has a contractual relationship in connection with the operations of casinos under the PAGCOR Franchise. Thus, the exemption referred to under PD 1869 is extended to its Bingo grantees/licensees.

In accordance with PAGCOR's directives, the Company continued to abide by the provisions of P.D. 1869 (as amended by R.A. 9487) whereby it paid the 5% Franchise Tax.

In view of the above, management has not provided for provision for income tax in previous years up to the first quarter of 2013.

The applicability of RMC No. 33-2013 was clarified by PAGCOR in a Memorandum dated 09 July 2013 stating: "Pursuant to RMC No. 33-2013, PAGCOR's contractees and licensees, which include bingo grantees, are subject to income tax, under the National Internal Revenue Code (NIRC), as amended, and no longer subject to the 5% franchise tax. In view thereof, please be advised that effective the second quarter of this year, bingo grantees should no longer remit the 5% franchise tax. However, you ("bingo grantees") are now subject to income tax."

Hence, for the third quarter of 2013, ABLE has stopped paying the 5% Franchise Tax to PAGCOR and began recognizing provisions for income tax instead. For the year ended 31 December 2017, provision for income tax amounted to P97.14 million.

In 2017, ABLE's business and operations were significantly affected by the signing of Executive Order (EO) No. 26 (Smoking Ban) which prohibits smoking within enclosed public places and public conveyances, except in

“Designated Smoking Areas” fully compliant with the standards set in the EO.

On April 6, 2018, PAGCOR issued a Memorandum, through its Assistant Vice President, GLDD, stating that on April 4, 2018, PAGCOR’s BOD approved the reversion to 5% Franchise tax on income from bingo game operations and bingo sites. The implementation of the 5% Franchise tax on bingo game offerings shall take effect on the first quarter of 2018. By the virtue of the memorandum issued, ABLE no longer recognized provision for income tax in the first quarter of 2018.

FCLRC

As exclusive Master Licensor for interactive operations in the CSEZFP, FCLRC is entitled to tax incentives under Section 4c of RA No. 7922 (CEZA law). No taxes, local and national shall be imposed on business establishments operating within the CSEZFP. In lieu of paying taxes, FCLRC shall pay and remit to the National Government 5% of their gross income less allowable deductions. Gross income shall refer to gross sales or gross revenues derived from business activity within the CSEZFP, net of sales discounts, sales returns and allowances and minus costs of sales or direct costs but before any deduction is made for administrative, marketing, selling and/or operating expenses or incidental losses during a given taxable period.

In the local scene, recent developments significantly affected FCLRC’s business and operation in the last quarter of 2016 because of the issuance on 01 September 2016 by the Philippine Amusement and Gaming Corporation (PAGCOR) of the “Rules and Regulations for Philippine Offshore Gaming Corporations.” The said PAGCOR Regulations was adopted to regulate the issuance of licenses to entities which provide and participate in offshore gaming services or online games of chance via the internet.

BCGLC

Pursuant to Presidential Decree No. 1869, the Company shall pay PAGCOR equivalent to five (5%) of its gross revenues in relation to its sublease contract with PAGCOR. Such consideration shall represent the Bureau of Internal Revenue (BIR) Franchise Tax. The Franchise Tax shall be deducted by PAGCOR from its lease payments and shall be remitted to the BIR on behalf of the Company on a monthly basis.

Transactions with and/or Dependence on Related Parties

The Company’s transaction with its subsidiaries and/or affiliates consist mainly of non-interest-bearing advances to and from subsidiaries and/or affiliates, officers, and employees which are subject to liquidation within 12 months from date granted or collectible in cash upon demand.

LRWC likewise charged management fees to subsidiaries in 2017.

Research and Development

ABLE

Development of other bingo games/variants does not require that much expenditure since most are only ideas developed by ABLE’s marketing people. ABLE also participates in Bingo and related gaming trade shows to evaluate if new games offered may be introduced to its own operations. The expenses in attending these trade shows are not significant.

FCCDCI

Telecommunication facilities and services of FCCDCI are continuously updated to the latest advances in hardware and software technology to ensure that FCCDCI’s clients are provided with quality broadband and high-speed data services.

Cost and effects of compliance with environmental laws

All ABLE and affiliate bingo parlors have complied with the provisions of Smoking Ordinances issued by most local government units. All bingo parlors have made provisions in its playing area to accommodate smokers and non-smokers alike. Future expansions and parlor upgrades will incorporate enclosures and advanced air-purifying systems. Same goes with TGXI’s PeGs and BCGLC’s arcades.

FCLRC also complies with environmental laws being enforced by CEZA in the Cagayan Special Economic Zone and Free Port (CSEZFP).

Employees

LRWC has 239 and 291 employees in 2019 and 2018, respectively. ABLE and its subsidiaries have a total headcount (including personnel provided by manpower agencies) of 2,259 and 1,609 in 2019 and 2018 respectively, while TGXI has 440 in 2019 and 346 in 2018. On the other hand, FCLRC has 24 employees in 2019 and 22 employees in 2018, whereas BCGLC decreased its employees to 50 in 2019 from 58 employees in 2018. In 2019, PIKI has 3 employees. For the year 2019, the Company and its subsidiaries did not have major changes in their employment portfolios. Their employees are not subject to a collective bargaining agreement. The Company does not have a stock option plan as part of its remuneration to all directors and senior management.

Major Risks Involved in the Business

The Company anticipates a slowdown of revenue due to the government's prohibition against mass gatherings and the imposition of a Community Quarantine over the entire NCR pursuant to the Memorandum from the Executive Secretary issued in reference to Joint Resolutions Nos. 11 and 12 (s.2020) of the *Inter-Agency Task Force for the Management of Emerging Infectious Disease (IATF)*. In line with this, PAGCOR issued a Memorandum on 15 March 2020 directing all licensed casinos and gaming sites situated within NCR to temporarily cease gaming operations by midnight on 15 March 2020 until midnight of 14 April 2020 or until the NCR community quarantine is lifted or extended.

In light of the issuance of Resolution No. 41 (Series of 2020) dated 29 May 2020 by the IATF, on 5 June 2020, PAGCOR issued a Memorandum on the *Resumption of Operations of Gaming Sites for Bingo, Electronic and Poker Games* allowing gaming operations to resume in geographical areas classified under the Modified General Community Quarantine, subject to compliance with *Health and Safety Standards for Resumption of Operations of Gaming Sites, as amended*, issued by PAGCOR, and other conditions to ensure COVID-19 Prevention.

In view of the foregoing, the Company has been complying with the mandatory quarantines (and promote voluntary quarantines), social distancing measures, and reduced operational capacity. The Company is constrained to take added measures like testing employees' temperatures and sanitizing the workplace, among other protective measures.

The Company is doing its best to quantify and communicate what it considers as changes to its baseline forecasts given the still-evolving nature of the disruption.

ABLE

ABLE and its subsidiaries operate bingo parlors. By the nature of the business (gaming), there is a risk of possible non-renewal of business permits by the local governments. To counter this risk ABLE and subsidiaries obtained ordinances to do business from the respective local Legislative Councils. The business is located in high traffic areas, specifically in SM and Robinson malls, thus, there is also risk of difficulty in finding similar high traffic areas should the lease contracts not be renewed upon expiration. ABLE has expanded to other locations so the effect of non-renewal of one or two leases will not have significant effect on ABLE's results of operations.

FCLRC

As revenues are dependent to locators whose business is internet gaming operations outside the Philippines, potential or future government regulations in countries where internet gaming operations is presently allowed, can be considered as a major business concern for FCLRC.

Properties

The major assets of the Company and its subsidiaries are: land, building, furniture & fixtures, leasehold improvements, slot machines, bingo equipment and paraphernalia. FCLRC and LRLDI own parcels of land within and outside the vicinity of Cagayan Special Economic Zone Free Port.

ABLE and its subsidiaries lease bingo parlors ranging in size from 90 to 2,000 square meters located in major shopping malls in Metro Manila and in key provincial cities. Lease term ranges from one (1) to five (5) years. All lease agreements have provisions for renewal subject to terms and conditions mutually agreed upon by all parties. All lease payment computations are based on a fixed rate per square meter of occupied space or on a certain percentage of bingo cards sales.

In 2017, ABLGI, through its subsidiary, acquired 23 hectares of land in Malay, Aklan for its future project.

Legal Proceedings

Legal proceedings to which the Company or any of its subsidiaries is a party:

Except for the following, there are no other material legal proceedings to which the Company or any of its subsidiaries is a party:

A. AB LEISURE EXPONENT, INC.

1. AB Leisure Exponent, Inc. vs. Katheryn C. Baluyot
I.S. No. XV-14-INV-191-01517
Pasig City Prosecutor's Office

Case Summary:

AB Leisure Exponent, Inc. filed a criminal complaint for Qualified Theft before the Pasig City Prosecutor's Office against Katheryn Baluyot, the company's former cash flow custodian of the Treasury Department. The company alleged that on 16 May 2019, Katheryn took with intent to gain the amount of Php1,750,000 cash entrusted to her for deposit to the company's bank account. The investigating prosecutor dismissed the Complaint-Affidavit due to lack of direct evidence of the culpability of Katheryn. The company filed its Motion for Reconsideration, which is now pending for resolution of the City Prosecutor's Office.

B. AB LEISURE GLOBAL, INC.

1. Ramona Tumaca et al. vs. AB Leisure Global, Inc., et al.
Civil Case No. 18-00825 - For Specific Performance
Regional Trial Court Branch 147, Makati City

Case Summary:

This is a case for Specific Performance and Reconveyance of Property against LRWC subsidiaries in connection with a parcel of land denominated as Lot No. 7322 in Barangay Manoc-Manoc, Boracay Island. Said property was purchased by the subsidiaries from the heirs of Catalino Maming in 2017 using the proceeds of a loan from BDO Unibank, Inc, and is presently mortgaged to the same bank.

Among other incidents, there is a pending motion from one of the plaintiffs, Ramona Tumaca, to withdraw as plaintiff, citing her lack of knowledge of and consent to the filing of the case. Action on this matter is not expected until a new judge is appointed to RTC Branch 147, the sala of which remains vacant to this day.

C. BINGO EXTRAVAGANZA, INC.

1. Bingo Extravaganza, Inc. vs. Marlyn R. Mamaril, Michel Gabisan, and Guenevere C. Villanueva
NPS- Docket No. V-17-20B-0137 for Qualified Theft
Puerto Princesa City, Palawan Prosecutor's Office

Case Summary:

This is a criminal complaint filed by the company against respondents Mamaril and Gabisan, who were the cashiers on duty on 24 October 2019 at our Bingo Boutique branch in Puerto Princesa City, Palawan. They loaded betting credits to the *Instawin* player's account of respondent Villanueva in the total amount of Six Hundred Sixty Three Thousand Five Hundred Forty Nine Pesos and Eighty Four Centavos (Php663,549.84) even if the latter did not pay for the amount of credits loaded. The case is pending for resolution of the investigating prosecutor.

D. BINGO PALACE CORPORATION

1. People vs. Noli Balistoy y Balla, Raynier Reyes Cristobal, and Reyford Jefferson Balistoy
Criminal Case No. 1888-6-18 for Robbery
Regional Trial Court Branch 283, Valenzuela City

Case Summary:

Bingo Palace Corporation's Bingo Boutique branch at Manly, Valenzuela City, was robbed by unidentified persons on July 11, 2018. The robbers took the sales of the branch in the total amount of One Hundred Ninety One Thousand Pesos (Php191,000). The police conducted a manhunt and eventually captured the robbers. The instant robbery case was filed against the accused.

E. BLUE CHIP GAMING AND LEISURE CORP.

1. People of the Philippines vs. Josie M. Duncil (2015 case)
Criminal Case No. 21155, 21156, 21157, and 21158
Regional Trial Court Branch 42, San Fernando City, Pampanga

Case Summary:

This is a criminal case filed by Blue Chip Gaming and Leisure Corporation against Josie M. Duncil (Josie), its former Human Resource and Administrative Officer, for violation of Article 310 of the Revised Penal Code (Qualified Theft). Josie was the cash custodian of the company in its PAGCOR VIP Club (VIP Club) in Bacolor, San Fernando City, Pampanga. The company alleged that from September 2009 to February 2013, Josie took without its permission the total amount of One Million Three Hundred Twenty Seven Thousand Pesos (Php1,327,000). Said amount stolen was the excess of the budget for advertising and promotions, cigarette sales, and the excess of the budget for the afternoon snacks of the players of the VIP Club. The court issued Warrants of Arrest but until now Josie remains at large. The records of this case were sent to the Archives and to be revived upon the arrest of the accused.

F. HOTEL ENTERPRISES OF THE PHILIPPINES, INC.

1. People of the Philippines vs. Hernando Bruce ((2016 case)
Criminal Case No. R-PSY-15-10408-CR
Regional Trial Court Branch 114, Pasay City

Case Summary:

This is an estafa case under Art. 315 of the Revised Penal Code filed by Midas Hotel and Casino/Hotel Enterprises of the Philippines Inc. against its customer, Hernando Bruce, who introduced himself as a bishop of a religious organization. He used the Midas Tent for his groups' gathering on 20 March 2015 attended by 150 persons. After the event, he and the members of the organization left the hotel without paying the hotel facilities that they used and the food and beverages they consumed in the total amount of One Hundred Fifty Thousand

Pesos (Php150,000.00), to the damage and prejudice of the company. The accused jumped bail. He remains at large until now. The records of this case were sent to the Archives and to be revived upon the arrest of the accused.

2. People of the Philippines vs. Cheryl Go
Criminal Case No. M-PSY-18-36003-CR
Metropolitan Trial Court Branch 45, Pasay City

Case Summary:

Nature: Criminal Case for Violation of BP 22

Background:

Accused Cheryl Go, an event coordinator, booked rooms and facilities of the hotel for an event to be attended by 100 persons. During the preparation and signing of the contract, Cheryl offered to settle through check payment the total contract price of Php1,148,500. She assured that the check was fully funded when presented for payment. Due to the insistence of Cheryl, the manager accepted the check representing the contract price. After the event, however, when the check was presented for payment, the bank returned the check being drawn against an insufficient fund. Hence, HEPI instituted the instant case. During the mandated Court-Annexed Mediation, the parties entered into a Compromise Agreement, wherein Cheryl promised to pay the amount with interest within 6 months in the total amount of Php1,497,194.20. Cheryl eventually failed to pay said amount leading to HEPI to file a motion to revive the case. Cheryl filed a Comment. The Motion to Revive is deemed submitted for Resolution.

3. People of the Philippines vs. Rosanna "Rose" Demiar
Metropolitan Trial Court Branch 46, Pasay City

Case Summary:

This is a consolidated criminal case covering sixteen (16) counts of violations of Batas Pambansa Blg. 22 against Ms. Rosanna "Rose" Demiar (Ms. Demiar) in which Hotel Enterprises of the Philippines, Inc. ("HEPI") is the private complainant. Said cases concern Ms. Demiar's issuance of sixteen (16) checks made out in the name of HEPI covering an aggregate amount of Four Hundred Eighty Thousand Pesos (PHP 480,000.00) – all of which were dishonored upon deposit.

4. Hotel Enterprises of the Philippines, Inc. vs. Rosanna "Rose" Demiar
Pasay City Prosecutor's Office

Case Summary:

This is a criminal complaint for Estafa by Deceit under Article 315, Paragraph 2 of the Revised Penal Code filed by HEPI against Ms. Demiar, a former indirect employee (agency hired) of HEPI. Said case concerns her collection of a total of PHP 1,260,000.00 from Mr. Ye Guangjian, President of Philhua Shipping Inc., in exchange for what she fraudulently misrepresented to be membership in a hotel membership program and a number of advance room reservations at rates well below published rates both in Midas Hotel & Casino. The case is now pending for resolution of the investigating prosecutor.

5. In the Matter of the Petition for Voluntary Insolvency and Corporate Liquidation of Petitioner AT (Asia Travel) Phil., Inc.
Regional Trial Court Branch 158, Pasig City

Case Summary:

Asia Travel Phil., Inc. was one of the online travel agents of Midas Hotel since 2011. On 6 November 2018, Asia Travel filed the instant Petition. HEPI filed its Notice of Claims in the total amount of Two Hundred Fifty-Seven Thousand Eight Hundred Five Pesos (Php257,805)

representing the total outstanding obligation of Asia Travel to HEPI. The case is still pending before the court.

G. GAMEEXPERIENCE ENTERTAINMENT CORP.

1. GAMEEXPERIENCE ENTERTAINMENT CORP. vs. ANNE G. DELOS REYES
I.S. No. VII-12-INV-20C-CO159 for Qualified Theft
Office of the City Prosecutor, Lapu-Lapu City, Cebu

Case Summary:

Anne G. Delos Reyes was a branch cashier of our Bingo Boutique Mactan South Gate Branch located at Pueblo Verde, Lapu-Lapu City, Cebu. We filed the instant complaint for Qualified Theft for her unlawful taking of the sales of the branch on 7 January 2020 in the total amount of Twenty-three Thousand Pesos (Php23,000.00).

H. ONE BINGO PAVILION, INC.

1. Mr. Bayani A. Atienza, Jr. and Ms. Aileen Grace Parra (Revenue Officer and Group Supervisor, respectively, of BIR RDO 57 -West Laguna)

-versus-

Reynaldo P. Bantug and Maria Antonia L. Cabili, former President and Treasurer of One Bingo Pavilion

NPS Docket No. IV-18-INV-20B-00029 for Violation of BIR Law
Office of the City Prosecutor, San Pablo City, Laguna

Case Summary:

BIR RDO 57-West Laguna (Biñan City, Laguna) filed the instant complaint against former officers of One Bingo Pavilion, Bingo Boutique San Pedro Laguna Branch located at Puregold Building, National Highway, San Antonio, San Pedro Laguna for violation of Section 266 in relation to Section 5 of the National Internal Revenue Code (RA 8424, as amended). The BIR alleged in their complaint-affidavit that the said officers of One Bingo Pavilion, Inc. failed to obey the Subpoena Duces dated 15 October 2019 requiring the taxpayer to appear before the Office of the Chief, Legal Division of the said BIR office on 29 October 2019 and to bring the stated book of accounts and other accounting records and documents. The Office of the City Prosecutor scheduled two (2) hearings on March 18 and 25, 2020. Due to the enhanced community quarantine, the hearings were postponed. Another subpoena will be sent to inform the parties of the new schedule of the hearings.

Labor Cases:

A. LEISURE & RESORTS WORLD CORP.

1. Eric Joseph Y. Mananquil vs. Leisure & Resorts World Corp.
NLRC LAC No. 07-002844-19 and NLRC NCR Case No. 01-0003819
Pending before the Court of Appeals, Manila

Case Summary:

In 2003, Eric Joseph Y. Mananquil ("Eric") was engaged as a consultant of Binondo Leisure Resources, Inc. ("BLRI"), serving as a Project Director. He served with BLRI until 2015. On 15 October 2015, he was hired by LRWC as Head of the Engineering and Logistics Department.

In May 2018, Eric submitted his application letter to avail of the retirement benefits under the Retirement Policy of LRWC. However, the management determined that he was not eligible to retirement benefits since he failed to meet the five-year minimum tenure requirement for early retirement. Due to the denial, he submitted a resignation letter but later instituted the instant case before the NLRC. The Labor Arbiter ruled that the complainant was not illegally dismissed. However, the Labor Arbiter added that Eric is entitled to retirement benefits under the Retirement Policy of the Company. On appeal, the NLRC Sixth Division set aside the Decision of the Labor Arbiter and dismissed the Complaint of Eric for lack of merit. The NLRC ruled that Eric failed to present evidence that he was an employee of LRWC for at least five years. Eric filed a Petition for Certiorari before the Court of Appeals (CA) after the denial by NLRC of his Motion for Reconsideration. The case is still pending before the CA.

2. Gemalyn Divino and Mary Jean Serrano vs. Leisure & Resorts World Corp.
SEAD NLRC-NCR-01-00386-20, National Labor Relations Commission

Case Summary:

Gemalyn N. Divino was the Branch Manager of Bingo Boutique Festival Mall, Alabang. On 29 August 2019, the Internal Audit of the company conducted a random audit at the branch. Based on the result of the audit, the prize fund of the branch was short of P32,000. Notices to Explain were issued to Gemalyn and the two cashiers Maricar Ragada and Mary Jean Serrano. Gemalyn admitted that she took the amount of P32,000 from the prize fund with the knowledge of the said cashiers. After due notice and hearing, the committee decided to terminate their employment due to commission of fraud against the company and the consequent loss of trust of confidence since they were occupying positions of trust as cashiers and branch manager. They are now filing the instant case for illegal dismissal. The case is scheduled for the compulsory arbitration before the labor arbiter of the NLRC.

Submission of Matters to a Vote of Security Holders

- a) An annual meeting of stockholders of the registrant was held on 26 July 2019.
- b) During the said annual meeting the following persons were elected as directors of the registrant:
 - 1. Eng Hun Chuah
 - 2. Eusebio H. Tanco
 - 3. Johnson Cheung
 - 4. Alfredo Abelardo B. Benitez
 - 5. Paolo Martin Bautista
 - 6. Willy N. Ocier
 - 7. Ignatius F. Yenko
 - 8. Renato G. Nuñez
 - 9. Max Aaron Wong

with the following as independent directors under Section 38 of the Security Regulation Code (RA 87):

- 10. Anthony A. Almeda
- 11. Lawrence Cobankiat

- c) During the annual meeting of stockholders of the registrant last 26 July 2019, the following matters was submitted to a vote of and duly approved by the stockholders of the registrant:
 - 1. Approval of the Minutes of the Annual Stockholders' Meeting held on 27 July 2018;
 - 2. Approval of the Minutes of the Special Stockholders' Meeting held on 11 January 2019;

3. Approval of Annual Report and Audited Financial Statement for the fiscal year 2018 and Ratification of actions taken by the Board of Directors and Officers since the last annual meeting held on 27 July 2018;
 4. Nomination and Election of the Corporation's Directors; and,
 5. Appointment of external auditors for year 2019.
- d) No other matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

Principal market where the equity is traded – Philippine Stock Exchange

The table shows the high & low prices of the company's share within the last two fiscal years, including the volume of transactions for each quarter.

QUARTER ENDING	IN PHILIPPINE PESO				VOLUME (MAIN BOARD)	VOLUME (TOTAL)
	HIGH	HIGH_ ADJ*	LOW	LOW_ ADJ*		
1Q 2018	7.49	7.49	3.74	3.74	367,954,200	367,988,995
2Q 2018	7.20	7.20	3.89	3.89	299,248,400	299,442,391
3Q 2018	4.64	4.64	3.55	3.55	65,225,000	65,298,639
4Q 2018	3.94	3.94	2.48	2.48	191,465,000	191,543,699
1Q 2019	4.05	4.05	3.20	3.20	63,446,000	63,446,000
2Q 2019	4.86	4.86	3.60	3.60	116,732,000	116,732,000
3Q 2019	4.11	4.11	2.97	2.97	55,230,000	55,230,000
4Q 2019	3.28	3.28	2.37	2.37	21,703,000	21,703,000
1Q 2020	3.10	3.10	1.02	1.02	51,252,000	51,252,000
2Q 2020	1.82	1.82	1.30	1.30	28,333,000	28,333,000

**There were no adjustments during 2018 and 2017.*

Closing Market Price as of 30 June 2020 is P1.48 per share. On the other hand, the Closing Market Price as of 20 July 2020 is P1.29 per share.

The Company complied with the required minimum public ownership. As of 31 December 2019, total number of common shares owned by the public is 773,368,083 shares or equivalent to 64.46% of the total issued and outstanding common shares. The preferred shares and warrants owned by the public as of 31 December 2019 is 1,650,000,000 and 82,500,000 respectively, or equivalent to 100% of total issued and outstanding preferred shares and warrants.

The Company's earnings (loss) per share are: (P0.0668) per share in 2019 and P0.3715 in 2018.

(2) Holders

The stock transfer agent reported 1,822 holders of common shares of the registrant and 2 holders for warrants as of 30 June 2020. The top 20 shareholders, the number of common shares held, and the percentage of common shares held by each are as follows:

	Name	No. of Shares Held	% To Total
1	PCD Nominee Corporation (Filipino)	702,947,438	29.04%
2	XII Capital Inc.	230,000,000	9.51%
3	Fortunegate Holdings Philippines, Inc.	230,000,000	9.51%
4	Globalist Technology Company Limited	230,000,000	9.51%
5	Colonial Group Holdings Corporation	230,000,000	9.51%
6	Leisure Advantage, Inc.	176,647,488	7.31%
7	Alfredo Abelardo B. Benitez	134,841,249	5.58%
8	Euphonious Holdings, Inc.	121,000,000	5.01%
9	Grandshares Inc.	120,000,000	4.96%
10	Zoraymee Holdings, Inc.	111,267,658	4.60%
11	PCD Nominee Corporation (Non-Filipino)	53,504,135	2.21%

12	Dominique L. Benitez	31,680,000	1.31%
13	AB Leisure Exponent, Inc.	21,567,000	0.89%
14	Willy N. Ocier	2,125,200	0.09%
15	Paul Luis P. Alejandrino	1,426,224	0.06%
16	Jianxi Li	1,026,000	0.04%
17	Liberty Farms, Inc.	809,129	0.03%
18	Provident Insurance Corp.	591,023	0.02%
19	Brisot Economic Development Corp.	512,004	0.02%
20	Visayan Surety & Insurance Corp.	486,294	0.02%

As of 30 June 2020, the 2 shareholders, the number of warrants held, and the percentage of warrants held by each are as follows:

	Name	No. Of Shares Held	% To Total
1	PCD Nominee Corporation (Filipino)	81,981,000	99.37%
2	PCD Nominee Corporation (Non-Filipino)	519,000	0.63%

Below is the summary list of foreign ownership as of 30 June 2020, the nationality, number of shareholders, the number of common shares held and the percentage of common shares held by each:

Nationality	No. of Shareholders	No. of Shares Held	% To Total
American	10	141,117	0.01%
British	1	13,619	0.00%
Chinese	75	3,178,911	0.13%
German	1	1,064	0.00%
Malaysian	1	2	0.00%
Spanish	2	19,442	0.00%
Others	5	743,520,935	30.76%

Common shares are composed of 69.1% Filipino and 30.9% Foreign, while warrants are composed of 99.4% Filipino and 0.6% Foreign.

(3) *Dividends*

The Company does not have any restrictions which limit the ability to pay dividends on common equity or that are likely to do so except in cases where the Company does not have enough retained earnings or is in a deficit position. For nine consecutive years, the Company distributed cash dividends to its shareholders. In the past years, cash dividends declared to common shareholders were equivalent to P0.060 per share in 2007, P0.060 per share in 2008, P0.060 per share in 2009, P0.080 per share in 2010, P0.075 per share in 2011 and 2012, P0.080 in 2013 and 2014, P0.120 in 2015, P0.080 in 2016 and P0.070 in 2017.

(4) *Recent Sale of Unregistered Securities*

Preferred Shares

The issuance of P1.65 billion worth of preferred shares was approved by LRWC's Board of Directors and stockholders on 22 January 2013 and 22 March 2013, respectively. The listing application was filed with the exchange on 20 September 2013 and approved on 27 November 2013. The exchange approved the listing of the preferred shares and warrants on 20 December 2013. The shareholders of the private placement transaction are as follows:

Name	Shares	Php
PCD Nominee Corporation (Filipino)	1,596,860,000	1,596,860,000
GSIS Provident Fund	50,000,000	50,000,000
PCD Nominee Corporation (Non-Filipino)	1,440,000	1,440,000
Mary Lou Santos Cera-Garcia	1,000,000	1,000,000

Mary Lou Cera Garcia	700,000	700,000
TOTAL	1,650,000,000	1,650,000,000

The P1.65 billion perpetual preferred shares were issued through private placement or issuance to not more than nineteen (19) non-qualified buyers under the Section 10.1(k) of the Securities Regulation Code. The P1.65 billion perpetual preferred shares have a par value of P1.00 per share and an issue price of P1.00 per share. The preferred shares are cumulative, non-voting and non-participating. On the fifth anniversary of the issue date of the P1.65 billion perpetual preferred shares or on any dividend payment date thereafter, LRWC has the option, but not the obligation, to redeem the perpetual preferred shares in whole or in part at a redemption price equal to the issue price of the perpetual preferred shares plus cumulated and unpaid cash dividend, if any, for all dividend periods up to the date of actual redemption by LRWC. A nil-paid, detachable warrant was issued to the investor/s for every twenty (20) preferred shares. Each warrant shall entitle the investor/s to purchase one (1) common share. The exercise price of the warrant shall be P15.00 or LRWC's weighted average trading price for three (3) months prior to the exercise date of the warrant less ten percent (10%) discount. The warrants are exercisable starting on the 5th anniversary of the perpetual preferred shares until the 8th anniversary.

On 25 September 2013, LRWC filed the listing of 82,500,000 warrants and the underlying common shares with the PSE.

Pursuant to the approval of the Board of Directors in its meeting held on 24 October 2019, the Company redeemed One Billion Six Hundred Fifty Million (1,650,000,000) Preferred Shares at the Redemption Price of One Peso (Php1.00) per share on 31 December 2019, which was fully paid on 31 January 2020.

Please see Item no. (2) above for the list of common shareholders and warrants as of 31 March 2020.

Common Shares

At the special meeting of the stockholders held on 11 January 2019, the shareholders representing 70.06% of the outstanding capital stock approved the issuance of up to 1,300,147,488 common shares from the unissued capital stock ("Newly Issued Shares") through a private placement at a price based on a premium over the closing price of the shares of the Company on 29 November 2018. Also, at the same meeting, the Board of Directors was granted the authority to implement the private placement, including, but not limited to, the determination of the issue price and the subscriber or subscribers to the shares to be issued.

On March 26, 2019, the Board approved and authorized the issuance of One Billion Two Hundred Seventeen Million Six Hundred Forty Seven Thousand Four Hundred Eighty Eight (1,217,647,488) common shares from its unissued capital stock ("Subscribed Shares") at an issue price of Php3.60 per share. This raised a total of Four Billion Three Hundred Eighty Three Million Five Hundred Thirty Thousand Nine Hundred Fifty Six Pesos and Eighty Centavos (Php4,383,530,956.80). Thus, the Corporation entered into private placement agreements and subscription agreements with the following corporate subscribers/investors:

Name of Subscriber/Investor	Number of Shares
Fortunegate Holdings Philippines, Inc.	230,000,000
XII Capital Inc.	230,000,000
Millennium Pan-Asia Business Management Services Inc.	230,000,000
Diamond Fortune Holdings, Inc.	230,000,000
Euphonious Holdings, Inc.	121,000,000
Leisure Advantage, Inc.	176,647,488
TOTAL:	1,217,647,488

On April 2, 2019, the Corporation approved and ratified the substitution of the subscribers as well as the issuance to and subscription of the Substituted Subscribers to the unissued capital stock of the Corporation at an issue price of Php3.60 per share as follows:

Original Subscribers	Substituted Subscribers	Number of Subscribed Shares
Millennium Pan-Asia Business Management Services Inc.	Colonial Group Holdings Corporation	230,000,000
Diamond Fortune Holdings, Inc.	Globalist Technology Company Limited	230,000,000

Upon full payment of the subscription price, the Company issued the shares as follows:

Name of Subscriber/Investor	Number of Shares	Subscription Amount
Fortunegate Holdings Philippines, Inc.	230,000,000	Php 828,000,000.00
XII Capital Inc.	230,000,000	Php 828,000,000.00
Colonial Group Holdings Corporation	230,000,000	Php 828,000,000.00
Globalist Technology Company Limited	230,000,000	Php 828,000,000.00
Leisure Advantage, Inc.	176,647,488	Php 635,930,956.80
Euphonious Holdings, Inc.	121,000,000	Php 435,600,000.00
TOTAL	1,217,647,488	Php4,383,530,956.80

On 28 February 2020, the Philippine Stock Exchange (“PSE”) issued a Notice of Approval of the Private Placement Transaction. The Notice stated that the PSE Board, in its meeting on 26 February 2020, approved the application of LRWC to list the additional One Billion Two Hundred Seventeen Million Six Hundred Forty Seven Thousand Four Hundred Eighty Eight (1,217,647,488) common shares (“Private Placement Shares”) to cover its private placement transaction with the subscribers named above. The Notice further stated that the actual listing and eligibility for trading of the Private Placement Shares will take effect only after certain requirements are met, one of which, is the submission by the Company of a confirmation from the Securities and Exchange Commission (“SEC”) that the Transaction is exempt from the Mandatory Tender Offer Requirement, pursuant to Rule 19.3.1.2 of the 2015 Implementing Rules and Regulations of the Securities and Regulation Code.

The Company is currently seeking confirmation of an exempt transaction from the SEC pursuant to Section 10.1 (c) of the Securities Regulation Code as an isolated transaction where the shares were issued from the unissued capital stock. The proceeds of the private placement have been used to refinance some of the company’s existing obligations and for general corporate purposes.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Comparable Discussion on Material Changes in Results of Operations and Financial Condition

	Gross Income			Net Income		
	2018	2019	Percentage of increase or decrease from previous year	2018	2019	Percentage of increase or decrease from previous year
CONSOLIDATED	9,913,847,134	10,614,058,997	7.1%	479,645,975	95,656,549	-80.1%
LRWC (PARENT)				-555,221,286	-661,488,280	19.1%
CASINO	1,430,968,478	1,325,287,557	-7.4%			
Bluechip	535,273,626	635,517,177	18.7%	110,724,471	158,770,334	43.4%
PIKI	895,694,852	689,770,381	-23.0%	12,819,574	-59,383,005	-563.2%
HEPI				114,866,158	149,007,689	29.7%
RETAIL	7,403,096,686	8,162,258,853	10.3%			
ABLE	7,111,489,492	7,850,640,266	10.4%	66,155,612	45,974,706	-30.5%
TGXI	291,607,194	311,618,587	6.9%	7,669,990	11,116,699	44.9%
ONLINE	1,054,365,127	1,079,725,322	2.4%			
FCLRC	395,499,397	458,352,744	15.9%	-79,676,001	-35,879,321	-55.0%
FCCDCI	576,050,696	521,638,814	-9.4%	19,271,386	29,047,131	50.7%
LR Data	82,815,034	99,733,764	20.4%	-6,333,423	-11,193,091	76.7%
PROPERTY	25,416,844	46,787,264	84.1%			
ABLGI	8,499,400	8,499,400	0.0%	580,713,241	1,363,266,473	134.8%
LR Land	16,917,444	38,287,864	126.3%	208,656,254	-893,582,788	-528.3%

2019 vs. 2018

LRWC Operations

LRWC is functioning as a holding company with minimal operations. LRWC is focusing its endeavor in supporting the productivity programs of its subsidiaries as grouped in the following segments: **CASINO** (1) Prime Investment Korea, Inc. (PIKI - 100% owned), (2) Blue Chip Gaming and Leisure Corporation (BCGLC - 100% owned), (3) Gold Coast Leisure World Corp. (GCLWC - 100% owned) (4) Hotel Enterprises of the Philippines, Inc. (HEPI - 51% owned, joint venture); **ONLINE** (5) First Cagayan Leisure and Resort Corporation (FCLRC - 69.68% owned), (6) LR Data Center and Solutions, Inc. (LRDCSI - 80% owned), (7) First Cagayan Converge Data Center Inc. (FCCDCI - 57.8%); **RETAIL** (8) AB Leisure Exponent, Inc. (ABLE - 100% owned), (9) Total Gamezone Xtreme, Inc. (TGXI - 100% owned); and **PROPERTY** (10) AB Leisure Global, Inc. (ABLGI - 100% owned), (11) LR Land Developers, Inc. (LRLDI - 100% owned).

Based on PFRS 3, Business Combination, LRWC has not amortized the goodwill on its investments in its subsidiaries. Instead, PFRS 3 requires for an annual test for goodwill impairment. On the basis of the test for impairment of goodwill, there is no need to provide for allowance for impairment in 2019.

Starting 2009, LRWC did not recognize any losses from Binondo Leisure Resources, Inc. (BLRI - 30% owned affiliate), as its investment balance has already been consumed.

LRWC's aim is to enable shared services functions that will provide consistent managerial and administrative services to all of its subsidiaries including marketing programs and continuous organizational changes.

The total operating expenses of LRWC amounted to P355.0 million in 2019, a decrease of P30.6 million from last year's P385.6 million.

LRWC recorded its 51% share in the net results of Hotel Enterprises of the Philippines, Inc. (HEPI) beginning the third quarter of 2013. In 2019, LRWC's share in HEPI's net income amounted to P149.0 million or an increase of P34.1 million or 29.67% as compared to last year's share in net income of P114.9 million..

Consolidated Result of Operations

LRWC posted a consolidated total comprehensive income (after minority interest) of P60.4 million in 2019 as compared to P500.9 million in 2018. The significant decrease in net income was mainly attributable to the loss on sale of an investment which amounted to P741.5 million loss. However, revenues continue to grow from P9,913.8 million in 2018 to P10,614.1 million due to higher revenues from the Retail Group, despite the decline in revenues from Casino Group.

PIKI Operations

Together with the Philippine Amusement and Gaming Corporation (PAGCOR), PIKI executed a Junket Agreement to jointly conduct junket gaming operations within PAGCOR's Casino Filipino-Midas located at Midas Hotel and Casino in Roxas Boulevard, Pasay City.

In 2019, PIKI's net loss amounted to P59.4 million, decrease of P72.3 million or 560.5% from 2018's net income of P12.9 million. The decrease was due to lower turnover and win rate numbers leading to a significant decrease in revenue of P205.9 million or 23.0% from P895.7 million in 2018 to P689.8 million in 2019.

BCGLC Operations

BCGLC operates Slot Arcades at the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga under a license issued by PAGCOR.

On 24 July 2015, BCGLC incorporated a subsidiary, GCLWC with authorized capital stock of Fifteen Million Pesos (P15,000,000.00) divided into One Hundred Fifty Thousand shares (150,000) with par value of P100.0, of which Three Million Seven Hundred Fifty Thousand Pesos (P3,750,000.00) has been subscribed. GCLWC was incorporated to comply with Section 18, Chapter III of the Implementing Rules and Regulations of Republic Act (R.A.) No. 7227. GCLWC obtained its Certificate of Registration from the Subic Bay Metropolitan Authority on 2 August 2016.

On 17 December 2015, BCGLC received a letter from PAGCOR, informing that PAGCOR's Board of Directors approved and confirmed the assignment in favor of BCGLC of the Contracts of Lease over four (4) PAGCOR VIP Clubs at (1) Venezia at Subic Bay Freeport Zone, Subic Zambales with Palmgold International Limited; (2) Pan Pacific, Malate Manila with Pacific Palm Corporation; (3) Paseo Premier Hotel, Sta. Rosa Laguna with Pacific Palm Corporation; and (4) Apo View Hotel, Davao City with Pacific Palm Corporation.

On 18 January 2016, BCGLC assigned the VIP Club at Venezia at Subic Bay Freeport Zone to its subsidiary, GCLWC.

On 28 January 2016, the Amended Contracts of Lease of three (3) VIP Clubs, namely Pan Pacific, Paseo Premier Hotel and Apo View Hotel were executed under the name of BCGLC, while the other VIP Club, Venezia at Subic Bay Freeport Zone was under the name of GCLWC.

On March 16, 2018, BCGLC entered into a Lease and Technical Assistance Agreement with Entertainment Gaming Philippines, Inc. (EGP) for the lease of slot machines. By virtue of the Agreement, BCGLC shall be paid an amount equivalent to 16% of the Monthly Net Wins derived from the operations of the leased machines.

On January 19, 2019, BCGLC entered into an Asset Purchase Agreement with EGP for the sale of two (2) PAGCOR VIP Clubs at San Pedro Town Center, Laguna and Universal Park Mall, Sta. Cruz, Manila.

BCGLC and GCLWC's combined revenues for the year ended 31 December 2019 amounted to P635.5 million, a growth of P100.2 million or 18.72% from P535.3 million in 2018. Turnover increased from P24.3 billion in 2018 to P33.1 billion in 2019. This was due to the Company's extensive marketing efforts as reflected in this year's increase in operating expenses by P32.0 million or 8.88%. Due to these developments, net income for the year amounted to P158.8 million, an increase of P48.1 million or 43.45% from last year's net income of P110.7 million.

FCLRC Operations

The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered online gaming enterprise in CSEZFP. FCLRC, on behalf of CEZA, can issue two types of licenses: (1) interactive

gaming licenses which cover all types of online gaming including casinos, lotteries, bingo, sportsbook; and (2) restrictive licenses which limit the offerings to sports betting only. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators within the CSEZFP.

Recent developments significantly affected FCLRC's business and operations due to the issuance on 01 September 2016 by PAGCOR of the "Rules and Regulations for Philippine Offshore Gaming Corporations". The said PAGCOR Regulation was adopted to regulate the issuance of licenses which provide and participate in offshore gaming services or online games of chance via the Internet.

FCLRC's revenues amounted to P458.4 million in 2019, representing an increase of P62.9 million or P15.90% from last year's revenues of P395.5 million. The increase was mainly due to the strong performance of one of its locators which represents the majority of FCLRC's revenue despite the fact that the number of operating licensees decreased from 16 in 2018 to 9 in 2019. Hosting fees amounted to P434.0 million in 2019 an increased by P101.3 million or 30.45% from prior year while license application fees amounted to P24.3 million, a decreased by P36.4 million or 59.97% from last year.

FCLRC's cost and OPEX amounted to P270.3 million, likewise increased by P106.9 million or 65.41% from last year.

FCCDCI/LRDCSI Operations

FCLRC and IP Converge Data Center Corporation (IPCDCC), a wholly owned subsidiary of listed firm IPVG Corp., formed a joint venture corporation with the name First Cagayan Converge Data Center Inc. which was incorporated on 14 November 2007. The joint venture corporation was formed to engage in the business of information technology such as IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution, premium dial up access, voice over internet protocol, IP-wide area network services and other value-added services. Presently, FCCDCI provides a range of services to Internet Gaming Operators at the CSEZFP for a fee.

FCCDCI commenced its commercial operations on 01 January 2008, thus, since then until 31 December 2016, FCLRC's statement of income includes 60% equity in net earnings from FCCDCI.

On 01 January 2017, IPVI entered into a Deed of Absolute Sale of Share of Stock with LRDCSI, whereby IPVI assigned its rights, interest and participation to its 5,000,000 shares of stock or 20% ownership in FCCDCI with a par and issue value of P1 for a total consideration of P16.4 million to LRDCSI.

By virtue of the Deed of Absolute Sale of Share of Stock entered into by IPVI and LRDCSI, LRWC obtained a 57.808% effective interest and control in FCCDCI through its direct subsidiaries FCLRC and LRDCSI at 60% and 20% equity stake in FCCDCI, respectively. Thus, due to the effect of the 20% additional equity interest, FCCDCI is consolidated into the Group effective 01 January 2017.

LRDCSI was registered and incorporated with SEC on 20 May 2016. LRDCSI is a technology company engaged in aggregating data and telecommunication services. LRDCSI's revenue model involves acquiring services from local and foreign technology and telecommunication companies at wholesale rates, bundling said services and then reselling the services at retail rates. The premium for such activity is warranted given the bespoke and higher level of customer engagement provided by LRDCSI. LRDCSI's portfolio includes solutions related to data center co-location, Internet, private leased lines, mobile and video platforms, cybersecurity, content delivery networks, e-commerce, and network and website optimization. LRDCSI aims to provide these services to customers and clients in the industry sectors including land based and online gaming operators. LRWC owns 80% of the outstanding capital of LRDCSI while one of the incorporators owns the remaining 20%.

LRDCSI owns 20% of the outstanding capital stock of FCCDCI effective 01 January 2017.

LRDCSI started its commercial operations in the last quarter of 2017.

In order to compete with the local telcos, the LRDCSI Group initiated several price adjustments and bundling of additional services and products into the package (DDOS, upgrades/additional circuits) in 2018. The Group likewise secured redundant lines in anticipation for various capacities that did not consummate in 2018. This resulted to a slightly lower revenues, but higher direct costs in 2018 despite increase in volume.

Total revenue decreased by P37.5 million from P658.9 million in 2018 to P621.4 million in 2019 while total direct costs and operating expenses also decreased by P51.0 million from P625.0 million in 2018 to P574.0 million in 2019. The LRDCSI Group has initiated measures to manage these costs by terminating redundant lines.

Total consolidated net income of FCCDCI and LRDCSI amounted to P17.9 million, net of minority and equity share in 2019, an increase of P5.0 million or 38.76% from P12.9 million in 2018.

ABLE Operations

ABLE (popularly known as Bingo Bonanza Corporation), is the pioneer in professional bingo gaming in the Philippines. PAGCOR granted ABLE and its subsidiaries the authority to operate bingo games pursuant to P.D. 1869. Since then, bingo outlets of ABLE and its subsidiaries have become community and entertainment centers, a source of revenue for the government, and a sponsor for fund-raising activities relating to social and educational programs.

Site Count

In 2017, ABLE through its subsidiaries, acquired six (6) sites to expand its bingo operations. Difference between the total consideration of P58 million and fair value of identifiable assets of P9.28 million resulted to a goodwill of P48.72 million.

While four (4) sites are permanently closed and one (1) site was temporarily closed in 2019, ABLE opened six (6) new sites around the country as part of its plan to expand the business.

ABLE permanently closed two (2) sites and one (1) site was temporarily closed in 2018.

As of 31 December 2019, ABLE has a total of 152 operating sites, with six (6) newly-opened sites within the year, while there were also three (3) permanently closed sites and two (2) temporarily closed sites within the year.

Revenues

ABLE and its subsidiaries generated total revenues of P 7,850.6 million in 2019, a significant growth of P739.1 million from the P7,111.5 revenues for the same period last year. The revenue growth was mainly attributable to the exceptional performance of E-bingo sites during the year.

E-Bingo has become ABLE's principal product line as its contribution has been increasing faster with new gaming products that are played with higher frequency and are not time bound as the traditional bingo game. In 2019, E-Bingo sales represented 67.37% or P5,289.2 million out of ABLE's total revenues. As of 31 December 2019, there were a total of 10,978 E-Bingo machines in 153 bingo parlors as compared to 10,536 E-Bingo machines in 150 bingo parlors as of 31 December 2018.

Revenues from Traditional Bingo increased by P110.1 million or 5.23% to P2,216.2 million in 2019 from P2,106.1 million in 2018.

In 2019, sales from Rapid bingo contributed P284.2 million or 3.62% of total revenues, exceeding last year's P230.4 million or 3.40% of total revenues. By end of 2019, a total of 156 Rapid Bingo terminals were installed in 149 bingo parlors, while there were 155 Rapid Bingo terminals in 148 bingo parlors as of December 31, 2018.

Revenues from Pull-tabs amounted to P19.0 million, which decreased slightly by P1.1 million from P20.1 million in 2018.

Cost and Expenses

ABLE's consolidated costs and operating expenses amounting to P7,681.8 million in 2019 increased by P659.8 million from P7,022.0 million in 2018. The PAGCOR mandated change in tax regime from the 30% corporate income tax to the 5% franchise tax and passing of prize tax to the operator significantly increased ABLE's direct cost by P608.7 million. Cost and expenses also includes the impairment of non-recoverable input vat amounting to P87.0 million due to the same reason above.

ABLE has already applied for a tax ruling for its VAT exempt status with the BIR. Once obtained, it will contribute at least P87.0 million to the bottom line as well as cash flow annually.

Net Income

ABLE posted consolidated net income (net of minority share and dividend income) amounting to P46.0 million, which decreased in the amount of P20.2 million from last year's P66.2 million. If not for the non-cash impairment of input VAT, ABLE would have posted a net income of P133.0 million in 2019.

TGXI Operations

On 21 July 2014, LRWC entered into an Asset and Share Purchase Agreement with Premiere Horizon Alliance Corporation (PHAC) to purchase the latter's 100% stake in TGXI, the assignee and purchaser of the assets, rights and interests of Digiwave Solutions, Inc. (DSI), the operator and licensee of PAGCOR e-games stations.

To date, LRWC is the registered owner to One Hundred Percent (100%) of TGXI's outstanding capital stock.

Site Count

In 2018, TGXI opened two (2) additional sites and closed five (5) sites arriving to a total of thirty six (36) sites. There were no changes in the number of sites as of 2019.

Revenues

TGXI generated revenues amounting to P311.6 million in 2019 representing its share in revenues from the management and operation of the PAGCOR E-games Stations (PeGS). This was higher by P20.0 million or 6.86% than the recorded revenues in 2018 amounting to P291.6 million, notwithstanding a lower recorded turnover of P20.8 billion in 2019 as compared to P23.5 billion in 2018.

Cost and Operating expenses

Total cost and operating expenses decreased slightly by P9.00 million or 3.05% from P294.8 million in 2018 to P285.80 million in 2019. Although TGXI recorded an overall savings from its operating expenses, this was reduced by: (2) higher people expenses particularly in contracted services by P6.4 million due to DOLE imposed salary-rate adjustments; and (3) impairment of non-recoverable input tax amounting to P10.8 million.

TGXI will apply for a tax ruling for its vat-exempt status with the BIR. Once obtained, it will save TGXI at least P10.8 million of expense and cash outflow annually.

Net Income

TGXI posted a slight increase of P3.4 million in its net income of P11.1 million in 2019 from P7.7 million in 2018 due to better revenue performance resulting from extensive marketing efforts and spending. TGXI would have registered at least P22.0 million net income if not for the non-cash impairment of input vat.

ABLGI Operations

On 04 November 2016, Belle and PLAI ("Belle Group") signed a Termination agreement with Leisure and Resorts World Corporation and AB Leisure Global, Inc. ("LRWC Group"), which would enable the latter to realize its interests under its existing agreements with the Belle Group. Under the agreement, Belle Group will pay the LRWC Group a total of P5,090.0 million, with P1,018.0 million paid upon signing and the balance at the end of March 2017. Until the finalization of the transaction, ABLGI will continue to share in the net lease income and gaming revenue of Belle Group.

The Termination agreement was finalized on 31 March 2017. ABLGI received P4,072.0 million, which comprised of: (1) payment for an outstanding loan of Belle Group to ABLGI amounting to P3,762.0 million, and (2) P310.0 million, of which P110.5 million was a collection of the advances made to Belle while the remaining P199.5 million was lodged under "Other Income" in the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income, representing assignment of rights in relation to the Advisory services rendered to the Philippine Consortium in favor of Belle. Effective 31 March 2017, ABLGI shall be deemed to have divested its economic interest in the City of Dreams-Manila Integrated Resort and Casino.

In 2017, ABLGI through its subsidiary acquired 23 hectares of land and property in Boracay for its future project.

In 2017, Management decided to change its accounting policy to recognize its investment properties at their appraised (FV) amounts to properly reflect its true value. Gain (net of tax) from the revaluation of its building (Binondo Suites) amounted to P4.7 million in 2017. In 2018, ABLGI recognized a gain (net of tax) from the revaluation of its building and Boracay land amounting to P1,304.5 million.

In 2018, ABGLI entered into a consultancy agreement with a third party company to perform, among others, services related to project, and offshore development, gaming and other licenses. Revenue from consultancy amounted to P169.7 million.

In 2019, ABLGI registered net income amounting to P1,363.3 million, an increase of P782.6 million or 134.77% from last year's P580.7 million, mainly due to the increase in the valuation of properties in Aklan.

LRLDI Operations

In 2010, LRLDI has completed its construction of the CyberPark building intended for lease. Accordingly, in the same year, LRLDI entered into various lease agreements as lessor with lease terms ranging from monthly to five (5) years.

LRLDI is also committed in supporting the development of Cagayan Special Economic Zone and Free Port (CSEZFP). In executing an agreement with Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation (CLPDC), LRLDI has established its support by investing funds into the Lal-Lo Airport Project, Cagayan Economic Zone and Freeport (CEZFP) International Airport Project, and other facilities within the CSEZFP. These projects aim to improve and further advance CSEZFP into a self-sustaining industrial zone.

LRLDI entered into a joint venture property development project in Makati with Total Consolidated Asset and Management, Inc. called TechZone Philippines, Inc (TPI). As envisioned, the building planned will be a world-class BPO center with offices for various BPO locators not limited to licensees of FCLRC.

Retrospective 2014, Management reclassified portion of the advances to CLPDC to investment properties (land) which the Company has legal title and ownership amounting to P6.4 million. In 2017, Management decided to change its accounting policy to recognize its investment properties at their appraised (FV) amounts to properly reflect its true value. Gain (net of tax) from the revaluation of its land properties and Cyberpark building amounted to P140.6 million and P174.7 million in 2018 and 2017, respectively.

In 2019, LRLDI registered a net loss of P985.2 million, a decrease of P1,123.4 million from 2018's net income of P138.2 million. This is primarily due to the taxes and losses incurred from the sale of TechZone shares.

Consolidated Financial Condition

The total consolidated assets of LRWC and subsidiaries as of 31 December 2019 of P20,895.2 million increased by P2,847.1 million or 15.8% from P18,048.1 million as of 31 December 2018 mainly due to increase in accounts receivables, revaluation of investment properties, increase in rental deposits and cash performance bonds.

The following are the significant changes in the liabilities of LRWC and subsidiaries: (1) increase in Trade and other payables of P52.6 million attributable to higher outstanding payable to suppliers; (2) decrease in Loans payable of P2,161.8 million due to the loan repayment, and (3) increase in deferred tax liabilities of P734.6 million arising from the unrealized gain on revaluation of investment properties.

The Company and its subsidiaries:

- a) Have no known trends or any demands, commitments, events or uncertainties that will result in or that are likely to result in the liquidity increasing or decreasing in any material way;
- b) Have no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) Have no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period;
- d) Have not breached any loans, leases or other indebtedness or financing agreement; and
- e) Have no material commitment for capital expenditure, aside from those already discussed.

Key Performance Indicators

The Company monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

Key Performance Indicator	Formula	2019	2018
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	119.3%	38.4%
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$	63.5%	98.3%
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Stockholders' Equity}}$	163.5%	198.3%
Payout Turnover	$\frac{\text{Traditional Bingo Revenues}}{\text{Payout}}$	1.27 times	1.47 times
Return on Average Equity	$\frac{\text{Net Income}^*}{\text{Average Stockholders' Equity}}$	1.0%	4.6%
Return on Average Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$	0.5%	2.4%
Solvency Ratio	$\frac{\text{Net Income}^* + \text{Depreciation}^*}{\text{Total Liabilities}}$	9.1%	9.9%
Interest Coverage Ratio	$\frac{\text{Income Before Interest \& Tax}^*}{\text{Interest Expense}}$	2.8	3.3
Net Book Value Per Share	$\frac{\text{Stockholders' Equity}}{\text{Weighted Average Shares Outstanding}}$	6.5	7.6
Basic Earnings (Loss) Per Share	$\frac{\text{Income Attributable to Ordinary Stockholders of the Parent Company}}{\text{Weighted Average Shares Outstanding}}$	(0.0668)	0.3441

2018 vs. 2017

LRWC Operations

LRWC is functioning as a holding company with minimal operations. LRWC is focusing its endeavor in supporting the productivity programs of its subsidiaries as grouped in the following segments: **CASINO** (1) Prime Investment Korea, Inc. (PIKI - 100% owned), (2) Blue Chip Gaming and Leisure Corporation (BCGLC - 100% owned),(3) Gold Coast Leisure World Corp. (GCLWC - 100% owned) (4) Hotel Enterprises of the Philippines, Inc. (HEPI - 51% owned, joint venture); **ONLINE** (5) First Cagayan Leisure and Resort Corporation (FCLRC - 69.68% owned), (6) LR Data Center and Solutions, Inc. (LRDCSI - 80% owned), (7) First Cagayan Converge Data Center Inc. (FCCDCI - 57.8%); **RETAIL** (8) AB Leisure Exponent, Inc. (ABLE - 100% owned), (9) Total Gamezone Xtreme, Inc. (TGXI - 100% owned); and **PROPERTY** (10) AB Leisure Global, Inc. (ABLGI - 100% owned),(11) LR

Land Developers, Inc. (LRLDI - 100% owned).

Based on PFRS 3, Business Combination, LRWC has not amortized the goodwill on its investments in its subsidiaries. Instead, PFRS 3 requires for an annual test for goodwill impairment. On the basis of the test for impairment of goodwill, there is no need to provide for allowance for impairment in 2018.

Starting 2009, LRWC did not recognize any losses from Binondo Leisure Resources, Inc. (BLRI - 30% owned affiliate), as its investment balance has already been consumed.

LRWC's aim is to enable shared services functions that will provide consistent managerial and administrative services to all of its subsidiaries including marketing programs and continuous organizational changes.

The total operating expenses of LRWC amounted to P385.6 million in 2018, a decline of P138.7 million from last year's P524.4 million. This was mainly due to the significant decrease in salaries and employee benefits caused by the retirement of several key management personnel and catch up adjustment on past service retirement cost of existing employees in 2017.

LRWC recorded its 51% share in the net results of Hotel Enterprises of the Philippines, Inc. (HEPI) beginning the third quarter of 2013. In 2018, LRWC's share in HEPI's net income amounted to P114.9 million or an increase of P53.8 million or 88.15% as compared to last year's share in net income of P61.0 million.

Consolidated Result of Operations

LRWC posted a consolidated total comprehensive income (after minority interest) of P500.9 million in 2018 as compared to P442.6 million in 2017. The incremental net income was mainly attributable to the unrealized gain on revaluation of investment properties amounting to P1,329.4 million and higher revenues from Casino and Retail business units. The growth in revenues, however, was pulled down by significant interest expense on project financing

PIKI Operations

Together with the Philippine Amusement and Gaming Corporation (PAGCOR), PIKI executed a Junket Agreement to jointly conduct junket gaming operations within PAGCOR's Casino Filipino-Midas located at Midas Hotel and Casino in Roxas Boulevard, Pasay City.

In 2018, PIKI's net income amounted to P12.9 million, and increase of P3.3 million or 34.53% from 2017's net income of P9.5 million. The increase was due to better turnover and win rate numbers leading to a significant growth in revenue of P40.1 million or 4.69% from P855.6 million in 2017 to P895.7 million in 2018.

BCGLC Operations

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BCGLC and GCLWC's combined revenues for the year ended 31 December 2018 amounted to P535.3 million, a growth of P88.6 million or 19.84% from P446.7 in 2017. Turnover increased from P20.5 billion in 2017 to P24.3 billion in 2018. This was due to the Company's extensive marketing efforts as reflected in this year's increase in operating expenses by P45.9 million or 14.62%. Due to these developments, net income for the year amounted to P110.7 million, an increase of P11.5 million or 11.64% from last year's net income of P99.2 million.

FCLRC Operations

The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered online gaming enterprise in CSEZFP. FCLRC, on behalf of CEZA, can issue two types of licenses: (1) interactive gaming licenses which cover all types of online gaming including casinos, lotteries, bingo, sportsbook; and (2) restrictive licenses which limit the offerings to sports betting only. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators within the CSEZFP.

Recent developments significantly affected FCLRC's business and operations due to the issuance on 01 September 2016 by PAGCOR of the "Rules and Regulations for Philippine Offshore Gaming Corporations". The said PAGCOR Regulation was adopted to regulate the issuance of licenses which provide and participate in offshore gaming services or online games of chance via the Internet.

FCLRC's revenues amounted to P395.5 million in 2018, representing a decrease of P27.8 million or 6.56% from last year's revenues of P423.3 million. The decline was mainly due to the decrease in the number of operating licensees from 29 in 2017 to 16 in 2018. Hosting fees amounting to P332.7 million decreased by P59.3 million or 15.13% while license application fees amounting to P60.7 million increased by P29.5 million or 94.45% from last year.

FCLRC's cost and OPEX likewise decreased by P67.5 million or 29.25% due to the decrease in the number of locators.

FCCDCI / LRDCSI Operations

FCLRC and IP Converge Data Center Corporation (IPCDCC), a wholly owned subsidiary of listed firm IPVG Corp., formed a joint venture corporation with the name First Cagayan Converge Data Center Inc. which was incorporated on 14 November 2007. The joint venture corporation was formed to engage in the business of information technology such as IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution, premium dial up access, voice over internet protocol, IP-wide area network services and other value-added services. Presently, FCCDCI provides a range of services to Internet Gaming Operators at the CSEZFP for a fee.

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Total revenue slightly decreased by P5.9 million from P664.8 million in 2017 to P658.9 million in 2018, while total direct costs and operating expenses increased by P92.4 million from P532.6 million in 2017 to P625.0 million in 2018. The LRDCSI Group has initiated measures to manage these costs moving forward by terminating redundant lines.

Total consolidated net income of FCCDCI and LRDCSI amounted to P12.9 million, net of minority and equity share in 2018, a decline of P56.0 million or 81.22% from P68.5 million in 2017.

ABLE Operations

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ABLE permanently closed two (2) sites and one (1) site was temporarily closed in 2018.

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Revenues

ABLE and its subsidiaries generated total revenues of P7,111.5 million in 2018, a significant growth of P309.0 million from the P6,802.5 million revenues for the same period last year. The revenue growth was mainly attributable to the exceptional performance of E-bingo sites during the year.

E-Bingo has become ABLE's principal product line as its contribution has been increasing faster with new gaming products that are played with higher frequency and are not time bound as the traditional bingo game. In 2018, E-Bingo sales represented 66.86% or P4,754.9 million out of ABLE's total revenues. As of 31 December 2018, there

were a total of 10,536 E-Bingo machines in 150 bingo parlors as compared to 10,392 E-Bingo machines in 147 bingo parlors as of 31 December 2017.

Revenues from Traditional Bingo declined by P97.5 million or 4.43% to P2,106.1 million in 2018 from P2,203.6 million in 2017.

In 2018, sales from Rapid bingo contributed P230.4 million or 3.24% of total revenues, almost at par with last year's P231.3 million or 3.40% of total revenues. By end of 2018, a total of 155 Rapid Bingo terminals were installed in 148 bingo parlors, while there were 127 Rapid bingo terminals in 127 bingo parlors as of December 31, 2017.

Revenues from Pull-tabs amounted P20.1 million, an increase of P4.5 million from P15.6 million 2017.

Cost and Expenses

ABLE's consolidated costs and operating expenses amounting to P7,022.0 million in 2018 increased by P346.1 million from P6,675.9 million in 2017. The PAGCOR mandated change in tax regime from the 30% corporate income tax to the 5% franchise tax and passing of prize tax to the operator significantly increased ABLE's direct cost by P355.3 million.

Cost and expenses also includes the impairment of non-recoverable input vat amounting to P88.4 million due to the same reason above.

ABLE has already applied for a tax ruling for its VAT exempt status with the BIR. Once obtained, it will contribute at least P88.4 million to the bottom line as well as cash flow annually.

Net Income

Despite the incremental costs due to statutory change, ABLE still posted consolidated net income (net of minority share and dividend income) amounting to P66.2 million, a turnaround of P68.2 million from last year's loss of P2.1 million if not for the non-cash impairment of input VAT, ABLE would have posted a net income of P154.6 million in 2018.

TGXI Operations

On 21 July 2014, LRWC entered into an Asset and Share Purchase Agreement with Premiere Horizon Alliance Corporation (PHAC) to purchase the latter's 100% stake in TGXI, the assignee and purchaser of the assets, rights and interests of Digiwave Solutions, Inc. (DSI), the operator and licensee of PAGCOR e-games stations.

To date, LRWC is the registered owner to One Hundred Percent (100%) of TGXI's outstanding capital stock.

Site Count

In 2018, TGXI opened two (2) additional sites and closed five (5) sites arriving to a total of thirty six (36) sites. There were no changes in the number of sites as of 2019.

Revenues

TGXI generated revenues amounting to P291.6 million in 2018 representing its share in revenues from the management and operation of the PAGCOR E-games Stations (PeGS). This was higher by P60.0 million or 25.93% than the recorded revenues in 2017 amounting to P231.6 million. The increase in revenues resulted from a higher recorded turnover of P23.5 billion in 2018 as compared to P17.2 billion in 2017.

TGXI also received a P13.9 million annual incentive from its business partner as a result of improved performance in the prior year.

Cost and Operating expenses

Total cost and operating expenses increased by P41.5 million or 16.4% from P253.3 million in 2017 to P294.8 million in 2018. The increase in 2018 was mainly due to: (1) recognition of franchise tax amounting to P15.3 million by virtue of the change in tax regime same as ABLE; (2) higher people expenses including contracted services by

P22.2 million due to DOLE imposed salary-rate adjustments; and (3) impairment of non-recoverable input tax amounting to P13.1 million.

TGXI will apply for a tax ruling for its vat-exempt status with the BIR. Once obtained, it will save TGXI at least P13 million of expense and cash outflow annually.

Net Income

TGXI managed to reverse its prior year net loss of P39.0 million and registered a net income of P7.7 million in 2018 due to better revenue performance resulting from extensive marketing efforts and spending. TGXI would have registered at least P20.7 million net income if not for the non-cash impairment of input vat.

ABLGI Operations

On 04 November 2016, Belle and PLAI (“Belle Group”) signed a Termination agreement with Leisure and Resorts World Corporation and AB Leisure Global, Inc. (“LRWC Group”), which would enable the latter to realize its interests under its existing agreements with the Belle Group. Under the agreement, Belle Group will pay the LRWC Group a total of P5,090.0million, with P1,018.0million paid upon signing and the balance at the end of March 2017. Until the finalization of the transaction, ABLGI will continue to share in the net lease income and gaming revenue of Belle Group.

The Termination agreement was finalized on 31 March 2017. ABLGI received P4,072.0 million, which comprised of: (1) payment for an outstanding loan of Belle Group to ABGLI amounting to P3,762.0 million, and (2) P310.0 million, of which P110.5 million was a collection of the advances made to Belle while the remaining P199.5 million was lodged under “Other Income” in the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income, representing assignment of rights in relation to the Advisory services rendered to the Philippine Consortium in favor of Belle. Effective 31 March 2017, ABLGI shall be deemed to have divested its economic interest in the City of Dreams-Manila Integrated Resort and Casino.

In 2017, ABLGI through its subsidiary acquired 23 hectares of land and property in Boracay for its future project.

In 2017, Management decided to change its accounting policy to recognize its investment properties at their appraised (FV) amounts to properly reflect its true value. Gain (net of tax) from the revaluation of its building (Binondo Suites) amounted to P4.7 million in 2017. In 2018, ABLGI recognized a gain (net of tax) from the revaluation of its building and Boracay land amounting to P1,304.5 million.

In 2018, ABGLI entered into a consultancy agreement with a third party company to perform, among others, services related to project, and offshore development, gaming and other licenses. Revenue from consultancy amounted to P169.7 million.

Due to the discussions above, ABLGI registered net income amounting to P580.7 million in 2018, an increase of P427.5 million or 279.11% from last year’s P153.2 million.

LRLDI Operations

In 2010, LRLDI has completed its construction of the CyberPark building intended for lease. Accordingly, in the same year, LRLDI entered into various lease agreements as lessor with lease terms ranging from monthly to five (5) years.

LRLDI is also committed in supporting the development of Cagayan Special Economic Zone and Free Port (CSEZFP). In executing an agreement with Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation (CLPDC), LRLDI has established its support by investing funds into the Lal-Lo Airport Project, Cagayan Economic Zone and Freeport (CEZFP) International Airport Project, and other facilities within the CSEZFP. These projects aim to improve and further advance CSEZFP into a self-sustaining industrial zone.

LRLDI entered into a joint venture property development project in Makati with Total Consolidated Asset and Management, Inc. called Techzone Philippines, Inc (TPI). As envisioned, the building planned will be a world-class BPO center with offices for various BPO locators not limited to licensees of FCLRC.

Retrospective 2014, Management reclassified portion of the advances to CLPDC to investment properties (land) which the Company has legal title and ownership amounting to P6.4 million. In 2017, Management decided to change its accounting policy to recognize its investment properties at their appraised (FV) amounts to properly reflect its true value. Gain (net of tax) from the revaluation of its land properties and Cyberpark building amounted to P140.6 million and P174.7 million in 2018 and 2017, respectively.

In 2017, LRLDI generated a net income of P630.9 million mainly due to the gain on revaluation of investment properties and additional rent income from its property in Cyberpark. However, 2018 net income decreased by P422.2 million or 66.93% due to the lower revaluation gain and equity share in net income of TPI.

Equity share in net income of TPI decreased by P374.9 million from P445.4 million in 2017 to P70.5 million in 2018. The share in equity earnings likewise includes revaluation gain (net of tax) from the investment property of TPI amounting to P46.4 million and P858.6 million in 2018 and 2017, respectively. There was a significant surge in property prices in Makati towards the end of 2017 from 2016 as compared to 2018 from 2017. The revaluation was performed by an SEC accredited third party appraiser.

Consolidated Financial Condition

The total consolidated assets of LRWC and subsidiaries as of 31 December 2018 of P18,048.1 million increased by P1,285.6 million or 7.67% from P16,762.5 million as of 31 December 2017 mainly due to increase in accounts receivables, revaluation of investment properties, increase in rental deposits and cash performance bonds.

The following are the significant changes in the liabilities of LRWC and subsidiaries: (1) increase in Trade and other payables of P385.5 million attributable to higher outstanding payable to suppliers; (2) increase in Loans payable of P415.3 million due to the loan availments for working capital purposes, and (3) increase in deferred tax liabilities of P380.9 million arising from the unrealized gain on revaluation of investment properties.

The Company and its subsidiaries:

- a) Have no known trends or any demands, commitments, events or uncertainties that will result in or that are likely to result in the liquidity increasing or decreasing in any material way;
- b) Have no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) Have no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period;
- d) Have not breached any loans, leases or other indebtedness or financing agreement; and
- e) Have no material commitment for capital expenditure, aside from those already discussed as continuous development of new bingo parlors.

Key Performance Indicators

The Company monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

Key Performance Indicator	Formula	2018	2017
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	38.4%	39.5%
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$	98.3%	87.8%
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Stockholders' Equity}}$	198.3%	187.8%
Payout Turnover	$\frac{\text{Traditional Bingo Revenues}}{\text{Payout}}$	1.47 times	1.42 times

Return on Average Equity	$\frac{\text{Net Income}^*}{\text{Average Stockholders' Equity}}$	4.6%	7.9%
Return on Average Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$	2.4%	4.6%
Solvency Ratio	$\frac{\text{Net Income}^* + \text{Depreciation}^*}{\text{Total Liabilities}}$	9.9%	13.0%
Interest Coverage Ratio	$\frac{\text{Income Before Interest \& Tax}^*}{\text{Interest Expense}}$	3.3	5.4
Net Book Value Per Share	$\frac{\text{Stockholders' Equity}}{\text{Weighted Average Shares Outstanding}}$	7.6	7.4
Basic Earnings Per Share	$\frac{\text{Income Attributable to Ordinary Stockholders of the Parent Company}}{\text{Weighted Average Shares Outstanding}}$	0.3441	0.2443

Plans for 2020

RETAIL

In 2019, the Retail Group realized its goal of expanding its market reach and providing additional gaming capacity by opening six (6) new venues, renovating its existing sites, and offering multiple gaming products.

Before the year 2019 ended, the Group underwent an organizational re-structuring and personnel retirement program, which successfully resulted in an integrated ABLE's and TGXI's organizational structure. This helped improve the efficiency of roles and maximize manpower output, resulting in faster response to changing business trends as well as substantial cost reductions. Despite such major internal changes and cash challenges, growth was still achieved in 2019.

For 2020, our strategies continue to be growth-oriented, deeply anchored in profitability and cost management. In particular, we plan to become the "top-of-mind" gaming venue by making all products available in select sites making such sites a "one-stop shop", capitalizing on our membership card as a marketing tool, continuing site build-outs and/or acquisitions to further strengthen our site network, refreshing and standardizing the look of existing sites for an upgraded player experience, improving or personalizing customer service for increased visits and extended stay, introducing product innovations (e.g., all-link traditional bingo program with higher payouts which shall attract more players, hence more revenues), as well as pursuing backward integrations to boost revenues and/or increase gross profit.

Due to the COVID-19 pandemic, some of these plans may have to be pushed back, but still remain in the pipeline. We shall ramp up our efforts on restating our business 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 quickly adapt to disruptions and changing business trends while maintaining business operations and safeguarding our people, patrons, assets, and overall brand equity.

CASINO

Product Improvement

Product improvement is the process of making meaningful product changes that result in new customers or increased benefits realized by existing customers. BCGLC will replace the existing old model of EGM and ETG to the latest models available.

At the same time, BCGLC will also replace the non-performing EGM such with those games that have proven its

performance in major casinos in the Philippines in order to maximize the gaming revenue.

Marketing and Promotion

BCGLC marketing plan in 2020 will be based on the following: (1) Product - increase the game mix; (2) Price - various denomination games installed in each club to attract all level of players; and (3) Promotion - intense marketing activities will be held on a weekly, monthly and quarterly basis.

Club Enhancement

Transform the traditional PAGCOR VIP Club to a boutique style casino which allow customers to enjoy their playing time in a quiet and cozy gaming room.

ONLINE/PROPERTY

Following the clarification of the government's position regarding the licensing and regulation of entities involved in online gaming operations and ancillary support services through the issuance of Executive Order 13 in February 2017, FCLRC initiated efforts to put in place the critical elements that are necessary for the CSEZFP to regain its historical status of being the premier online gaming jurisdiction in Asia. Specifically, FCLRC has identified and taken steps to address the following:

Accessibility

FCLRC has determined that the main gateway to the CSEZFP will be through the Cagayan North International Airport (CNIA) located in the municipality of Lal-lo, approximately 80 kilometers southwest of FCLRC's business operations in Santa Ana. LRWC, through its wholly-owned subsidiary LR Land, funded over 50% of the development cost of CNIA through advances to airport owner and operator Cagayan Premium and may convert such advances into majority equity in the airport owner in the future. CEZA provided the other 50% funding for CNIA.

In 2018, a chartered airline servicing one of the locators in Santa Ana successfully launched its maiden flight between Macau and Lal-lo. The chartered airline now flies two round trips a week from Lal-lo to Macau. Also, in 2018, consultants were engaged to assist Cagayan Premium to obtain the authorization from the CAAP for CNIA to operate as a commercial airport. It is expected that with the appointment of trained airport personnel, planned upgrade of the passenger terminal, procurement of ground handling equipment and installation of navigational systems by the 4th quarter of 2020, CNIA will finally be able to operate as a fully-functional commercial airport.

Master-planned Business Park

Initially focusing on its leased 10-hectare property in Santa Ana (Cyberpark) for development, FCLRC is expanding its plans to cover a significantly larger area beyond Cyberpark. In doing so, FCLRC can properly envision and execute a master-planned development that incorporates office, residential and retail commercial buildings as well as recreational areas into a self-contained community catering to online gaming and financial technology companies. FCLRC expects actual master-planning work to commence late in the second quarter or early in the third quarter of 2020. Horizontal land development preparatory work should begin shortly after.

Licenses

To provide the appropriate regulatory environment to its infrastructural development plans, FCLRC successfully renewed its master licensor from CEZA in 2017. In addition, FCLRC was also awarded by CEZA the first land-based casino license in CSEZFP in late 2018. For 2020, FCLRC is angling to obtain a principal financial technology license and explore opportunities involving blockchain technology and cryptocurrency.

LRDCSI, has built a robust data network infrastructure in Cagayan that is connected to its Metro Manila facilities. Together, both the Cagayan and Metro Manila nodes offer world-class internet connectivity that is essential to online gaming operators. These nodes are, in turn, connected to LR Data nodes located in other countries in the Asia Pacific region. For 2018, additional capital expenditures are programmed to further improve the quality of this data network infrastructure and a new Tier One data center will be on the drawing board. For 2020, additional capital expenditures are programmed to improve facilities in both Cagayan and Manila as follows:

In Cagayan:

1. Initiate the plan including timelines and BOM for a redundancy path for the underground fiber facilities to further improve the stability and uptime of network facilities in the zone. Project implementation will be dependent on management direction and approval.
2. Expand the fiber network in preparation for new CEZA enterprise locators as well as the planned developments of LRLDI and FCLRC.
3. Maximize use of existing fiber optic network to cater to retail markets within the zone.
4. As planned in 2018, LRDCSI will move forward on the new data center facility in the zone and come up with the terms-of-reference for a purpose-built Tier-3 modular data center.

In Manila:

1. Complete the procurement of network equipment to enable end-to-end MPLS services further improving network service performance.
2. Maximize existing Cloud infrastructure to cater to more enterprise and non-gaming customers in Manila.
3. Extend the LRDATA cloud services to Taiwan thru the existing LRDATA Taiwan node to cater to growing gaming BPO operations in the country.
4. Explore other VAS opportunities that may be offered not just to gaming customers but also to other enterprise customers.

Discussion and Analysis of Material Events and Uncertainties Known to Management

The Management of LRWC and subsidiary is not aware of any material events/and uncertainties that would address the past and would have impact on future operations of the following:

1. Any trends, demands, commitments, events or uncertainties that will have a material impact on LRWC's liquidity;
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
3. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period
4. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations;
6. Any significant elements of income or loss that did not arise from LRWC continuing operations;
7. Any seasonal aspects that had a material effect on the financial condition and results of operations.

Financial Statements

	For the three months ended March 31			
	2020	2019	Change	% Change
CASINO				
Income from junket operations	358,977,675	794,984,275	(436,006,600)	-54.8%
Casino gaming revenues	429,970,419	469,986,652	(40,016,233)	-8.5%
	788,948,094	1,264,970,927	(476,022,833)	-37.6%
ONLINE				
Service and hosting fees	79,817,122	112,512,839	(32,695,717)	-29.1%
Bandwidth and co-location	135,687,472	152,638,198	(16,950,726)	-11.1%
	215,504,594	265,151,037	(49,646,443)	-18.7%
RETAIL				
Electronic bingo	1,373,489,222	1,582,355,910	(208,866,688)	-13.2%
Traditional bingo	423,795,592	575,770,180	(151,974,588)	-26.4%
Electronic games	81,076,776	232,694,749	(151,617,973)	-65.2%
Rapid bingo	60,685,560	68,055,225	(7,369,665)	-10.8%
Pull tabs	4,430,540	4,202,710	227,830	5.4%
	1,943,477,690	2,463,078,774	(519,601,084)	-21.1%
PROPERTY				
Rent income	5,621,304	6,380,343	(759,039)	-11.9%
Total gross gaming revenues	2,953,551,682	3,999,581,081	(1,046,029,399)	-26.2%
Partner's share	523,068,629	1,051,076,976	(528,008,347)	-50.2%
Franchise fees and taxes	929,832,837	1,154,837,267	(225,004,430)	-19.5%
Payout	344,086,858	411,045,083	(66,958,225)	-16.3%
Vendor share	287,264,796	342,418,585	(55,153,789)	-16.1%
Costs of bandwidth and co-location	120,129,038	119,056,956	1,072,082	0.9%
Other direct costs	6,918,556	5,803,616	1,114,940	19.2%
Total direct costs	2,211,300,714	3,084,238,483	(872,937,769)	-28.3%
Gross profit	742,250,968	915,342,598	(173,091,630)	-18.9%

The Annual Audited Consolidated Financial Statements for 2019 and the Interim Consolidated Financial Statements for the first quarter of 2020 are presented separately to form part of this information package.

Information on Independent Accountant and other Related Matters

External Audit Fees and Services

The aggregate fees billed and paid by registrant in favor of its External Auditors for Audit and Audit Related Fees is Seven Million Eight Hundred Thousand Pesos (P7,800,000) for the fiscal year 2019 and Seven Million Pesos (P7,000,000) for the fiscal year 2018. These fees comprise the audit and audit related services rendered in favor of registrant and its subsidiaries.

Except for the fees indicated above, there were no tax fees or all other fees billed or paid to registrant's External Auditors for the last two (2) fiscal years.

The audit plan, including the corresponding audit fees, of the external auditors has been submitted to the

Company's Audit Committee for review. The Audit Committee evaluates and approves the audit fees on the basis of reasonableness, scope of work, inflationary increase and the prevailing market price for such services in the audit industry. If the Audit Committee finds the audit plan and audit fees are in order, these are presented and recommended for final approval of the Board of Directors. As regards to services that may be rendered by the external auditor other than the audit of financial statements, the scope of and payment for the same are subject to review, evaluation and approval by the Board of Directors.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

KPMG R.G. Manabat & Co. served as the Company's external auditors for the 2017 and 2016 Financial Statements. Their re-appointment was approved during the Company's annual stockholders' meeting held on 28 July 2017. Mr. Dindo Marco M. Dioso is the partner-in-charge for the Corporation's audit for the 31 December 2017 Financial Statements. They ceased performance of service for the Company on 20 July 2018. On 28 July 2018, SGV & Co., was appointed as the external auditors for the audit of the Company's financial statements as at and for the period ending 31 December 2018. There were no disagreements with independent accountants on accounting and financial disclosures.

On the annual stockholders' meeting held on 26 July 2019, SGV & Co., was re-appointed as the external auditors, with Ms. Maria Pilar B. Hernandez as the partner-in-charge for the audit of the Company's financial statements as at and for the period ending 31 December 2019.

There were no disagreements with independent accountants on accounting and financial disclosures.

Corporate Governance

- (a) The evaluation system established by the Company measures and determines the level of compliance of the Board of Directors and top-level management with its New Manual on Corporate Governance. All directors, officers and employees complied with all the leading practices and principles on good corporate governance embodied in this New Manual.
- (b) There are measures being undertaken by the Company to fully comply with the adopted leading practices on good corporate governance as embodied in its New Manual on Corporate Governance which was submitted to SEC on 29 May 2017.
- (c) There is no significant undisclosed deviation from the Company's New Manual on Corporate Governance.
- (d) The current New Manual on Corporate Governance is addressing critical areas affecting the Company's operations. In as much as the Company's business presently primarily pertains to the operations of its wholly and majority-owned subsidiaries, the Company deems that the management of these subsidiaries is the more critical area of concern for the Company. In view of the same, in addition to the Anti-Fraud Procedures adopted by all subsidiaries, the Company's Audit Committee conducts regular meetings with the Internal Audit to discuss any significant findings and deviations from the established procedures. No such significant finding and deviations have been reported so far.

SEC FORM 17-A

The Company shall provide to the stockholders, without charge, on written request, the Annual Report of the company on SEC Form 17-A. All such requests for a copy of the Annual Report shall be directed to:

**The Corporate Secretary
Leisure & Resorts World Corporation
26/F West Tower, PSE Center, Exchange Road
Ortigas, Pasig City**

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEISURE & RESORTS WORLD CORPORATION

Issuer

By:



ATTY. CAROL V. PADILLA

Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
) S.S.

QUEZON CITY

CERTIFICATION

I, **CAROL V. PADILLA**, of legal age, Filipino, and with office address at 26th Floor, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, after having been duly sworn in accordance with law, state that:

1. I am the duly appointed Corporate Secretary of **LEISURE & RESORTS WORLD CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at the 26th Floor, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.
2. The incumbent members of the Board of Directors and officers of the Corporation are as follows:

NAME	POSITION
Eusebio H. Tanco	Chairman
Eng Hun Chuah	President
Alfredo Abelardo B. Benitez	Director
Johnson Cheung	Director
Willy N. Ocier	Director
Paolo Martin O. Bautista	Director
Ignatius F. Yenko	Director
Renato G. Nunez	Director
Max Aaron Wong	Director
Anthony L. Almada	Independent Director
Lawrence T. Cobankiat	Independent Director
Carol V. Padilla	Corporate Secretary
Kristine Margaret R. Delos Reyes	Compliance Officer
Donita Marel R. Rivera	Treasurer

3. None of the foregoing directors and officers of the Corporation are currently employed by or otherwise connected in any capacity to the Philippine Government or any of its bureaus, agencies or instrumentalities.

IN WITNESS WHEREOF, I have affixed my signature this 22 day of July 2020 in QUEZON CITY City.

Carol V. Padilla
CAROL V. PADILLA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 22 day of 2 2020, in QUEZON CITY City, affiant exhibiting to me her Tax Identification No. 271-536-697.

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Page No. 77
Book No. 5;
Series of 2020.

NOTARY PUBLIC

Atty. Conchita P. Villabena
ATTY. CONCHITA P. VILLABENA
Notary Public for Quezon City
Until December 31, 2024
PTR No. 9296041-1-2-2020/MK
IBP No. 093586-19-22-2017/QC
Roll No. 30457-05-09-80
MCLE VI 0038379-02-21-2020
Adm. Matter No. NP-001 (2020-2021)
TIN No. 131 942 754
124B NB Bldg. G/F Brgy. South Triangle QC

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

C E R T I F I C A T I O N

I, **LAWRENCE T. COBANKIAT**, of legal age, Filipino and with office address at Suite 1208 Robinsons Equitable Tower, ADB Ave. cor. Poveda St., Ortigas Center, Pasig City, after being duly sworn in accordance with law, depose and state that:

1. I am a nominee for independent director of **LEISURE & RESORTS WORLD CORPORATION** and I have been its independent director for a period not exceeding nine (9) cumulative years from 26 July 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Jellco Enterprises, Inc.	President and CEO	25 years
Protech Global Solutions	President and CEO	9 years
GRP Mobile Solutions Inc.	Chairman	3 years
Fidelity Steel Manufacturing, Inc.	Director	32 years
Hi-Tech Steel Industries Corporation	Director	26 years
West End Property Inc.	President	7 years
GICA Grinding Wheel Corporation	Director	4 years
Arrow Plastic Industries Corporation	Director	4 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Leisure & Resorts World Corporation, 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 or substantial shareholder of Leisure & Resorts World Corporation and its subsidiaries and affiliates.
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 affiliated with any government agencies or government-owned and controlled corporations.
7. 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.
8. I shall inform the Corporate Secretary of Leisure & Resorts World Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 22 JUL 2020 day of 2020 at QUEZON CITY City.


LAWRENCE T. COBANKIAT
Affiant

SUBSCRIBED AND SWORN to before me this 22 JUL 2020 day of 2020 at QUEZON CITY,
affiant personally appeared before me and exhibited to me his Tax Identification No. 120-971-010.

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ATTY. CONFERENCIO P. VILLARENA
Notary Public for Quezon City
Until December 31, 2021
PTR No. 9296041-12-2020/06
IBP No. 093580-19-22-2019-QC
Roll No. 3043-05-01-50
MCLE VI 0030379-02-21-2020
Adm Matter No. NP-001 (2020-2021)
TIN No. 131-952-784
124B NB Bldg. G.F Brgy. South Triangle QC

C E R T I F I C A T I O N

I, **WINSTON A. CHAN**, of legal age, Filipino and a resident of **235 Calatagan St., Ayala Alabang Village, Muntinlupa City Metro Manila**, after being duly sworn in accordance with law, depose and state that:

1. I am a nominee for independent director of **Leisure & Resorts World Corporation** and I have been its independent director since **N/A**.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
San Miguel Food and Beverage, Inc.*	Independent Director	February 2019 to present
Premiere Horizon Alliance Corporation*	Member, Board of Directors	February 2018 to present
Kairos Business Solutions, Inc.	Incorporator and Director	February 2018 to present
DataOne Asia (Philippines), Inc.	Member, Board of Directors	July 2018 to present

* Publicly listed Company on the Philippine Stock Exchange (PSE).

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Leisure & Resorts World Corporation, 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 or substantial shareholder of Leisure & Resorts World Corporation and its subsidiaries and affiliates.
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 affiliated with any government agencies or government-owned and controlled corporations.
7. 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.
8. I shall inform the Corporate Secretary of Leisure & Resorts World Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 10 day of July 2020 at Manila City.

Winston Chan
WINSTON A. CHAN
 Affiant

22 JUL 2020

QUEZON CITY

W. Villarena
ATTY. WILSON VILLARENA
 Notary Public for Quezon City
 Until December 31, 2021
 PTR No. 9298841-1-2-2020/QC
 IBP No. 091586-10-22-2019/QC
 Roll No. 30457-05 (09-80)
 MCLE VI 0030179 02 21 2020
 Adm Matter No. NP 601 (2020-2021)
 TIN No. 131 942 754
 124B NB Bldg. G/F Brgy. South Triangle QC

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2020 at _____
 affiant personally appeared before me and exhibited to me his Tax Identification No. 102083827