

LEISURE & RESORTS WORLD CORPORATION

26th Floor West Tower, PSE Center
Exchange Road, Ortigas Center, Pasig City

ANNUAL MEETING OF STOCKHOLDERS

Place: Astoria Plaza, Escriva Drive
Ortigas Business District, Pasig City

Date: 30 July, 2010

Time: 2:00 p.m.

Pursuant to notices duly sent to all stockholders of record, the Annual Meeting of Stockholders of Leisure & Resorts World Corporation was held at the place, date and time above indicated.

I. CALL TO ORDER

The Chairman, Mr. Reynaldo P. Bantug, called the meeting to order. The Corporate Secretary, Atty. Bienvenido Santiago recorded the minutes.

II. PROOF OF NOTICE

Upon the Chairman's request, the Corporate Secretary certified that notices of the annual meeting were sent by mail and messengerial services to all shareholders as of record date at their respective addresses.

III. QUORUM

The Corporate Secretary reported that out of the 849,877,094 shares issued and outstanding, there are present in person or by proxy 558,149,492 shares of stock representing 65.67% of the outstanding capital stock of the Corporation constituting a quorum for the transaction of such business as may properly be submitted at the meeting.

IV. APPROVAL OF PREVIOUS MINUTES

The Minutes of the previous meeting of the stockholders held on 19 September 2008 were presented for approval. Upon motion duly made and seconded, the reading of the minutes of the stockholders meeting held on 30 July 2009 was dispensed with and the minutes of the said meeting was approved.

V. CHAIRMAN'S REPORT AND APPROVAL OF ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2008

The Chairman thereafter presented to the Stockholders the report on the Company's activities for the year 2009. He reported that ABLE continues to be the biggest contributor to LRWC gross revenue. ABLE recorded an increase of 9 percent in gross sales from Php 3,302 billion in 2008 to Php 3,605 billion in 2009. There was a slight decrease of 0.04 percent in net income for the year 2009. The net sales for the Electronic Bingo (E-bingo) in 2009 reached Php 774 million representing a 31 percent growth. A total of 1,967 E-bingo machines were installed in the year 2009 and an additional 600 machines are targeted to be installed in various sites for

2010. Rapid Bingo's net revenue in 2009 was recorded at Php 484 million representing an increase of 12 percent from the previous year. As of the end of the year 2009, ABLE has 76 Rapid Bingo terminals set up in 60 locations. Instant Games which include Pull Tabs and Scratch Cards' gross revenues rose by 53 percent or from Php 35 million in 2008 to Php 53 million in 2009. Traditional Bingo operations in 2009 resulted in an increase in gross revenue by 2% from Php 2,247 billion in 2008 to Php 2,294 billion in 2009. ABLE has 44 bingo halls, 37 of which are in the traditional bingo sites and 7 are Bingo Boutiques which are compact bingo parlors that contain mainly electronic machines. Six (6) new boutiques became operational as of the end of 2009. ABLE plans to introduce new innovative products and is presently evaluating new electronic game variants.

The Chairman also reported that First Cagayan's gross revenues went down from Php 397 million in 2008 to Php 302 in the year 2009 representing a decrease of approximately 24 percent. This was due to the newly implemented rules on credit and collection policies by international payment systems. Locators' players experienced difficulties in placing their bets online, however, this issue has been addressed and operations are back to normal. Net income increased by 19 percent from Php 100 million in 2008 to Php 119 million at the end of 2009. The increase in income is attributable to First Cagayan's other income specifically from leased equipment and other facilities. Eastern Hawaii and Sun City, the two proxy betting operators in the Cagayan Special Economic Zone, had added additional rooms to their hotels. Their combined number of rooms increased from 150 to 438 last year.

The Chairman further reported that another subsidiary First Cagayan Converge Data Center, Inc. (FCCDCI) continues to enjoy being the first and only internet service & data center solutions provider exclusively catering to online gaming licensees in Asia. FCCDC has installed the necessary telecommunications infrastructure in Cagayan with an 85 kilometer aerial fiber optic cable (FOC) systems, radio and other communications equipment and devices to support the voice, video streaming and data service requirements of locators. It also accelerated its work in developing the 72 kilometer underground FOC facility that runs from Magapit to Santa Ana, Cagayan. The project is designed to offer multiple link redundancies and carrier diversity. This FOC will connect to Globe Telecoms underground North Luzon Transmission Network (NLTN) as well as with Philippine Long Distance Telephone's (PLDT) Domestic Fiber Optics Network (DFON). The DFON covers northern Luzon. The goal is to provide stable, resilient and high quality connections for clients located in the Cagayan Special Economic Zone and Free Port (CSEZFP) for connections going to Hong Kong, Singapore, Japan, Taiwan, and the rest of the world. In October 2009, Phase 1 of FC Converge's Information Data Center (IDC) facility within the Cyberpark in Sta. Ana, Cagayan was completed. The initial capacity of the IDC is configured to host 45 racks and a Network Operations Center (NOC). Future expansion of the IDC is already under discussion and will be pursued once operational capacity hits 80% in conjunction with increased demand on account of growing locator requirements. On its first year of operations in 2008, FCCDC realized a gross revenue of Php 267 million and a net income of Php 20 million. The company has 33 locator clients. The business grew by 12 percent in 2009 with total revenues of Php 300 million. In 2009, FC Converge recorded a net income of Php 45 million.

The Company's newest subsidiary, LR Land Developers, Inc. (LR Land) was able to consolidate its interests in various land holdings and buildings in the CSEZFP to suit the needs of the locators, primarily the gaming locators. It has undertaken the development and construction of a Cyberpark in a nine (9) hectare property at the CSEZFP. This Cyberpark will have twelve (12) buildings that will house telecommunication and data centers, manpower training centers, offices, commercial outlets and residential condominiums. In 2008, the Cyberbuilding with an Internet Data Center was constructed. LR Land has plans to acquire more land in Cagayan for the construction and development of world-class resorts and tourism establishments, such as casinos, hotels, villas, recreation and entertainment centers. The development site is adjacent to the shore-line of Anguib Beach which affords a breath-taking view of the Pacific Ocean.

The Chairman reported that that in 2009, room occupancy in Binondo Suites decreased by 9 percent. Gross revenues declined from Php 34 million in 2008 to Php 29 million in 2009

representing a decrease of 15 percent. Gross profit was recorded at Php 3 million for 2009. The performance of Binondo Suites in 2009 was greatly affected by the impact of the global economic crunch that brought down the number of international tourist travelers and Typhoon Ondoy, which wreaked havoc in the country's capital. Binondo Suites opened the Leisure and Entertainment Center, which is an E-Bingo Club, located at the hotel's first and second floors. To further boost the patronage of its clientele, management is customizing some of E-Bingo games using Chinese themes. Management is also looking to introduce other electronic machines such as server/internet based interactive games as well as other electronic table games.

The Chairman then announced the resignation of the Company's founder Alfredo B. Benitez who has joined the legislative branch of our government as a congressman of the 3rd District of Negros Occidental. The Chairman congratulated Mr. Benitez and wished him well in this new endeavor.

The Chairman then thanked all the stockholders for their steadfast support and loyalty, which has enabled the Company to be on top of our game towards achieving our vision.

After the Chairman's report, the Chairman opened the floor for questions from the Stockholders. There were no questions asked and there being no questions, upon motion duly made and seconded the following was unanimously approved:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Annual Report presented by the Chairman, and the Board of Directors, together with all the Balance Sheets and Financial Statements for 2009 contained therein be approved as presented.”

VI. RATIFICATION OF ALL ACTS

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 since the Annual Meeting held on 30 July 2009 which included the following:

1. Approval of list of nominees for election to the Board of Directors including the independent directors submitted by the nomination committee;
2. Approval of audit reports and financial statements as presented by the audit committee;
3. Incorporation of ABLeisure Global, Inc., a wholly owned subsidiary of the Corporation with an authorized capital stock of Five Million Pesos divided into Fifty Thousand shares with a par value of One Hundred Pesos per share organized for purpose of purchasing, acquiring, improving, constructing, and developing real estate and personal property of all kinds, including the management and operation of activities conducted therein pertaining to general amusement and recreation enterprises;
4. Declaration of cash dividend of Php 0.03 per share payable to all common stockholders of record as of August 27, 2009 to be paid on September 22, 2009 and another cash dividend of Php 0.03 per share payable to all common stockholders of record as of November 26, 2009 to be paid on December 22, 2009.

5. Grant of cash bonus to all the members of the Board of Directors in the amount of Php150,000.00 each;

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

“RESOLVED, AS IT IS HEREBY RESOLVED, that all acts and proceedings of the Board of Directors since the Annual Meeting held on 30 July 2009 as set forth in the Minutes Books be approved, confirmed and ratified.”

VII. ELECTION OF 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 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. 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 as follows:

1. Anthony L. Almeda
2. Willie N. Ocier
3. 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 for the ensuing year until their successors have been duly elected and qualified.

The Chairman then opened the table for nominations to the remaining eight (8) seats in the Board and the following were nominated:

1. Reynaldo P. Bantug
2. Jose Conrado Benitez
3. Geoffrey L. Uymatiao
4. Bienvenido Santiago
5. Renato G. Nuñez
6. Raul G. Gerodias
7. Edgardo S. Lopez
8. Chi Kan Tang

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

IX. APPOINTMENT OF EXTERNAL AUDITOR

The next item in the agenda was the appointment of the external auditors of the Corporation. On motion duly made and seconded, the stockholders unanimously approved the

appointment of KPMG Manabat Sanagustin and Co. as the external auditors of the Corporation for the ensuing fiscal year.

X. ADJOURNMENT

There being no further matters to transact, the meeting was, on motion made and seconded, adjourned.

CERTIFIED CORRECT:



BIENVENIDO M. SANTIAGO

Corporate Secretary

ATTESTED BY:



REYNALDO P. BANTUG

Chairman of the Meeting