

**LEISURE & RESORTS WORLD CORPORATION**  
Minutes of the Annual Meeting of the Stockholders

Place: Midas Hotel and Casino  
2702 Roxas Boulevard, Pasay City

Date: 31 July 2015

Time: 2:00 p.m.

**I. CALL TO ORDER**

The Chairman, Mr. Reynaldo P. Bantug, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Raul G. Gerodias, recorded the minutes of the meeting.

The Chairman acknowledged the presence of the Corporation's directors and officers. The Chairman also acknowledged the presence of R.G. MANABAT & CO. Auditing Firm, headed by the partner-in-charge for the Corporation, Mr. Dindo Marco Dioso. The Chairman informed everyone present that R.G. MANABAT & CO shall be available to respond to appropriate questions from the stockholders later in the meeting.

**II. PROOF OF NOTICE AND DETERMINATION OF QUORUM**

The Corporate Secretary certified that notices of the annual meeting were sent by registered mail and messengerial service to all stockholders of record as of the record date at their respective addresses.

The Corporate Secretary certified that a quorum was present for the transaction of business with the presence, in person or by proxy, of stockholders representing 2,008,544,287 common and preferred shares, or 70.48% of the total and issued outstanding shares of the Corporation. The stockholders consented to waive their right to notice of the meeting.

**III. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 25 JULY 2014**

The Chairman presented the minutes of the annual stockholders' meeting held on 25 July 2014, copies of which were included in the Shareholders' Information Package. Upon motion duly made and seconded, the reading of the minutes of the stockholders meeting held on 25 July 2014 was dispensed with and the minutes of the said meeting as set forth in Minutes Book, was approved, confirmed and ratified.

**IV. MANAGEMENT'S REPORT AND MESSAGE TO THE STOCKHOLDERS**

The Chairman rendered the Management's Report. At the request of the Chairman, Mr. Alfredo B. Reyes, the Corporation's Investor Relations Head, read the Management's Report and Message to the Stockholders. Copies of the Management's Report were also incorporated in the Shareholders' Information Package duly furnished to all stockholders of the Corporation.

After the presentation of the Management's Report and Message to Stockholders, a stockholder propounded several questions to the Chairman.

The first question inquired as to the extent of the Corporation's ownership/interest in DFNN, Inc. and in the City of Dreams project. In response, the Chairman stated that the Corporation has subscribed to DFNN, Inc.'s shares equivalent to ten percent (10%) of its outstanding capital stock. On the other hand, the Corporation currently has a fifty percent (50%) financial interest in Belle Corporation which owns thirty (30%) of the City of Dreams project. Simply stated,



the Corporation thru Belle Corporation has fifteen percent (15%) financial interest in the City of Dreams project.

The second question related to the possibility of the Corporation declaring and issuing stock dividends in light of the increase in the Corporation's retained earnings to approximately Php1.2 Billion as of the end of 2014. The Chairman responded that the Corporation's practice has been to declare cash dividends to its stockholders. However, the Board of Directors will deliberate and consider the issuance of stock dividends in the future.

The third question inquired as to the Net Asset Value and Book Value of the Corporation's common shares. The Chairman requested R.G. Manabat & Co.'s partner-in-charge, Mr. Dioso, to assist the inquiring stockholder in computing the values. Mr. Dioso explained the formula to be used in computing the Net Asset Value and Book Value and then proceeded to the inquiring stockholder's table for this purpose.

**V. APPROVAL OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2014 AND RATIFICATION OF ACTIONS TAKEN BY THE BOARD OF DIRECTORS AND OFFICERS SINCE THE LAST ANNUAL MEETING DATED 25 JULY 2014**

The Chairman then presented for approval the Annual Report and the Audited Financial Statements for the calendar year 2014. Upon motion duly made and seconded, the following resolution was unanimously passed and approved:

"RESOLVED, that the Annual Report for 2014 as presented by the Chairman, the President and the Board of Directors together with all the Balance Sheets and Financial Statements contained therein be approved as presented."

Thereupon, the Chairman proceeded to the next item of the Agenda, which is the ratification of all acts and proceedings of the Board of Directors and Management since the Annual Meeting held on 25 July 2014, including but not limited to the following:

1. Approval of the list of nominees for election to the Board of Directors including the independent directors submitted by the Nomination Committee;
2. Approval of the audit reports and financial statements as presented by the Audit Committee;
3. Approval of the appointment of Atty. Raul G. Gerodias as the Corporation's Compliance and Corporate Information Officer;
4. Approval of the list of nominees who shall comprise the various committees of the Corporation;
5. Approval of the suretyship of the Corporation for the loans extended by UCPB and AUB to the Corporation's subsidiaries;
6. Grant of cash bonus to the members of the Board of Directors and Officers;
7. Declaration of cash dividends at the rate of Four and 25/100 percent (4.25%) per share payable to all preferred stockholders as of 11 December 2014 to be paid on 06 January 2015;
8. Declaration of cash dividend at the rate of Four and 25/100 Centavos (Php0.0425) per share payable to all preferred stockholders of record as of 30 June 2015 to be paid on 13 July



2015, and another cash dividend at the rate of Four Centavos and 25/100 (Php0.0425) per share payable to all preferred stockholders of record as of 29 December 2015 to be paid on 12 January 2016; and

9. Declaration of cash dividend at the rate of Six Centavos (Php 0.06) per share payable to all common stockholders of record as of 29 September 2015 to be paid on 23 October 2015, and another cash dividend at the rate of Six Centavos (Php0.06) per share payable to all common stockholders of record as of 26 February 2016 to be paid on 23 March 2016.

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

“RESOLVED, that the acts and proceedings of the Corporation’s Board of Directors and Management since the last annual meeting on 25 July 2014 as set forth in the Minutes Book, be, as they are hereby, approved, confirmed and ratified.”

#### VI. NOMINATION AND ELECTION OF THE CORPORATION’S DIRECTORS

The stockholders proceeded to the election of eleven (11) directors for the ensuing term. The Chairman informed the stockholders that out of the 11 directors to be nominated and elected to the board seats of the Corporation, the Corporation is required by law to nominate and elect two (2) independent directors. The nominees to the seats for independent directors have been pre-qualified by the Nomination Committee in accordance with the requirements and procedure set forth under Rule 38 of the Securities Regulations Code. Also, in accordance with the said procedure, no nominations to the independent directors’ seats will be entertained during the meeting for the election of directors and only the nominees in the list of the Nomination Committee shall comprise the final list of nominees to the said seats. The Chairman then presented the final list of nominees to the Independent Directors’ seats as submitted to the Board by the Nomination Committee:

Mr. Anthony L. Almeda  
Ms. Clarita T. Zarraga

The nominees to the Independent Directors’ seats as submitted to the Board by the Nomination Committee were then declared as the duly elected Independent Directors for the ensuing year until their successors have been duly elected and qualified.

The Chairman then opened the table for nominations to the remaining nine (9) seats in the Board and the following were nominated:

1. Reynaldo P. Bantug
2. Jose Conrado B. Benitez
3. Edgardo S. Lopez
4. Ignatius F. Yenke
5. Willy N. Ocier
6. Bienvenido M. Santiago
7. Wilson L. Sy
8. Eusebio H. Tanco
9. Raul G. Gerodias

There being no other nominations, the Chairman directed the Corporate Secretary to cast the votes of the stockholders present in person and by proxy in favor of the nominees and were declared as the duly elected directors of the Corporation for the ensuing year until their successors have been duly made



elected and qualified.

## VII. APPOINTMENT OF EXTERNAL AUDITOR

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

“RESOLVED, that R.G. Manabat & Co. be, as it is hereby, appointed as external auditor of the Corporation for the ensuing fiscal year.”

## VIII. OTHER MATTERS/OPEN FORUM

There being no other matters to be discussed, the Chairman opened the floor for any other questions from the stockholders present. Several questions were raised by some of the shareholders as follows:

The first question related to the giveaways of the Corporation to the shareholders for the meeting and whether they may be still be used should a conflict arise between the Philippines and China. The Chairman noted the relevance of the question in light of current events.

The second question was in connection with payment of penalties previously imposed on the Corporation in 2013 by the Philippine Stock Exchange (PSE) due to a clerical error in the disclosure of the amount of cash dividends. The stockholder raised a concern that funds of the Corporation were used to pay for the PSE penalty. In response, the Chairman clarified that what occurred was an honest mistake, and disclosed further that the PSE penalty was voluntarily paid by the Corporation's Compliance Officer, Atty. Raul G. Gerodias, using his personal funds. It was emphasized that the Corporation did not incur any expense pertaining to the payment of the PSE penalty. Finally, the Chairman assured the stockholders that the Corporation has already implemented necessary procedures to avoid the occurrence of similar incidents in the future.

The third question was about the performance of the Corporation and its subsidiaries and the amount of the net income during the first half of 2015. Mr. Alfredo B. Reyes stated that the Corporation is in the process of finalizing and filing its quarterly report and financial statements for the 2<sup>nd</sup> quarter of 2015. Thus, Mr. Reyes requested that the Corporation be given a few more days to finalize the figures and that the proper disclosure on the Corporation's financial performance for the 1<sup>st</sup> half of 2015 will be made in due time.

The fourth question pertained to the possibility of the Corporation conducting fund raising activities for charitable purposes using Bingo games. The Chairman responded that the Corporation regularly conducts fund raisers for the benefit of charitable institutions. The Chairman referred the inquiring stockholder to the Corporation's Bingo Relations Group for more details about these fund raising activities.


The last question referred to the current composition of the Corporation's Board of Directors. More particularly, the inquiry was if the presence of Director Eusebio H. Tanco and Director Jose Conrado B. Benitez will hinder the harmonious relationship between and among the members of the Board. In response, the Chairman clarified that there are no issues between Director Tanco and Director Benitez with regard to the operation and management of the Corporation, and that the Board continues to work harmoniously for the betterment of the Corporation.

## IX. ADJOURNMENT


There being no other business to discuss, the meeting was adjourned upon motion duly made and seconded.



CERTIFIED CORRECT:

  
RAUL G. GERODIAS  
*Corporate Secretary*

ATTESTED:

  
REYNALDO P. BANTUG  
*Chairman*