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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	03-May-2012 17:57:00
Announcement No.	00096

>> 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 Ended 31 March 2012
Description	Please see the attached announcement released by Grand Plaza Hotel Corporation on 3 May 2012.
Attachments	GPHC_1st_Qtr2012.pdf Total size = **2336K** (2048K size limit recommended) **Total attachment size has exceeded the recommended value**

Close Window

COVER SHEET

1 6 6 8 7 8

S.E.C. Registration Number

GRAND PLAZA HOTEL CORP

(Company's Full Name)

10F THE HERITAGE HOTEL ROXAS BLVD COR EDSA PASAY CITY

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

YAM KIT SUNG

Contact Person

8548838

Company Telephone Number

1 2	3 1
Month	Day

Fiscal Year

SEC17Q

FORM TYPE

0 5	1 5
Month	Day

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

STAMPS

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, 2012**

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 27,390,759 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 2011 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 and rental – Business derived from telephone department, business center, carparking, laundry and rental of space.

The segment revenues and results are as follows:

	YTD 1st Quarter Revenue – Peso '000	YTD 1st Quarter Department Profit – Peso '000
Room	95,928	81,792
Food and Beverage	55,077	25,213
Other Operated Departments and rental	36,795	35,403

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 2012**	31 March 2011	31 December 2011
Current ratio	**1.79**	1.70	2.03
Net book value per share (include treasury shares)	**PhP13.48**	PhP12.86	PhP12.93
Profit & Loss Analysis			
Earnings per share	**PhP0.80**	PhP0.74	PhP2.89
Profit before tax margin ratio	**36%**	36%	34%
EBITDA	**PhP76.3M**	PhP74.6M	PhP280M

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 0.09 as compared to last year same period and fell by 0.24 versus the end of last fiscal year.

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 2011 is mainly due to higher assets value and lower liabilities.

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 higher by PhP0.06 per share or 8% due to higher profit.

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. The Company maintains the same profit before tax margin as the same period of last year.

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 higher this year due to higher revenue.

Balance Sheets Analysis:

Total assets increased by about PhP78 million or 5% as compared to the end of last fiscal year.

Cash and short term notes:
This balance includes short-term fixed deposits with banks. This balance increased by PhP60 million (16%) relative to end of last fiscal year. This is due to higher revenue and also collection from a tenant for advance rental. There are no major capital expenditure.

Accounts receivable – trade:
This balance increased by PhP10 million as compared to the end of last fiscal year which is consistent with the higher revenue.

Accounts receivable – others:
The variance of Php6 million is mainly due to the delay in payment of utility by a tenant.

Deferred tax assets:
This is the recognition of the deferred tax on the advance rental paid by Pagcor which will be amortized monthly. Relative to the end of last fiscal year, this balance increased by PhP8 million due to the payment of the advance rental.

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 leases its hotel site from an associated company. The Company has also entered into a management agreement with Elite Hotel Management Services Pte. Ltd., 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 a decrease of about PhP3 million as the companies have repaid their balances outstanding during the year.

Inventories:
In preparation for the long holidays in the first week of April 2012, the hotel stored more inventories in the last week of March 2012.

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 decrease of PhP18 million as compared to the end of last fiscal year. The reason is because there was payment after year end.

Accrued liabilities:
The lower balance as at end of last fiscal year is to due to reversal of over accruals at year end.

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 in the first quarter of the year.

Deferred rental:
This relates to the advance rental from a tenant which will be amortized over the remaining period.

Due to associated/related companies:
There is an increase of PhP11million 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 increased by PhP3.6 million as compared to the end of last year as the Company has higher profit before tax this year.

Reserves:
Reserves increased by PhP0.5 million due to the provision made during the first quarter.

Income Statement Analysis For the 3 Months Ended 31 March 2012:

Revenue:
Total revenue increased by PhP9.4 million (5.3%) versus same period last year. The main reason for the increment is due to higher room and Food and Beverage (F&B) revenue.

Rooms division recorded an improvement in occupancy from 69% to 72%. Revpar showed a marginal improvement of 0.5%.

F&B business improved by 19% compared to the same period of last year. This favorable variance is due to higher revenue for Riveria and casino which increased by 12% and 56% respectively.

Rental income fell slightly by PhP1 million (2.8%) because for the period 1 January to 31 March 2011, the rental income included 2 months (November and December 2011) of rental for a tenant which was delayed.

Cost of Sales:
Cost of sales for F&B registered an increase of 18% as compared to last year which is consistent with the higher food and beverage revenue of 19% increment. Overall F&B cost for this year was 30%.

Gross Profit:
Gross profit is derived after deducting cost of sales from gross revenue. Gross profit as compared to last year is higher by PhP6.8 million as a result of higher revenue.

Operating Expenses:
Operating expenses include among others, payroll and related expenses, utilities, depreciation charges, rental and other fixed expenses. There is an increase in operating expenses of PhP5.1 million or 5% as compared to the same period of last year. The main reason is due to higher electricity cost which increased by 24% versus last year same period.

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

Non-operating income:
Total non-operating income increased by PhP0.499 million as compared to the same period of last year. This is due to higher interest income of PhP2.7 million versus last year of PhP2.0 million.

Profit after tax:
As a result of higher revenue, the profit after tax for this quarter has improved by PhP1.7 million (3.7%) versus last year.

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 2011.

PART II – OTHER INFORMATION

Tax matter:

In the middle of 2008, the Company received from the Bureau of Internal Revenue (BIR) a Final Decision on Disputed Assessment finding the Company liable for deficiency value added tax (VAT) with respect to the years 1996 to 2002 in total amount of P228.94 million and that the Company filed a petition for review with the Court of Tax Appeal (CTA) to appeal against such Final Decision on Disputed Assessment.

The BIR also issued a Warrant of Distraint and/or Levy and Warrant of Garnishment against the Company and its assets. On 12 September 2008, the Company filed a surety bond with the CTA, and the CTA granted the Company's Urgent Motion to Suspend Collection of Tax and Extremely Urgent Supplemental Motion to Suspend and Enjoin Collection of Taxes and issued a Temporary Restraining Order enjoining the BIR from further efforts at collection of taxes, and particularly the implementation of the Warrant of Distraint and/or Levy and the Warrant of Garnishment.

In 2009, the Company moved to have a preliminary hearing conducted to first resolve the legal issues. The CTA granted the motion and hearings were subsequently conducted. On 4 September 2009, the CTA granted the evidence presented by the Company.

On 6 January 2011, the Company received a CTA Resolution in which the CTA resolved to lift the Warrant of Garnishment (thereby lifting the Warrant of Distraint and/or Levy as well) but denied the Company's Motion to Discharge Surety Bond.

On 22 June 2011, a copy of the CTA's resolution promulgated on 17 June 2011, which resolved the Motion in favor of the Company, thereby ordering that the surety bond posted by the Company for the suspension of collection of taxes be cancelled and withdrawn.

As mentioned in the CTA Resolution, in line with the decision of the Supreme Court in *Philippine Amusement and Gaming Corporation (PAGCOR) vs. The Bureau of Internal Revenue, et al.*, the CTA, in its decision dated 18 February 2011, cancelled the Bureau of Internal Revenue's ("BIR") assessment against the Company for deficiency value-added tax in the amount of PhP228,943,589.15 for taxable years 1996 to 2001. In its resolution dated 17 May 2011, the CTA denied the Commissioner of Internal Revenue's Motion for Reconsideration of the CTA's decision rendered on 18 February 2011. According to the CTA, considering that the assessment against the Company for deficiency VAT has been cancelled, the CTA deemed it proper that the surety bond posted by the Company be discharged.

On 1 September 2011, the CTA En Banc resolved to give course to BIR's appeal. The Company has filed its Memorandum in early October 2011. On 15 November 2011, the CTA ruled that BIR for failure to file the Memorandum within the period prescribed by the Court and the Company has already filed its Memorandum, the case is now deemed for resolution.

On 24th February 2012, the Company filed a Motion for Early Resolution with the CTA and is still waiting decision from CTA.

Financial Risk Exposure:

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 Executive 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 2012, 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 2012 is Peso43 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 2012, the Company has Peso769 million current assets and Peso427 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) and Standard Chartered Bank.

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 2012	31 March 2012	31 December 2011	31 December 2011
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	414,475,819	414,475,819	354,346,638	354,346,638
Receivables net	288,825,194	288,825,194	269,653,706	269,653,706
Due from/(to) related party net	1,132,521	1,132,521	16,498,391	16,498,391
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	323,024,673	323,024,673	337,156,462	337,156,462

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 SHEET
March 31, 2012
(with comparative figures for the year ended December 31, 2011)
(In Philippine Pesos)

ASSETS	Unaudited March 31, 2012	Audited Dec. 31, 2011
Current Assets		
Cash and investments in short term notes	414,475,819.48	354,346,638.82
Accrued interest receivable	201,242.87	170,257.52
Accounts receivable - trade	276,217,824.15	265,394,964.60
Accounts receivable - others	12,492,458.21	5,866,891.36
Provision for bad debts	(86,330.00)	(178,406.00)
Deferred tax assets/(liabilities)	18,194,755.23	10,082,611.52
Input tax	-	-
Advances to associated company	15,017,570.22	18,969,525.44
Advances to immediate holding company	705,276.50	444,351.06
Inventories	15,920,070.06	12,590,052.06
Prepaid expenses	4,378,093.63	3,678,834.33
Creditable withholding tax	-	5,249.98
Other current assets	11,962,610.85	11,766,306.18
Advances to/from THHM	-	-
Total Current Assets	769,479,391.21	683,137,276.87
Property and Equipment	688,342,600.45	696,497,184.23
Organization and Pre-operating Expenses	-	-
Investment in Stock of Associated Company	47,483,714.93	47,400,841.22
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
	1,604,901,497.09	1,526,631,092.82

GRAND PLAZA HOTEL CORPORATION
BALANCE SHEET
March 31, 2012
(with comparative figures for the year ended December 31, 2011)
(In Philippine Pesos)

LIABILITIES AND STOCKHOLDERS' EQUITY	Unaudited March 31, 2012	Audited Doc. 31, 2011
Current Liabilities		
Accounts payable	257,946,780.91	276,687,841.52
Accrued liabilities	65,077,893.46	60,468,621.43
Notes payable	-	-
Rental payable	3,808,686.40	952,171.60
Due to associated companies	14,590,325.66	2,915,485.95
Advances from immediate holding company - net	-	-
Advances from intermediate holding company	-	-
Refundable deposit	29,721,736.02	27,655,055.49
Deferred rental - Pagcor	28,212,793.59	4,896,160.87
Due to City e-Solutions *(formerly CDL Hotels Int'l Ltd)*	-	-
Due to Byron	-	-
Dividend Payable	-	-
Output tax	-	-
Income tax payable	23,805,808.42	20,117,735.00
Other current liabilities	3,788,066.10	3,614,013.01
Reserves	588,922.38	12,500.00
Total Current Liabilities	427,541,012.94	397,319,584.87
Long - Term Liabilities		
Deferred rental - Pagcor	-	-
Total Long - Term Liabilities	-	-
Capital Stock		
Authorized - 150,000,000 shares of 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	(1,369,513,270.00)	(1,369,513,270.00)
Retained earnings/(deficit) - beginning	1,610,984,561.36	1,434,920,830.88
Retained Profit(Loss) for the Period	48,048,976.20	176,063,730.48
Dividend declared	-	-
Working Capital Contribution	-	-
Total Stockholders' Equity	1,177,360,484.15	1,129,311,507.95
	1,604,901,497.09	1,526,631,092.82

GRAND PLAZA HOTEL CORPORATION
Income Statements
For the quarters ended March 31, 2012 and 2011
(In Philippine Pesos)

	Unaudited March 31, 2012	Unaudited March 31, 2011
Revenue		
Rooms	95,928,950.25	94,439,412.64
Food & Beverage	55,077,766.19	46,205,365.23
Other Operated Depts.	2,747,596.25	2,570,136.95
Rental Income/Others	34,047,633.57	35,113,141.68
Total Revenue	187,801,946.26	178,328,056.50
Cost of Sales		
Food & Beverage	16,867,833.06	14,250,012.63
Other Operated Depts.	943,532.05	913,596.09
Total Cost of Sales	17,811,365.11	15,163,608.72
Gross Profit	169,990,581.15	163,164,447.78
Operating Expenses	103,209,057.11	98,087,892.28
Net Operating Income	66,781,524.04	65,076,555.50
Non-operating Income		
Interest Income	2,713,036.43	2,082,566.15
Dividend Income	10,750.00	-
Gain/(Loss) on Disposal of Fixed Assets	14,000.00	7,700.00
Exchange Gain/(Loss)	(1,658,107.79)	(1,446,282.59)
Share in Net Income/(Loss) of Associated Co.	82,873.71	19,016.16
Other Income	-	-
Total Non-Operating Income	1,162,552.35	662,999.72
Net Income/(Loss) Before Tax	67,944,076.39	65,739,555.22
Provision for Income Tax	19,895,100.19	19,447,747.07
Net Income/(Loss) After Tax	**48,048,976.20**	**46,291,808.15**
Basic earnings per share	***0.80***	***0.74***
Diluted earnings per share	***0.80***	***0.74***

GRAND PLAZA HOTEL CORPORATION
Statements of Changes in Equity
For the quarters ended March 31, 2012 and 2011
(In Philippine Pesos)

	Unaudited March 31, 2012	Unaudited March 31, 2011
Balance - beginning	**1,129,311,507.95**	**1,077,001,877.47**
Net income for the period	48,048,976.20	46,291,808.15
Dividends	-	-
Retirement of shares	-	-
Buyback of shares	-	-
Balance - end	***1,177,360,484.15***	***1,123,293,685.62***

GRAND PLAZA HOTEL CORPORATION
Cash Flow Statements
For the quarters ended March 31, 2012 and 2011
(In Philippine Pesos)

	Unaudited March 31, 2012	Unaudited March 31, 2011	Audited Dec. 31, 2011
Cash flows from operating activities			
Net income	48,048,976.20	46,291,808.15	176,063,730.48
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	9,567,554.90	9,545,503.02	38,360,256.64
Equity in net income of associated company	(82,873.71)	(19,016.16)	(307,867.40)
Provision for bad debts	86,330.00	360,921.00	178,406.00
Changes in operating assets and liabilities			
(Increase) decrease in			
Accrued interest receivable	(30,985.35)	(9,897.50)	(4,291.37)
Accounts receivable - trade	(11,001,205.55)	6,200,774.89	(20,043,022.82)
Accounts receivable - others	(6,625,566.85)	1,148,039.96	3,894,614.47
Deferred income tax	(6,112,143.71)	588,306.48	(1,430,207.08)
Input tax	-	-	-
Advances to associated/related companies	3,951,955.22	(3,188,776.48)	5,804,495.61
Advances to immediate holding company	(260,925.44)	(150,866.76)	(444,351.06)
Inventories	(3,330,018.00)	372,920.00	761,539.52
Prepaid expenses	(699,259.30)	(77,182.14)	2,771,589.25
Creditable withholding tax	5,249.98	54.53	(5,151.28)
Other current assets	(196,304.67)	5,401,377.18	2,847,497.54
Advances to/from THHM	-	-	-
Increase (decrease) in			
Accounts payable	(18,741,060.61)	(7,280,067.24)	45,880,847.58
Accrued liabilities	4,609,272.03	1,092,868.61	7,708,365.82
Notes payable	-	-	-
Rental payable	2,856,514.80	2,856,514.80	(1,014,458.20)
Due to associated companies	11,674,839.71	12,456,671.50	(3,034,079.32)
Advances from immediate holding company - net	-	-	-
Advances from intermediate holding company	-	-	-
Refundable deposit	2,066,680.53	815,251.68	5,623,444.00
Deferred rental - Pagcor	23,316,632.72	24,724,541.83	3,177,597.09
Due to City e-Solutions *(formerly CDL Hotels Int'l Ltd)*	-	-	-
Due to Byron	-	-	-
Dividend Payable	-	(54,190,043.00)	(54,690,042.00)
Output tax	-	-	-
Income tax payable	3,688,073.42	(1,498,555.02)	3,981,519.30
Other current liabilities	174,053.09	97,954.75	(907,183.60)
Reserves	576,422.38	450,120.67	-
	61,542,151.70	46,049,224.84	215,172,349.08
Cash flows from investing activities			
Acquisition of property and equipment - net	(1,412,971.12)	(5,703,860.10)	(14,135,878.59)
Dividend (declared)/received	-	-	-
(Receipts)/Refund of deposit on lease contract	-	-	-
(Receipts)/Payments relating to other assets	-	-	-
Retirement of treasury stocks	-	-	-
Buyback of shares - net	-	-	(123,754,100.00)
	(1,412,971.12)	(5,703,860.10)	(137,889,978.59)
Cash flows from financing activities			
Increase/(Decrease) in reserves	-	-	-
	-	-	-
Net increase in cash and short-term notes	60,129,180.07	40,345,364.65	77,282,370.49
Cash and short-term notes, Beginning	354,346,638.82	277,064,268.34	277,064,268.34
Cash and short-term notes, Ending	414,475,819.49	317,409,632.99	354,346,638.83
should be zero	0.00	0.00	0.01

Grand Plaza Hotel Corporation
Aging Report As At 31 March 2012

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	1,171,472	3,724,697	1,796,401	75,199			6,767,769	15.39%
Credit card	2,781,531	-					2,781,531	6.33%
PAGCOR	3,196,904	6,129,775	8,677,851	2,526,503		20,069	20,551,102	46.74%
Individual - local							-	0.00%
Company - local	786,181	2,105,945	1,401,615	5,500	52,632	92,958	4,444,831	10.11%
Overpayment	(30,487)	(14,960)	(22,888)	(163,186)	(86,950)	(179,240)	(497,711)	-1.13%
Permanent accounts	10,524	493	5,400				16,417	0.04%
Embassy & government	273,600	184,699	249,698	60,000		7,000	774,997	1.76%
Travel Agent - Local	1,033,278	3,618,564	267,590	55,762			4,975,194	11.32%
Temporary credit	202,799	785,971	262,350	34,068			1,285,188	2.92%
Travel Agent - Foreign	1,170,450	671,191	1,026,837				2,868,478	6.52%
TOTAL	10,596,252	17,206,375	13,664,854	2,593,846	(34,318)	(59,213)	43,967,796	100.00%
%	24.10%	39.13%	31.08%	5.90%	-0.08%	-0.13%	100.00%	