Print this page

Miscellaneous
* Asterisks denote mandatory information

Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
Date & Time of Broadcast	06-May-2009 17:16:41
Announcement No.	00049

>> Announcement Details
The details of the announcement start here ...

Announcement Title *	Announcement by Subsidiary Company, Grand Plaza Hotel Corporation on Quarterly Report for First Quarter of 2009
Description	Please see attached the announcement released by Grand Plaza Hotel Corporation on 6 May 2009.
Attachments	GPHC_SEC17Q1stQ2009.pdf Total size = **1037K** (2048K size limit recommended)

Close Window

GRAND PLAZA HOTEL CORPORATION

May 6, 2009

Philippine Stock Exchange, Inc.
4th Floor Philippine Stock Exchange Centre
Ortigas Center, Pasig City

Attention: Janet A. Encarnacion
Head, Disclosure Dept.

Gentlemen:

In compliance with PSE Disclosure Rules for Listed Companies, we hereby submit Grand Plaza Hotel Corporation Quarterly Report SEC Form 17-Q for the first quarter of 2009.

As attached.

Very truly yours,

Yam Kit Sung
General Manager

COVER SHEET

1 6 6 8 7 8

S.E.C. Registration Number

G R A N D P L A Z A H O T E L C O R P

(Company's Full Name)

10 F T H E H E R I T A G E H O T E L R O X A S

B L V D C O R E D S A P A S A Y C I T Y

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

Y A M K I T S U N G

Contact Person

8 5 4 8 8 3 8

Company Telephone Number

1 2	3 1		S E C 17 Q		0 5	1 5
Month	*Day*		FORM TYPE		*Month*	*Day*
Fiscal Year					Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1 For the quarterly period ended **March 31, 2009**

2. Commission identification number ____________ 3. BIR Tax Identification No. **000-460-602-000**

GRAND PLAZA HOTEL CORPORATION
4. Exact name of issuer as specified in its charter

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

6. Industry Classification Code: __________ (SEC Use Only)

10F, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA, Pasay City 1300
7. Address of issuer's principal office

Tel. No. (632) 854-8838 **Fax No. (632) 854-8825**
8. Issuer's telephone number, including area code

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

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

Title of each Class	Number of shares of common Stock outstanding and amount Of debt outstanding
COMMON SHARES	**87,318,270***

*includes 19,653,758 treasury shares

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

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

PHILIPPINE STOCK EXCHANGE, INC. **COMMON**

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 [X] No [ ]

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

Yes [X] No [ ]

PART I – FINANCIAL INFORMATION

Item 1 **Financial Statements**

Financial Statements and, if applicable, Pro-forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations.

Furnish the information required by Part III, Paragraph (A)(2)(b) of "Annex C"

PART II – OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report in SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **YAM KIT SUNG**
Signature and Title ______ **General Manager & Chief Financial Officer**
Date ______

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements Required Under SRC Rule 68.1

- Please see attached financial statements for interim Balance Sheets, Statements of Income, Statements of Changes in Equity and Statements of Cash flows.

Notes to Financial Statements

Summary of significant accounting policies
The financial statements of the Company have been prepared in accordance with Philippine generally accepted accounting principles (GAAP) and are denominated in Philippine pesos. The preparation of financial statements in accordance with Philippine GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies.

The same accounting policies and methods of computation are followed in the interim financial statements for the year 2009 as compared with the most recent annual financial statements.

Seasonality or Cyclicality of Interim Operations
All segments of the business are in its normal trading pattern.

Material Items
There are no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidents.

Estimates
There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

Issuances of Debts and Equity
There are no issuances, repurchases and repayments of debts and equity securities.

Dividends
There were no dividends declared in the current interim period.

Segment Revenue and Results

Statement of Financial Accounting Standard No. 31, "Segment Reporting", which becomes effective for financial statements covering periods beginning on or after January 1, 2001, requires that a public business enterprise report financial and descriptive information about its reportable segments. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance.

The Company organized its business into 4 main segments:

- Room Division – Business derived from the sale of guestrooms.
- Food and Beverage Division – Business derived from the sale of food and beverage at various restaurants.
- Other Operated Departments – Business derived from telephone department, business center, carparking and laundry.
- Others- Business derived from rental of space.

The segment revenues and results is as follows:

	YTD 1st Quarter Revenue – Peso	YTD 1st Quarter Department Profit - Peso
Room	82,856,277	69,466,675
Food and Beverage	50,155,779	21,573,746
Other Operated Departments	1,120,139	427,938
Others	24,424,334	24,424,334

Subsequent Events

None

Composition of Company

There are no changes in the composition of the Company during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

Contingent assets or liabilities

There are no changes in contingent assets or liabilities since the last annual balance sheet date.

Contingencies

There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The top 5 Key Performance Indicators of the Company are as follows:

Balance Sheet Analysis	31 March 2009	31 March 2008	31 December 2008
Current ratio	1.60	1.45	1.57
Net book value per share (include treasury shares)	PhP12.88	PhP12.58	PhP12.49
Profit & Loss Analysis			
Earnings per share	PhP0.51	PhP0.70	PhP2.70
Profit before tax margin ratio	30%	41%	38%
EBITDA	PhP55.4M	PhP84.7M	PhP300.2M

Current ratio is derived by dividing the current assets with the current liabilities. This indicator measures the liquidity of the Company in the short-term. Current ratio has increased by 0.15 as compared to last year same period. The increase is mainly due to higher cash balance and other current assets and offset by lower current liabilities.

Net book value per share is derived by dividing the net stockholders' equity by the total number of shares issued. This measures the value of the Company on a per share basis. The higher net book value as compared to 31 December 2008 is mainly due lower liabilities and higher assets value.

Earning per share (EPS) is derived by dividing the net profit after tax by the total shares outstanding. This indicator measures the earning of the Company on a per share basis. As compared to the same period last year, EPS is lower by PhP0.19 per share. The lower EPS is due to lower total revenue and profit after tax. Total revenue has decreased by about PhP37M as compared to the same period of last year.

Profit before tax margin ratio is computed by dividing the profit before tax against the total revenue. This ratio measures whether the Company is able to contain its expenses in relation to the revenue. This ratio is about lower than last year. The unfavorable variance is mainly due to lower revenue and non-operating income.

EBITDA represents earnings before income tax, interest, depreciation and amortization. This indicator is in effect a measure of the cash flow of the Company. EBITDA is lower this year due to lower revenue.

Balance Sheets Analysis:

Total assets increased by about PhP33 million or 2% as compared to the end of last fiscal year.

Cash and short term notes:
This balance includes short-term fixed deposits with banks. There is an increase of PhP40.8 million as compared to the end of last fiscal year. The higher cash balance compared to last fiscal year-end is due to no major capital expenditure during the first quarter. In order for the Company to secure a Surety Bond, the Company signed a Deed of Assignment of Saving/Time Deposit with Prudential Guarantee And Assurance Inc. with an amount of Ph93 million that is placed with Australian and New Zealand Banking Corp. Manila.

Provision for bad debts:
The Company's policy is to provide 50% of any debts more than 90 days old.
As debts more than 90 days have increased in the first quarter, the Company increased the provision as compared to the end of last fiscal year.

Advances to associated/related companies:
The Company, in its normal course of business, has entered into transactions with its related parties, principally consisting of cash advances.

The Company also leases its hotel site and a furnished townhouse from an associated company. The Company has also entered into a management agreement with CDL Hotels (Phils) Corporation, a related company, for the latter to operate the Hotel.

Under the terms and conditions of the agreement, the Company has to pay monthly basic management and incentive fees based on a percentage of the hotel's revenue and gross operating profit.

As compared with the end of last fiscal year, there is an increase of about PhP3 million as the companies have not repaid their balances outstanding during the year.

Prepaid expenses:
There is a decrease of PhP3.6 million as compared to end of last fiscal year. The main reason is due the amortizing of the prepaid expenses during the first quarter of 2009.

Property and Equipment:
Property and equipment are carried at cost. Depreciation is provided under the straight-line method over the estimated useful lives of the assets ranging from 5 to 50 years. Major improvements are charged to property accounts while maintenance and repairs which do not improve the lives of the assets are expensed as incurred.

The decrease in balance is due to depreciation charges for the year.

Accounts payable:
There is a drop by PhP9.6 million as compared to the end of last fiscal year. The decrease is consistent with the fall in revenue by about 19%.

Rental payable:
As compared with the end of last fiscal year, there is an increase PhP2.8 million as the Company has not settle its rental to a related company.

Due to associated/related companies:
There is an increase of PhP2.8 million as compared to end of last fiscal year as company has not settled its obligations with the related company during the first quarter.

Income Tax Payable:
Income tax payable decreased by PhP6.55 million as compared to 31 December 2008 as the Company has paid its quarterly tax in February 2009.

Income Statement Analysis For the 3 Months Ended 31 March 2009:

Revenue:
Total revenue decreased by PhP37.2 million or 19% as compared to the same period last year. The decrease is observed in all segments of the business as a result of the overall world financial crisis.

Room revenue decreased by Ph18.7 million or 18% as a result of lower occupancy. Occupancy showed a decrease from 74.56% in year 2008 to 56.17% in year 2009. The Philippines economy and tourism industry starts to feel the effect of the world financial crisis in the last quarter of year 2008 and this effect is carried on in the first quarter of year 2009. However, the fall in occupancy is cushioned by the increase in Average Room Rate from PhP3,326 to PhP3,642.

Food and Beverage (“F&B”) division also registered a drop of PhP14.5 million in revenue or 22% compared to the same period of last year. The fall in F&B revenue is faced by all outlets including the casino. Due to the fall in occupancy, the café revenue also decreased significantly as there were less breakfast covers. PAGCOR which operates the casino in the hotel is also implementing cost cutting measures and this affected by revenue of this profit center.

The decrease in rental income is mainly due to the non-renewal of contract of lease of the Chinese restaurant tenant. The Hotel has secured a new tenant to replace the old tenant but they will commence renovation in the second quarter and rental will start before middle of this year.

Cost of Sales:
Cost of sales for F&B registered a decrease as compared to last year which is consistent with the lower food and beverage revenue.

Gross Profit:
Gross profit is derived after deducting cost of sales from gross revenue. Gross profit as compared to last year is lower as a result of lower revenue.

Operating Expenses:
Operating expenses include among others, payroll and related expenses, utilities, depreciation charges, rental and other fixed expenses. There is a decrease in operating expenses of PhP3.4 million or 3% as compared to the same period of last year. The main reason is due to lower energy cost as a result of lower room occupancy.

Net Operating Income:
This is derived after deducting operating expenses from gross operating profit. The unfavorable margin is due to lower revenue.

Non-operating income:
Total non-operating income decreased by PhP1.2 million as compared to the same period of last year. This is due to lower foreign exchange gain of PhP0.7 million as compared to last year a gain of PhP2.3 million. In addition, the Company also has marginally higher interest income as a result of higher cash balance.

There are no material event(s) and uncertainties known to management that would address the past and would have an impact on the future operations of the following:

- Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- Any significant elements of income or loss that did not arise from the Company's continuing operations.
- The causes for any material change(s) (5% or more) from period to period in one or more line items (vertical and horizontal) of the Company's financial statements.
- Any seasonal aspects that had a material effect on the financial condition or results of operations.

Management is not aware of any event that may trigger direct or contingent financial obligations that is material to the Company, including any default or acceleration of an obligation. Management is not aware of any material off-balance sheet transaction, arrangement, obligation (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons that were created during the first 3 months of 2009.

PART II – OTHER INFORMATION

Tax matter:

On 12 September 2008, the Company made a disclosure to the Philippine Stock Exchange and Securities and Exchange Commission via SEC 17C report, the substance of which disclosure is reproduced below.

The Company filed on 12 September 2008 a surety bond with the Court of Tax Appeals ("CTA") in compliance with the condition imposed by the CTA in its Resolution dated 21 August 2008, granting the Company's Urgent Motion to Suspend Collection of Tax and Extremely Urgent Supplemental Motion to Suspend and Enjoin Collection of Taxes with Prayer for Immediate *Ex Parte* Issuance of Temporary Restraining Order.

With the filing of the surety bond, a Temporary Restraining Order came into effect enjoining the Bureau of Internal Revenue ("BIR") from, among other things, implementing (a) the Warrant of Distraint and/or Levy constructively served by the BIR on 11 August 2008 pursuant to which the BIR sought to (i) distrain the "goods, chattels or effects, and other personal property whatever character of [the Registrant]" and (ii) "levy upon the real property and interest in/or rights to real property of [the Registrant]", and "sell and/or forfeit in favour of the Republic of Philippines so much of such personal/real property as may be necessary to satisfy in full the sum/sums due … ; and to cover such expenses as may be incurred in making this distraint/levy;" and (b) the Warrants of Garnishment issued by the BIR against the Company's bank accounts in the Philippines on 14 August 2008. Prior to the effectivity of the Temporary Restraining Order, and as a consequence of the Warrants of Garnishment, the Company was not able to operate the garnished bank accounts

As far as the Company is aware, the Warrant of Distraint and/or Levy and the Warrants of Garnishment were issued by the BIR in connection with a Final Decision on Disputed Assessment made by the BIR against the Company (the validity of the amounts claimed in which assessment the Company has disputed and continues to dispute) for deficiency value-added tax ("VAT") in an aggregate amount of PhP228,943,589.15 (consisting of PhP128,126,970.31 for deficiency VAT and 20% interest from 25 January 2003 to 31 December 2006 amounting to PhP100,816,618.83) in relation to payments for transactions with the Philippine Amusement and Gaming Corporation ("PAGCOR") from 1996 to 2002. The Company has filed with the CTA a Petition for Review of the Final Decision on Disputed Assessment against the Commissioner of Internal Revenue, docketed as CTA Case No. 7794 ("Petition for Review").

The Board of Directors of the Company has taken legal advice and, based upon such advice, is of the view that in light of the Supreme Court's decision in the case of *Commissioner of Internal Revenue v. Acesite (Philippines) Hotel Corporation (G.R. No. 147295, 16 February 2007)* which confirmed that PAGCOR's tax exemption privilege under its charter included the indirect tax of VAT and entitles persons dealing with PAGCOR in casino operations to a zero percent (0%) VAT rate, the Company is not liable for the deficiency VAT claimed by the BIR and that the Company has strong defenses against the BIR's tax assessment.

On 3 March 2009, the Company's officer testified and identified certain documents in the CTA. On the same hearing, the CTA cancelled the calendared hearing date on 13 March 2009. Instead the CTA instructed the BIR to file its Comments to the Company's Motion. After the filing by BIR or expiry of the filing date, the CTA would resolve the Company's Motion for Preliminary Hearing without any hearing date.

On 20 April 2009, the Company received a resolution from the CTA granting the Company's "Motion for Preliminary Hearing for the Limited Purpose of Resolving the Legal Issues". A hearing was set on 5 May 2009 at 9am.

The Company will continue to pursue its Petition for Review with the CTA and will file the necessary disclosure on the outcome thereof following the issuance of the judgment of the CTA.

<u>Financial Risk Exposure:</u>

In the context of the current global financial condition, the Securities and Exchange Commission sent us a memorandum to companies on 29 October 2008, which requires companies to make a self-assessment or evaluation to determine whether any of the items below are applicable. If applicable, these items must be disclosed in the interim financial report on SEC Form 17-Q ("Quarterly Report"):

1. The qualitative and quantitative impact of any changes in the financial risk exposures of GPHC, particularly on currency, interest, credit, market and liquidity risks, that would materially affect its financial condition and results of operation, and a description of any enhancement in the Company's risk management policies to address the same.

2. A description of the financial instruments of the Company and the classification and measurements applied for each. If material in amount, provide detailed explanation or complex securities particularly on derivatives and their impact on the financial condition of the Company.

3. The amount and description of the Company's investments in foreign securities.

4. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.

5. An explanation of how risk is incorporated and considered in the valuation of assets or liabilities.

6. A comparison of the fair values as of date of the recent interim financial report and as date of the preceding interim period, and the amount of gain or loss recognized for each of the said periods.

7. The criteria used to determine whether the market for a financial instrument is active or inactive, as defined under Philippine Accounting Standard 39 – Financial Instruments.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework. The BOD has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee identifies all issues affecting the operations of the Company and reports regularly to the BOD on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and detriment forecasted results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee directly interfaces with the internal audit function, which undertakes reviews of risk management controls and procedures and ensures the integrity of internal control activities which affect the financial management system of the Company. The results of procedures performed by Internal Audit are reported to the Audit Committee.

Credit Risk

Credit risk represents the risk of loss the Company would incur if credit customers and counterparties fail to perform their contractual obligations. The Company's credit risk arises principally from the Company's trade receivables.

Exposure to credit risk is monitored on an ongoing basis, credit checks being performed on all clients requesting credit over certain amounts. Credit is not extended beyond authorized limits, established where appropriate through consultation with a professional credit vetting organization. Credit granted is subject to regular review, to ensure it remains consistent with the clients' current credit worthiness and appropriate to the anticipated volume of business.

The investment of the Company's cash resources is managed so as to minimize risk while seeking to enhance yield. The Company's holding of cash and money market placements expose the Company's to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations and the Company consequently suffers financial loss. Credit risk management involves entering into financial transactions only with counterparties with acceptable credit rating. The treasury policy sets aggregate credit limits of any one counterparty and annually reviews the exposure limits and credit ratings of the counterparties.

Receivables balance is being monitored on a regular basis to ensure timely execution of necessary intervention efforts. As of balance sheet date, there were no significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to various market risks, including risks from changes in room rates, interest rates and currency exchange rates.

Room Rates

The risk from room rate changes relates to the Company's ability to recover higher operating costs through price increases to customers, which may be limited due to the competitive pricing environment that exists in the Philippine hotel industry and the willingness of customers to avail of hotel rooms at higher prices.

The Company minimizes its exposure to risks in changes in room rates by signing contracts with short period of expiry so this gives the Company the flexibility to adjust its room rates in accordance to market conditions.

Interest Rate Risk

The Company has no interest-bearing debt obligations to third parties. As such, the Company has minimal interest rate risk.

Foreign Currency Risk

Foreign assets and financing facilities extended to the Company were mainly denominated in Philippine Peso. As such, the Company's foreign currency risk is minimal.

The Company functional currency is Philippines peso. As at 31 March 2009, it holds bulk of its cash and cash equivalent in Philippines peso. The United States dollars are used to settle foreign obligations. As such, the Company does not have currency risk exposure.

The Company does not have any third party loans so it has no interest rate risk. The Company in the ordinary course of business extends credit to its customers. Exposure to credit risk is monitored on an ongoing basis, credit review being performed for clients requesting for credit limit. The total exposure to trade receivables as at 31 March 2009 is Peso34.9 million.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. As at 31 March 2009, the Company has Peso526 million current assets and Peso328 million liabilities so the current assets are able to cover its liability.

The Company does not invest in any other financial instruments. Any surplus funds are placed in short-term fixed deposits with local bank like Metropolitan Bank and Trust Co. and foreign bank like Australian and New Zealand Bank (ANZ).

The Company also does not invest in foreign securities.

The fair values together with the carrying amounts of the financial assets and liabilities shown in the balance sheet date are as follows:

	31 March 2009	31 March 2009	31 December 2008	31 December 2008
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	221,266,721	221,266,721	180,473,345	180,473,345
Receivables net	228,734,812	228,734,812	230,231,473	230,231,473
Due from related party	17,329,620	17,329,620	13,598,936	13,598,936
Loan receivable	15,500,000	15,500,000	15,500,000	15,500,000
Lease deposit	78,000,000	78,000,000	78,000,000	78,000,000
Accounts payable & accrued expenses	267,696,975	267,696,975	273,352,652	273,352,652
Due to related party	11,265,300	11,265,300	8,394,863	8,394,863

The following summarizes the methods and assumptions used in estimating the fair values of financial instruments reflected in the above table:

Cash and cash equivalent – the carrying amount approximates the fair value due to its short maturity.

Receivables/ due from related party/ loan receivable/ lease deposit/ accounts payable and accrued expenses/ due to related party – current receivables are reported at their net realizable values, at total amount less allowances for uncollectible amounts. Current liabilities are stated at amounts reasonably expected to be paid within the next 12 months or operating cycle. Due from/to related party and loan receivable are payable on demand. In the case of lease deposit, the fair value approximates the carrying amount.

GRAND PLAZA HOTEL CORPORATION
Balance Sheets
March 31, 2009
(with comparative figures for the year ended December 31, 2008)
(In Philippine Pesos)

ASSETS	Unaudited March 31, 2009	Audited Dec. 31, 2008
Current Assets		
Cash and investments in short term notes	221,266,721.63	180,473,346.18
Accrued interest receivable	287,000.32	260,158.16
Accounts receivable - trade	225,147,893.35	227,053,155.05
Accounts receivable - others	4,224,543.02	3,562,135.27
Provision for bad debts	(637,624.00)	(383,817.12)
Deferred tax assets/(liabilities)	7,369,671.04	6,459,891.80
Advances to associated/related companies	16,813,224.76	13,546,016.75
Advances to immediate holding company	516,396.80	52,920.00
Inventories	13,961,739.62	12,871,171.50
Prepaid expenses	15,335,967.46	18,998,280.84
Creditable withholding tax	(84,270.15)	163,769.42
Other current assets	22,248,994.43	20,637,706.19
Total Current Assets	*526,450,258.28*	*483,694,734.04*
Property and Equipment	*782,020,134.34*	*791,964,131.49*
Investment in Stock of Associated Company	*46,831,746.31*	*46,674,476.32*
Deposit on Lease Contract	*78,000,000.00*	*78,000,000.00*
Loans Receivable	*15,500,000.00*	*15,500,000.00*
Other Assets		
Miscellaneous investments and deposits	5,085,790.50	5,085,790.50
Others	1,010,000.00	1,010,000.00
Total Other Assets	*6,095,790.50*	*6,095,790.50*
Total Assets	***1,454,897,929.43***	***1,421,929,132.35***

GRAND PLAZA HOTEL CORPORATION
Balance Sheets
March 31, 2009
(with comparative figures for the year ended December 31, 2008)
(In Philippine Pesos)

LIABILITIES AND STOCKHOLDERS' EQUITY	Unaudited March 31, 2009	Audited Dec. 31, 2008
Current Liabilities		
Accounts payable	208,639,213.87	218,289,756.40
Accrued liabilities	53,344,733.75	52,206,382.93
Rental payable	5,713,029.60	2,856,514.80
Due to associated/related companies	11,265,300.80	8,394,863.14
Refundable deposit	32,168,578.92	25,655,067.21
Deferred rental - Pagcor & JIMEI	1,718,463.86	1,718,463.86
Income tax payable	12,072,859.75	18,608,931.70
Other current liabilities	3,567,982.17	3,568,697.21
Total Current Liabilities	*328,490,162.72*	*331,298,677.25*
Long - Term Liabilities		
Reserves	1,060,305.32	-
Total Long - Term Liabilities	*1,060,305.32*	-
Stockholders' Equity		
Authorized - 115,000,000 shares in March 31, 2009 and December 31, 2008 at P10.00 par value per share		
Paid - in Capital	873,182,699.00	873,182,699.00
Premium on capital stock	11,965,903.78	11,965,903.78
Paid-in capital in excess of par - Warrants	2,691,613.81	2,691,613.81
Treasury stock	(982,663,220.00)	(982,663,220.00)
Retained earnings - beginning	1,185,453,458.51	1,002,576,106.07
Net income for the period	34,717,006.29	182,877,352.44
Total Stockholders' Equity	*1,125,347,461.39*	*1,090,630,455.10*
Total Liabilities and Stockholders' Equity	***1,454,897,929.43***	***1,421,929,132.35***

GRAND PLAZA HOTEL CORPORATION
Income Statements
For the quarters ended March 31, 2009 and 2008
(In Philippine Pesos)

	Unaudited March 31, 2009	Unaudited March 31, 2008
Revenue		
Rooms	82,856,277.40	101,565,725.57
Food & Beverage	50,155,779.14	64,611,569.31
Other Operated Depts.	1,120,139.07	1,575,630.65
Rental Income/Others	24,424,334.68	28,091,388.22
Total Revenue	158,556,530.29	195,844,313.75
Cost of Sales		
Food & Beverage	14,231,692.60	17,533,175.81
Other Operated Depts.	308,293.34	658,698.16
Total Cost of Sales	14,539,985.94	18,191,873.97
Gross Profit	144,016,544.35	177,652,439.78
Operating Expenses	98,570,189.58	102,006,153.80
Net Operating Income	45,446,354.77	75,646,285.98
Non-operating Income		
Interest Income	2,265,416.02	2,056,865.06
Dividend Income	74,150.00	62,470.35
Gain/(Loss) on Disposal of Fixed Assets	825.00	6,850.00
Exchange Gain/(Loss)	739,871.90	2,352,780.66
Share in Net Income/(Loss) of Associated Co.	157,269.99	(4,324.28)
Total Non-Operating Income	3,237,532.91	4,474,641.79
Net Income/(Loss) Before Tax	48,683,887.68	80,120,927.77
Provision for Income Tax	13,966,881.39	28,738,771.00
Net Income/(Loss) After Tax	**34,717,006.29**	**51,382,156.77**
Basic earnings per share	***0.51***	***0.70***
Dilluted earnings per share	***0.51***	***0.70***

Notes:

In March 2009, total shares outstanding is 67,664,512 net of 19,563,758 treasury shares.
In March 2008, total shares outstanding is 73,376,207 net of 13,942,063 treasury shares.

GRAND PLAZA HOTEL CORPORATION
Statements of Changes in Equity
For the quarters ended March 31, 2009 and 2008
(In Philippine Pesos)

	Unaudited March 31, 2009	Unaudited March 31, 2008
Balance - beginning	**1,090,630,455.10**	**1,047,630,402.66**
Net income for the period	34,717,006.29	51,382,156.77
Dividends	-	-
Retirement of shares	-	-
Buyback of shares	-	-
Balance - end	***1,125,347,461.39***	***1,099,012,559.43***

GRAND PLAZA HOTEL CORPORATION
Cash Flow Statements
For the quarters ended March 31, 2009 and 2008
(In Philippine Pesos)

	Unaudited March 31, 2009	Unaudited March 31, 2008
Cash flows from operating activities		
Net income	34,717,006.29	51,382,156.77
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	9,943,997.15	9,086,807.26
Equity in net income of associated company	(157,269.99)	4,324.28
Provision for bad debts	637,624.00	483,538.12
Changes in operating assets and liabilities		
(Increase) decrease in		
Accrued interest receivable	(26,842.16)	9,778.84
Accounts receivable - trade	1,521,444.58	(12,095,680.42)
Accounts receivable - others	(662,407.75)	535,167.59
Deferred income tax	(909,779.24)	4,161,459.66
Advances to associated/related companies	(3,267,208.01)	(1,187,507.78)
Advances to immediate holding company	(463,476.80)	(158,334.30)
Inventories	(1,090,568.12)	485,367.36
Prepaid expenses	3,662,313.38	2,709,004.47
Creditable withholding tax	248,039.57	20,242.56
Other current assets	(1,611,288.24)	7,794,085.51
Increase (decrease) in		
Accounts payable	(9,650,542.53)	(2,061,125.67)
Accrued liabilities	1,138,350.82	1,606,502.00
Rental payable	2,856,514.80	1,904,343.20
Due to associated companies	2,870,437.66	7,049,555.09
Refundable deposit	6,513,511.71	(1,557,493.72)
Deferred rental - Pagcor	-	16,448,154.06
Income tax payable	(6,536,071.95)	(4,987,188.01)
Other current liabilities	(715.04)	(9,192,931.59)
	39,733,070.13	72,440,225.28
Cash flows from investing activities		
Acquisition of property and equipment - net	-	(11,109,947.26)
	-	(11,109,947.26)
Cash flows from financing activities		
Increase/(Decrease) in reserves	1,060,305.32	500,316.48
	1,060,305.32	500,316.48
Net increase in cash and short-term notes	40,793,375.45	61,830,594.50
Cash and short-term notes, Beginning	180,473,346.18	155,032,368.89
Cash and short-term notes, Ending	**221,266,721.63**	**216,862,963.39**

Grand Plaza Hotel Corporation
Aging Report As At 31 March 2009

Customer Type	0 to 8 days	9 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 120 days	Total	%
Airlines	951,772	1,739,695	226,744	99,089	67,210	5,469	3,089,979	8.83%
Credit card	748,523	442,419					1,190,942	3.40%
PAGCOR	2,120,326	5,530,538	5,739,937	1,669,009	310,484		15,370,294	43.94%
Individual - local							-	0.00%
Company - local	1,805,783	4,870,876	1,405,948	238,827	23,826	746,244	9,091,504	25.99%
Overpayment	(17,699)	(56,206)	(62,823)	(39,942)	(162,043)	(797,415)	(1,136,128)	-3.25%
Permanent accounts	12,695	6,695	3,000	12,000	1,511	1,400	37,301	0.11%
Employee charges							-	0.00%
Travel Agent - Local	82,166	2,446,558	1,707,031	4,715	3,518		4,243,988	12.13%
Temporary credit	55,741	1,362,211	44,424			5,500	1,467,875	4.20%
Travel Agent - Foreign	570,338	689,073	247,262	7,600	62,039	48,047	1,624,359	4.64%
TOTAL	6,329,644	17,031,859	9,311,522	1,991,298	306,544	9,246	34,980,114	100.00%
%	18.09%	48.69%	26.62%	5.69%	0.88%	0.03%	100.00%	