COVER SHEET

166878
S.E.C. Registration Number

GRAND PLAZA HOTEL CORPORATION

(Company's Full Name)

10TH FLOOR. THE HERITAGE HOTEL MANILA
EDSA CORNER ROXAS BOULEVARD, PASAY CITY
1300

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

CECILLE G. BERNARDO
Contact Person

02-8854 8838
Company Telephone Number

12/31
Month Day
Fiscal Year

17-Q
FORM TYPE

05 15
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

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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 **June 30, 2025**

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) 8854-8838 **Fax No. (632) 8854-8825**
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 33,600,901 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 : August 5. 2025

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 significant accounting policies.

The same accounting policies and methods of computation are followed in the interim financial statements for the year 2023 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 3 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, car parking, laundry and rental of space.

The segment revenues and results are as follows:

	YTD 2nd Quarter Revenue – Peso '000	YTD 2nd Department Profit – Peso '000
Room	126,395	91,511
Food and Beverage	68,333	19,817
Other Operated Departments and rental	6,264	5,937

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:

	30 June 2025	30 June 2024
Current liquidity ratios	**2.01**	2.12
Solvency (Debt to equity)	**0.59**	0.55
Assets to equity ratios	**1.59**	1.55
Profitability ratios Profit/(Loss) before tax margin ratio	**(14.8%)**	13.5%
EBITDA (Earnings before interest, tax, depreciation and amortization) - Peso	**(12.5 million)**	23.2 million

Note: The Company has no loans due to third party or related parties.

Current liquidity ratio is derived by dividing the current assets with the current liabilities. This indicator measures the liquidity of the Company in the short-term. The current ratio decreased by 0.11 during the period of review compared to the same period of last year due to increase in current liabilities mainly from higher accounts payable and Due to Associated/Related companies.

Debt to equity ratio measures a company financial leverage. It is derived by dividing total liabilities over equity. The increase in this ratio is due to higher liabilities.

Assets/Equity ratio measures the proportion of equity used to finance assets of the company and it is derived by dividing total assets to equity. This ration increased marginally by 2.5%.

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 showed a negative ratio due to lower revenue as the main tenant has pre-terminated the lease contract.

EBITDA represents earnings before interest, tax, depreciation and amortization. This indicator measures the operating cash flow of a company. For the period under review, EBITDA fell into negative due to lower revenue.

Balance Sheets Analysis:

- Cash and investments in short-term notes: This balance consists mainly of cash and fixed deposits with banks. As compared to the same period of last year, the balance decreased by PhP189.7 million (34.1%) due to payment to contractors for the renovation of the guestrooms on the 8th and 9th floor.

- Accounts receivable – trade: As compared to 31 December 2024, trade receivable has fallen by PhP29.8 million (43.8%) as Company was able to collect some major outstanding accounts during the period of review. The balance decreased by PhP7.4 million (16.3%) versus same period last year due to lower revenue.

- Advances to associated/related companies: Relative to the same period of last year, the associated/related companies had not repaid the outstanding balances which resulted in an increase of PhP3.6 million (253.5%).

- Prepaid expenses: As compared to the end of last fiscal year, this balance increased from PhP54.5 million to PhP61.4 million due to recognition of prepaid insurance and other prepaid expenses.

- Property and equipment: As compared to the end of last fiscal year, this balance decreased by PhP98.6 million due to depreciation and disposal of assets during the renovation.

- Accounts payable: As compared to the end of last fiscal year, this balance has increased by PhP15.6 million (18.2%). With lower trading, hotel is prudent in managing accounts payable.

- Rental payable: This is rental due to an associated company for the lease of the hotel land. Relative to the same period of last year and end of last fiscal year, the Company has not paid the outstanding rent and this resulted in an increase in rental payable.

Income Statement Analysis for the 6 Months Ended 30 June 2025

Revenue:
Total revenue for 1H2025 as compared to 1H2024 decreased by PhP26.9 million (11.8%). Rooms is flat on last year's revenue while F&B improved by 14.8%. The main reduction is due to the lower rental income arising from the lower casino rent.

Rooms:
Occupancy at 55.6% versus 49.8% in prior year. This is partly due to both 8th and 9th floors rooms are partially closed for renovation during the period of review. Total available rooms decreased from 81,900 to 69,854. With the renovated rooms, hotel ADR

improved from PhP3,075 to PhP3,257 resulting in a Revpar growth of 18% as compared to last year.

F&B:
F&B revenue improved by 14.7% compared to the same period last year. The better result is mainly due to the higher revenue for both the banquet business and Rivera café which grew by 30.7% and 10.1% respectively.

Rental Income/Others:
With the early termination of lease contract by a major tenant, the Company loss a significant rental income as compared to last year.

Cost of Sales:
Food cost of sale has increased 17.7% relative to the improvement in F&B revenue.

Operating Expenses:
This comprised of payroll cost, operating expenses and utilities. This balance increased by PhP7.6 million (3.7%). Payroll and related costs have increased year-on-year due to an increase in minimum wages and sales and marketing expenses have also increased.

Non-operating Income:
Interest income fell by PhP3.2 million or 27.1% mainly due to lower cash and lower interest rate. Arising from the weakening of USD against Peso, Company registered an exchange loss of PhP5.2 million as compared to a gain of PhP14.4 million in prior year.

Net income before tax:
With a lower revenue and without the casino tenant, the Company registered loss before tax of Php29.6 million versus profit of PhP30.8 million in prior year.

Income Statement Analysis for the 2nd Quarter 2025

Revenue:
Total revenue for 2Q2025 as compared to 2Q024 fell from PhP121.2 million to PhP98.4 million or 18.8%. The main reason is due to the absence of casino tenant rental income.

Rooms and F&B:
Rooms revenue fell marginally from PhP63.0 million to PhP62.0 million while F&B improved by PhP2.6 million (8.6%).

Cost of Sales:
No significant change in F&B cost of sales versus last year despite higher F&B revenue.

Operating Expenses:

This comprised of payroll cost, operating expenses and utilities. This balance increased by 3.2% consistent with the inflationary index of the Philippines.

Non-operating Income:
The Company registered an exchange loss of PhP3.2 million this quarter as compared to a gain of PhP10.5 million last year.

Net income before tax:
With a lower revenue specifically from rental income, the Company registered a loss before tax of PhP18.8 million versus profit of PhP23.3 million in prior 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 6 months of 2023.

PART II – OTHER INFORMATION

Tax matter:

This case is a Petition for Review with the CTA to invalidate the tax deficiency assessment in relation to year 2008 ("Deficiency Tax Case").

On 20 February 2015, the Company filed a Petition for Review with the CTA to invalidate the collection proceedings of the BIR. The Petition is based on the Company's position, as advised by tax counsel, that the collection proceedings initiated by the Commissioner of Internal Revenue ("CIR") is void because the

assessment, from which the collection proceedings arose, did not comply with the requirements of law and lacked factual and legal bases.

The Deficiency Tax Case seeks to have the CTA review the Collection Letter that the Company received from the BIR on 12 December 2013. As far as the Company is aware, the Collection Letter was issued by the BIR in connection with a Formal Letter of Demand for alleged deficiency income tax, value added tax, expanded withholding tax, withholding tax on compensation and documentary stamp tax for the year 2008, in the aggregate amount of PhP508,101,387.12 consisting of PhP262,576,825.03 for basic tax, and interest of PhP245,524,562.09 from 20 January 2009 to 30 September 2013.

On 24 July 2015, the Company received a Warrant of Distraint and/or Levy dated 24 July 2015 from the BIR ("Warrant"). The Warrant relates to the tax case for year 2008. Considering that a Petition for Review has been earlier filed with the CTA on 20 February 2015 to question the validity of the collection proceedings initiated by the CIR and that the matter is currently being litigated at the CTA, the Company has taken appropriate legal measures to ensure that such Warrant is not implemented during the course of the trial proceedings.

During the CTA hearing on 21 September 2015, the Company presented 2 witnesses and they were able to finish their testimonies on the same day. The BIR, on the other hand, did not present any witnesses and opted to submit the case for the resolution of the CTA.

On 6 November 2015, the Company filed its Formal Offer of Documentary Evidence. In two Resolutions dated 04 January 2016 and 11 March 2016 respectively, the CTA admitted in evidence the Company's documentary exhibits.

On 15 April 2016, the Company filed its Memorandum with the CTA.

Meanwhile, on 8 June 2016, management of the Company was informed by Metropolitan Bank & Trust Company ("Metrobank") via email, that the BIR has issued a Warrant of Garnishment with Warrant No. 125-2015-011 dated 2 June 2016 against the Company in connection with the Deficiency Tax Case. Pursuant to the Warrant, the BIR seeks to garnish the Company's deposits with Metrobank, which are currently in the amount of PhP499,049.64, as may be necessary to satisfy the alleged tax deficiency of the Company.

In addition, on 10 June 2016, management of the Company was also informed by the Lank Bank of the Philippines ("Land Bank"), that the BIR has issued a Warrant of Garnishment with Warrant No. 125-2015-011 against the Company in connection with the Deficiency Tax Case. To date, the Company has not received the original Warrant from the BIR. Pursuant to the Warrant, the BIR seeks to garnish the Company's deposits with the Land Bank, which are currently in the

amount of PhP71,718.54 as may be necessary to satisfy the alleged tax deficiency of the Company.

In a Manifestation dated 01 September 2016, the CIR informed the CTA that it will adopt its arguments in its Answer as its Memorandum.

Thus, on 6 September 2016, the Company's tax counsel received a Resolution from the CTA stating that the case has been submitted for decision.

On 7 March 2017, the Company filed an Urgent Motion to Allow Payment of Taxes with the CTA. This is with respect to the Warrant of Garnishment with Land Bank. The Company uses this bank account for its tax payments.

On 24 August 2017, the Company withdrew its "Urgent Motion to Allow Payment of Taxes" with CTA and instead requested the CTA to submit the case for decision. On 31 August 2017, CTA granted the withdrawal of the Motion and submitted the case for decision.

On 4 July 2018, the CTA rendered its Decision.

In the Decision, the CTA held that it does not have jurisdiction to entertain the Petition. It explained that the CTA only has jurisdiction to review decisions of the CIR involving disputed assessments, and not those assessments which have become final and executory. The CTA held that due to the Company's failure to file a protest within the reglementary period, the assessment became final, executory, and demandable. In light of the foregoing, the CTA held that it had no jurisdiction to entertain the Petition.

The Company filed a Motion for Reconsideration ("MR") on 19 July 2018. In its MR, the Company argued that: (i) the CTA has jurisdiction to review collection proceedings initiated by the CIR pursuant to its powers under Section 7(A)(1) of the National Internal Revenue Code; and (ii) the tax deficiency assessment of the CIR is void for failure to indicate a due date for payment and thus, the absence of a protest does not render the assessment final and executory because no rights can emanate from a void assessment.

Amended Decision

On 30 October 2018, the Company received the CTA's Amended Decision granting the Company's MR. Thus, the CTA annulled and set aside the CIR's assessment against the Company for deficiency income tax, withholding tax on compensation, expanded withholding tax, documentary stamp taxes, and value-added tax, in the total amount of PhP508,101,387.12 for taxable year 2008.

In its Amended Decision, the CTA held that it had jurisdiction to review collection proceedings by the CIR pursuant to its powers under Section 7(a)(1) of

the Tax Code, and in particular, "other matters" arising under the National Internal Revenue Code. The CTA held that while there is no disputed assessment, it can assume jurisdiction over the Petition under "other matters".

After a careful scrutiny of the Formal Letter of Demand and Final Assessment Notice, the CTA held that the same was not valid for failure to indicate a definite due date for payment by the taxpayer, which negates the CIR's demand for payment.

MR filed by CIR

On 20 November 2018, the MR filed by the CIR seeks to pray for a reconsideration of the Amended Decision and to uphold the Decision dated 4 June 2018 on the following grounds:

(1) The "other matters" clause of Section 7 of Republic Act No. 9282 does not include assessment cases.

(2) A challenge to the collection procedure under "other matters" cannot reach back and examine an undisputed assessment.

(3) Even assuming that the present case falls under the scope of "other matters", the Petition was filed out of time.

The Corporation filed its Comment to the CIR's MR on 12 December 2018 and prayed that the same be denied for lack of merit. On 14 March 2019, the CTA issued a decision denying the CIR Motion for Reconsideration as the Court finds no cogent reasons to reverse or modify the Amended Decision.

On 21 March 2019, the CIR filed an appeal to the CTA En Banc to set aside the Amended Decision. On 19 June 2019, the Corporation received a notice from the CTA En Banc to file its comments to Petition of CIR. The corporation filed its comment on 20 June 2019.

On 2 December 2019, the CTA En Banc issued a Notice of Resolution that since both CIR and the Corporation decided not to have the case mediated by Philippine Mediation Center – Court of Tax Appeals, the mediation proceedings are terminated and the case is submitted for decision by the CTA En Banc.

On 29 September 2020, CTA En Banc promulgated a decision affirming the CTA decision and denied the Petition of CIR for lack of merit. CIR, dissatisfied with the decision, filed a Motion for Reconsideration on 20 October 2020 and the Corporation has filed its Response to CIR's Motion for Reconsideration on 11 November 2020. As at 4 January 2021, there is no decision yet from CTA En Banc.

On 26 January 2021, the Corporation received from its counsel the Decision of CTA En Banc denying again the Motion for Reconsideration of CIR for lack of merit.

Petition for Review filed by the CIR

On 23 March 2021, Management of the Corporation was advised by the Corporation's tax counsel that it had received a copy of the Petition for Review dated 8 March 2021 filed by the CIR with the Philippine Supreme Court which seeks to set aside the CTA En Banc Decision dated 29 September 2020 (Decision) and CTA En Banc Resolution.

The Petition for Review seeks to (i) reverse and set aside the CTA En Banc Decision dated 29 September 2020 and Resolution dated 19 January 2021 and (ii) render a decision ordering the Corporation to pay the total amount of PhP 37,394,321.84, PhP 142,281,715.20, and PhP 326,352,191.20 representing withholding tax on compensation, value-added tax, and income tax assessment, respectively, or an aggregate amount of PhP 506,028,228.24 for taxable year 2008 as well as 25% and 50% surcharge, 20% deficiency and delinquency interest and 12% interest until full payment pursuant to the Tax Reform for Acceleration and Inclusion (TRAIN) law.

The Corporation has filed its Position Paper to the Supreme Court and awaiting the court's decision. No further update on the tax case as of 25 July 2025.

Other than the above tax cases, to the best knowledge and/or information of the Company, neither itself nor any of its affiliates and subsidiaries have been involved during the past five (5) years in any material legal proceedings affecting/involving the Company, its affiliates or subsidiaries, or any material or substantial portion of their property before any court of law or administrative body in the Philippines or elsewhere.

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 June 2025, it holds bulk of its cash and cash equivalent in Philippines peso. The United States dollars are used to settle foreign obligations.

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 credit limit. The total exposure to trade receivables as at 30 June 2024 is Peso26.0 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 June 2025, the Company has Peso873.2 million current assets and Peso433.6 million current liabilities so the current assets are able to cover its current 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 DBS Singapore, MUFG and United Overseas Bank Singapore

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 June 2025	**30 June 2025**	31 December 2024	31 December 2024
	Carrying amount	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	**367,089,092**	**367,089,092**	452,469,114	452,469,114

Receivables net	**42,867,622**	**42,867,622**	73.859,536	73.859,536
Due from/(to) related party net	**(89,392,440)**	**(89,392,440)**	(75,021,336)	(75,021,336)
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	**177,929,685**	**177,929,685**	120,659,593	120,659,593

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
June 30, 2025
(with comparative figures for the year ended December 31, 2024)
(In Philippine Pesos)

ASSETS	Unaudited June 30, 2025	Unaudited June 30, 2024	Audited Dec. 31, 2024
Current Assets			
Cash on hand and in bank			
Cash and investments in short term notes	367,089,092	556,807,980	452,469,114
Accrued interest receivable	1,913,740	2,514,094	1,040,606
Accounts receivable - trade	38,146,735	45,553,294	67,937,380
Accounts receivable - others	3,919,395	16,616,091	19,958,903
Provision for bad debts	(1,112,247)	(1,362,247)	(14,036,747)
Deferred tax assets/(liabilities)	20,931,700	15,643,239	16,872,954
Input tax	2,159,831	1,801,518	
Advances to associated/related companies	5,027,353	1,266,501	1,420,014
Advances to immediate holding company	10,364,148	9,382,415	10,289,725
Inventories	7,617,581	6,807,567	7,804,071
Prepaid expenses	61,381,837	52,352,200	54,519,069
Creditable withholding tax	21,276,855	28,225,469	19,596,380
Other current assets	334,536,936	85,031,302	145,072,370
Advances to/from THHM			
Total Current Assets	*873,252,955*	*820,639,424*	*782,943,838*
Property and Equipment	*355,359,599*	*356,444,876*	*453,970,089*
Right-of-use Assets	*178,571,220*	*178,571,220*	*178,571,220*
Organization and Pre-operating Expenses			
Investment in Stock of Associated Company	*50,895,051*	*50,902,658*	*50,220,582*
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	8,582,719	8,582,719	8,582,719
Others	1,010,000	1,010,000	1,010,000
Total Other Assets	*9,592,719*	*9,592,719*	*9,592,719*
Total Assets	***1,561,171,543***	***1,509,650,897***	***1,568,798,447***

GRAND PLAZA HOTEL CORPORATION
Balance Sheets
June 30, 2025
(with comparative figures for the year ended December 31, 2024)
(In Philippine Pesos)

LIABILITIES AND STOCKHOLDERS' EQUITY	Unaudited June 30, 2025	Unaudited June 30, 2024	Audited Dec. 31, 2024
Current Liabilities			
Accounts payable	101,301,930	78,014,918	85,783,406
Accrued liabilities	76,627,755	74,232,437	34,876,187
Notes payable			
Rental payable	12,163,527	9,505,670	5,642,533
Due to associated/related companies	104,783,941	79,196,823	86,731,074
Advances from immediate holding company - net			
Advances from intermediate holding company			
Refundable deposit	101,243,374	102,499,792	103,092,300
Deferred rental - Pagcor & JIMEI			
Due to City e-Solutions *(formerly CDL Hotels Int'l Ltd)*			
Due to Byron			
Dividend Payable			
Hotel Lease Liability	5,650,373	5,204,397	5,422,802
Income tax payable			
Other current liabilities	33,849,079	36,664,974	94,948,756
Reserves	(2,014,023)	1,368,435	1,368,435
Total Current Liabilities	*433,605,956*	*386,687,446*	*417,865,492*
Long - Term Liabilities			
Deferred rental - Pagcor		-	-
Hotel Lease Liability	145,623,279	151,273,652	148,506,527
Total Long - Term Liabilities	*145,623,279*	*151,273,652*	*148,506,527*
Stockholders' Equity			
Authorized - 115,000,000 shares in March 31, 2009 and December 31, 2008 at P10.00 par value per share			
Paid - in Capital	873,182,699	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	(1,680,020,370)	(1,680,020,370)	(1,680,020,370)
Retained earnings - beginning	1,786,239,124	1,723,073,889	1,721,512,613
Net income for the period	(27,613,011)	25,299,715	60,880,079
Dividend declared			
Working Capital Contribution			
Reserves / net Actuarial Loss	15,496,348	15,496,348	12,213,891
Total Stockholders' Equity	*981,942,308*	*971,689,799*	*1,002,426,429*
Total Liabilities and Stockholders' Equity	***1,561,171,543***	***1,509,650,897***	***1,568,798,448***

GRAND PLAZA HOTEL CORPORATION
Income Statements
For Half Year Ended 30 June 2025
(In Philippine Pesos)

	Unaudited June 30, 2025	Unaudited June 30, 2024
Revenue		
Rooms	126,395,716	125,554,971
Food & Beverage	68,333,234	59,550,975
Other Operated Depts.	683,865	703,377
Rental Income/Others	5,581,052	42,039,856
Total Revenue	200,993,867	227,849,179
Cost of Sales		
Food & Beverage	22,648,829	19,219,643
Other Operated Depts.	17,071	16,931
Total Cost of Sales	22,665,900	19,236,574
Gross Profit	178,327,967	208,612,605
Operating Expenses	212,147,293	204,888,814
Net Operating Income	(33,819,326)	3,723,792
Non-operating Income		
Interest Income	8,655,674	11,803,490
Dividend Income	-	-
Gain/(Loss) on Impairment Revaluation		
Gain/(Loss) on Disposal of Fixed Assets	-	-
Exchange Gain/(Loss)	(5,160,950)	14,457,474
Share in Net Income/(Loss) of Associated Co.	671,570	864,675
Other Income	-	-
Total Non-Operating Income	4,166,295	27,125,639
Net Income/(Loss) Before Tax	(29,653,032)	30,849,430
Provision for Income Tax	(2,040,021)	5,549,715
Net Income/(Loss) After Tax	**(27,613,011)**	**25,299,715**
Basic earnings per share	***(0.51)***	***0.47***
Dilluted earnings per share	***(0.51)***	***0.47***

Notes:
In June 30, 2025 and 2024 total shares outstanding is 53,717,369 net of 33,600,901 treasury shares

GRAND PLAZA HOTEL CORPORATION
Income Statements
For the quarters ended June 30, 2025 and 2024
(In Philippine Pesos)

	Unaudited June 30, 2025	Unaudited June 30, 2024
Revenue		
Rooms	62,015,219	63,036,931
Food & Beverage	32,866,225	30,267,047
Other Operated Depts.	314,268	353,005
Rental Income/Others	3,275,124	27,544,845
Total Revenue	98,470,837	121,201,828
Cost of Sales		
Food & Beverage	10,614,216	10,067,967
Other Operated Depts.	8,370	8,429
Total Cost of Sales	10,622,585	10,076,396
Gross Profit	87,848,252	111,125,432
Operating Expenses	107,755,324	104,373,716
Net Operating Income	(19,907,072)	6,751,716
Non-operating Income		
Interest Income	4,004,086	5,696,052
Dividend Income	-	-
Gain/(Loss) on Disposal of Fixed Assets	-	-
Exchange Gain/(Loss)	(3,185,291)	10,537,327
Share in Net Income/(Loss) of Associated Co.	286,507	394,344
Other Income	-	-
Total Non-Operating Income	1,105,301	16,627,723
Net Income/(Loss) Before Tax	(18,801,770)	23,379,440
Provision for Income Tax	217,169	3,613,081
Net Income/(Loss) After Tax	**(19,018,940)**	**19,766,359**
Basic earnings per share	***(0.35)***	***0.37***
Dilluted earnings per share	***(0.35)***	***0.37***

Notes:
In June 30, 2025 and 2024 total shares outstanding is 53,717,369 net of 33,600,901 treasury shares

GRAND PLAZA HOTEL CORPORATION
Statements of Changes in Equity
For the quarters ended June 30, 2025 and 2024
(In Philippine Pesos)

	Unaudited June 30, 2025	Unaudited June 30, 2024
Balance - beginning	1,009,555,319	946,390,084
Net income for the period	(27,613,001)	25,299,715
Dividends	-	-
Retirement of shares	-	-
Buyback of shares	-	-
Balance - end	***981,942,318***	***971,689,799***

GRAND PLAZA HOTEL CORPORATION
Cash Flow Statements
Year to Date 30 June 2025
(In Philippine Pesos)

	Unaudited June 30, 2025	Unaudited June 30, 2024	Audited Dec. 31, 2024
Cash flows from operating activities			
Net income	(27,613,011)	25,299,725	60,880,079
Adjustments to reconcile net income to net cash			
provided by operating activities			
Interest Expense on Lease Liability			-
Other Adjustments (Actuarial Loss/RE/Investment in Stock)	7,125,991	2,390,936	(2,452,789)
Other Comprehensive Income(loss)	-	-	-
Depreciation and amortization	21,261,711	19,490,148	42,870,585
Equity in net income of associated company	(671,570)	(864,675)	(1,782,598)
Provision for bad debts	1,112,247	1,362,247	14,036,747
Changes in operating assets and liabilities			
(Increase) decrease in			
Accrued interest receivable	(873,134)	(25,399)	1,448,089
Accounts receivable - trade	15,753,898	14,607,052	(7,777,033)
Accounts receivable - others	16,039,509	(10,323,612)	(13,666,424)
Deferred income tax	(4,058,745)	2,867,169	1,637,454
Input tax	(2,159,831)	(1,801,518)	-
Advances to associated/related companies	(3,607,339)	1,116,335	962,822
Advances to immediate holding company	(74,424)	(360,871)	(1,268,180)
Inventories	186,490	304,164	(692,339)
Prepaid expenses	(6,862,768)	(4,252,025)	(6,418,895)
Creditable withholding tax	(1,680,476)	(2,712,468)	5,916,622
Other current assets	(189,464,566)	2,600,717	(57,440,351)
Advances to/from THHM	-	-	-
Increase (decrease) in			
Accounts payable	15,518,525	(19,952,642)	(12,184,154)
Accrued liabilities	41,751,568	3,469,364	(35,886,886)
Notes payable	-	-	-
Rental payable	6,520,994	(16,050)	(3,879,187)
Due to associated companies	18,052,866	15,540,288	23,074,540
Advances from immediate holding company - net	-	-	-
Advances from intermediate holding company	-	-	-
Refundable deposit	(1,848,925)	(24,397,418)	(23,804,910)
Deferred rental - Pagcor	-	-	-
Dividend Payable	-	-	-
Hotel Lease Liability	227,571	209,609	428,014
Income tax payable	-	-	-
Other current liabilities	(61,099,677)	12,197,697	70,481,478
Reserves	(3,382,458)	(0)	(0)
	(159,845,554)	36,748,774	54,482,683
Cash flows from investing activities			
Acquisition of property and equipment - net	81,617,414	(16,379,881)	(133,016,896)
Right-of-use Assets - net	(4,268,635)	(4,268,635)	(8,537,269)
Dividend (declared)/**received**	-	-	1,600,000
	77,348,779	(20,648,515)	(139,954,165)
Cash flows from financing activities			
Interest Paid on Lease Liability			
Increase/(Decrease) in Hotel Lease Liability	(2,883,248)	(2,655,677)	(5,422,802)
	(2,883,248)	(2,655,677)	(5,422,802)
Net increase in cash and short-term notes	(85,380,023)	13,444,581	(90,894,284)
Cash and short-term notes, Beginning	452,469,114	543,363,398	543,363,398
Cash and short-term notes, Ending	**367,089,091**	**556,807,979**	**452,469,114**

GRAND PLAZA HOTEL CORPORATION
Cash Flow Statements
For the quarters ended June 30, 2025 and 2024
(In Philippine Pesos)

	Unaudited June 30, 2025	Unaudited June 30, 2024
Cash flows from operating activities		
Net income	(19,018,940)	19,766,359
Adjustments to reconcile net income to net cash		
provided by operating activities		
Other Comprehensive Income(loss)		
Other Adjustments (Actuarial Loss/RE/Investment in Stock)	-	2,390,946
Depreciation and amortization	10,692,553	9,863,948
Equity in net income of associated company	(286,507)	(394,344)
Provision for bad debts	1,112,247	1,362,247
Changes in operating assets and liabilities		
(Increase) decrease in		
Accrued interest receivable	(750,360)	467,884
Accounts receivable - trade	10,699,190	(13,536,906)
Accounts receivable - others	12,352,248	(12,002,177)
Deferred income tax	(945,512)	2,246,475
Input tax	(2,159,831)	(1,801,518)
Advances to associated/related companies	(2,215,834)	689,026
Advances to immediate holding company	-	(156,807)
Inventories	(772,217)	702,123
Prepaid expenses	(3,570,148)	3,101,661
Creditable withholding tax	870,642	(2,550,687)
Other current assets	(71,077,139)	(7,638,170)
Advances to/from THHM	-	-
Other Assets	-	-
Increase (decrease) in		
Accounts payable	10,654,721	(8,815,749)
Accrued liabilities	3,611,094	3,848,192
Notes payable	-	-
Rental payable	2,260,134	(16,050)
Due to associated companies	5,759,608	10,095,081
Advances from immediate holding company - net	-	-
Advances from intermediate holding company	-	-
Refundable deposit	(5,543,849)	(26,095,058)
Deferred rental - Pagcor	-	-
Dividend Payable	-	-
Hotel Lease Liability	114,954	105,882
Income tax payable	-	-
Other current liabilities	(398,681)	13,862,644
Reserves	(100,000)	(0)
	(48,711,629)	(4,504,998)
Cash flows from investing activities		
Acquisition of property and equipment - net	(6,687,109)	(2,196,284)
Right-of-use Assets - net	(2,134,317)	(2,134,317)
Dividend (declared)/**received**	-	-
(Receipts)/Refund of deposit on lease contract	-	-
(Receipts)/Payments relating to other assets	-	-
Retirement of treasury stocks	-	-
Buyback of shares - net	-	-
	(8,821,426)	(4,330,601)
Cash flows from financing activities		
Increase/(Decrease) in Hotel Lease Liability	(1,456,439)	(1,341,485)
	(1,456,439)	(1,341,485)
Net increase in cash and short-term notes	(58,989,494)	(10,177,084)
Cash and short-term notes, Beginning	426,078,586	566,985,063
Cash and short-term notes, Ending	367,089,092	**556,807,979**

Grand Plaza Hotel Corporation
Aging Report As At 30 June 2025

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	587,700	1,258,917	1,209,500	514,600		806,803	4,377,520	15.32%
Credit card	6,316,618	6,550,714	110,776	175,343	28,149		13,181,600	46.14%
Company - local	61,600	142,400	299,341	35,200		165,526	704,067	2.46%
Permanent accounts	9,129						9,129	0.03%
Embassy & government	385,055		5,577,600			132,000	6,094,655	21.34%
Travel Agent - Local	9,800		28,800				38,600	0.14%
Temporary credit	186,023	1,257,844	48,396	270,000	23,614	5,526	1,791,403	6.27%
Travel Agent - Foreign	1,506,955	859,747		2,739			2,369,441	8.29%
TOTAL	9,062,880	10,069,622	7,274,413	997,882	51,763	1,109,855	28,566,415	100.00%
%	31.73%	35.25%	25.46%	3.49%	0.18%	3.89%	100.00%	