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SEC Registration Number

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(Company's Full Name)

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

Ms. Lucy Dong									
(Contract Person)									

8 637-5291 5291 to 93									
(Company Telephone Number)									

1	2	3	1
Month	Day	Month	Day
(Fiscal Year)			

	1	7	-	A
(Form Type)				

Month	Day	Month	Day
(Annual Meeting)			

Not Applicable

(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

Not Applicable
Amended Articles Number/section

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Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number											

_____ LCU

Document ID											

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STAMPS											
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2019**

2. Commission identification number **13174**

3. BIR tax identification number **321-000-108-278**

LEISURE & RESORTS WORLD CORPORATION

4. Exact name of issuer as specified in its charter

PASIG CITY, METRO MANILA, PHILIPPINES

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: _____ (SEC use only)

26F, WEST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY

7. Address of registrant's principal office

8 637-5291

8. Issuer's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each class	Number of shares of common stock outstanding and amount of debt outstanding
Common	2,417,500,000/NA
Preferred	1,650,000,000
Warrants	82,500,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

12. Indicate by check mark whether the registrant:

a.) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports).

Yes No

b.) has been subject to such filing requirements for the past ninety (90) days.

Yes No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form (See definition of "affiliate" in "Annex B").

Aggregate market value of voting stock held by non-affiliates: P1,192,967,551 (based on market price on 30 April 2020).

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [] No []

NOT APPLICABLE

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders;

(b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b);

(c) Any prospectus filed pursuant to SRC Rule 8.1-1.

LEISURE & RESORTS WORLD CORPORATION

ANNUAL REPORT
(SEC FORM 17-A)

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. 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.

Subsidiaries

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. Doing business as Bingo Bonanza Corporation, ABLE has established itself as the pioneer in professional bingo gaming in the Philippines. It has thirty one (31) wholly/majority owned subsidiaries including two (2) bingo parlors operated by minority owned affiliates. 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, Inc. (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 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) e-games stations.

To date, LRWC is the registered owner of 100% of TGXI's outstanding capital stock in the amount of P218,000,000 divided into 2,180,000 shares with par value of P100.

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 of PIKI representing 100% ownership at a price of P1,000,000. 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 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 P750.0 million. LRWC and Eco Leisure executed a Shareholders' Agreement to embody their mutual agreements and covenants concerning the sale and purchase of HEPI's shares, respective rights and obligations while certain covenants and conditions have not been fully complied by the parties under the Investment Agreement.

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 finding for 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. LRWC acquired 35% of the outstanding capital stock of FCLRC by purchasing 43,750 shares with a par value of P100 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, LRWC's Board of Directors (BOD) approved the additional investment of 40,000 shares in FCLRC for an aggregate amount of P32 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 P25 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, LRWC 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.

FCCDCI commenced its commercial operations on 01 January 2008, thus, since then, 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.

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 P5,000,000, divided into 50,000 shares with par value of P100, of which P1,250,000 has been subscribed and P312,500 has been paid up. On 06 May 2013, the Company's BOD approved the increase in the authorized capital stock from P5,000,000 to P2,000,000,000 divided into 20,000,000 with par value of P100 per share. The SEC approved the increase on February 2014. As of 31 December 2013, LRWC has subscribed and paid P1,450,000,000.

During 2014, LRWC subscribed and paid additional P98,750,000 bringing its total investment to P1,550,000,000.

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 15 March 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 Hongkong 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 de-registration 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 on 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 P100. On 13 May 2004, the SEC approved BLRI's application for the increase in its authorized capital stock from P5,000,000 divided into 50,000 common shares with par value of P100, to P50,000,000 divided into 200,000 common shares and 300,000 preferred shares both with par value of P100.

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 P1.6 billion to P5 billion divided into 2.5 billion shares of common stock with par value of P1.00 per share and 2.5 billion shares of preferred stock with par value of P1.00 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 the 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 an:

(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 18 August 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 P150 million shares from its unissued capital stock at a price of P7.50 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 51% of the outstanding capital stock of HEPI which owns and operates the Midas Hotel and Casino. LRWC's total advances amounted to P750.0 million 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 P1.65 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 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 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. The Company will apply for confirmation of an exempt transaction from the Securities and Exchange

Commission pursuant to Section 10.1 (c) of the Securities Regulation Code as an isolated transaction where the shares shall be issued from the unissued capital stock. The proposed shares to be issued shall be common shares which shall 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 will be used to refinance the Company's existing obligations, for expansion programs and working capital requirements.

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. By 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	SM Mega Mall, EDSA, Mandaluyong City
		2	Sta. Lucia East Mall, Cainta, Rizal
		3	SM City, North EDSA, EDSA, Quezon City
		4	New Farmers Plaza, EDSA, Quezon City
		5	Makati Cinema Square, Pasong Tamo, Makati City
		6	SM Southmall, Almanza, Las Pinas City
		7	IL Centro, Sta.Lucia East Grandmall Marcos Highway,cor Felix Ave., Cainta Rizal
Bingo Parlors Owned Through Subsidiaries/Equity			
		Date of Organization	Location
Alabang Numbers & Gaming Corp., 100%	11/18/1997	1	Festival Supermall, Alabang, Muntinlupa City
		2	Festival Boutique, Alabang, Muntinlupa City
		3	Wharf Boutique at Lakefront, Km 20, East Service Road,
		4	V-Central Mall, Molino Bacoor, Cavite
All Point Leisure Corporation, 100%	7/16/1997	5	3rd Floor, SM Centerpoint, Araneta Avenue cor Magsaysay
Alpha One Amusement and Recreation Corp., 100%	5/23/2013	6	GF & 2F Romero Bldg., 1337 Balintawak Market, EDSA, Balingasa, Quezon City
Big Time Gaming Corporation, 100%	3/27/2006	7	Sunshine Blvd. Plaza, Quezon Ave. Corner Sct Santiago & Panay Ave., Quezon City
		8	2/F Intrepid Plaza Bldg., E. Rodriguez Ave. Bgry Bagumbayan, Quezon City
		9	G/F QY Plaza, 233 Tomas Morato Ave., South Triangle 4, Quezon City
		10	Unit 102, 6th Flr., Web Jet Acropolis Bldg. 88 E. Rodriguez Jr Ave., Bagumbayan 3, Quezon City
		11	Robinsons' Supermarket, EMA Town Center, Brgy. Camalig, Meycauayan Bulacan
		12	G/F Madison Square Alabang Zapote Road, Las Pinas City
		13	G/F Merville Arcade, West Service Road, corner Merville Brgy. 201 Pasay City
		14	2/F Bocobo Commercial Center, #1244 Legaspi St., Bocobo cor Padre Faura St., Ermita Manila

		15	G/F A.S. Commercial Bldg., Unit A, B, C, Falcon St., Brgy Poblacion 5, Sta. Cruz, Laguna
		16	G/F Sogo Bldg., Brgy San APA Mahalika Highway, Cabanatuan City
		17	Puregold San Mateo, Km 21 Gen. Luna St., Brgy Banaba, San Mateo Rizal
		18	G/F Icon Hotel, #967 EDSA corner West Avenue, Brgy Philam, Quezon City
		19	2F Parkmall E. Ouano Ave. Brgy. Tipolo City South Mandaue Reclamation Area, Special Economic Administrative Zone Mandaue City
		20	SkyOne Bldng., Brgy. Isidro Angono Rizal
		21	C. M Recto Avenue Brgy. 313 Zone 31, Sta. Cruz Manila
		22	G/F Jea Bldg. Lopez St., Corner Jalandoni St., Iloilo City
		23	31 J.P. Rizal St, Brgy. Tabok, Mandaue City
		24	3rd Level EJ Arcade, #252 Friendship Highway, Brgy. Anunas, Angeles City
		25	Lucky Chinatown Mall, #293 Lachambre St., Binondo, Manila
		26	Ground Floor, Robinson's Place, J. Catolico Sr. Avenue, Barangay Lagao, General Santos City
		27	Syquio Business Center Maharlika Highway, Brgy. Daan Sarile Cabanatuan City.
		28	2nd flr. Blue Horizon Bldg. Quezon Avenue Poblacion Alaminos City Pangasinan 2404
		29	Ground flr. Meerea High St. bldg. Ouano Ave. North Reclamation Area Subangdaku, Mandaue, Cebu City
		30	Dizon Building # 244 Entiero Street, Brgy. Sto. Cristo, Angeles City Pampanga
		31	Emiliano Pineda Building, Mac Arthur Highway corner Gil Puyat Ave., Brgy San Francisco, Mabalacat Pampanga
		32	2nd flr., Sir Thomas Square. No.18 Matalino St. corner Matatag st. Diliman Quezon City.
		33	#14 Tanjuatco Building, Sampaloc Road, Plaza Aldea, Tanay Rizal
		34	G/F Alabang Zapote Rd. Talon Uno, Las Piñas City
		35	Bldg Sitio Kanluran, Kumintang Ibaba, Batangas City
Bingo Dinero Corporation, 100%	8/19/1998	36	SM City, North Reclamation Area, Cebu City
Bingo Extravaganza Inc., 100%	1/11/1999	37	SM Sucat, Sucat Road, Paranaque City
		38	SM City Bicutan, Don Bosco, Paranaque City
		39	Tonie's Mart, Puerto Princesa, Palawan

		40	A. Salvador St., Sta. Veronica, Guimba, Nueva Ecija
		41	8343 Elorde Sports Complex, San Antonio, Paranaque City
		42	#424 Division Road, Brgy. Sta. Rosa, Bagumbong Nueva Vizcaya
Bingo Gallery, Inc., 100%	10/16/1998	43	Liana's Mutya ng Pasig Mall, Caruncho, Pasig City
		44	SM City Mastersons Ave., Canitoan, Cagayan de Oro City
		45	Robinsons Metro East, Santolan, Pasig City
		46	Ground Flr., Molino Blvd., 678 Dampa Wet & Dry Commercial Complex, Brgy Bayaran, Bacoor Cavite
Bingo Palace Corporation, 100%	8/19/1998	47	Robinson's Place, Ermita, Manila
		48	SM Mall of Asia, Pasay City
		49	LGF Congresssional Town Center, #23 Congressional Avenue, Quezon City
		50	G/F Robinson's Luisita Brgy San Miguel, Hacienda Luisita Tarlac
		51	G/F Gaisano Capitol National Road, Labangan, San Jose Mindoro
		52	Ground Floor Sicangco Building, Mc. Arthur Highway, Brgy. San Rafael Tarlac
		53	Benry Square, McArthur Highway Brgy. San Nicolas, Tarlac City
		54	242- C Manly Building Mac Arthur Hi-Way, Dalandanan Valenzuela City
		55	2nd Floor FRC mall Evangelista st., Talaba V., Bacoor City Cavite
		56	2nd flr. Jose Abad Santos Ave., Brgy. Dolores, Northwalk 1, San Fernando Pampanga
		57	UG/F Puregold Novaliches 1018 Quirino Highway Novaliches Quezon City
		58	ATI Bldg, Don Domingo II, Tuguegarao City Cagayan
		59	LG/F, Imall-Camarin. Kiko Rd., Camarin, Caloocan City
		60	GD Plaza, Mc Arthur Highway, brgy. Ilang Ilang, Guiguinto, Bulacan
		61	2/F, HBC Bldg. Norberto St. Brgy. San Jose, San Miguel Bulacan
Cebu Entertainment Gallery, Inc., 100%	9/7/1998	62	Elizabeth Mall, Leon Kilat St., Cebu City
First Leisure and Game Co., Inc., 100%	12/9/1997	63	Robinson's Place, Lacson Street, Mandalagan, Bacolod City
		64	G/F Art District Bldg., Lacson St., Lopue's Mandalagan, Bacolod City
		65	G/F Gustilo Town Center & Northland Resort, Provincial Road cor National Highway, Manapla, Negros Occidental
		66	G/F Gaisano Mall, Araneta St., Brgy. Singcang, Bacolod City, Negros Occidental
		67	G/F Gaisano Mall, Cagba Brgy Tugbu, Masbate City

		68	G/F Centro Mall Lopez Ave., Batong Malake, Los Banos, Laguna
		69	Rosalie Bldg. Gaisano Door Brgy. Tabunok Talisay City Cebu
		70	2/F Felcris Centrale, Quimpo Boulevard, Brgy. 40-D Davao City
		-	Grand Gaisano Mall Quezon Ave. Digos City Davao (temporarily closed)
		72	G/F DOORS 107/108, JLF Parkway Building A. Pitchon Corner Quirino STS. Davao
		73	Amkor Building National Road Tunasan City of Muntinlupa
		74	3rd Flr. Robinsons Place Tagum, Purok Cacao, Visayan Village, Tagum City
		75	Jose P. Laurel Ave., Brgy. San Antonio, Davao City 2nd Flr.
		76	Chimes Mall, Brgy.27 C, Gov. Sales st. cor Sta. Ana Ave., Davao City
		77	City Mall Mandalagan, Lacson St. cor. G.M. Cordova Ave., Mandalagan, Bacolod City
		78	2 nd Level, Plazuela de Iloilo Mall, Benigno Aquino Avenue, Mandurriao, Iloilo City
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	79	G/F Greenhills Town Center , Valencia Quezon City
		80	Pueblo Verde, Mactan Economic Zone-11-Sez Brgy. Basak Lapu-Lapu City Cebu
		81	Ground flr. Gaisano Grandmall Mactan Basak, Marigondon Road corner Ibabao, Gisi-Agus Road, Lapu-Lapu City, Cebu
		82	2nd flr. Blocked D, Mactan Marina Mall, MEPZ 1 brgy. IB, Lapu-Lapu City Cebu
G-One Gaming and Technology, Inc., 100%	4/6/1998	83	Road corner Ibabao, Gisi-Agus Road, Lapu-Lapu City, Cebu SM City Bacoor, Tirona Highway, Cavite
Grand Polaris Gaming Co., Inc. 100%	5/24/2013	84	2/F SM City Cauayan, San Fermin, National Highway, Cauayan City, Isabela
		85	LGU Commercial Bldg., Osmena Avenue, Roxas, Isabela
Highland Gaming Corporation, 100%	6/6/2000	86	Baguio Centermall, Baguio City
		87	SM City Baguio, Luneta Hill, Baguio City
Iloilo Bingo Corporation, 100%	12/1/1999	88	SM City Iloilo, Mandurriao, Iloilo City
Isarog Gaming Corporation, 90%	4/24/1998	89	SM City Naga, CBD2, Brgy Trianggulo, Naga City
		90	B3, Unit 1,2,3,544, 55 & 56 ALDP Mall, Roxas Ave Trianggulo, Naga City
Manila Bingo Corporation, 95%	9/24/1997	91	SM City Fairview, Regalado, Fairview, Q.C.
Metro Gaming Entertainment Gallery, Inc., 100%	6/24/1998	92	SM Supercenter, Molino Rd., Bacoor, Cavite
		93	5/F 168 Divisoria Mall, Soler St. Binondo, Manila

		94	Unit GF, ANS-08 Pasay City Mall Ave cor Arnaiz, Pasay City
		95	RSAM Center Bldg, J.P. Laurel Cor. Munting Bayan St, Bgry Poblacion IX, Nasugbu, Batangas
		96	Starmall, Bgry Kaypian San Jose Del Monte, Bulacan
		97	G/F MC Arthur H-way Brgy. Del Rosario San Fernando City Pampanga
		98	Metro Towne Center, Marcos Alvarez Avenue, Las Pinas City
Negrense Entertainment Gallery, Inc. 55%	4/24/2012	99	Ground Floor, Robinsons Place Dumaguete Brgy. Calindagan Business District, Dumaguete City
		100	Ground Floor, Lee Plaza Hypermart, Bagacan, Dumaguete City
		101	Ground Floor, CityMall Dumaguete, Veterans Avenue, National Highway, Dumaguete City
		102	Ground Floor, CityMall Golden, West Side , Araneta Avenue, Bacolod City
One Bingo Place, Inc., 80%	5/3/2000	103	SM City Manila, Arroceros St., Manila
One Bingo Pavillion, Inc. 100%	1/28/2013	104	Puregold Price Club, Magsaysay Road, Brgy San Antonio, San Pedro, Laguna
		-	G/F Tawala Panglao Bohol (temporarily closed)
		105	Sky One Bldg, Brgy Baleleng, Bantay locos Sur
		106	Bldg 537, Rizal Highway Subic Bay Freeport Zone Zambales
		107	TLJ Building G/F & 2F Brgy. Mabiga Mabalacat Pampanga
		108	S and R Centre, De Venecia Ave., Nalsian, Calasiao, Pangasinan
Rizal Gaming Corporation, 100%	11/12/1998	109	Robinson's Place, Cainta, Rizal
		110	Robinsons Boutique, Cainta, Rizal
		111	ITSP Bldg, Ortigas Ave., Bgry San Isidro, Taytay, Rizal
		112	2nd Flr., Graceland Plaza Bldg., J.P. Rizal St., Brgy. Malanday, Marikina City
		113	Hollywood Suites and Resort, Mac Arthur Highway, Brgy Ibayo, Marilao Bulacan
		114	RMR Graceland, 858 Tandang Sora Avenue, Brgy. Tamo, Quezon City
		115	M.H Del Pilar Street Barangay San Rafael, Rodriguez Rizal
		116	2/F, Ardi Commercial Complex, A.Bonifacio Ave. Parola, Cainta, Rizal
SG Amusement and Recreation Corp., 100%	8/24/2005	117	Greenhills Shopping Center, San Juan City
		118	Wilson Square, P.Guevarra, San Juan City
		119	San Juan Commercial Bldg. F. Manalo corner F. Blumentrit San Juan City

		120	LGF Tagaytay-Nasugbu Highway, Bryg. Dayap Itaas, Laurel Batangas
		121	Makati Avenue corner Anza Street, Barangay Bel-Air, Makati City
South Bingo Corporation, 100%	12/10/1997	122	SM City Davao, Quimpo Blvd., Davao City
		123	G/F Victory Town Center, Lemery Batangas
South Entertainment Gallery, Inc., 100%	12/13/2000	124	SM City, San Fernando City, Pampanga
		125	SM Supercenter, Muntinlupa City
		126	SM City Tarlac, San Roque, Tarlac City
		127	Robinsons Calasiao, Calasiao, Pangasinan
Summit Bingo, Inc., 60%	1/19/1999	128	2nd Flr., New St Bldg., Macarthur Highway, Balibago, Angeles City, Pampanga
Topnotch Bingo Trend, Inc. 100%	6/1/2009	129	2nd Flr., SM City Novaliches, Quirino Highway, Novaliches, Quezon City
		130	5/F Metropoint Mall, Edsa Taft, Pasay City & G/F Metropoint Mall, Edsa Taft, Pasay City
		131	2/F SM City Batangas, Pallocan West, Batangas City
		132	2/F SM City Rosario, Brgy. Tejero Convention, Rosario, Cavite City
		133	2/F SM City Rosales, Mc Arthur Highway, Carmen East, Rosales, Pangasinan
		134	2/F Sm City Marikina, Brgy. Calumpang, Marikina City
		135	2/F SM City Clark, M.A. Roxas Highway, Brgy. Malabantias, Clark, Pampanga
		136	2/F SM City Lipa, Ayala Highway, Brgy Maraouy, Lipa City, Batangas
		137	LGF SM City San Lazaro. F. Huertas St., Sta. Cruz, Manila
		138	SM City Taytay, B1 Bldg. A, Brgy. Dolores, Taytay, Rizal
		139	94 Timog Ave., Ybardolaza street Cor., Sacred Heart, Quezon City
TOPMOST GAMING CORP. 100%	01/13/1998	140	2nd Flr., SM City Novaliches, Quirino Highway, Novaliches, Quezon City
		141	2nd Flr., SM Hypermarket Cubao, EDSA cor Main Ave., Brgy Socorro 3, Cubao Quezon City
		142	2nd Flr., SM Hypermarket Cainta, Felix Avenue, Cainta, Rizal
		143	2nd Floor, Fortune Plaza Bldg. MacArthur Highway, Brgy. Wawa Balagtas, Bulacan
		144	Sapphire Bldg., Govic Avenue, Paulien Dirita, Iba Zambales
Worldwide Links Leisure and Gaming Corp., 100%	12/8/2011	145	Silver City, Frontera Drive, Dona Julia Vargas Avenue, Pasig City
		146	88 E. Rodriguez Avenue, Brgy. Ugong, Pasig City

Bingo Parlor Owned Through An Affiliate/Equity:			
	Date of Organization	Location	
Insular Gaming Corporation, 40%	12/13/2000	1	G/F, Berds Bldg., 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 PeGS, setting up new gaming venues in new locations, and acquiring existing branches from other operators.

PAGCOR e-Games Station (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 934 terminals.

Branch	Location	
BANAWE	1	238 Banawe Center, 240 Banawe cor. Panalturan st., Brgy. Manresa Village, Quezon City
BF PARANAQUE 2	2	R.F. Lopez Bldg., Lopez Avenue, Brgy. San Isidro, Parañaque City
BIÑAN-1	3	El Rancho Hotel, National Highway, Brgy Canlalay, Biñan, Laguna
BIÑAN-2	4	GF, Kid Tower Mall, Brgy. San Antonio, Biñan City, Laguna
BINANGONAN	5	GF, Grace Building, National Road cor A. Bonifacio St., San Carlos, Binangonan, Rizal
CAINTA 4	6	2ndFloor Saunterfield Bldg. Km 20 Brgy. Sto. Nino Ortigas Ave. Extension Cainta, Rizal
CARMONA	7	Unit 5, Paseo de Carmona, Brgy. Maduya, Carmona, Cavite
CUEVAS VILLE/ MOLINO 2	8	Units 10&11, Cuevasville Commercial Building 3, Daanghari Road, Molino 4, Bacoor, Cavite
DEL MONTE	9	716 Del Monte Avenue, Talayan, QC
DON ANTONIO	10	2F, Don Antonio Sports Complex, Brgy Holy Spirit, Quezon City
FESTIVAL MALL	11	GF, Parkway Lane, Festival Mall, Brgy Alabang, Muntinlupa City
GUIGUINTO	12	2 nd Fir., GD Plaza, Mc Arthur Highway, Brgy. Ilang ilang, Guiguinto, Bulacan
HILLSTOP	13	Hillstop Garden Restaurant, Palos Verdes Heights Commercial Area, Sumulong Highway, Brgy. Sta. Cruz, Antipolo City
KARANGALAN	14	GF, D'Jet Commercial Bldg., Imelda Ave., Phase 11-A Lot C, No. 25 and 26, Karangalan Village, Pasig City
KATIPUNAN	15	175 Katipunan Ave., Loyola Heights, Quezon City
KAWIT	16	GF, Bautista Arcade, Brgy Binakayan, Kawit, Cavite
MABALACAT 2	17	Stall 19, Pineda Building, Mc. Arthur Highway, Mabalacat, Pampanga
MADISON	18	GF, Bldg. B, Madison Square #4, Pioneer Street, Mandaluyong City
MALABON	19	Unit 3 Francis Market , Gov. Halili cor M.H Del Pilar Sts., Tenajeros Malabon

MANGGAHAN 1	20	2F, MSI Building, Governor's Drive, Brgy Manggahan, Gen. Trias, Cavite
MAYBUNGA	21	2F, SGC Building, 172 C. Raymundo Ave., Brgy. Maybunga, Pasig City
MEYCAUAYAN	22	665-A, McArthur Highway, Nrgy Bancal, Meycauayan, Bulacan
PACO	23	Unit 3, Topmark Building, Paz Mendoza Guazon St., Paco, Manila
PASO DE BLAS 1	24	2F, LB Bldg., Paso de Blas Road, Valenzuela City
PLARIDEL	25	Amorante Bldg 1, Cagayan Valley Road, Brgy. Tabang, 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 Road, Brgy. Kamias, San Miguel, Bulacan
SAN RAFAEL	28	141 Cagayan Valley Road, Brgy. Sampaloc, San Rafael, Bulacan
SILANG	29	Brgy. Buho, Silang, Cavite
SILVER CITY	30	GF, Silver City Bldg., Frontera Verde, Bo. Ugong, Paisg City
STA MARIA	31	112 C Gov. Halili Avenue, Brgy. Bagbaguin, Sta. Maria, Bulacan
STA ROSA	32	2F, Akisada Commercial Ctr, Old National Highway, Macabling, Sta. Rosa City, Laguna
STARMALL EDSA	33	2F, Starmall Building, EDSA cor Shaw Blvd., Mandaluyong City
TUNASAN	34	GF, El Rancho Inn, National Highway cor. E. Rodriguez St., Tunasan, Muntinlupa City
VALENZUELA 2	35	GF, Puregold Valenzuela, 419 McArthur Highway, Brgy Dalandanan, Valenzuela City
VISAYAS AVE	36	2F, MSK Building, Tandang Sora, Visayas Avenue, 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, Universal Park Manila and San Pedro Town Center. Pursuant to the said contract, BCGLC provides the gaming space, high end slot machines, furnitures, 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 Freport.

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 games 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 (2) percent 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 (1) percent 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 with FCLRC owning 60% of the outstanding capital stock. 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 thus, FCLRC's statement of income includes its 60% equity in net earnings from FCCDCI.

In 2009, FCLRC and FCCDCI agreed to apply P3.75 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. (ABLGI)

AB Leisure Global Inc. (ABLGI) 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 ABLGI 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 ABLGI ("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 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 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 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 with (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

AB Leisure Exponent, Inc. (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 P 739.1 million or 10.39% from P7,111.5 million in 2018 to P7,850.6 million in 2019.

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 37% to 43% in the last 3 years.

Total Gamezone Xtreme, Inc. (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.

Blue Chip Gaming and Leisure Corporation (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.

First Cagayan Leisure & Resort Corporation (FCLRC)

Being the pioneer master licensor of Internet gaming in Southeast Asia, FCLRC is in the forefront in leading the Cagayan Free Port as the premiere Gaming licensing jurisdiction. Prior to September 2016, FCLRC virtually has no competition in the industry in the Southeast Asia region. However, there are around 80 gaming jurisdictions around the globe.

Major Suppliers

AB Leisure Exponent, Inc. (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.

Blue Chip Gaming and Leisure Corporation (BCGLC)

As of December 2017, BGLC 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 and licenses

AB Leisure Exponent, Inc. (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 P10,197,124.00 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 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.

Total Gamezone Xtreme, Inc. (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.

Blue Chip Gaming and Leisure Corporation (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 Goldcoast Leisure World Corporation (GCLWC), a wholly owned subsidiary of BCGLC.

Prime Investment Korea, Inc. (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 P9.36 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

PAGCOR's P9.36 million expense (monthly rentals under this Contract of Lease) is deducted from the 35% share of HEPI and in addition, 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.

First Cagayan Leisure & Resort Corporation (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

AB Leisure Exponent, Inc. (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 took effect in 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.

First Cagayan Leisure & Resort Corporation (FCLRC)

As 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 from 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.

Blue Chip Gaming and Leisure Corporation (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

AB Leisure Exponent, Inc. (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.

First Cagayan Converge Data Center Inc. (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, LRLDI has 5 employees, while FCCDCI and LRDCSI are handled by 50 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

AB Leisure Exponent, Inc. (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 Sanggunian Mangbabatas. 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.

First Cagayan Leisure & Resort Corporation (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.

Item 2. 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.

Item 3. Legal Proceedings

Except for the following, there are no other 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 Villueva 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 TwentySeven 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. GAMEXPRIENCE ENTERTAINMENT CORP.

1. GAMEXPRIENCE 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.

Item 4. Submission of Matters to a Vote of Security Holders

- a) A special meeting of stockholders of the registrant was held on 11 January 2019 to approve the issuance of up to 1,300,147,488 common shares from the unissued capital stock of the Company 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. In 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/subscribers to the shares to be issued.
- b) An annual meeting of stockholders of the registrant was held on 26 July 2019.
- c) During the said annual meeting the following persons were elected as directors of the registrant:
 - 1. Eng Hun Chuah
 - 2. Eusebio H. Tanco
 - 3. Ignatius F. Yenko
 - 4. Willy N. Ocier
 - 5. Alfredo Abelardo B. Benitez
 - 6. Johnson Cheung
 - 7. Paolo Martin Bautista
 - 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
- d) 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 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.
 - e) 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

Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters

a) 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

*There were no adjustments during 2019 and 2018.

Closing Market Price as of 31 December 2019 is P2.40 per share. On the other hand, the Closing Market Price as of 30 April 2020 is P1.54 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.

b) Holders

The stock transfer agent reported 1,823 holders of common shares of the registrant, and 3 holders of preferred shares and 2 holders of warrants as of 31 December 2019. 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)	700,296,268	28.97
2	Fortunegate Holdings Philippines, Inc.	230,000,000	9.51
3	Globalist Technology Company Limited	230,000,000	9.51
4	Colonial Group Holdings Corporation	230,000,000	9.51
5	XII Capital Inc.	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	Euphonius 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)	56,090,309	2.32
12	Dominique L. Benitez	31,680,000	1.31
13	AB Leisure Exponent, Inc.	21,567,000	0.89

	Name	No. Of Shares Held	% To Total
14	Willy Ng Ocier	2,125,200	0.09
15	Paul Luis Paul P. Alejandrino	1,426,224	0.06
16	Liberty Farms, Inc.	809,129	0.03
17	Provident Insurance Corporation	591,023	0.02
18	Brisot Economic Development Corporation	512,004	0.02
19	Visayan Surety & Insurance Corporation	486,294	0.02
20	Oliver V. Amarin	311,220	0.01

Below is the summary list of foreign ownership as of 31 December 2019, 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	11	141,169	0.01
British	1	13,619	0.00
Chinese	74	2,152,911	0.09
Filipino	1,729	1,669,064,735	69.04
Others	9	746,127,617	30.87

Preferred shares are composed of 99.81% Filipino and 0.19% Foreign while warrants are composed of 99.44% Filipino and 0.56% Foreign.

c) 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.

d) Recent Sale of Unregistered Securities

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.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

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 telecom companies, 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.

TGXl 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

TGXl 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 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 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

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.

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

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 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.

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 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

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.

In 2018, ABLE opened eight (8) new sites around the country as part of its plan to expand the business.

ABLE permanently closed four (4) sites in 2017 and two (2) sites in 2018. Also, one (1) site was temporarily closed in 2018.

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 2017, TGXI reopened two (2) sites previously closed and permanently closed another two (2) sites. While in 2018, TGXI opened two (2) additional sites and closed five (5) sites. TGXI has a total of thirty six (36) and thirty nine (39) operating sites in 2018 and 2017, respectively.

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 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.

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

Item 7. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

Item 8. 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 Three Hundred Eighty Five Thousand 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.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Name	Age	Directorships in Other Companies	Citizenship	Business Experience For the Past Five Years
Eusebio H. Tanco <i>(Director; July 29, 2011 to present)</i>	72	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. 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. (All-Director)	<i>Filipino</i>	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>

Name	Age	Directorships in Other Companies	Citizenship	Business Experience For the Past Five Years
Anthony L. Almeda * <i>(Director, June 30, 2004 to present)</i>	55	Alalmeda Corporation Alalmeda Land, Inc. Alalmeda Holdings, Inc. Alalmeda & Company, Inc. Alalmeda Acquisition, Inc. Uyalmeda, Inc. Alalmeda 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 Alaci Capital Ltd. Miguelinda Educational Corporation ALA HSJ Inc. BigBoss Holdings Inc. BigBoss Cement Inc. BigBox21 Holdings Inc. (All - Director)	<i>Filipino</i>	Landision Corp. (<i>Chairman, President</i>) Filipinas Gaming Corp. (<i>EVP</i>) Alalmeda Land, Inc. Alalmeda Holdings, Inc. Alalmeda & Company, Inc. Alalmeda 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>)
Willy N. Ocier <i>(Director, July 31, 2009 to present)</i>	63	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. (All-Director)	<i>Filipino</i>	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>)
Paolo Martin O. Bautista <i>(Director; July 27, 2018 to present)</i>	51	STI Holdings STI Education Services Group, Inc. (All-Director)	<i>Filipino</i>	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>)
Eng Hun Chuah <i>(Director, August 24, 2017 to present)</i>	36	AB Leisure Exponent, Inc. 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)	<i>Malaysian</i>	RGB International Bhd <i>Executive Director</i>

Name	Age	Directorships in Other Companies	Citizenship	Business Experience For the Past Five Years
Ignatius F. Yenko (Director, April 19, 2012 to present)	67	TKC Steel Corporation Sterling Bank of Asia Zoraymee Holdings, Inc. (All-Director)	<i>Filipino</i>	TKC Steel Corporation (Vice Chairman) Sterling Bank of Asia (Board Director) Premiere Horizon Alliance Inc. (Director)
Renato G. Nuñez ** (Director, June 11, 2019 to present) (Director, September 30, 2005 to February 16, 2012)	51	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)	<i>Filipino</i>	All British Cars, Inc. (Director) Coventry Motors Corporation (Director) Cats Motors, Inc. (President) Philippine Realty and Holdings Corp. (Director) Total Consolidated Asset Management, Inc. (Director) Leisure Advantage, Inc. (Director) Techglobal Data Center, Inc. (President) Techzone Philippines, Inc. (President) Tootsie's Tagaytay Restaurant, Inc. (President) Lia PhilFoods, Inc. (President) Everland Estate Dev't Corp. (President) AB Leisure Exponent, Inc. (VP-Administration) First Cagayan Converge Data Center (COO/Board Treasurer) First Cagayan Leisure & Resort Corp. (Vice President) Arwen Gaming Consultancy, Inc. (Chairman and President) Javi Philfoods, Inc. (President) Midas Hotel & Casino (VP and COO) Blue Chip Gaming & Leisure Corp. (Managing Director) AB Leisure Global, Inc. (VP/Director) Binondo Leisure Resources, Inc. (VP Finance)
Max Aaron Wong** (Director, June 11, 2019 to present)	45	GTS Platform Services Limited (HK) GTS Platform Services (Taiwan) Limited BTCC International Limited (HK) (All-Director)	<i>Chinese</i>	GTS Platform Services and BTCC Group (Finance Director) Dim.Buy.com Company Limited (Financial Controller) UniCare Enterprise Limited (Financial Controller) Well State Asia Limited (Financial Controller)
Alfredo Abelardo B. Benitez*** (Director, July 26, 2019 to present)	53	None	<i>Filipino</i>	Congressman of the Third District of Negros Occidental (2010-2019)

Name	Age	Directorships in Other Companies	Citizenship	Business Experience For the Past Five Years
Lawrence T. Cobankiat*** (Director, July 26, 2019 to present)	51	Jellco Enterprises, Inc. Protech Global Solutions (All President and CEO) West End Property Inc. (President) GRP Mobile Solutions Inc. (Chairman) Fidelity Steel Manufacturing, Inc. Hi-Tech Steel Industries Corporation GICA Grinding Wheel Corporation Arrow Plastic Industries Corporation (All - Director)	Filipino	Jellco Enterprises, Inc. (Director, President & CEO) Protech Global Solutions (Director, President & CEO) West End Property Inc. (President) GRP Mobile Solutions Inc. (Chairman) Fidelity Steel Manufacturing, Inc. (Director) Hi-Tech Steel Industries Corporation (Director) GICA Grinding Wheel Corporation (Director) Arrow Plastic Industries Corporation (Director)
Johnson Cheung*** (Director, July 26, 2019 to present)	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 (COO) Marina Square Properties, Inc. (Chairman & CEO) New Coast Hotel, Inc. (Chairman & CEO) Harbor View Properties and Holdings, Inc. (Director)

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

**Mr. Renato G. Nuñez and Mr. Max Aaron Wong were elected directors on 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.

Item 10. Executive Compensation

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 Chief Executive Officer and four other most highly compensated executive officers.

Name and Principal Position	Year	Compensation	Bonuses	Other Annual Compensation
Eng Hun Chuah, President		Estimated	Estimated	Estimated
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

Name and Principal Position	Year	Compensation	Bonuses	Other Annual Compensation
Reynaldo P. Bantug, Chairman		Estimated	Estimated	Estimated
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

a) *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 P50,000 per meeting, per diem of P30,000 per meeting for members of the executive committee, and per diem of P20,000 per meeting for audit, compensation, and nominating committees.

Cash bonus of P500,000 were given to each director in 2017.

Total payments to non-salaried directors amounted to P4,915,000 in 2019 and P3,060,000 in 2018.

b) Employment Contracts and Termination of Employment and Change in Control Arrangements

There are no agreements or employment contract 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.

c) Warrants and Options Outstanding

As of 31 March 2019, 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.

The Company has no outstanding options.

Item 11. Security Ownership of Certain Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners (more than 5%) as of 31 March 2020

Title of Class (As of March 31, 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	@ 701,947,438	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 208,807,982 shares or 8.64%. Venture Securities, Inc. will be asked to appoint and authorize a representative who will vote in behalf of said corporations.

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 Securities, Inc., the transfer agent of the registrant, and holds the shares in behalf of the beneficial owners.

b) Security Ownership of Management as of 31 March 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. Yenke	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

c) Voting Trust Holders of 5% or More

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

d) 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.

Item 12. 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 ten percent (10%) 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 19 of Notes to the Consolidated Financial Statements for the year 2019.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Annual Corporate Governance Report will be filed separately in accordance with SEC Memorandum Circular No. 20, 2016 Annual Corporate Governance Report Submission.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

- a) Exhibits – See accompanying Index to Exhibits
- b) Reports on SEC Form 17-C
 - a. At the special meeting of the Stockholders held on 11 January 2019, the shareholders 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 and 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.
 - b. At the meeting of the Board of Directors held on 26 March 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 shall raise a total of P4.38B for LRWC. In view of this, the Board approved the request for a voluntary trading halt.
 - c. In a special meeting of the Board of Directors held on 2 April 2019, the Board 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 LRWC 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

- d. On 3 April 2019, the Company filed a Comprehensive Corporate Disclosure on Issuance of Shares
- e. At the special meeting of the Nomination Committee held on 17 July 2019, the Nomination Committee was informed of Ms. Clarita T. Zarraga’s, Mr. Edgardo S. Lopez, Sr.’s, and Mr. Reynaldo P. Bantug’s retirement as directors effective on said date, and declined their nominations to be elected as directors on the July 26, 2019 Annual Stockholders’ Meeting. In view thereof, the Nomination Committee replaced the retired nominees to the following: (i) Mr. Lawrence Cobankiat to replace Ms. Zarraga as Independent Director; (ii) Mr. Johnson Cheung to replace Mr. Lopez; and, (iii) Mr. Alfredo Abelardo B. Benitez to replace Mr. Bantug.
- f. At the special meeting of the Board of Directors held on 19 July 2019, the Board appointed Atty. Carol V. Padilla as the new Corporate Secretary, and Atty. Kristine Margaret R. Delos Reyes as the new Compliance Officer and Head of Legal Department effective 1 August 2019. Attys. Padilla and Delos Reyes will replace Atty.

Ma. Ruiza R. Hernane, who was the Acting Corporate Secretary and Acting Compliance Officer.

- g. On 26 July 2019, the stockholders elected the following directors:
 - i. Eng Hun Chuah
 - ii. Eusebio H. Tanco
 - iii. Johnson Cheung
 - iv. Alfredo Abelardo B. Benitez
 - v. Paolo Martin Bautista
 - vi. Willy N. Ocier
 - vii. Ignatius F. Yenke
 - viii. Renato G. Nuñez
 - ix. Max Aaron Wong
 - x. Anthony L. Almeda – Independent director
 - xi. Lawrence T. Cobankiat – independent director

- h. On 26 July 2019, the stockholders approved the following:
 - i. Approval of the minutes of the Annual Stockholders' Meeting held on 27 July 2018;
 - ii. Approval of the minutes of the Special Stockholders' Meeting held on 11 January 2019;
 - iii. Approval of Annual Report and Audited Financial Statements 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;
 - iv. Nomination and election of the Corporation's Directors; and,
 - v. Appointment of external auditors for year 2019.

- i. On 9 August 2019, the Board held its organizational meeting. The officers and committee members were elected during the meeting.

- i. At the special meeting of the Board of Directors on 24 October 2019, the following matters were approved: (i) redemption of 1,650,000,000 Preferred Shares at the Redemption Price of P1.00 per share on January 31, 2020; and, (ii) approval of LRWC's Related Party Transactions Policy as required by the Securities and Exchange Commission Memorandum Circular No. 10, series of 2019.

- j. On 9 December 2019, the Company clarified the news article entitled "Leisure Resorts abandons plan to build \$550-M Boracay Casino" published in the manilastandard.net on 8 December 2019. The Company clarified that the quoted comment made by the Chairman, Mr. Eusebio H. Tanco, is only referring to the fact that due to the moratorium imposed by President Rodrigo Duterte, there are no further discussions on the Boracay project with Galaxy Entertainment Group (GEG). The Company further clarified that it remains committed to abide by the instructions of the President and will defer to his mandate on the matter. While no plans have been made for the development of the land in Boracay, the Chairman believes that land banking the properties will still create value for LRWC.

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	Report of independent Auditors on Supplementary Schedules
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B.	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C.	Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements
D.	Intangible Assets - Goodwill and Other Assets
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SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on 30 JUN 2020

By:


Eusebio H. Tanco
Chairman


Eng Hun Chuah
President



Lucy Dong
Deputy CFO


Carol V. Padilla
Corporate Secretary

SUBSCRIBED AND SWORN before me this 30 JUN 2020 day of _____ affiants exhibiting to me in their Community Tax Certificates as follows:

Names	Community Tax No./Passport No.	Date of Issue	Place of Issue	TIN No.
Eusebio H. Tanco	EC2037045	04 Sep 14	Manila	141-978-255
Eng Hun Chuah	A52259130	10 Dec 18	UTC Johor, Malaysia	464-311-848
Lucy Dong	K1459158R	26 Aug 19	Singapore	
Carol V. Padilla	EC7174795	21 Mar 16	NCR South	271-536-697

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ATTY. JOHN EDWARD T. ANG
Notary Public for City of Manila
Notarial Commission No. 2020-033 Until 12/31/2021 Manila
470 SAN FERNANDO ST., BINONDO, MANILA
IBP No. 101533 Issued on Jan. 6, 2020 Until Dec. 31, 2020 Pasig City
PTR No. 9115583 Issued on Dec. 27, 2019 Until Dec. 31, 2020 Manila
ROLL No. 68731 Issued on May 29, 2017
MCLE No. VI-0017186 Issued on Jan. 24, 2019 Valid until April 14, 2022
2/F Midland Plaza Hotel, Adriatico St., Ermita, Manila

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE A Financial Assets

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	NUMBER OF SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES	AMOUNT SHOWN IN THE BALANCE SHEET	VALUE BASED ON MARKET QUOTATION AT END OF REPORTING DATE	INCOME RECEIVED AND ACCRUED
Cash in banks	N/A	P2,470,113,026	P2,470,113,026	-
Receivables - net	N/A	1,672,171,670	1,672,171,670	-
Lease receivable	N/A	29,803,526	29,803,526	-
Rental Deposits	N/A	432,823,436	432,823,436	-
Cash performance bonds	N/A	298,950,000	298,950,000	-
Performance cash deposits and betting credit funds	N/A	32,450,000	32,450,000	-
Due from related parties	N/A	155,000,000	155,000,000	-
AFS financial asset - DFNN, Inc.	20,777,046	106,725,824	106,725,824	-
		5,198,037,482	5,198,037,482	-

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE B Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

NAME & DESIGNATION OF DEBTOR	BALANCE AT BEG OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	AMOUNTS WRITTEN OFF	CURRENT	NOT CURRENT	BALANCE AT END OF PERIOD
Stockholders	P53,232,344	P1,367,518			P54,599,862		P54,599,862
Employees	40,696,316	223,213,261	(225,585,046)	-	38,324,531	-	38,324,531
Officers	-	-	-	-	-	-	-
Total	P93,928,660	P224,580,780	(225,585,046)	P -	P92,924,393	P -	P92,924,393

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE C Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

NAME & DESIGNATION OF DEBTOR	BALANCE AT BEG OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	AMOUNT S WRITTEN OFF	CURRENT	NOT CURRENT	BALANCE AT END OF PERIOD
AB Leisure Exponent, Inc.	P112,717,031	P397,359,678	(357,247,516)		P152,829,193		P152,829,193
AB Leisure Global, Inc.	63,092,815	1,362,037,479			1,425,130,294		1,425,130,294
Blue Chip Gaming and Leisure Corporation	215,156,711	27,148,124	(92,912,532)		149,392,303		149,392,303
LR Data Center and Solutions Inc.	-	36,601,990			36,601,990		36,601,990
LR Land Developers Inc.	1,180,092,504	77,599,805	(73,507,061)		1,184,185,248		1,184,185,248
First Cagayan Converge Data Center Inc.	11,997,986	-	(11,997,986)		-		-
Prime Investment Korea Inc.	-	282,592,280			282,592,280		282,592,280
Total Gamezone Xtreme Incorporated	166,437,887	6,590,251	(37,443,775)		135,584,363		135,584,363
Total	P1,749,494,934	P2,189,929,607	(P573,108,870)	P -	P3,366,315,671		P3,366,315,671

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE D Intangible Assets - Goodwill and Other Assets

DESCRIPTION	BALANCE AT BEG OF PERIOD	ADDITIONS AT COST	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	OTHER CHARGES ADDITIONS (DEDUCTIONS)	BALANCE AT END OF PERIOD
Goodwill - net	P1,502,067,704	P -		P -	(P8,183,009)	P1,493,884,695
Other Assets						
Airstrip improvements - net	34,093,504	-	(3,092,992)	-	-	31,000,512
Operating licenses	476,242	-	-	-	-	476,242
Lease rights	19,000,000	7,340,000	(7,341,578)			18,998,422
PAGCOR rights	-	23,860,000	-			23,860,000
Total Other Assets	53,569,746	31,200,000	(10,434,570)	-	-	74,335,176
Total Intangible Assets	P1,567,507,890	P31,200,000	(P10,434,570)	P -	(P8,183,009)	P1,568,219,871

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE E Long term Debt

Title of issue and type of obligation	Amount authorized by Indenture	Amount shown under "Current portion of long term debt"	Amount shown under "Long term debt - net of noncurrent portion"
Banco de Oro		P -	P2,467,530,914 6.12% payable from November 2017 to January 2022
Banco de Oro		35,088,186	- 6.0% payable in full in November 2020
Banco de Oro		551,017	- 8.60% payable from July 2017 to June 2020
Banco de Oro		481,040	- 6.5% payable from August 2017 to August 2020
Unionbank		840,873	- 8.11% payable from August 2017 to July 2020
Unionbank		350,203	- 8.11% payable from August 2017 to August 2020
Asia United Bank		142,396,435	37,266,595 6.25% payable from February 2019 to February 2021
Asia United Bank		135,503,427	170,357,584 8.42% payable from February 2019 to January 2022
Asia United Bank		2,278,561	1,487,167 8.75% payable from May 2018 to August 2021
Asia United Bank		1,679,536	146,427 8.5% payable from February 2018 to January 2021
		P319,169,278	P2,676,788,687

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE F Indebtedness to Related Parties (Long-Term Loans from Related Companies)

NAME OF RELATED PARTY	BALANCE AT BEGINNING OF THE PERIOD	BALANCE AT END OF THE PERIOD
NOT APPLICABLE		

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE G Guarantees of Securities of Other Issuers

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR WHICH THIS STATEMENT IS FILED	TITLE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED AND OUTSTANDING	AMOUNT OWNED BY PERSON FOR WHICH THIS STATEMENT IS FILED	NATURE OF GURANTEE
<div data-bbox="913 547 1406 635" style="border: 1px solid black; padding: 5px; display: inline-block;">NOT APPLICABLE</div>				

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE H Capital Stock

Title of Issue	Number of Shares Authorised	Number of shares issued and outstanding as shown under related Balance Sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	2,500,000,000	2,417,500,000		1,253,386,553	389,459,193	774,654,254
Preferred shares	2,500,000,000	1,650,000,000	82,500,000			

LEISURE AND RESORTS WORLD CORPORATION

LEISURE AND RESORTS WORLD CORPORATION

SCHEDULE I FINANCIAL SOUNDNESS INDICATOR

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	$\frac{\text{Traditional Bingo Revenues}}{\text{Payout}}$	1.38 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 Per Share	$\frac{\text{Income Attributable to Ordinary Stockholders of the Parent Company}}{\text{Weighted Average Shares Outstanding}}$	(0.0668)	0.3441

**LEISURE & RESORTS WORLD CORPORATION
MAP OF CONGLOMERATE
AS OF 31 DECEMBER 2019**

LEISURE & RESORTS WORLD CORPORATION

LEISURE & RESORTS WORLD FOUNDATION INC.

