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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	31-Oct-2012 18:32:07
Announcement No.	00178

>> Announcement Details

The details of the announcement start here ...

Announcement Title * Announcement by Subsidiary Company, Grand Plaza Hotel Corporation on Quarterly Report for Third Quarter and Nine Months Ended 30 September 2012

Description Please see the attached announcement released by Grand Plaza Hotel Corporation on 31 October 2012.

Attachments

 [GPHCQ3rdQtr2012_Final.pdf](#)
 Total size = **1383K**
 (2048K size limit recommended)

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110312012000255



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No. 0000166878
Company Name GRAND PLAZA HOTEL CORPORATION DOING BUSINESS UNDER THE NAME OF THE HERITAGE HOTEL MANILA
Industry Classification
Company Type Stock Corporation

Document Information

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COVER SHEET

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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

Month Day Fiscal Year

S E C 17 Q

FORM TYPE

0 5 1 5

Month Day Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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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 September 30, 2012
2. Commission Identification number 000-460-602-000 3. BIR Tax Identification No. _____

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
<u>COMMON SHARES</u>	<u>87,318,270*</u>
<u>*includes 29,766,718 treasury shares</u>	

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

Yes [] 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

Date



General Manager & Chief Financial Officer

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

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

The accompanying financial statements were authorized and approved for issue by the Board of Directors on 30th October 2012.

Basis of Measurement

The financial statements have been prepared on the historical cost basis.

Functional and Presentation Currency

The Company's financial statements are presented in Philippine peso, which is the Company's functional currency. All values are rounded to the nearest peso, except when otherwise stated.

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 Cyclicity 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

In a Board of Directors meeting held on 15th May 2012, the Board of Directors approved the declaration of cash dividend of Php2 per share for all the shareholders as of record date 29th May 2012..

Segment Revenue and Results

In accordance with PFRS 8, the Company organized its business into 3 main segments namely:

- 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 others– Business derived from telephone department, business center, car parking and laundry. This also includes rental income of space to tenants.

The segment revenues and results are as follows:

	YTD 3 rd Quarter Revenue – Peso ‘000	YTD 3rd Quarter Department Profit – Peso ‘000
Room	263,102	221,584
Food and Beverage	140,971	58,234
Other Operated Departments & others/Rental	112,210	107,593

Subsequent Events

There are no material subsequent events to the end of the interim period that have not been reflected in the financial statements for the interim period.

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.

SEC Memorandum Circular No. , Series of 2012

To be Adopted on January 1, 2015

PFRS 9, Financial Instruments

Standard issued in November 2009 [PFRS 9 (2009)]

PFRS 9 (2009) is the first standard issued as part of a wider project to replace PAS 39. PFRS 9 (2009) retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in PAS 39 on impairment of financial assets and hedge accounting continues to apply.

Standard issued in October 2010 [PFRS 9 (2010)]

PFRS 9 (2010) adds the requirements related to the classification and measurement of financial liabilities, and derecognition of financial assets and liabilities to the version issued in November 2009.

It also includes those paragraphs of PAS 39 dealing with how to measure fair value and accounting for derivatives embedded in a contract that contains a host that is not a financial asset, as well as the requirements of Philippine Interpretation IFRIC 9, *Reassessment of Embedded Derivatives*.

These new or revised standards, amendments or improvements to standards are not expected to have any material effect on the financial statements.

Financial Instruments

Non-derivative Financial Instruments

Non-derivative financial instruments consist of cash and cash equivalents, receivables, loan receivable, due from related parties, other assets, accounts payable and accrued expenses, due to related parties, refundable deposits, and other current liabilities except for output VAT payable, withholding taxes payable and deferred rental.

A financial instrument is recognized if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when: (a) the Company's contractual rights to the cash flows from the financial assets expire or (b) the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Regular way purchases or sales of financial assets are accounted for at settlement date, i.e., the date that an asset is delivered to or by the Company. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are initially recognized, they are measured at fair value. In the case of investments not at fair value through profit or loss, fair value at initial recognition includes directly attributable transaction costs. The Company classifies its financial liabilities as either FVPL financial liabilities or other financial liabilities. The Company determines the classification of its financial assets and financial liabilities upon initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date.

The Company has no financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and financial liabilities at FVPL.

The measurement of non-derivative financial instruments subsequent to initial recognition is described below:

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments and maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or at FVPL.

Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method, less any impairment in value. Any interest earned on loans and receivables shall be recognized in profit or loss on an accrual basis. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral part of the effective interest rate. The periodic amortization is also recognized in profit or loss. Gains or losses are recognized in profit

or loss when the loans and receivable are derecognized or impaired, as well as through the amortization process.

Included in this category are the Company's cash and cash equivalents, receivables, loan receivable, due from related parties and other non-current assets.

Cash includes cash on hand and cash in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and are subject to an insignificant risk of changes in value.

Other Financial Liabilities

This category pertains to financial liabilities that are not designated or classified as at FVPL upon inception of the liability. These include liabilities arising from operations and borrowings. The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization for any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability.

Included in this category are the Company's accounts payable and accrued expenses, due to related parties, refundable deposits, and other current liabilities except for output VAT payable, withholding taxes payable and deferred rental.

Additional Requirements (SRC Rule 68 as amended October 2011)
Schedule to show financial soundness indicators:

	30 September 2012	30 September 2011
Current liquidity ratios	1.45	1.58
Solvency (Debt to equity)	0.42	0.37
Assets to equity ratios	1.43	1.37
Interest rate coverage ratio	NA (No interest bearing liabilities)	NA (No interest bearing liabilities)
Profitability ratios Profit before tax margin ratio	35%	34%

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:

<i>Balance Sheet Analysis</i>	30 September 2012	30 September 2011	31 December 2011
Current ratio	1.45	1.58	2.03
Net book value per share (include treasury shares)	PhP11.67	PhP12.37	PhP12.93
<i>Profit & Loss Analysis</i>			
Earnings per share	PhP2.23	PhP2.12	PhP2.94
Profit before tax margin ratio	35%	34%	34%
EBITDA	PhP198	PhP205	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 decreased by 0.13 or 8% versus same period last year. This is mainly due to lower cash balance from payment of share buyback and dividend during the 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. This ratio decreased by PhP0.7 due to higher liabilities and lower assets compared to the same period last year.

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 marginally higher due to lesser number of outstanding shares and 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. This ratio is marginally higher than last year due to lower expenses.

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 decreased by about PhP70 million or 4.5% as compared to the year ended 31 December 2011 and increased by about PhP24 million or 1.6% as compared to the same period of last year.

Cash and short term notes:

This balance includes short-term fixed deposits with banks. There is a decrease of PhP80.3 million or 22% as compared to the end of last fiscal year. As compared against the same period last year, this balance decreased by PhP34.3 million or 11%. The variance against both periods is because during the first 3 quarters of this year, there were a payment of dividend of PhP119.8 million and share buyback of PhP118.7 million.

Accounts receivables – others:

Compared to the same period of last year, there is an increase of about PhP4.5 million and mainly due to the utility charges receivable from a tenant. The amount due was collected in October 2012.

Deferred tax assets:

This relates to the advance rental received from a tenant which will be amortized monthly. There is an increase compared with the same period of last year by PhP9.5 million due to advance rental received during the third quarter 2012.

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 from an associated company.

As compared to the same period of last year, there is a decrease of PhP0.9 million or 4% as the related companies have settled their obligations. As compared with the end of last fiscal year, there is an increase of PhP3 million.

Advances to immediate holding company:

There is an increase of PhP0.4 million versus same period of last year as the immediate holding company has not settled its obligation with the Company. This will be settled during the year.

Inventories:

Inventories increased by PhP6.2 million or 50% compared with end of last fiscal year. This was due to some of kitchen and bar requisitions that were charged back to inventories. In addition, there was also reclassification of some operating equipments to inventories.

Prepaid expenses:

The bulk of this balance represents insurance premium prepaid at the beginning of the year which will be amortized over 12 months.

Other current assets:

The variance against same period last year is due to deposits paid in advance to suppliers for some works.

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.

Compared to the same period of last year and end of fiscal year, the decrease is due to depreciation charges for the period.

Accounts payable:

There is an increase in this balance as compared with the same period of last year by PhP6.8 million or 2%. Compared to the end of last fiscal year, there is a fall of PhP20 million or 7%. The increase against last year same period is due to accrual of VAT for a tenant.

Accrued liabilities:

This balance increased by PhP4.4 million and PhP5.1 million against the same period of last year and end of last fiscal year respectively. The increase is due to accruals for retirement benefits.

Rental payable:

There is an increase in rental payable by PhP8.5 million and PhP7.6 million respectively against the same period of last year and end of last fiscal year as the Company has not settled its rental payment.

Due to associated/related companies:

As compared against the end of fiscal year, there is a significant increase of PhP17 million. But compared to the same period of last year, there is an increase of PhP3.8 million. The increase in balance against last fiscal year is due to the Company has not repaid its outstanding balance to related companies.

Refundable Deposit:

There is an increase of PhP4 million in refundable deposits compared with end of last fiscal year as a new tenant paid the deposit for the space.

Deferred rental:

There is an increase of PhP24.6 million compared against the end of last fiscal period as one of the tenants has paid advance rental.

Income tax payable:

Income tax payable year increased by PhP7.8 million compared to the same period of last year as there are less tax deductible items this year..

Reserves:

This pertains to a reserve set up for operating equipments and at year end, the balance will be charged to profit and loss statements. The increase of PhP1.9 million against the end of last fiscal year is due to the provision of reserves during the year.

Treasury Stock:

There is an increase of PhP119 million in treasury stock compared with the same period of last year due to the share buyback exercise of the Company in the second half of year 2012.

Dividend declared:

During the year, the Board of Directors also declared a cash dividend amounting to PhP119.8 million.

Income Statement Analysis For the 9 Months Ended 30 September 2012

Revenue:

Total revenue fell from PhP528 million to PhP516 million or about 2% compared to the same period of last year. The main reason for the unfavorable variance is due to the short fall in room revenue which decreased by about PhP13 million or 5% relative to the same period of last year.

Room revenue showed a decrease by PhP13.7 million or 5%. Occupancy decreased from 67% in year 2011 to 64% in the current year of review. Average room rate (ARR) also dropped by PhP65 or 1.9% versus same period of last year. As a consequent, Revenue per Available Room (Revpar) fell by about 5.9%. Due to the opening of newer hotels like Resort World, MIDAS and also the tense relationship the Philippines has with China, tourists arrival is affected in the third quarter of this year.

Food and beverage (F&B) business for the 9 months period under review, showed a marginal growth of less than 1%. There is a decrease in F&B revenue for Riviera café and room service. Both revenue centers are dependent on the room occupancy and since room occupancy registered a fall, the breakfast revenue in Riviera also had a drop. Banquet registered a significant growth of PhP3.5 million or 14% versus the same period of last year.

Rental income increased by PhP2.5 million or 2% due to new tenant.

Cost of Sales:

Cost of sales for F&B registered a modest increase which is consistent with the higher revenue.

Gross Profit:

Gross profit is derived after deducting cost of sales from gross revenue. Gross profit as compared to last year registered a decrease of PhP14 million 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. This expense dropped by PhP7.4 million or 2% as a result of cost containing measures taken. The lower expenses were mainly from Administration and General department and Sales and Marketing.

Net Operating Income:

This is derived after deducting operating expenses from gross operating profit. Net operating income decreased by PhP6.2 million or 3.6% versus last year which is a result of lower revenue.

Non-operating income:

This balance registered an increase of PhP6.4 million versus last year same period due to higher interest income and an exchange gain of PhP2.9 million this year.

Income Statement Analysis For the Third Quarter Ended 30 September 2012

Revenue:

Total revenue decreased by PhP9.3 million or 5.5% as compared to the same period last year.

Room revenue showed a decrease of PhP8.3 million as a result of lower occupancy and Average Room Rate.

Food and beverage (F&B) business also registered a fall in revenue of PhP8.3 million or 17% as compared to last year. The drop in F&B revenue is mainly reflected in the casino and the café.

Rental income increased by PhP3.4 million or 10% as compared against same period of last year due to a new tenant.

Cost of Sales:

Cost of sales for F&B registered a decrease as compared to last year which is consistent with the fall in revenue.

Gross Profit:

Gross profit is derived after deducting cost of sales from gross revenue. Gross profit as compared to last year is lower by PhP7.6 million mainly due to lower room revenue.

Operating Expenses:

Operating expenses include among others, payroll and related expenses, utilities, depreciation charges, rental and other fixed expenses. There is a decrease of approximately PhP7.5 million due to cost containment measures implemented to cushion against the lower revenue.

Net Operating Income:

This is derived after deducting operating expenses from gross operating profit. The lower margin is due to lower room revenue.

Non-operating income:

Total non-operating income increased by PhP5.6 million as compared to the same period of last year. This is due to exchange gain income.

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 9 months of 2012.

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 Distrainment 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 Distrainment 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 Distrainment 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 27th July 2012, the CTA En Banc resolved that consistent with the pronouncement of the Supreme Court in the cases of CIR vs. Acesite Hotel Corporation and PAGCOR vs. CIR, that services rendered to PAGCOR is exempt from VAT, CIR's petition has no leg to stand and must necessarily fall. BIR has filed a Motion for Reconsideration.

On 8th October 2012, the CTA En Banc resolved that BIR's Motion for Reconsideration is denied and the earlier decision of the CTA promulgated on 17th May 2011 is affirmed.

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 30 September 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 30 September 2012 is Peso30.3 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 30 September 2012, the Company has Peso638 million current assets and Peso437 million liabilities so the current assets are able to cover its liabilities.

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:

	30 September 2012	30 September 2012	31 December 2011	31 December 2011
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	274,031,281	274,031,281	354,346,638	354,346,638
Receivables net	279,562,624	279,562,624	271,253,706	271,253,706
Due from related party	22,925,281	22,925,281	19,413,876	19,413,876
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	321,675,579	321,675,579	337,156,462	337,156,462

payable & accrued expenses				
Due to related party	19,953,764	19,953,764	2,915,485	2,915,485

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

September 30, 2012 and 2011

(With comparative figures for the year ended December 31, 2011)

(In Philippine Pesos)

ASSETS	Unaudited Sept. 30, 2012	Unaudited Sept. 30, 2011	Audited Dec. 31, 2011
Current Assets			
Cash and short-term notes	274,031,281.25	308,393,833.79	354,346,638.82
Accrued interest receivable	148,604.48	181,886.61	170,257.52
Accounts receivable - trade	266,053,644.29	248,920,444.54	265,394,964.60
Accounts receivable - others	13,497,484.41	8,904,373.22	5,866,891.36
Provision for bad debts	(137,108.00)	(85,704.00)	(178,406.00)
Deferred income tax	17,382,901.00	7,869,278.18	10,082,611.52
Input tax	-		
Advances to associated/related companies	21,994,450.00	22,913,067.21	18,969,525.44
Advances to immediate holding company	930,831.36	444,351.06	444,351.06
Inventories	18,844,683.37	13,840,123.91	12,590,052.06
Prepaid expenses	7,794,957.92	6,140,928.09	3,678,834.33
Creditable withholding tax		5,334.62	5,249.98
Other current assets	17,955,481.50	13,089,895.88	11,766,306.18
Advances to/from THHM	-	-	
<i>Total Current Assets</i>	<u>638,497,211.58</u>	<u>630,617,813.11</u>	<u>683,137,276.87</u>
Property and Equipment	670,775,893.14	702,648,431.65	696,497,184.23
Investment in Stock of Associated Company	47,751,458.16	47,215,249.32	47,400,841.22
Deposit on Lease Contract	78,000,000.00	78,000,000.00	78,000,000.00
Loans Receivable	15,500,000.00	15,500,000.00	15,500,000.00
Other Assets			
Miscellaneous investments and deposits	5,085,790.50	5,085,790.50	5,085,790.50
Others	1,010,000.00	1,010,000.00	1,010,000.00
<i>Total Other Assets</i>	<u>6,095,790.50</u>	<u>6,095,790.50</u>	<u>6,095,790.50</u>
Total Assets	<u>1,456,620,353.38</u>	<u>1,480,077,284.59</u>	<u>1,526,631,092.82</u>

GRAND PLAZA HOTEL CORPORATION**Balance Sheets****September 30, 2012 and 2011***(With comparative figures for the year ended December 31, 2011)***(In Philippine Pesos)**

LIABILITIES AND STOCKHOLDERS' EQUITY	Unaudited Sept. 30, 2012	Unaudited Sept. 30, 2011	Dec. 31, 2011
<i>Current Liabilities</i>			
Accounts payable	256,079,763.92	249,266,762.74	276,687,841.52
Accrued liabilities	65,595,816.23	61,096,691.14	60,468,621.43
Rental payable	8,569,544.40		952,171.60
Due to associated/related companies	19,953,764.45	16,094,144.15	2,915,485.95
Advances from immediate holding company - net			
Refundable deposit	31,725,857.28	30,265,673.48	27,655,055.49
Deferred rental - Pagcor	29,555,564.90	28,212,793.82	4,896,160.87
Dividend payable	999,998.00		
Income tax payable	18,558,678.82	10,740,385.27	20,117,735.00
Other current liabilities	4,848,607.18	3,841,224.77	3,614,013.01
Reserves	1,970,569.89	(5,036.07)	12,500.00
<i>Total Current Liabilities</i>	<i>437,858,165.07</i>	<i>399,512,639.30</i>	<i>397,319,584.87</i>
<i>Long - Term Liabilities</i>			
Reserves			
<i>Total Long - Term Liabilities</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Capital Stock</i>			
Authorized - 115,000,000 shares in 2006 and 2005 at P10.00 par value per share			
Capital stock	873,182,699.00	873,182,699.00	873,182,699.00
Premium on capital stock	11,965,903.78	11,965,903.78	11,965,903.78
Paid-in capital in excess of par - Warrants	2,691,613.81	2,691,613.81	2,691,613.81
Treasury stock	(1,488,311,220.00)	(1,369,513,270.00)	(1,369,513,270.00)
Retained earnings/(deficit) - beginning	1,610,984,561.36	1,434,920,830.88	1,434,920,830.88
Retained profit/(loss) for the period	128,103,652.36	127,316,867.82	176,063,730.48
Dividend declared	(119,855,022.00)	-	-
<i>Total Stockholders' Equity</i>	<i>1,018,762,188.31</i>	<i>1,080,564,645.29</i>	<i>1,129,311,507.95</i>
<i>Total Liabilities and Stockholders' Equity</i>	<i>1,456,620,353.38</i>	<i>1,480,077,284.59</i>	<i>1,526,631,092.82</i>

GRAND PLAZA HOTEL CORPORATION

Income Statements

For the years ended September 30, 2012 and 2011

(With comparative figures for the year ended December 31, 2011)

(In Philippine Pesos)

	Unaudited Year-to-date Sept. 30, 2012	Unaudited Year-to-date Sept. 30, 2011	Audited Full Year Dec. 31, 2011
Revenue			
Rooms	263,102,619.97	276,851,541.10	367,797,596.57
Food & Beverage	140,971,083.81	140,578,001.63	203,305,339.89
Other Operated Depts.	6,807,311.68	8,286,589.76	10,827,511.54
Rental Income/Others	105,402,621.69	102,869,164.72	136,897,660.15
<i>Total Revenue</i>	<i>516,283,637.15</i>	<i>528,585,297.21</i>	<i>718,828,108.15</i>
Cost of Sales			
Food & Beverage	43,446,728.51	42,544,693.93	62,086,990.72
Other Operated Depts.	3,379,020.00	2,738,868.41	3,701,434.69
<i>Total Cost of Sales</i>	<i>46,825,748.51</i>	<i>45,283,562.34</i>	<i>65,788,425.41</i>
Gross Profit	469,457,888.64	483,301,734.87	653,039,682.74
Operating Expenses	299,264,853.37	306,711,247.32	410,676,608.54
Net Operating Income	170,193,035.27	176,590,487.55	242,363,074.20
Non-operating Income/(Loss)			
Interest Income	7,582,491.98	6,658,394.18	9,114,224.73
Dividend Income	10,750.00	-	-
Gain/(Loss) on Disposal of Fixed Assets	14,000.00	12,600.00	12,600.00
Exchange Gain/(Loss)	2,957,562.09	(2,314,224.59)	(1,974,642.72)
Share in Net Income/(Loss) of Associated Co.	350,616.94	122,275.50	307,867.40
Other Income	-	-	201,234.71
<i>Total Non-Operating Income</i>	<i>10,915,421.01</i>	<i>4,479,045.09</i>	<i>7,661,284.12</i>
Net Income/(Loss) Before Tax	181,108,456.28	181,069,532.64	250,024,358.32
Provision for Income Tax	53,004,803.92	53,752,664.82	73,960,627.84
Net Income/(Loss) After Tax	128,103,652.36	127,316,867.82	176,063,730.48
Earnings per share	2.23	2.12	2.94
Dilluted earnings per share	2.23	2.12	2.94

Notes:

In September 2012, total shares outstanding is 57,551,552 shares net of 29,766,718 treasury shares.

In September & December 2011, total shares outstanding is 59,927,511 shares net of 27,390,759 treasury shares.

GRAND PLAZA HOTEL CORPORATION
Income Statements
For the 3rd quarters ended September 30, 2012 and 2011
(In Philippine Pesos)

	Unaudited 3rd Quarter Sept. 30, 2012	Unaudited 3rd Quarter Sept. 30, 2011
Revenue		
Rooms	80,379,528.32	83,650,628.46
Food & Beverage	40,195,849.73	48,518,807.48
Other Operated Depts.	1,665,499.26	2,941,057.62
Rental Income/Others	37,308,851.90	33,836,291.95
<i>Total Revenue</i>	<u>159,549,729.21</u>	<u>168,946,785.51</u>
Cost of Sales		
Food & Beverage	12,452,293.94	14,837,730.13
Other Operated Depts.	1,524,651.18	904,052.52
<i>Total Cost of Sales</i>	<u>13,976,945.12</u>	<u>15,741,782.65</u>
Gross Profit	145,572,784.09	153,205,002.86
Operating Expenses	95,334,645.55	102,839,093.27
Net Operating Income	<u>50,238,138.54</u>	<u>50,365,909.59</u>
Non-operating Income/(Loss)		
Interest Income	2,354,376.31	2,269,939.01
Dividend Income	-	-
Gain/(Loss) on Disposal of Fixed Assets	-	-
Exchange Gain/(Loss)	5,099,129.22	(476,649.99)
Share in Net Income/(Loss) of Associated Co.	123,602.49	138,491.46
<i>Total Non-Operating Income</i>	<u>7,577,108.02</u>	<u>1,931,780.48</u>
Net Income/(Loss) Before Tax	57,815,246.56	52,297,690.07
Provision for Income Tax	16,952,105.03	15,736,373.56
Net Income/(Loss) After Tax	<u><u>40,863,141.53</u></u>	<u><u>36,561,316.51</u></u>

GRAND PLAZA HOTEL CORPORATION
Statements of Changes in Equity
For the years ended September 30, 2012 and 2011
(With comparative figures for the year ended December 31, 2011)
(In Philippine Pesos)

	<u>Year-to-date Sept. 30, 2012</u>	<u>Year-to-date Sept. 30, 2011</u>	<u>Audited Dec. 31, 2011</u>
Balance - beginning	1,129,311,507.95	1,077,001,877.47	1,077,001,877.47
Prior period adjustment	-		
Balance - as adjusted	1,129,311,507.95	1,077,001,877.47	1,077,001,877.47
Net income for the period	128,103,652.36	127,316,867.82	176,063,730.48
Dividends	(119,855,022.00)	-	-
Retirement of shares	-	-	-
Buyback of shares	(118,797,950.00)	(123,754,100.00)	(123,754,100.00)
Balance - end	<u>1,018,762,188.31</u>	<u>1,080,564,645.28</u>	<u>1,129,311,507.95</u>

GRAND PLAZA HOTEL CORPORATION**Cash Flow Statements****For the years ended September 30, 2012 and 2011***(With comparative figures for the year ended December 31, 2011)***(In Philippine Pesos)**

	Unaudited Year-to-date Sept. 30, 2012	Unaudited Year-to-date Sept. 30, 2011	Audited Full Year Dec. 31, 2011
Cash flows from operating activities			
Net income	128,103,652.36	127,316,867.82	176,063,730.48
Adjustments to reconcile net income to net cash provided by operating activities			
Prior period adjustments	-		-
Depreciation and amortization	28,430,748.60	28,874,042.06	38,360,256.64
Equity in net income of associated company	(350,616.94)	(122,275.50)	(307,867.40)
Provision for bad debts	137,108.00	85,704.00	178,406.00
Changes in operating assets and liabilities			
(Increase) decrease in			
Accrued interest receivable	21,653.04	(15,920.46)	(4,291.37)
Accounts receivable - trade	(837,085.69)	(3,568,502.76)	(20,043,022.82)
Accounts receivable - others	(7,630,593.05)	857,132.61	3,894,614.47
Deferred income tax	(7,300,289.48)	783,126.26	(1,430,207.08)
Input tax	-	-	-
Advances to associated company	(3,024,924.56)	1,860,953.84	5,804,495.61
Advances to immediate holding company	(486,480.30)	(444,351.06)	(444,351.06)
Inventories	(6,254,631.31)	(488,532.33)	761,539.52
Prepaid expenses	(4,116,123.59)	309,495.49	2,771,589.25
Creditable withholding tax	5,249.98	(5,235.92)	(5,151.28)
Other current assets	(6,189,175.32)	1,523,907.84	2,847,497.54
Advances to/from THHM	-	-	-
Increase (decrease) in			
Accounts payable	(20,608,077.60)	18,459,768.80	45,880,847.58
Accrued liabilities	5,127,194.80	8,336,435.53	7,708,365.82
Notes payable	-	-	-
Rental payable	7,617,372.80	(1,966,629.80)	(1,014,458.20)
Due to associated company	17,038,278.50	10,143,678.88	(3,034,979.32)
Advances from immediate holding company - net	-	-	-
Advances from intermediate holding company	-	-	-
Refundable deposit	4,070,801.79	8,234,061.99	5,623,444.00
Deferred rental - Pagcor	24,659,404.03	26,494,230.04	3,177,597.09
Due to City e-Solutions Limited (formerly CHIL)	-	-	-
Due to Byron	-	-	-
Dividend payable	999,998.00	(54,690,042.00)	(54,690,042.00)
Output tax	-	-	-
Income tax payable	(1,559,056.18)	(5,395,830.43)	3,981,519.30
Other current liabilities	1,234,594.17	(679,971.93)	(907,183.69)
Reserves	1,958,069.89	(17,536.07)	-
	<u>161,047,071.94</u>	<u>165,884,576.89</u>	<u>215,172,349.08</u>
Cash flows from investing activities			
Acquisition of property and equipment - net	(2,709,457.51)	(10,800,911.43)	(14,135,878.59)
Dividend (declared)/received	(119,855,022.00)	-	-
(Receipts)/Refund of deposit on lease contract	-	-	-
(Receipts)/Payments relating to other assets	-	-	-
Retirement of treasury stocks	-	-	-
Buyback of shares - net	(118,797,950.00)	(123,754,100.00)	(123,754,100.00)
	<u>(241,362,429.51)</u>	<u>(134,555,011.43)</u>	<u>(137,889,978.59)</u>
Cash flows from financing activities			
Increase/(Decrease) in reserves	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and short-term notes	(80,315,357.57)	31,329,565.46	77,282,370.49
Cash and short-term notes, Beginning	<u>354,346,638.82</u>	<u>277,064,268.34</u>	<u>277,064,268.34</u>
Cash and short-term notes, Ending	<u>274,031,281.25</u>	<u>308,393,833.80</u>	<u>354,346,638.83</u>

GRAND PLAZA HOTEL CORPORATION
Cash Flow Statements
For the 3rd quarters ended September 30, 2012 and 2011
(In Philippine Pesos)

	Unaudited 3rd quarter Sept. 30, 2012	Unaudited 3rd quarter Sept. 30, 2011
Cash flows from operating activities		
Net income	40,863,141.53	36,561,316.51
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	9,239,751.02	9,819,534.94
Equity in net income of associated company	(123,602.49)	(138,491.46)
Provision for bad debts	137,108.00	85,704.00
Changes in operating assets and liabilities		
(Increase) decrease in		
Accrued interest receivable	18,155.51	16,794.84
Accounts receivable - trade	602,489.70	994,599.86
Accounts receivable - others	(2,232,166.77)	(145,673.02)
Deferred income tax	(5,932,952.65)	343,890.33
Input tax	-	-
Advances to associated company	(3,962,679.86)	5,558,738.58
Advances to immediate holding company	(225,554.86)	(58,917.60)
Inventories	(1,605,043.32)	(1,760,524.19)
Prepaid expenses	(3,817,190.69)	(1,653,474.92)
Creditable withholding tax	-	(5,253.00)
Other current assets	(5,470,936.81)	(1,354,098.40)
Advances to/from THHM	-	-
Increase (decrease) in		
Accounts payable	(670,611.52)	4,770,224.46
Accrued liabilities	3,196,763.10	8,201,440.98
Notes payable	-	-
Rental payable	1,904,343.20	(5,775,316.20)
Due to associated company	2,436,171.93	2,862,215.69
Advances from immediate holding company - net	-	-
Advances from intermediate holding company	-	-
Refundable deposit	369,221.06	1,728,195.51
Deferred rental - Pagcor	24,482,435.24	23,316,632.94
Due to City e-Solutions Limited (formerly CHIL)	-	-
Due to Byron	-	-
Dividend payable	(104,044,886.00)	(499,999.00)
Output tax	-	-
Income tax payable	11,298,995.74	(6,435,383.66)
Other current liabilities	899,156.44	(529.72)
Reserves	622,466.73	609,162.54
	<u>(32,015,425.77)</u>	<u>77,040,790.00</u>
Cash flows from investing activities		
Acquisition of property and equipment - net	(949,164.97)	(2,581,560.16)
Dividend (declared)/received	-	-
(Receipts)/Refund of deposit on lease contract	-	-
(Receipts)/Payments relating to other assets	-	-
Retirement of treasury stocks	-	-
Buyback of shares	(118,797,950.00)	(123,754,100.00)
	<u>(119,747,114.97)</u>	<u>(126,335,660.16)</u>
Cash flows from financing activities		
Increase/(Decrease) in reserves	-	-
	<u>-</u>	<u>-</u>
Net increase in cash and short-term notes	(151,762,540.74)	(49,294,870.16)
Cash and short-term notes, Beginning	<u>425,793,822.00</u>	<u>357,688,703.95</u>
Cash and short-term notes, Ending	<u><u>274,031,281.26</u></u>	<u><u>308,393,833.80</u></u>

