

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: 29 July, 2011

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 578,269,829 shares of stock representing 68.03% 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 30 July 2010 were presented for approval. Upon motion duly made and seconded, the reading of the minutes of the stockholders meeting held on 30 July 2010 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 2010

The Chairman read the Annual Report to the Shareholders, copy of which is incorporated in the Shareholders' Information Package which were furnished to all the shareholders of the Company. Upon motion duly made and seconded, the following resolution 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 2010 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 2010 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. Approval of the acquisition of Twenty-six Thousand Two Hundred Fifty (26,250) shares of Blue Chip Gaming and Leisure Corporation representing seventy percent (70%) of its outstanding capital stock;
4. Approval of the increase of the authorized capital stock of its wholly owned subsidiary, AB Leisure Global, Inc. to Four Hundred Million Pesos (P400,000,000.00) divided into Four Million Shares and authorizing the additional subscription of the corporation to Nine Hundred Eighty Seven Thousand Five Hundred (987,500) shares worth Ninety Eight Million Seven Hundred Fifty Thousand Pesos (P98,750,000.00)
5. Declaration of cash dividend of Php 0.03 per share payable to all common stockholders of record as of September 28, 2011 to be paid on October 21, 2011 and another cash dividend of Php 0.025 per share payable to all common stockholders of record as of January 30, 2012 to be paid on February 22, 2012 and another cash dividend Php 0.02 per share payable to all common stockholders of record as of February 29, 2012 to be paid on March 23, 2012.
6. Grant of cash bonus to all the members of the Board of Directors in the amount of Php200,000.00 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 2010 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 two 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. 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 Benitez
3. Edgardo S. Lopez
4. Renato G. Nuñez
5. Willy N. Ocier
6. Bienvenido M. Santiago
7. Wilson L. Sy
8. Eusebio H. Tanco
9. Geoffrey L. Uymatiao

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.

VIII. APPROVAL OF THE ISSUANCE OF ONE HUNDRED FIFTY MILLION SHARES (150,000,000) FROM THE UNISSUED CAPITAL STOCK OF THE CORPORATION THROUGH PRIVATE PLACEMENT

The Chairman informed the stockholders that on March 21, 2011, the Board of Directors approved the issuance of One Hundred Fifty Million Shares (150,000,000) from the unissued portion of the capital stock of the Corporation through private placement. The following companies subscribed the following number of shares:

Grandshares, Inc.	100,000,000 shares
Pacific Online System Corporation	25,000,000 shares
Vantage Equities, Inc.	25,000,000 shares

The subscription price was P7.50 per share. The total amount raised from the private placement is ONE BILLION ONE HUNDRED TWENTY FIVE MILLION PESOS (P1,125,000,000.00). The amount will be used in part for the casino project of AB Leisure Global, Inc, a wholly owned subsidiary of the Corporation. AB Leisure Global, Inc. has been designated by Premium Leisure and Amusement, Inc. as the operator and manager for its casino under a license issued by the Philippine Amusement and Gaming Corporation.

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

approved:

“RESOLVED AS IT IS HEREBY RESOLVED, that the Corporation be, as it is hereby, authorized to issue One Hundred Fifty Million (150,000,000) shares from the unissued capital stock of the Corporation through private placement in favor of the following:

Grandshares, Inc.	100,000,000 shares
Pacific Online System Corporation	25,000,000 shares
Vantage Equities, Inc.	25,000,000 shares

RESOLVED FURTHER, that the Philippine Stock Exchange’s requirement requiring the Corporation to conduct a rights or public offering of the subscribed shares to related party transactions in view of the issuance of the additional shares through a private placement be, as it is hereby, waived.”

IX. APPROVAL OF THE MANAGEMENT INCENTIVE STOCK OPTION PLAN

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

“WHEREAS, the Corporation’s Board of Directors approved the Management Stock Incentive Option Plan (MISOP) on 24 May 2011 and resolved that the MISOP be submitted for the approval of the Stockholders during the Corporation’s annual meeting;

“RESOLVED AS IT IS HEREBY RESOLVED, that the MISOP, as approved by the Corporation’s Board of Directors on 24 May 2011, be as it is hereby approved, confirmed and ratified, which MISOP shall be administered and implemented by a Committee composed of five (5) members, two (2) of whom must be independent directors, and that the Corporation allocate five percent (5%) of its authorized capital stock for the stock option plan which will be made available to members of the Board of Directors, except independent directors, and executive officers occupying the positions of President, Vice-President and Assistant Vice-President of the Corporation and its subsidiaries at a purchase price of the 45 trading day moving average of the market price or such lower price as may be allowed by the Securities Regulation Code and the Philippine Stock Exchange minus any discount that may be approved by the Committee which shall not exceed twenty percent (20%) of the purchase price;

“RESOLVED FURTHER, that the MISOP Committee be authorized, as it hereby authorized, to formulate the policy, rules and procedures for the MISOP and that the plan be submitted to the Board of Directors for approval.”

X. 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.

XI. DELEGATION OF AUTHORITY TO THE BOARD TO APPROVE TERMS AND CONDITIONS OF OMNIBUS LOAN AND SECURITY AGREEMENT WITH BANCO DE ORO UNIBANK, INC.

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

“RESOLVED AS IT IS HEREBY RESOLVED, that the Corporation be authorized to act as surety for its wholly owned subsidiary, AB Leisure Global, Inc., for an Omnibus Loan and Security Agreement (OLSA) to be executed among AB Leisure Global, Inc., as borrower and Banco De Oro Unibank, Inc. as Lender, and Banco De Oro Unibank, Inc.-Trust and Investments Group as Collateral Trustee, for a loan to be obtained in the aggregate amount of up to Two Billion Pesos;

“RESOLVED FURTHER, that the delegation of authority to the Board of Directors to approve the terms and conditions of the OLSA, as well as the authority for the President to negotiate the terms and conditions of the OLSA, subject to the approval by the Board, and to sign, execute, and deliver the OLSA, the Notes, and such other document or agreement contemplated under the OLSA be, as it is hereby, approved, confirmed and ratified.”

XII. 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