


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	07-Aug-2007 17:06:55
Announcement No.	00059

>> Announcement Details	
The details of the announcement start here ...	
Announcement Title *	Announcement on Half Year Results for the period ended 30 June 2007 of Subsidiary Company, Grand Plaza Hotel Corporation
Description	We attach herewith the half year results announcement for the period ended 30 June 2007 issued by Grand Plaza Hotel Corporation on 7 August 2007, for your information.
Attachments:	 GPHC-HY07.pdf Total size = 877K (2048K size limit recommended)

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 June 30, 2007

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

COMMON SHARES

87,318,270*

*includes 13,942,063 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:

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-C.

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 2006 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

There were no dividends declared in the current interim period.

Segment Revenue and Results

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

The Company organized its business into 4 main segments:

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

The segment revenues and results are as follows:

	YTD 2 nd Quarter Revenue – Peso	YTD 2 nd Quarter Department Profit - Peso
Room	168,904,530	145,016,405
Food and Beverage	106,732,497	50,174,994
Other Operated Departments	3,483,776	371,079
Others	54,365,479	54,365,479

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:

<i>Balance Sheet Analysis</i>	30 June 2007	30 June 2006	31 December 2006
Current ratio	1.75	2.08	1.52
Net book value per share (include treasury shares)	PhP13.47	PhP13.96	PhP12.58
<i>Profit & Loss Analysis</i>			
Earnings per share	PhP1.06	PhP1.06	PhP2.15
Profit before tax margin ratio	35.44%	35.68%	34.91%
EBITDA	PhP126 million	PhP116 million	PhP241 million

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 improved by 0.23 as compared to the end of last year due to higher current assets balance. Cash balance increased by PhP33 million from the same period last year as there were no major payments. It decreased by 0.33 versus last year as cash balance has dropped as a result of payments to contractors for renovation and payment of share buyback in second half of 2006.

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 improved compared to the same period last year and the year ended 31 December 2006 due to higher assets value. It is lower than same period of last year due to lower cash balance.

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 the same.

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 lower than 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 healthier this year due to higher revenue. EBITDA is higher than the same period last year as a result of higher revenue and lower costs.

Balance Sheets Analysis:

Total assets increased by about PhP77 million or 5.3% as compared to the year ended 31 December 2006 and decreased by about PhP43 million or 2.7% 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 an increase of PhP33 million as compared to the end of last fiscal year. As compared against the same period last year, this balance decreased by PhP103 million. The main reason for the drop versus last year is due to payment for share buyback in second-half of year 2006 and payment to contractors for renovation of hotel.

Accrued interest receivable:

There is a significant change in balance as compared to the end of last fiscal year. As compared to the same period, the decrease is due to lower cash balance.

Deferred tax assets:

Deferred tax assets decreased by PhP0.26 million as compared to 31 December 2006. As compared to the same period of last year, there is an increase of PhP3 million due to recognition of additional deferred tax assets.

Advances to associated/related companies:

The Company, in its normal course of business, has entered into transactions with its related parties, principally consisting of cash advances.

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

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

As compared to the same period of last year, there is a no significant movement.

As compared with the end of last fiscal year, there is an increase of PhP10 million as the related companies have not settled its obligation with the Company.

Prepaid expenses:

The bulk of this balance represents insurance premium prepaid at the beginning of the year. As compared to end of the last fiscal year, there is a decrease of PhP6.7 million due to amortization of insurance premium.

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.

There is an increase in balance as compared to the same period of last year and end of last fiscal year due to addition of new assets in connection with the on-going renovation of the hotel.

Other current assets:

As compared to the same period of last year, there is an increase of PhP6 million mainly due to higher deferred input tax and a decrease in deposits to suppliers. As compared to end of last fiscal year, there is a significant increase of PhP14 million mainly as a result of the recognition of payment to local shareholders for share buyback exercise in year 2007.

Accounts payable:

There is an increase in balance from the same period of last year by PhP7 million. The higher balance is due to unpaid VAT by Pagcor, a tenant of the hotel.

Due to associated/related companies:

As compared against the same period of last year, there is a significant decrease of PhP12.5 million. The decrease is because the Company has settled its outstanding balance with the related company.

Income Tax Payable:

Income tax payable decreased by PhP6 million as compared to 31 December 2006 and increased by PhP2.2 million as compared against the same period of last year. The decrease in balance against the end of last fiscal year is due to the payment of last quarter 2006 tax in year 2007.

Income Statement Analysis For the 6 Months Ended 30 June 2007:

Revenue:

Total revenue increased marginally by PhP0.8 million or 0.2% as compared to the same period last year. The increase is observed mainly in room revenue.

Room revenue improved by PhP2.7 million as a result of higher Average Room Rate. Occupancy registered a decrease from 72% (year 2006) to 64% (year 2007). The drop in occupancy is partly due to closure of some rooms in connection with the renovation of the guestrooms. However, Average Room Rate (ARR) improved by PhP418 as compared to year 2006.

Food and beverage (F&B) business showed a drop of PhP0.8 million as compared to the same period of last year. The bulk of the fall is from Riviera café as the hotel is undergoing renovation to its guestrooms, the breakfast revenue is affected in the Riviera.

Cost of Sales:

Cost of sales for F&B registered a minor increase as compared to last year.

Gross Profit:

Gross profit is derived after deducting cost of sales from gross revenue. Gross profit as compared to last year does not show significant movement.

Operating Expenses:

Operating expenses include among others, payroll and related expenses, utilities, depreciation charges, rental and other fixed expenses. The decrease in operating expenses as compared to the same period last year is consistent with the lower occupancy and F&B revenue.

Net Operating Income:

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

Non-operating income:

Total non-operating income decreased by PhP9.5 million as compared to the same period of last year. This is due to lower interest income and exchange loss of PhP3 million. The peso has strengthened significantly this year versus last year against the US dollar.

Income Statement Analysis For the Second Quarter Ended 30 June 2007:

Revenue:

Total revenue increased by PhP0.4 million as compared to the same period last year.

Room revenue improved by PhP2 million as a result of higher Average Room Rate. With the improvement in economy, the Company adjusted its room rate upwards for certain segment of business and this resulted in an improvement in Revenue Per Available Room (RevPar) for the second quarter compared with same period last year.

Food and beverage (F&B) business showed a drop of PhP3.7 million or 7% as compared to the same period of last year. This is due to the decrease in food covers as compared to the same period of last year. During this quarter, the Riviera restaurant registered a drop in revenue. Our competitor, Philippine Plaza Hotel, formerly known as Westin Philippine Plaza has renovated its coffee shop and it adds to the competition for F&B in the bay area. In addition, the renovation of guestrooms also caused a drop in occupancy and the resulting in a decrease in breakfast covers.

Cost of Sales:

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

Gross Profit:

Gross profit is derived after deducting cost of sales from gross revenue. Gross profit as compared to last year is slightly higher.

Operating Expenses:

Operating expenses include among others, payroll and related expenses, utilities, depreciation charges, rental and other fixed expenses. The decrease in operating expenses as compared to the same period last year is due to cost control measures.

Net Operating Income:

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

Non-operating income:

Total non-operating income decreased by PhP11 million as compared to the same period of last year. This is due to the total foreign exchange loss of PhP2 million as compared to a gain of PhP7.9 million in year 2006.

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 6 months of 2007.

GRAND PLAZA HOTEL CORPORATION
 Balance Sheets
 June 30, 2007 and 2006
 (With comparative figures for the year ended December 31, 2006)
 (In Philippine Pesos)

ASSETS	Unaudited June 30, 2007	Unaudited June 30, 2006	Audited Dec. 31, 2006
Current Assets			
Cash and short-term notes	270,015,363	373,768,927	237,842,702
Accrued interest receivable	282,473	722,195	294,358
Accounts receivable - trade	199,017,351	189,308,749	198,237,668
Accounts receivable - others	1,392,500	1,637,383	2,105,033
Provision for bad debts	(17,746)	(335,006)	(440,058)
Deferred tax assets/(liabilities)	10,213,244	7,068,579	10,474,579
Advances to associated/related companies	23,134,318	24,160,984	13,002,314
Inventories	9,245,936	8,822,218	10,677,265
Prepaid expenses	11,894,979	13,030,015	18,625,093
Creditable withholding tax	43,749	54,128	17,845
Other current assets	34,278,062	26,119,133	19,515,558
Total Current Assets	559,500,227	646,357,305	510,352,356
Property and Equipment	812,573,785	769,753,082	785,650,346
Investment in Stock of Associated Company	45,664,729	44,448,209	44,708,786
Deposit on Lease Contract	78,000,000	78,000,000	78,000,000
Loans Receivable	15,500,000	15,500,000	15,500,000
Other Assets			
Miscellaneous investments and deposits	5,085,791	5,118,791	5,118,791
Others	1,010,000	1,010,000	1,010,000
Total Other Assets	6,095,791	6,128,791	6,128,791
Total Assets	1,517,334,531	1,560,187,387	1,440,340,279

LIABILITIES AND STOCKHOLDERS' EQUITY	Unaudited June 30, 2007	Unaudited June 30, 2006	Dec. 31, 2006
Current Liabilities			
Accounts payable	192,641,438	185,036,517	192,445,851
Accrued liabilities	61,304,060	62,515,118	58,157,517
Rental payable	1,904,343	1,925,743	962,872
Due to associated/related companies	4,858,122	17,413,846	3,304,939
Advances from immediate holding company - net	-	-	-
Refundable deposit	28,468,381	25,552,499	27,389,434
Deferred rental	7,364,845	7,389,734	7,390,979
Dividend payable	-	-	311,499
Income tax payable	18,860,356	16,578,323	24,074,549
Other current liabilities	2,506,919	2,251,142	2,263,123
Total Current Liabilities	317,908,464	318,662,922	316,300,763
Long - Term Liabilities			
Reserves	23,517,837	22,996,355	25,812,313
Total Long - Term Liabilities	23,517,837	22,996,355	25,812,313
Capital Stock			
Authorized - 115,000,000 shares in 2006 and 2005 at P10.00 par value per share			
Capital stock	873,182,699	873,182,699	873,182,699
Premium on capital stock	11,965,904	11,965,904	11,965,904
Paid-in capital in excess of par - Warrants	2,691,614	2,691,614	2,691,614
Treasury stock	(697,078,470)	(551,388,370)	(697,078,470)
Retained earnings/(deficit) - beginning	907,461,368	801,233,897	801,233,897
Retained profit/(loss) for the period	77,685,115	80,842,366	157,594,904
Dividend declared	-	-	(51,363,345)
Total Stockholders' Equity	1,175,908,230	1,218,528,110	1,098,227,203
Total Liabilities and Stockholders' Equity	1,517,334,531	1,560,187,387	1,440,340,279

GRAND PLAZA HOTEL CORPORATION

Income Statements

For the years ended June 30, 2007 and 2006

(With comparative figures for the year ended December 31, 2006)

(In Philippine Pesos)

	Unaudited Year-to-date June 30, 2007	Unaudited Year-to-date June 30, 2006	Audited Full Year Dec. 31, 2006
Revenue			
Rooms	168,904,530	166,126,190	329,097,179
Food & Beverage	106,732,497	107,602,479	224,958,055
Other Operated Depts.	3,483,776	4,723,508	8,734,803
Rental Income/Others	54,365,479	54,157,819	110,194,885
<i>Total Revenue</i>	<u>333,486,282</u>	<u>332,609,995</u>	<u>672,984,922</u>
Cost of Sales			
Food & Beverage	29,594,177	29,216,231	61,520,377
Other Operated Depts.	1,686,808	2,025,856	3,932,907
<i>Total Cost of Sales</i>	<u>31,280,986</u>	<u>31,242,087</u>	<u>65,453,284</u>
Gross Profit	302,205,297	301,367,908	607,531,638
Operating Expenses	189,023,783	197,260,811	391,264,953
Net Operating Income	<u>113,181,514</u>	<u>104,107,096</u>	<u>216,266,685</u>
Non-operating Income/(Loss)			
Interest Income	6,366,352	9,194,049	17,130,531
Dividend Income	172,956	18,501	67,705
Gain/(Loss) on Disposal of Fixed Assets	582,263	-	48,671
Exchange Gain/(Loss)	(3,077,349)	5,079,589	138,433
Share in Net Income/(Loss) of Associated Co.	955,943	276,252	536,829
<i>Total Non-Operating Income</i>	<u>5,000,166</u>	<u>14,568,391</u>	<u>17,922,169</u>
Net Income/(Loss) Before Tax	118,181,680	118,675,487	234,188,854
Provision for Income Tax	40,496,564	37,833,121	76,593,950
Net Income/(Loss) After Tax	<u>77,685,115</u>	<u>80,842,366</u>	<u>157,594,904</u>
Earnings per share	<u>1.06</u>	<u>1.06</u>	<u>2.15</u>
Dilluted earnings per share	<u>1.06</u>	<u>1.06</u>	<u>2.15</u>

Notes:

In June 30, 2007 and December 31, 2006 , total shares outstanding is 76,290,009 shares net of 13,942,063 treasury shares.

In June 30, 2006 total shares outstanding is 76,290,009 shares, net of 11,028,261 treasury shares

GRAND PLAZA HOTEL CORPORATION
Income Statements
For the 2nd quarters ended June 30, 2007 and 2006
(In Philippine Pesos)

	Unaudited 2nd Quarter June 30, 2007	Unaudited 2nd Quarter June 30, 2006
Revenue		
Rooms	82,831,339	80,461,266
Food & Beverage	48,619,423	52,361,481
Other Operated Depts.	1,648,399	2,132,614
Rental Income/Others	27,278,543	24,966,927
	<u>160,377,704</u>	<u>159,922,288</u>
Cost of Sales		
Food & Beverage	13,904,925	14,361,355
Other Operated Depts.	858,982	990,335
	<u>14,763,908</u>	<u>15,351,691</u>
Gross Profit	145,613,796	144,570,598
Operating Expenses	91,696,323	97,703,531
Net Operating Income	<u>53,917,473</u>	<u>46,867,067</u>
Non-operating Income/(Loss)		
Interest Income	3,265,076	4,885,561
Dividend Income	10,810	-
Gain/(Loss) on Disposal of Fixed Assets	550,971	-
Exchange Gain/(Loss)	(2,030,099)	7,962,875
Share in Net Income/(Loss) of Associated Co.	88,733	307,422
	<u>1,885,492</u>	<u>13,155,858</u>
Net Income/(Loss) Before Tax	55,802,965	60,022,925
Provision for Income Tax	19,404,085	17,520,925
Net Income/(Loss) After Tax	<u><u>36,398,880</u></u>	<u><u>42,501,999</u></u>

GRAND PLAZA HOTEL CORPORATION
Statements of Changes in Equity
For the years ended June 30, 2007 and 2006
(With comparative figures for the year ended December 31, 2006)
(In Philippine Pesos)

	<u>Unaudited June 30, 2007</u>	<u>Unaudited June 30, 2006</u>	<u>Audited Dec. 31, 2006</u>
Balance - beginning	1,098,227,203	1,137,685,744	1,137,685,744
Prior period adjustment	(4,089)		
Balance - as adjusted	1,098,223,114	1,137,685,744	1,137,685,744
Net income for the period	77,685,115	80,842,366	157,594,904
Dividends	-	-	(51,363,345)
Retirement of shares	-	-	-
Buyback of shares	-	-	(145,690,100)
Balance - end	<u>1,175,908,230</u>	<u>1,218,528,110</u>	<u>1,098,227,203</u>

GRAND PLAZA HOTEL CORPORATION

Cash Flow Statements

For the years ended June 30, 2007 and 2006

(With comparative figures for the year ended December 31, 2006)

(In Philippine Pesos)

	Unaudited Year-to-date June 30, 2007	Unaudited Year-to-date June 30, 2006	Audited Full Year Dec. 31, 2006
Cash flows from operating activities			
Net income	77,685,115	80,842,366	157,594,904
Adjustments to reconcile net income to net cash provided by operating activities			
Prior period adjustments	(4,089)	-	-
Depreciation and amortization	13,176,776	12,807,564	25,637,134
Equity in net income of associated company	(955,943)	(276,252)	(536,829)
Provision for bad debts	17,746	335,006	440,058
Changes in operating assets and liabilities			
(Increase) decrease in			
Accrued interest receivable	11,885	(263,374)	164,463
Accounts receivable - trade	(1,219,741)	(1,196,048)	(10,124,967)
Accounts receivable - others	712,533	1,812,474	1,344,824
Deferred income tax	261,335	1,903,566	(1,502,434)
Advances to associated company	(10,132,003)	1,787,058	12,945,728
Advances to immediate holding company	-	202,363	202,363
Inventories	1,431,329	2,527,076	672,029
Prepaid expenses	6,730,114	(666,824)	(6,261,902)
Creditable withholding tax	(25,904)	49,419	85,701
Other current assets	(14,762,504)	(23,255,133)	(14,651,557)
Increase (decrease) in			
Accounts payable	195,588	2,329,955	9,739,289
Accrued liabilities	3,146,543	8,281,770	3,924,169
Rental payable	941,472	(908,879)	(1,871,750)
Due to associated company	1,553,183	7,498,759	(6,610,148)
Refundable deposit	1,078,946	2,082,217	3,919,152
Deferred rental - Pagcor	(26,134)	-	1,245
Dividend payable	(311,499)	(150,000)	161,500
Income tax payable	(5,214,193)	(11,396,272)	(3,900,046)
Other current liabilities	243,796	(5,475,160)	(5,463,179)
	<u>74,534,351</u>	<u>78,871,652</u>	<u>165,909,747</u>
Cash flows from investing activities			
Acquisition of property and equipment - net	(40,100,214)	(2,592,581)	(31,319,415)
Dividend (declared)/received	-	-	(51,363,345)
(Receipts)/Payments relating to other assets	33,000	(2,000)	(2,000)
Buyback of shares - net	-	-	(145,690,100)
	<u>(40,067,214)</u>	<u>(2,594,581)</u>	<u>(228,374,860)</u>
Cash flows from financing activities			
Increase/(Decrease) in reserves	(2,294,476)	1,942,515	4,758,474
	<u>(2,294,476)</u>	<u>1,942,515</u>	<u>4,758,474</u>
Net increase in cash and short-term notes	32,172,661	78,219,586	(57,706,639)
Cash and short-term notes, Beginning	<u>237,842,702</u>	<u>295,549,341</u>	<u>295,549,341</u>
Cash and short-term notes, Ending	<u><u>270,015,363</u></u>	<u><u>373,768,927</u></u>	<u><u>237,842,702</u></u>

GRAND PLAZA HOTEL CORPORATION
Cash Flow Statements
For the 2nd quarters ended June 30, 2007 and 2006
(In Philippine Pesos)

	Unaudited 2nd quarter June 30, 2007	Unaudited 2nd quarter June 30, 2006
Cash flows from operating activities		
Net income	36,398,880	42,501,999
Adjustments to reconcile net income to net cash provided by operating activities		
Prior period adjustments	(4,089)	-
Depreciation and amortization	6,648,247	6,366,258
Equity in net income of associated company	(88,733)	(307,422)
Provision for bad debts	17,746	335,006
Changes in operating assets and liabilities		
(Increase) decrease in		
Accrued interest receivable	(14,579)	(134,631)
Accounts receivable - trade	4,849,164	454,246
Accounts receivable - others	(44,984)	(336,793)
Deferred income tax	(2,534,857)	(389,647)
Advances to associated company	(7,376,573)	6,073,242
Advances to immediate holding company	182,132	371,489
Inventories	(729,046)	(384,103)
Prepaid expenses	2,238,663	83,976
Creditable withholding tax	(29,319)	(35,563)
Other current assets	(20,576,420)	(21,761,809)
Increase (decrease) in		
Accounts payable	1,331,806	169,921
Accrued liabilities	2,259,154	3,137,079
Rental payable	(1,915,043)	(1,016,864)
Due to associated company	(6,824,707)	9,214,060
Refundable deposit	1,642,968	(933,647)
Deferred rental - Pagcor	(22,094,535)	(22,094,518)
Dividend payable	(311,499)	-
Income tax payable	4,464,418	2,274,608
Other current liabilities	251,143	(204,591)
	<u>(2,260,065)</u>	<u>23,382,295</u>
Cash flows from investing activities		
Acquisition of property and equipment - net (Receipts)/Payments relating to other assets	(31,872,097)	(2,093,490)
	<u>30,000</u>	<u>-</u>
	<u>(31,842,097)</u>	<u>(2,093,490)</u>
Cash flows from financing activities		
Increase/(Decrease) in reserves	(1,922,812)	971,058
	<u>(1,922,812)</u>	<u>971,058</u>
Net increase in cash and short-term notes	(36,024,974)	22,259,864
Cash and short-term notes, Beginning	<u>306,040,337</u>	<u>351,509,063</u>
Cash and short-term notes, Ending	<u><u>270,015,363</u></u>	<u><u>373,768,927</u></u>

Grand Plaza Hotel Corporation
Aging Report As At 30 June 2007

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	423,105	956,001	7,911				1,387,017	5.20%
Credit card	1,966,077						1,966,077	7.37%
PAGCOR	3,368,540	2,790,129	825,280	131,552			7,115,501	26.67%
Individual - local							-	0.00%
Company - local	1,607,480	4,237,558	3,535,983	629,061	19,200	8,800	10,038,082	37.63%
Overpayment	(12,556)	(42,699)	(129,553)	(70,869)	(65,143)	(621,815)	(942,635)	-3.53%
Permanent accounts	16,153	6,613	5,148	12,902	4,355		45,171	0.17%
Employee charges							-	0.00%
Travel Agent - Local	656,401	1,826,437	1,328,441	27,843	3,136		3,842,258	14.40%
Temporary credit	17,549	569,869	95,150	48,000			730,568	2.74%
Travel Agent - Foreign	698,736	578,894	615,456	600,097			2,493,183	9.35%
TOTAL	8,741,485	10,922,802	6,283,816	1,378,586	(38,452)	(613,015)	26,675,222	100.00%
%	32.77%	40.95%	23.56%	5.17%	-0.14%	-2.30%	100.00%	