

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		<b>31-Mar-14</b> <b>(Unaudited)</b>	<b>31-Dec-13</b> <b>(Audited)</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	Schedule 1	238,973,593	295,742,860
Receivables - net	Schedule 2	512,708,722	433,543,257
Bingo cards and supplies		22,485,590	9,846,951
Prepaid expenses and other current assets	Schedule 3	180,721,033	177,658,792
Due from related parties	Schedule 2	171,798,623	105,696,264
<b>Total Current Assets</b>		<b>1,126,687,561</b>	<b>1,022,488,124</b>
<b>Noncurrent Assets</b>			
Property and equipment - net	Schedule 4	296,918,709	315,419,047
Investment property - net	Schedule 5	299,830,116	299,830,116
Investments and advances - net	Schedule 6	6,608,725,790	6,574,862,884
Deferred tax assets		63,389,220	68,304,809
Goodwill - net		546,318,689	546,318,689
Other noncurrent assets	Schedule 7	409,718,016	364,603,045
<b>Total Noncurrent Assets</b>		<b>8,224,900,539</b>	<b>8,169,338,590</b>
<b>TOTAL ASSETS</b>		<b>9,351,588,100</b>	<b>9,191,826,714</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	Schedule 8	1,127,367,838	1,120,078,543
Short-term loans payable	Schedule 10	181,124,492	195,717,100
Current portion of long-term loans payable	Schedule 10	327,209,356	326,915,192
Current portion of obligations under finance lease		14,893,322	17,230,859
Income tax payable		59,235,308	30,089,109
Due to related parties	Schedule 9	9,092,159	19,198,696
<b>Total Current Liabilities</b>		<b>1,718,922,477</b>	<b>1,709,229,499</b>
<b>Noncurrent Liabilities</b>			
Long-term loans payable - net of current portion	Schedule 10	2,657,442,319	2,659,867,605
Obligations under finance lease - net of current portion		2,161,306	3,170,264
Rent deposit		4,421,800	4,421,800
Retirement benefits liability		66,313,186	78,719,272
<b>Total Noncurrent Liabilities</b>		<b>2,730,338,611</b>	<b>2,746,178,941</b>
<b>Equity</b>			
Common and Preferred Stock - P1 par value			
Authorized			
2,500,000,000 Common Shares			
2,500,000,000 Preferred Shares			
Issued			
Common shares		1,199,852,512	1,199,852,512
Preferred shares		1,650,000,000	1,650,000,000
Additional paid-in capital - common		1,114,028,555	1,114,028,555
Retained earnings		817,754,352	684,380,819
Employee benefit reserve		(27,297,446)	(27,297,446)
Foreign currency translation reserve		(366,993)	(171,038)
Treasury shares		(71,142,419)	(71,142,419)
		4,682,828,561	4,549,650,983
Non-controlling interest		219,498,452	186,767,291
<b>Total Stockholders' Equity</b>		<b>4,902,327,013</b>	<b>4,736,418,274</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>9,351,588,100</b>	<b>9,191,826,714</b>

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**Unaudited**

	For the Three Months Ended March 31	
	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Traditional bingo	396,612,037	425,072,074
Electronic bingo - net	561,582,212	471,502,646
Rapid bingo - net	79,641,697	93,383,915
Participation income	83,706,664	0
Service and hosting fees	309,194,135	176,646,705
Pull tabs	1,186,440	979,130
	<b>1,431,923,185</b>	<b>1,167,584,470</b>
<b>FRANCHISE FEES AND TAXES</b>	<b>586,921,684</b>	<b>483,307,949</b>
<b>NET REVENUES</b>	<b>845,001,501</b>	<b>712,772,791</b>
<b>COSTS AND OPERATING EXPENSES</b>		
Payout	313,511,304	327,506,043
Rentals	85,091,601	83,076,242
Salaries & wages	65,139,011	52,475,243
Employees' benefit	22,709,886	25,945,011
Contracted services	37,839,329	42,963,367
Depreciation and amortization	27,350,860	29,773,642
Cards & supplies	7,269,823	5,198,437
Taxes & licenses	10,777,217	8,080,032
Communication & utilities	50,505,597	45,914,117
Others	81,460,037	32,364,486
	<b>701,654,664</b>	<b>653,296,620</b>
<b>OPERATING INCOME</b>	<b>143,346,837</b>	<b>30,979,901</b>
<b>OTHER INCOME (EXPENSE)</b>		
Equity in net earnings (loss) of an associate	6,395,707	(1,685,002)
Equity in net earnings (loss) of a joint venture	18,419,199	10,877,200
Finance expense - net	(56,850,139)	(8,950,308)
Other income	56,110,145	46,844,018
	<b>24,074,911</b>	<b>47,085,908</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>167,421,748</b>	<b>78,065,809</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<b>34,048,215</b>	<b>3,723,127</b>
<b>NET INCOME</b>	<b>133,373,533</b>	<b>74,342,682</b>
Attributable to:		
Owners of the Parent Company	100,642,372	54,471,199
Non-controlling interest	32,731,161	19,871,483
	<b>133,373,533</b>	<b>74,342,682</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Foreign currency translation gain (loss)	(366,993)	16,796
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>133,006,540</b>	<b>74,359,478</b>
Attributable to:		
Owners of the Parent Company	100,275,379	54,487,995
Non-controlling interest	32,731,161	19,871,483
	<b>133,006,540</b>	<b>74,359,478</b>
<b>EARNINGS (LOSS) PER SHARE</b>	<b>0.084</b>	<b>0.054</b>
EARNINGS PER SHARE IS COMPUTED AS FOLLOWS:		
a) Net Income	100,275,379	54,487,995
b) Weighted average number of common shares	1,199,852,512	999,877,094
c) EPS (a/b)	0.084	0.054

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**Unaudited**

For the Three Months Ended March 31, 2014

	Capital Stock		Additional Paid-in Capital (Common)	Retained Earnings	Employee Benefit Reserve	Translation Gain (Loss)	Treasury Shares	Minority Interests	Total
	Common Shares	Preferred Shares							
Balance at beginning of period	1,199,852,512	1,650,000,000	1,114,028,555	684,380,819	(27,297,446)	(171,038)	(71,142,419)	186,767,291	4,736,418,274
Translation gain (loss) during the period						(195,955)			(195,955)
Minority interests								32,731,161	32,731,161
Net income for the period				133,373,533					133,373,533
Balance at end of the period	1,199,852,512	1,650,000,000	1,114,028,555	817,754,352	(27,297,446)	(366,993)	(71,142,419)	219,498,452	4,902,327,013

For the Three Months Ended March 31, 2013

	Capital Stock		Additional Paid-in Capital (Common)	Retained Earnings	Employee Benefit Reserve	Translation Gain (Loss)	Treasury Shares	Minority Interests	Total
	Common Shares	Preferred Shares							
Balance at beginning of period	999,877,094		1,114,028,555	721,460,608		67,398	(18,694,937)	165,513,352	2,982,252,070
Translation gain (loss) during the period						(50,602)			0
Minority interests								19,927,733	19,927,733
Net income for the period				54,471,200					54,471,200
Balance at end of the period	999,877,094	0	1,114,028,555	775,931,808	0	16,796	(18,694,937)	185,441,085	3,056,600,402

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**Unaudited**

For the Three Months Ended March 31

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before franchise and taxes	720,295,217	537,779,149
Adjustments for:		
Depreciation	27,350,860	29,773,642
Equity in net loss (earnings) of an associate	(6,395,707)	1,685,002
Equity in net loss (earnings) of a joint venture	(18,419,199)	(10,877,200)
Finance income (expense) - net	56,850,139	8,947,855
<b>Operating income before working capital changes</b>	<b>779,681,310</b>	<b>567,308,448</b>
Decrease (increase) in:		
Receivables	(79,165,464)	(9,599,938)
Bingo cards	(12,638,639)	(5,838,395)
Prepaid expenses and other current assets	(3,062,241)	(30,276,432)
Increase (decrease) in:		
Trade and other payables	7,289,295	61,649,434
Income tax payable	29,146,199	6,527,927
Rent deposit	0	(310,000)
Retirement benefits liability	(12,406,086)	2,235,789
<b>Cash generated from operations</b>	<b>708,844,375</b>	<b>591,696,833</b>
Finance income (expense) - net	(56,850,139)	(8,947,855)
Franchise fees and taxes paid	(586,921,684)	(483,307,949)
<b>Net cash from operating activities</b>	<b>65,072,552</b>	<b>99,441,029</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal (Acquisition) of property and equipment - net	(8,850,522)	(28,198,263)
Disposal (Acquisition) of investment property - net	(4,253,690)	1,973,427
Decrease (increase) in investments and advances	(9,048,000)	(101,661,019)
Decrease (increase) in deferred tax assets	4,915,589	(64,050,229)
Decrease (increase) in other assets	(40,861,281)	(11,951,392)
<b>Net cash used in investing activities</b>	<b>(58,097,904)</b>	<b>(203,887,476)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Availment (payment) of loans - net	(16,723,730)	58,789,979
Availment (payment) of obligations under finance lease - net	(3,346,495)	(232,836)
Decrease (increase) in receivables from related parties	(66,102,359)	(50,602)
Increase (decrease) in payable to related parties	(10,106,537)	0
Translation gain/loss	(195,955)	0
Increase (decrease) in minority interests	32,731,161	19,927,733
<b>Net cash provided (used) in financing activities</b>	<b>(63,743,915)</b>	<b>78,434,274</b>
NET INCREASE (DECREASE) IN CASH	(56,769,267)	(26,012,173)
<b>CASH AT BEGINNING OF PERIOD</b>	<b>295,742,860</b>	<b>191,066,141</b>
<b>CASH AT END OF PERIOD</b>	<b>238,973,593</b>	<b>165,053,968</b>

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**Attachments to Unaudited Consolidated Financial Statements**  
**As of March 31, 2014**

**Schedule 1 - Cash and Cash Equivalents**

Cash in banks	215,823,518
Cash on hand and payout fund	23,150,075
	<u><b>238,973,593</b></u>

**Schedule 3 - Prepaid Expenses and Other Current Assets**

Prepayments	20,898,136
Advances to contractors	149,628,925
Creditable withholding tax	861,808
Supplies	204,701
Input VAT	8,582,935
Others	544,529
	<u><b>180,721,033</b></u>

**Schedule 4 - Property and Equipment**

Leasehold Improvements	394,169,792
Production equipment and paraphernalia	88,937,772
Office furniture, fixtures and equipment	158,788,482
Telecommunication equipment	2,241,502
Condominium unit	4,791,748
Transportation equipment	154,372,197
	<u><b>803,301,493</b></u>
Less: Accumulated depreciation	<u>(506,382,784)</u>
	<u><b>296,918,709</b></u>

**Schedule 5 - Investment Properties**

Land Rights	186,078,447
Land Improvements	46,000,000
Building	93,523,288
Construction in progress	227,903
	<u>325,829,638</u>
Less: Accumulated depreciation	<u>(25,999,522)</u>
	<u><b>299,830,116</b></u>

**Schedule 6 - Investment and Advances**

Associates:	
Cost	
Binondo Leisure Resources, Inc. (BLRI) - 30%	21,200,000
Techzone Philippines, Inc. (TPI) - 50%	250,000,000
Hotel Enterprises of the Philippines (HEPI) - 51%	750,938,000
	<u>1,022,138,000</u>
Accumulated equity in net income (loss) of an associate and joint venture:	
Balance at beginning of year	
BLRI	(26,303,101)
TPI	42,582,066
HEPI	(11,201,484)
Net equity in earnings (losses) for the quarter	
BLRI	0
TPI	(80,079)
HEPI	6,475,785
Balance at end of year	

BLRI	(26,303,101)
TPI	42,501,987
HEPI	(4,725,698)
	<u>11,473,188</u>
	<b><u>1,033,611,188</u></b>
Joint venture:	
Cost	
First Cagayan Converge Data Center Inc. (FCCDCI) -60%	15,000,000
Accumulated equity in net income (loss)	
Balance at beginning of year	122,636,332
Net equity in earnings (losses) for the quarter	18,419,199
Balance at end of year	<u>141,055,531</u>
	<b><u>156,055,531</u></b>
Advances	
Cagayan Premium Ventures Development Corporation (CPVDC)	695,271,702
Hotel Enterprises of the Philippines (HEPI)	233,206,000
Binondo Leisure Resources, Inc. (BLRI)	130,713,120
Cagayan Land Property Development Corporation (CLPDC)	126,202,857
DFNN, Inc. (DFNN)	86,731,000
First Cagayan Converge Data Center Inc. (FCCDCI)	14,047,373
AB Fiber	31,744,665
Eco Leisure	26,136,049
Belle Corporation	<u>4,114,249,805</u>
	5,458,302,571
Allowance for Impairment loss on advances	<u>(40,000,000)</u>
	<b><u>5,418,302,571</u></b>
Total	6,607,969,290
Other investments - at cost	<u>756,500</u>
	<b><u>6,608,725,790</u></b>
<b>Schedule 7 - Other Assets</b>	
Airstrip improvements - net of amortization	58,552,849
Venue rental deposits and other deposits	129,757,790
Cash and performance bonds	61,950,000
Operating licenses	4,253,690
Others	<u>155,203,687</u>
	<b><u>409,718,016</u></b>
<b>Schedule 8 - Trade and Other Payables</b>	
Trade	21,575,000
Regulatory fees	353,184,308
Venue rentals	29,775,713
Bingo cards	4,027,895
Capital expenditure	4,799,636
Unearned hosting fees	111,498,636
Other payables and accruals (arising from normal business operations)	<u>602,506,651</u>
	<b><u>1,127,367,838</u></b>
<b>Schedule 9 - Due to Related Party</b>	
Longview Holdings Corporation	9,070,691
Stockholders	<u>21,468</u>
	<b><u>9,092,159</u></b>

**Schedule 10 - Short-term and Long-term Loans Payable**

Short-term Loans Payable	
PBCom	16,958,149
BDO	1,166,343
PBB	<u>163,000,000</u>
<b>Total Short-term</b>	<b><u>181,124,492</u></b>
Long-term Loans Payable	
Current Portion	
BDO	327,209,356
Noncurrent Portion	
BDO	<u>2,657,442,318</u>
<b>Total Long-term</b>	<b><u>2,984,651,675</u></b>

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**Attachments to Unaudited Consolidated Financial Statements**  
**Schedule 2 - Receivables**  
**As of March 31, 2014**

1) **Aging of Accounts Receivables**

	<b>TOTAL</b>	<b>1-3 Months</b>	<b>4-6 Months</b>	<b>7 months to 1 year</b>	<b>1 year and above</b>	<b>Past due accounts and items in litigation</b>
<b>Type of Accounts Receivable</b>						
<b>a) Trade Receivables</b>						
1) Rent Receivable	25,767,439	11,019,735	10,462,432	4,285,272	0	
2) Receivables from Locators	164,426,883	157,405,996	0	0	7,020,887	
<b>Net Trade Receivables</b>	<b>190,194,322</b>	<b>168,425,731</b>	<b>10,462,432</b>	<b>4,285,272</b>	<b>7,020,887</b>	<b>0</b>
<b>b) Non-Trade Receivables</b>						
1) Advances to non-consolidated affiliates						
2) Advances to employees	18,552,542	17,927,542	0	0	625,000	
3) Others	343,249,273	207,529,746	23,550	56,180	135,639,797	
	<b>361,801,815</b>	<b>225,457,288</b>	<b>23,550</b>	<b>56,180</b>	<b>136,264,797</b>	<b>0</b>
Allowance for impairment	(39,287,416)					
<b>Net Non-Trade Receivables</b>	<b>322,514,399</b>					
<b>Net Receivables</b>	<b>512,708,721</b>					
<b>c) Receivables from Related Parties</b>						
1) First Cagayan Converge Data Center Inc.	754,286	0	0	0	754,286	
2) Binondo Leisure Resources, Inc.	126,594,157	35,684,027	1,000,492	0	89,909,638	
3) Advances to Stockholders	44,450,180	44,450,180	0	0	0	
<b>Total Receivables from Related Parties</b>	<b>171,798,623</b>					

2) **Accounts Receivable Description**

<b>Types of Receivable</b>	<b>Nature and Description</b>	<b>Collection Period</b>
a) Advances to non-consolidated affiliates	sale of bingo cards, promotional materials and other services	six (6) months to one (1) year
b) Advances to employees	company loan and other advances granted to employees	six (6) months to one (1) year
c) Advances to Related Parties - FCCDCI	rental of property in Cagayan Business Park	six (6) months to one (1) year
d) Advances to Related Parties - BLRI	rental and advances	six (6) months to one (1) year
e) Others	various advances and receivables	one (1) year

3) **Normal Operating Cycle: 365 days**

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**Financial Soundness Indicators**  
**As of March 31, 2014**

Key Performance Indicator	Formula	2014		2013	
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{1,126,687,560}{1,718,922,477}$	<b>65.5%</b>	$\frac{1,022,488,124}{1,709,229,499}$	59.8%
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$	$\frac{4,449,261,087}{4,902,327,013}$	<b>90.8%</b>	$\frac{4,455,408,440}{4,736,418,274}$	94.1%
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Stockholders' Equity}}$	$\frac{9,351,588,099}{4,902,327,013}$	<b>190.8%</b>	$\frac{9,191,826,714}{4,736,418,274}$	194.1%
Rate of Payout to Net Revenues	$\frac{\text{Payout}}{\text{Net Revenues}}$	$\frac{313,511,304}{845,001,501}$	<b>37.1%</b>	$\frac{327,506,043}{684,276,521}$	47.9%
Return on Average Equity	$\frac{\text{Net Income}}{\text{Average Stockholders' Equity}}$	$\frac{100,642,372}{4,819,372,643}$	<b>2.1%</b>	$\frac{54,471,199}{3,019,426,235}$	1.8%
Return on Average Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	$\frac{100,642,372}{9,271,707,407}$	<b>1.1%</b>	$\frac{54,471,199}{4,025,552,957}$	1.4%
Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	$\frac{127,993,232}{4,449,261,087}$	<b>2.9%</b>	$\frac{84,244,841}{1,070,456,869}$	7.9%
Interest Coverage Ratio	$\frac{\text{Income Before Interest \& Tax}}{\text{Interest Expense}}$	$\frac{191,540,726}{56,850,139}$	<b>3.37</b>	$\frac{67,144,634}{8,950,308}$	7.50
Net Book Value Per Share	$\frac{\text{Stockholders' Equity}}{\text{Weighted Average Shares Outstanding}}$	$\frac{4,902,327,013}{1,199,852,512}$	<b>4.09</b>	$\frac{4,736,418,274}{1,066,535,567}$	4.44
Earnings Per Share	$\frac{\text{Net Income}}{\text{Weighted Average Shares Outstanding}}$	$\frac{100,642,372}{1,199,852,512}$	<b>0.08</b>	$\frac{54,471,199}{999,877,094}$	0.05

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**Segment Information**  
**As of March 31, 2014**

The Group operates in three reportable business segment: (1) professional bingo gaming, (2) interactive games licensing, and (3) participation income, and only one reportable geographical segment which is the Philippines.

Professional bingo gaming provides amusements and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games. Interactive games licensing engages in developing a network operation/hub with an internet server including web sites, gaming software, application program, administrative software, hardware, internet, as well as telecommunications connections, collection and payment system and toll free telephone operations, all in connection with the development, operation and conduct of an internet and gaming enterprises and facilities; and regulates and monitors on behalf of CEZA all activities pertaining to the licensing and operation of interactive games. Participation income is the share of ABLGI in the economic benefits to be derived by Belle and PLAI from the casino operations, particularly 30% of the fixed yearly income generated from the leasing of all commercial spaces in the Casino Project, inclusive of the hotel, retail and casino premises.

Analysis of financial information by business segment as of March 31 follows:

	Professional Bingo Gaming	Interactive Games Licensing	Participation Income	Others	Eliminations	Consolidated
<i>For the Three Months Ended March 31, 2014</i>						
Net revenues						
External revenue	1,039,022,386	309,194,135	83,706,664	0	0	1,431,923,185
<b>Results</b>						
Segment results	13,149,533	104,989,787	67,882,305			186,021,625
Unallocated corporate expenses				(42,674,789)	0	(42,674,789)
<b>Results from operating activities</b>						143,346,837
Finance expense - net	(2,975,138)	(10,289,253)	(43,574,788)	(10,961)	0	(56,850,139)
Rent/other income	31,470,167	13,963,545	0	10,676,433	0	56,110,145
Equity in net earnings of a joint venture	0	18,419,199	0	0	0	18,419,199
Equity in net earnings of an associate	0	0	0	6,395,707	0	6,395,707
Income taxes	(18,611,529)	(8,336,395)	(7,004,754)	(95,537)	0	(34,048,215)
Foreign currency translation gain						0
Non-controlling interest	3,272,894	(36,004,055)	0	0	0	(32,731,161)
<b>Net income</b>						100,642,372
<i>As of March 31, 2014</i>						
Other Information						
Segment assets	1,479,125,668	1,854,227,876	4,528,020,330		(4,674,556,210)	3,186,817,664
Investments at cost	756,500					756,500
Unallocated corporate assets				6,164,013,935		6,164,013,935
<b>Total assets</b>						9,351,588,099
Segment liabilities	1,037,617,017	1,012,453,995	3,092,737,657		(2,424,792,285)	2,718,016,384
Unallocated corporate liabilities				1,731,244,703		1,731,244,703
<b>Total liabilities</b>						4,449,261,087
Capital expenditures	3,156,145	2,270,734	0	3,423,643		8,850,522
Depreciation and amortization	20,443,312	4,880,095	0	2,027,453	0	27,350,860

There were no intersegment sales recognized between the two reportable segments for the three months ended March 31, 2013. Unallocated corporate expenses consist of net operating expenses of the Parent Company. Assets of the individual segments mainly comprise investments and advances, due from related parties, property and equipment, and trade receivables. Liabilities of the individual segments include loans payable, trade and other payables, retirement obligation, and due to a related party. Capital expenditures on noncurrent assets represent additions to property and equipment and investment property. Noncash expenses pertain to depreciation and amortization expense attributable to the two reportable segments.

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES**  
**Notes to Interim Consolidated Financial Statements**  
**As of March 31, 2014**

1. The accompanying interim consolidated financial statements of Leisure & Resorts World Corporation (LRWC) and Subsidiaries are in compliance with Philippine Financial Reporting Standards (PFRS).
2. The same accounting policies and methods of computation are followed in the interim consolidated financial statements as compared with the most recent annual financial statements.
3. Currently the operations of LRWC is very minimal and functions as a holding company. However, its Subsidiaries, AB Leisure Exponent, Inc. (ABLE), engaged in bingo operations, and First Cagayan Leisure and Resort Corporation (FCLRC), engaged in licensing and regulation of online gaming, are operating on a daily basis including Sundays and Holidays, except on Maundy Thursday and Good Friday. Both businesses are not seasonal in nature. Another subsidiary, LR Land Developers, Inc. (LRLDI), is engaged in realty estate acquisition, development and tourism. AB Leisure Global Inc. (ABLGI) started to receive its participation income from Belle's share in the casino project in 2013. Blue Chip Gaming and Leisure Corporation (BCGLC), a newly acquired subsidiary in May 2011, operates a Slot Arcade at the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga under a license issued by the Philippine Amusement and Gaming Corporation (PAGCOR). On March 15, 2010, LRWC incorporated Bingo Bonanza Limited (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.
4. There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.
5. Property and equipment, other noncurrent assets, and investments and advances are reviewed for impairment. There are no indications of possible impairment of these assets.
6. There were no reported estimates in prior financial years and there are no estimates that need to be reported in the current interim period.
7. LRWC and Subsidiaries do not have any issuances, repurchases, and repayments of debt and equity securities.
8. On July 26, 2013, the BOD approved the declaration of cash dividend equivalent to P 0.04 per share payable to all common stockholders of record as of September 28, 2013, and another cash dividend of P0.04 per share payable to all common stockholders of record as of February 28, 2014.
9. LRWC's primary purpose is to engage in realty development focusing on leisure business. However, as mentioned in note 3, for several years it had minimal operation and functioned as a holding company. On the other hand, its five Subsidiaries, ABLE, a professional in bingo gaming in the Philippines, operates seventy three (73) bingo parlors nationwide, most of which are located in major shopping malls in Metro Manila and in key provincial cities, FCLRC, a master licensor and regulator of online gaming operating in Cagayan Economic Zone Authority (CEZA), LRLDI, owner of property being leased by locators in Cagayan Business Park, BCGLC, operator of slot arcade in Bacolor, Pampanga, under a license issued by PAGCOR and BBL, engage in the business of gaming, recreation, leisure and lease of property in Hongkong.
10. There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period.
11. There were no changes in the composition of LRWC during the interim period. Likewise, there were no business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
12. LRWC and Subsidiaries do not have any contingent liabilities or contingent assets since the last annual balance sheet date nor do they have any current contingent liabilities or contingent assets.
13. There were no existing material contingencies and any other events or transactions that are material to an understanding of the current interim period.