

LEISURE & RESORTS WORLD CORPORATION

Minutes of the Annual Meeting of the Stockholders

Held via Remote Communication at

<https://zoom.us/j/95929903199?pwd=VEVHSWwwTkZlZTcwSGRlS0MrWlpRZz09>

30 July 2021 at 2:00 p.m.

Stockholders Present:

Total No. of Shares Outstanding	2,417,500,000
Total No. of Shares of Stockholders participating remotely or <i>in absentia</i> , and represented in proxy	2,003,453,743
Percentage of Shares of Stockholders participating remotely or <i>in absentia</i> , and represented in proxy	82.87%

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

Mr. Eusebio H. Tanco	- Chairman of the Board, Chairman of the Executive Committee, Member of the Nomination Committee
Mr. Ngam Bun Cheung	- President, Member of Executive Committee, Member of the Compensation Committee, Member of the Related Party Transaction Committee, Member of the Retirement Committee
Mr. Alfredo Abelardo B. Benitez	- Member of Executive Committee, Member of Corporate Governance Committee, Member of Compensation Committee, Member of Retirement Committee
Mr. Paolo Martin O. Bautista	- Member of the Audit Committee, Member of Related Party Transaction
Mr. Willy N. Ocier	- Chairman of Nomination Committee, Member of Executive Committee
Mr. Restituto O. Bundoc	- Member of Corporate Governance Committee, Member of Retirement Committee
Mr. Mardomeo N. Raymundo Jr.	- Member of Corporate Governance Committee, Member of Nomination Committee, Member of Related Party Transaction Committee
Mr. Renato G. Nuñez	- Member of Risk Oversight Committee, Member of Retirement Committee
Mr. Max Aaron Wong	- Member of Executive Committee, Member of Compensation Committee, Member of Nomination Committee
Mr. Lawrence T. Cobankiat	- Chairman of Corporate Governance Committee, Chairman of Compensation Committee, Chairman of Risk Oversight Committee, Chairman of Retirement Committee, Member of Audit Committee, Member of Nomination Committee, Member of Related Party Transaction Committee
Mr. Winston A. Chan	- Chairman of Audit Committee, Chairman of Related Party Transaction Committee, Member of Corporate Governance Committee, Member of Compensation Committee, Member of Risk Oversight Committee

Also Present:

Atty. Kristine Margaret R. Delos Reyes	-	Compliance Officer
Atty. Carol Padilla	-	Corporate Secretary
Ms. Diana Jane B. Garbi	-	Treasurer
Mr. Teh Teng Yeong	-	Head of Blue Chip Gaming operations
Ms. Elaine Eustaquio	-	Chief Internal Audit
Ms. Xiaolu Dong	-	Deputy CFO
Ms. Maria Pilar B. Hernandez	-	SyCip Gorres Velayo & Co. (SGV), External Auditor, and Team
Mr. Ricardo D. Regala	-	Stock and Transfer Service, Inc. (STSI), and Team

I. CALL TO ORDER

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

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

II. PROOF OF NOTICE AND DETERMINATION OF QUORUM


The Corporate Secretary certified that the Notice and Agenda for the 2021 Annual Meeting of the Stockholders was disclosed in the Philippine Stock Exchange's EDGE Submission System, and uploaded in the Company's website on 18 June 2021. The Notice and Agenda for the meeting were also published in newspapers of general circulation, specifically in Business Mirror and Business World, both in print and online, on June 28 and 29, 2021. The Notice and Agenda were further sent by mail and messengerial service to all shareholders as of record date at their respective addresses of record. The Notices were sent out at least twenty one (21) days prior to the Annual Stockholders' Meeting in accordance with the requirements of the Revised Corporation Code and applicable SEC regulations.

Through the Notice, the stockholders were informed that due to the Community Quarantine in effect in Luzon, the Company will not be conducting a physical annual stockholders' meeting, and instead the 2021 Annual Stockholders' Meeting will be streamed live.

The stockholders have also been notified that they can cast their votes remotely, through proxy, or *in absentia*, by sending their votes via e-mail to investorrelations@LRWC.com.ph on or before 12:00pm on 29 July 2021.

For the stockholders who cannot attend the meeting, they were given until 23 July 2021 to submit their respective proxies.

The Corporate Secretary certified that a quorum was present for the transaction of business with the presence of stockholders participating remotely, *in absentia*, or by proxy representing a total of Two Billion Three Million Four Hundred Fifty Three Thousand Seven Hundred Forty Three (2,003,453,743) common shares. This constitutes 82.87% or more



than two thirds (2/3) of the Two Billion Four Hundred Seventeen Million Five Hundred Thousand (2,417,500,000) total outstanding common stock of the Company.

III. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 28 AUGUST 2020

The Chairman proceeded to the first item in the Agenda, which is the approval of the minutes of the annual stockholders' meeting held on 28 August 2020. A summary of the minutes was included in the Information Statement, and can be accessed through the Company's website at www.LRWC.com.ph.

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

"RESOLVED, that the reading of the minutes of the annual meeting of the stockholders held on August 28, 2020 is dispensed with, and all matters included in the minutes are considered complete and accurate, and are approved for all intents and purposes."

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	2,003,453,743	100%
Against	0	0.00%
Abstain	0	0.00%

IV. MANAGEMENT REPORT

The Chairman proceeded to the next item in the agenda, the Management's Report. The Chairman then called the Company's President, Mr. Ngam Bun Cheung to deliver the Report for the year 2020, as follows:

"Dear Valued Shareholders,

Year 2020 was a total game changer. All of us were put to the test no matter our social status. Watching events unfold in a year of a global pandemic, it was a time when we all made difficult decisions and did things differently than we normally do.

As we prepare for this yearly occasion, I am proud to be reminded that our company and employees are each other's source of strength during this difficult time. At the onset of the enhanced community quarantine (ECQ) in March 2020, we were among the severely impacted industries of the forced lockdown of businesses across the country.

In 2020, **LEISURE & RESORTS WORLD CORPORATION** or LRWC's consolidated gross revenue dipped by 66.2% year-on-year to Php3,583,320,381. While almost all businesses were reeling from this huge economic setback, LRWC's business units were determined to manage the pandemic effect through an immediate pivot to innovation and digitization. We kept our focus on the opportunities that were powerfully presented to us during the time when we were facing recession, social issues, and unprecedented government actions. Here is a summary of the management's financial highlights:




RETAIL group's consolidated gross revenue contribution for 2020 dropped by 70.5% to Php2,404,142,540. Majority of the gaming sites were among the hard hit by the enforcement of COVID-related community quarantines to curtail the growing cases of the corona virus. **AB Leisure Exponent, Inc. (ABLE)** posted a gross revenue of Php2,279,215,612 for 2020, 71.0% lower than the previous year at Php7,850,640,266 while **Total Gamezone Xtreme Incorporated (TGXI)**'s gross revenue was down by 59.9% to Php124,926,928 compared to Php311,618,587 in 2019. In the middle of the pandemic year, the restrictions were eased from General Community Quarantine (GCQ) to Modified Enhanced Community Quarantine (MECQ) in different areas of the country. Some of the gaming sites were able to resume its operations with reduced occupancy and shorter operating hours. This gave some space to breathe for Retail group's inflating costs. And while overall performance was still seen on the low side, some sites were able to breakeven with a big help from negotiated rent discounts.

CASINO group posted a consolidated gross revenue contribution of Php344,598,660, a decreased of 74.0% from Php1,325,287,577 in 2019. **Blue Chip Gaming and Leisure Corporation (BCGLC)** or **Blue Chip** reported a gross revenue contribution of Php233,047,089, a 63.3% decrease from the Php635,517,177 recorded in 2019. Blue Chip's Davao site has never resumed operation since the beginning of the lockdown. **Prime Investment Korea Inc. (PIKI)** remained closed and has yet to resume operations since March 16, 2020. Its gross revenue contribution for 2020 dipped to Php111,551,571 from Php689,770,381 in 2019. LRWC's share in **Hotel Enterprises Philippines, Inc. (HEPI)**'s net loss totalled Php102,440,007 or a decrease of 168.7% from last year's share in the net income of Php149,007,689.

ONLINE group reported a consolidated gross revenue contribution of Php806,090,842, a decrease of 25.3% from Php1,079,725,322 recorded in 2019. **First Cagayan Leisure & Resort Corporation (FCLRC)**'s gross revenue for 2019 is Php351,503,646, lower by 23.3% from previous year's Php458,352,744. **First Cagayan Converge Data Center Inc. or FCCDCI**'s gross revenue contribution is 29.3% lower to Php368,807,399 versus last year's Php521,638,814. **LR Data Center and Solutions Inc. (LRDCSI)**'s gross revenue dropped by 14.0% to Php85,779,797 from a year ago's Php99,733,764. **PROPERTY** group's consolidated gross revenue in 2020 gained 9.1% to Php28,488,339 as compared to Php26,121,174 in 2019. **AB Leisure Global Inc. (ABLGI)**'s consolidated gross revenue in 2020 stood at Php8,499,355 while **LR Land** reported a gross revenue of Php19,988,984 in 2020, 13.4% higher than the Php17,621,773 recorded in 2019.

As expected, our earnings were not spared from this global crisis, but different plans and controls were put in place to manage risks, ensure business continuity, and provide the needed action to the areas we operate in. With careful consideration, our most significant cost cut was in our operating expenses and capital expenditures. We exhausted every possible means for rental discounts, instalment plans, or deferred payments to our vendors and business partners to keep a healthy balance between sustainability and economic prosperity. Our head office and branches across our portfolio were run through combinations of work shifts, remote via computers, skeletal workforces, work-from-home, and various flexible working arrangements, while observing the prescribed health protocols.



Additionally, ever since the community quarantine started, LRWC has been thinking to provide a safer, easier, and more secured entertainment environment for all our customers. Our team has been exploring innovative remote gaming possibilities and developments. Aside from finding a way for continuous generation of company revenue, more importantly, we aim to ensure that all our customers will be able to enjoy their leisure time at a place safe from risk of exposure to the virus, and on a platform with privacy and transaction security. After all the efforts, we are happy to announce that LRWC was able to acquire its own license and accreditation as an Electronic Games Software System Provider. Simultaneously, we are at the test run stage for our live traditional Bingo platform through Zoom. We are likewise working on our new remote Electronic Bingo platform and new Sportsbetting platform, subject to obtaining all the required PAGCOR approvals.

It has always been our priority to protect the health and safety of our team members in this new normal. And as we gear towards a better normal, LRWC takes part in the national vaccination program by providing free COVID vaccines. Doses of Moderna, Sinovac and Covovax will be available through different batch schedules to all its more than nine hundred employees as LRWC's way to rebuild confidence and paint an optimistic outlook for its people, stakeholders, business partners, purveyors, and customers.

It is my belief that a healthier, more resilient, and robust LRWC is the sum of our continued hard work, perseverance, and faith with one another. We would like to express our sincere and deep gratitude for the professional excellence shown by the board, the management and all our employees.

Finally, we are constantly thankful to our stakeholders for staying with us. We know that there is nothing permanent in this world, not our challenges, not even this pandemic. Together, we shall stay ON TOP OF OUR GAME!"

V. APPROVAL OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2020

The Chairman then proceeded to the next item in the agenda, which is the approval of the Annual Report and Audited Financial Statements for the Fiscal year 2020. He mentioned that copies of both the Annual Report and Audited Financial Statements were disclosed and circulated to the shareholders.

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

"RESOLVED, that the Annual Report and Audited Financial Statements for the fiscal year 2020, electronic copies of which having been made available in the Company's website and in the Philippine Stock Exchange's (PSE) EDGE Submission System, and as circulated together with the Information Package to the shareholders, are hereby approved."

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	2,003,453,743	100%
Against	0	0.00%
Abstain	0	0.00%

VI. RATIFICATION OF ACTIONS TAKEN BY THE BOARD OF DIRECTORS AND OFFICERS SINCE THE LAST ANNUAL MEETING DATED 28 AUGUST 2020

Thereupon, the Chairman proceeded to the next item of the Agenda, which is the ratification of all acts and proceedings of the Board of Directors and Management from the Annual Meeting held on 28 August 2020.

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

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

"RESOLVED, that all the acts of the Board of Directors and of the Officers during the fiscal year 2020 and immediately preceding the July 30, 2021 annual stockholders' meeting, are approved, confirmed and ratified for all intents and purposes."

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	2,003,453,743	100%
Against	0	0.00%
Abstain	0	0.00%

VII. NOMINATION AND ELECTION OF THE COMPANY'S DIRECTORS

The Chairman moved on to the next item in the agenda, which is the election of the members of the Board of Directors for the ensuing year 2021-2022. He then called on the Chairman of the Nomination Committee, Mr. Willy Ocier to announce the nomination.

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

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

Mr. Winston Chan
Mr. Lawrence Cobankiat

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

1. Eusebio H. Tanco;
2. Ngam Bun Cheung;
3. Alfredo Abelardo B. Benitez;
4. Paolo Martin O. Bautista;
5. Renato G. Nuñez;
6. Max Aaron Wong;
7. Restituto O. Bundoc;

8. Mardomeo Raymundo Jr.; and
9. Willy N. Ocier

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

Nominee	Votes in favor		Votes against		Abstain	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1) Eusebio H. Tanco	2,003,453,743	100.00%	0	0.00%	0	0.00%
2) Ngam Bun Cheung	2,003,453,743	100.00%	0	0.00%	0	0.00%
3) Alfredo Abelardo B. Benitez	2,003,453,743	100.00%	0	0.00%	0	0.00%
4) Paolo Martin O. Bautista	2,003,453,743	100.00%	0	0.00%	0	0.00%
5) Willy N. Ocier	2,003,453,743	100.00%	0	0.00%	0	0.00%
6) Winston Chan	2,003,453,743	100.00%	0	0.00%	0	0.00%
7) Lawrence Cobankiat	2,003,453,743	100.00%	0	0.00%	0	0.00%
9) Renato G. Nunez	2,003,453,743	100.00%	0	0.00%	0	0.00%
10) Max Aaron Wong	2,003,453,743	100.00%	0	0.00%	0	0.00%
11) Restituto O. Bundoc	2,003,453,743	100.00%	0	0.00%	0	0.00%
12) Atty. Mardomeo Raymundo Jr.	2,003,453,743	100.00%	0	0.00%	0	0.00%

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

VIII. APPOINTMENT OF EXTERNAL AUDITOR

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

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

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

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	2,003,453,743	100%
Against	0	0.00%
Abstain	0	0.00%

IX. APPROVAL OF RECLASSIFICATION OF 1,500,000,000 PREFERRED SHARES INTO COMMON SHARES

The Chairman moved on to the next matter in the agenda, which is the Approval of the Reclassification of 1,500,000,000 Preferred Shares into Common Shares. According to the Chairman, in order to fund the Company's capital and operational needs, the Board approved on 15 June 2021 the reclassification of said shares.

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

"RESOLVED, as it is hereby resolved, that the Company approves the reclassification of 1,500,000,000 Preferred Shares into Common Shares. This will result in a total of 4,000,000,000 Common Shares out of the Authorized Capital Stock."

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	2,003,453,743	100%
Against	0	0.00%
Abstain	0	0.00%

X. AMENDMENT OF THE SEVENTH ARTICLE OF THE COMPANY'S ARTICLES OF INCORPORATION TO REFLECT THE RECLASSIFIED SHARES

The Chairman proceeded to the next item in the agenda, the Amendment of the Seventh Article of the Company's Articles of Incorporation to reflect the reclassification of shares. He mentioned that the board of directors approved and recommended the amendment of the seventh article of the company's articles of incorporation to reflect the new breakdown of the authorized capital stock in light of the reclassified shares.

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

"RESOLVED, as it is hereby resolved, that the amendment of the Seventh Article of the Company's Articles of Incorporation to read as follows is hereby approved:


FROM:

SEVENTH: That the capital stock of the Corporation is Five Billion Pesos (P5,000,000,000.00) and said capital stock is divided into Two Billion Five Hundred Million (2,500,000,000.00) shares of Common Stock of the par value of One Peso (P1.00) each and Two Billion Five Hundred Million (2,500,000,000) shares of Preferred Stock with par value of One Peso (P1.00) per share.

TO:

SEVENTH: That the capital stock of the Corporation is Five Billion Pesos (P5,000,000,000.00) and said capital stock is divided into Four Billion (4,000,000,000) shares of Common Stock of the par value of One Peso (P1.00) each and One Billion (1,000,000,000) shares of Preferred Stock with par value of One Peso (P1.00) per share."

Opinion	Votes Cast	Percentage (based on shares present or represented at the meeting)
In favor	2,003,453,743	100%
Against	0	0.00%
Abstain	0	0.00%



XI. QUESTION AND ANSWER

The Chairman then called Ms. Christine Gabrieles, from the Investor Relations Department to read out the questions that were submitted on time prior to the meeting.

Ms. Gabrieles presented the questions raised and answered them briefly, as follows:

- **Question #1: How is LRWC coping with the pandemic?**

Amidst the backdrop of the market disturbances, LRWC focused on three things. The first one is to protect our people. The second one is to continue to serve our customers. And the third one is to survive the crisis and position us well for the recovery and beyond.

On protecting our people, LRWC abides to all the minimum health standard requirements implemented by the government and local government units. Strict health protocols are being mandated in the office, workstations, and all the branches nationwide to all our employees, guests and customers entering the company's premises.

On continue serving our customers, LRWC's online business sector, which is not as physically impacted as the other sectors, has been in continuous operation to serve our customers. While for the other sectors, each business unit resumed their respective operations as long as the site location's LGU permits. For example, most of our bingo sites that fall under GCQ areas had resumed their operations with 30% occupancy in a branch, on the condition that they have met the safety measures required by IATF and their LGU.

On surviving the crisis and positioning well for the recovery and beyond, this includes cash preservation and cash generation measures. The first is focused on reducing costs, operating expenses, and capital expenses. The second is focused on our marketing to win all available opportunities.

- **Question #2: What are the specific measures done by LRWC to ensure continuous income for and survival of the company?**

As one of the industries most impacted by the pandemic, it is inevitable that the company will suffer certain loss and decline in growth. LRWC and its management went through a thorough review of the company's business strategies and budget planning. Here are the most significant steps that the company took:

1. The company implemented all possible cost cutting measures both on its operating and capital expenses. Negotiations for waived or discounted rental fees and installment payments with all the vendors and merchants have been on-going since the pandemic started. Reduction of manpower and working hours to lower utility and salary spending were also implemented. Negotiations with banks to lower interest rates on current loans is also ongoing.

2. Aside from reducing costs, the company also endlessly tries to ensure a stable cash flow through continuous operation of its businesses and outperforming our competitors. Monthly business performance and competitor analysis are also being done as an effort to win off big market share.

3. Above all, LRWC understands that in order to excel, change and innovation are essential. The company has been developing innovative gaming and is able to acquire its

own license and accreditation for Electronic Games Software System Provider. Simultaneously, the live traditional Bingo through zoom is already at the test run stage. There is also development on new remote bingo and sports betting platform. All of these aim to create new income source for the company.

- **Question #3: Are we expecting dividends for 2021? If yes, when and what is the value?**

Our assessment of the impact of the COVID-19 pandemic, particularly the trajectory of overall demand under the "new normal", and the effectiveness of its recovery, can be known post- lifting of the various community quarantines in the country. The subsequent extensions of the community quarantines created uncertainty on the post-quarantine business outlook. The decision to declare dividends is not influenced solely by our cash preservation direction. Another aspect to consider is the Company's ability to generate ample cash as aggressively as we can. The combination of cash preservation and generation initiatives will together bring clarity on whether to pay dividends or not. For these reasons, the decision to declare a cash dividend has been further deferred.

- **Question #4: Have you tied up with the government for vaccination of your employees? Can you let us know about your vaccination program?**


LRWC is currently working on the vaccine roll out plan for its employees. It is voluntary. The HR is also handling the coordination with IATF and the vaccine provider. The company has placed the order of the vaccine doses; however, the timelines are very fluid and may change.

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

XII. ADJOURNMENT

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

CERTIFIED CORRET:


CAROL V. PADILLA
Corporate Secretary

ATTESTED BY:


EUSEBIO H. TANCO
Chairman