

GRAND PLAZA HOTEL CORPORATION

22 April 2014

Filed Through PSE EDGE

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

Attention: Ms. Janet A. Encarnacion
Officer-in-Charge, Disclosure Department

Gentlemen,

Please be informed that Grand Plaza Hotel Corporation ("Grand Plaza") filed its Definitive SEC Form 20-IS with the Securities and Exchange ("SEC") today, 22 April 2014.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Eddie Yeo', with a long horizontal flourish extending to the right.

Eddie Yeo
Assistant Compliance Officer
Grand Plaza Hotel Corporation

QUISUMBING TORRES

MEMBER FIRM OF BAKER & MCKENZIE INTERNATIONAL

SECURITIES AND EXCHANGE
COMMISSION

RECEIVED
APR 22 2014

MARKET REGULATION DEPT.

BY: *Sheng* TIME: *2:00 PM*

22 April 2014

Quisumbing Torres

12th Floor, Net One Center
26th Street corner 3rd Avenue
Crescent Park West
Bonifacio Global City
Taguig City 1634
Philippines

Tel: +63 2 819 4700
Fax: +63 2 816 0080 / 728 7777
www.bakermckenzie.com

The Securities and Exchange Commission
SEC Building, EDSA
City of Mandaluyong

By hand

Attention: Vicente Graciano P. Felizmenio, Jr.
Director, Market and Securities Regulation Department

Re: Grand Plaza Hotel Corporation - Definitive SEC Form 20-IS

Dear Sirs,

We write on behalf of our client, Grand Plaza Hotel Corporation ("Corporation"), in reference to its Definitive SEC Form 20-IS, to address the comments and additional requirements of the SEC in its letter dated 8 April 2014 (attached).

We attach a copy of the Definitive SEC Form 20-IS, which addresses the comments and additional requirements of the SEC.

We trust that the foregoing satisfies the requirements of the SEC-CFD.

Sincerely yours,

[Signature]
Marra Christina J. Macasaet-Acaban
Corporate Secretary

[Signature]
Alain Charles J. Veloso
Assistant Corporate Secretary



Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila
MARKETS AND SECURITIES REGULATION DEPARTMENT

April 8, 2014

By Fax/Mail

GRAND PLAZA HOTEL CORPORATION
10th Floor, The Heritage Hotel Manila
Roxas Boulevard corner EDSA Extension
Pasay City
Fax no. 854-8825

Attention : **MA. CHRISTINA J. MACASAET-ABACAN**
Corporate Secretary

Madam:

This refers to the company's Preliminary Information Statement (SEC Form 20-IS) and Management Report which were filed with this Commission on April 7, 2014.

Please be informed that the said reports are not in full compliance with SRC Rule 20.

In this regard, the company is directed to submit its Definitive Information Statement and Management Report in accordance with the enclosed checklist and file with the Commission copies of the statement and report not later than the date of distribution of the same to the company's security holders.

A clearance from the Commission should be obtained prior to said distribution.

Please be advised that under paragraph (3)(C) of SRC Rule 20, copies of the Definitive Information Statement and Management Report shall be sent or given to security holders at least fifteen (15) business days prior to the meeting date.

Likewise, please be reminded that the Company is required to disclose the result of the meeting in a current report (SEC Form 17-C) within five (5) days after said meeting in accordance with SRC Rule 17.1(1)(A)(iii) and to file a General Information Sheet within thirty (30) days from said meeting.

Very truly yours,


VICENTE GRACIANO P. FELIZMENIO, JR.
Director

GRAND PLAZA HOTEL CORPORATION

Preliminary Information Statement was filed on April 7, 2014.

SEC Form 20-IS

Checklist of Requirements

Page
No.

Remarks

Notice of Meeting

Not signed. Place said Notice on the first page of the Information Statement.

B. Control and Compensation Information

ITEM 4. VOTING SECURITIES & PRINCIPAL HOLDERS

Disclose equity ownership of foreigners on a per class basis, if any.

As to each class entitled to vote, state the number of shares outstanding & the number of votes to which each class is entitled.

Record date with respect to solicitation.

If the right to vote is not to be determined, indicate the criteria for the determination of holders entitled to vote

If action is with respect to the election of directors and have cumulative voting rights:

- (1) Make a statement that they have such right;
- (2) Brief description of right;
- (3) Condition precedent to the exercise thereof; and
- (4) If discretionary authority to cumulative votes is solicited, so indicate.

Furnish information required by Part IV paragraph (C) of "Annex C, as amended"

- (1) Security Ownership of Certain Record and Beneficial Owners of more than 5%:

Identify the natural persons authorized to vote the shares of the corporations mentioned therein.

Reconcile information under this item to "Top 20 Stockholders as of March 31, 2014"

(1) Title of class	(2) Name, address of record owner and relationship with issuer	(3) Name of Beneficial Owner and Relationship with Record Owner	(4) Citizenship	(5) No. of Shares Held	(6) Percent
--------------------	--	---	-----------------	------------------------	-------------

Checklist of Requirements

Page
No.

Remarks

ITEM 5. DIRECTORS & EXECUTIVE OFFICERS

Please be advised of the Notice of the Commission dated October 20, 2006 re: Certification on Qualification and Disqualification of Independent Directors.

Submit certification that no directors or officers are connected with any government agencies or its instrumentalities

ITEM 17. AMENDMENTS OF CHARTER, BY-LAWS & OTHER DOCUMENTS

Brief reason(s) for and the general effect of such amendment

Propose amendment to the Articles of Incorporation to comply with the requirement of Memorandum Circular No. 6 Series of 2014 re: Amendment of the Principal Office Address.

Management's Discussion and Analysis (MD&A) or Plan of Operation (Required by Part III(A) of "Annex C, as amended")

Figures will be verified upon submission of 2013 AFS.

Registrants that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure document, **shall in addition to applicable items under subparagraph (2)**, provide the information in subparagraph (1) hereof.

(1) Plan of Operation. Describe the plan of operation for the next twelve (12) months. This description should include such matters as:

- (a) a discussion of how long the registrant can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve (12) months
- (b) a summary of any product research and development that the registrant will perform for the term of the plan
- (c) any expected purchase or sale of plant and significant equipment; and
- (d) any expected significant changes in the number of employees.

(2) Management's Discussion and Analysis. MD&A helps to explain financial results. A reader of the MD&A should be able to understand the financial results of the registrant's business as discussed in the "Business" section. It shall provide information with respect to liquidity, capital resources and other information necessary to understand the registrant's financial condition and results of operation.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition. This would include descriptions and amounts of matters that would have an impact on future operations and have not had an impact in the past, and matters that have had an impact on reported operations and are not expected to have an impact upon future operations.

Checklist of Requirements

Page
No.

Remarks

For both full fiscal years and interim periods, disclose the company's and its majority-owned subsidiaries' top five (5) key performance indicators (KPIs). It shall include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.

(a) Full fiscal years

(1) Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years.

(2) If FS shows losses from operation, explain the causes underlying these losses and the steps the registrant has taken or is taking to address these cause.

(3) Past and future financial condition and results of operation, **with particular emphasis on the prospects for the future.**

(4) Key Variable and Other Qualitative and Quantitative Factors.

If Material:

(i) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

(ii) **Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation**

(iii) **All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.**

(iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures

(v) Any Known Trends, Events or Uncertainties (Material Impact on Sales)

(vi) Any Significant Elements of Income or Loss (from continuing operations)

(vii) Causes for Any Material Changes from Period to Period of FS **which shall include vertical and horizontal analyses of any material item (5%)**

(viii) Seasonal Aspects that has Material Effect on the FS

(b) Interim Periods: Comparable discussion to assess material changes (last fiscal year and comparable interim period in the preceding year). **Disclose the required information required under subparagraph (2)(a)(i) to (viii) above.**

AUDITED FINANCIAL STATEMENTS

Statement of Management Responsibility on the Financial Statements
(as prescribed by SRC Rule 68, As Amended)(Financial Reporting Bulletin No. 1)

Checklist of Requirements

Page
No.

Remarks

The Management of (name of reporting company) is responsible for the preparation and fair presentation of the financial statements for the year (s) ended (date), including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and the implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors or Trustees reviews and approves the financial statements and submit the same to the stockholders or members.

(Name of Auditing Firm), the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed opinion on the fairness of presentation upon completion of such examination.

Signature

(Printed Name of the (1) Chairman of the Board (2) Chief Executive Officer (3) Chief Financial Officer)

Not submitted

COMPARATIVE FINANCIAL STATEMENTS

A. Comparative Form. Figures for the most recently ended fiscal year presented in the right portion immediately after the accounts name, followed by the figures for the last preceding year.

B. Balance Sheet or Statement of Financial Position

The audited BS or Statement of financial position shall be as of the end of each of the two (2) most recently completed fiscal years.

(c) Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity

(v) Interim Financial Statements

(a) x x x Audited by an accredited independent auditor (Group A category) of the Commission, and shall be complete in details as in a full fiscal year financial report.

ADDITIONAL COMPONENTS OF FINANCIAL STATEMENTS (SRC Rule 68, as amended October 2011)

Legal matter paragraph in the Auditor's Report on each components: (Financial Reporting Bulletin No. 1)

Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1,4 (c))

Tabular schedule of standards and interpretations as of reporting date (Par 4(J))

A map of the conglomerate or group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates (Par 4(h))

Not submitted

ADDITIONAL REQUIREMENTS (SRC Rule 68, as amended October 2011)

A schedule showing financial soundness indicators in two comparative period as follows:
1) current/ liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio;
4) interest rate coverage ratio; 5) profitability ratio and 6) other relevant ratio as the Commission may prescribe.

Not complied with

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE ("Code")

1. Check the appropriate box:

☐

Preliminary Information Statement

☒

Definitive Information Statement

2. Name of Registrant as specified in its charter GRAND PLAZA HOTEL CORPORATION
3. City of Pasay, Philippines
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number 166878
5. BIR Tax Identification Code 000-460-602-000
6. 10/F, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Ext., Pasay City 1300
Address of principal office Postal Code
7. (632) 854-8838 Fax : (632) 854-8825
Registrant's telephone number, including area code
8. 15 May 2014, 11:30 a.m., The Heritage Ballroom of The Heritage Hotel Manila, located at the Ground Floor, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay City, Philippines
Date, time and place of the meeting of security holders
9. 23 April 2014 date on which the Information Statement is first to be sent or given to security holders
10. In case of Proxy Solicitations: Not applicable

Name of Person Filing the
Statement/Solicitor: Not applicable

Address and Telephone

No.: Not applicable

11. Securities registered pursuant to Sections 8 and 12 of the Code or Section 4 and 8 of the Revised Securities Act (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding Or Amount of Debt Outstanding
---------------------	---

Common Stock	87,318,270 (inclusive of 32,616,051 treasury shares)
---------------------	---

12. Are any or all of Registrant's security listed on a Stock Exchange?

Yes x No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Stock Exchange	:	Philippine Stock Exchange
Securities	:	Common Shares

GRAND PLAZA HOTEL CORPORATION

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Notice is hereby given that the annual stockholders' meeting of Grand Plaza Hotel Corporation ("**Company**") will be held on 15 May 2014, Thursday, at 11:30 a.m., at the Heritage Ballroom of The Heritage Hotel Manila, located at the Ground Floor, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay City, Philippines.

The agenda for the meeting are as follows:

1. Certification of quorum.
2. Presentation of the Annual Report for the year ended 31 December 2013.
3. Approval of the Minutes of the Stockholders' Meeting of 15 May 2013.
4. Ratification of all acts and proceedings of the Board of Directors, acting within the scope of their delegated authority, during the year 2013-2014.
5. Election of the Board of Directors, including the two (2) Independent Directors.
6. Election of the independent auditor and the authority of the Directors to fix the independent auditors' remuneration.
7. Remuneration of the Directors.
8. Amendment of the Articles of Incorporation of the Corporation to specify its prinipal office address.
9. Consideration of such other business as may properly come before the meeting.
10. Adjournment.

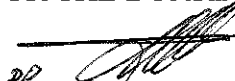
Minutes of the various meetings of the Corporation's Board of Directors (including those held during the year 2013 to present date) will be available for inspection during office hours (9:00 a.m. to 5:00 p.m.) on business days at the office of the Corporate Secretary at the 12th Floor, Net One Center Building, 26th Street corner 3rd Avenue, Crescent Park West, Bonifacio Global City, Taguig, Metro Manila, from 23 April 2014 up to 14 May 2014.

All proxies must be in the hands of the Corporate Secretary for validation before 11:00 a.m. of 15 May 2014. Proxies may be submitted to the office of the Corporate Secretary at the address indicated above during business days and at office hours on or before 5:00 p.m. of 14 May 2014. The Corporate Secretary shall receive proxies submitted on the day of the meeting at the entrance of the ballroom of the Heritage Hotel Manila. All proxies submitted after 11:00 a.m. of 15 May 2014 shall not be honored and shall not be deemed as a valid proxy for the 15 May 2014 annual stockholders' meeting. For your convenience in registering your attendance, please have available some form of identification such as driver's license, community tax certificate, passport, etc.

Only stockholders of record at the close of business on 16 April 2014 are entitled to notice of, and to vote at, the annual stockholders' meeting.

Taguig City, Philippines, 23 April 2014.

FOR THE BOARD OF DIRECTORS


Maria Christina J. Macasaet-Acaban
Corporate Secretary

PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

1. Date : 15 May 2014
 Time : 11:30 a.m.
 Place : The Heritage Ballroom of The Heritage Hotel Manila, located at the
 Ground Floor, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay
 City, Philippines

Complete mailing address of Grand Plaza Hotel Corporation (the “Company”):

10F, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay City

The approximate date on which copies of the Information Statement are to be sent or given to security holders is on 23 April 2014.

WE ARE NOT ASKING FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Dissenter’s Right of Appraisal

There are no matters or proposed corporate actions included in the agenda of the meeting which may give rise to a possible exercise by security holders of their appraisal rights. As a rule, in the instances mentioned under Section 6.1.6 of the Company’s Revised Manual on Corporate Governance (based on Section 82 of the Corporation Code of the Philippines), the stockholders of the Company have the right of appraisal provided that the procedure and the requirements of Title X of the Corporation Code of the Philippines, governing the exercise of the right is complied with and/or followed. The instances when the right of appraisal may be exercised by dissenting stockholders of the Company are, as follows:

1. An amendment to the articles of incorporation that has the effect of (a) changing or restricting the rights of shareholders or of authorizing preferences over those of outstanding shares, or (b) changing the term of corporate existence;
2. Investment of corporate funds in another corporation or other business purposes;
3. Mergers or consolidations; and
4. Sale, encumbrance or other dispositions of all or substantially all of the corporate property or assets.

Please note that a stockholder must have voted against the above-mentioned corporate actions in order to avail of the appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Except for the election of the directors of the Company, the agenda for the annual stockholders' meeting does not include any matter to be acted upon in which the following persons may have any substantial interest, direct or indirect, by security holdings or otherwise:

1. The directors or officers of the Company who acted as such director or officer during the last fiscal year;
2. The nominees for directors of the Company; and
3. Any association of the foregoing persons.

The Company has no knowledge/or information on whether a director or a security holder of the Company intends to oppose any action to be taken by the Company during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

1. As of 31 March 2014, the Company has 57,551,552 common shares outstanding¹, all of which are entitled to vote. The Company has 32,616,051 treasury shares.
2. As of 31 March 2014, non-Filipino nationals own 47,607,783 common shares in the Corporation, which constitute 87.03% of the issued and outstanding shares of the Corporation.
3. The record date with respect to this Information Statement and for the annual stockholders' meeting is 16 April 2014.
5. With respect to the election of the seven (7) directors, each stockholder may vote such number of shares for as many as seven (7) directors he may choose to elect from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by seven (7). Out of the seven (7) directors to be elected, two (2) seats shall be allocated for the position of the independent directors. Only the candidates for independent directors selected by the Nomination Committee are eligible to be elected as independent director. No other nominations for independent director shall be accepted during the annual stockholders' meeting. Please refer to the discussion under "Directors and Executive Officers of the Company".

¹ This amount excludes Treasury Shares, which are not considered outstanding shares. As at 31 March 2014, 50,094,204 shares are owned by foreign shareholders and this is 87.04% of total issued shares.

Security Ownership of Certain Record and Beneficial Owners and Management

The following entities are directly or indirectly the beneficial owners of more than 5% of the Company's voting shares (common), as of 31 March 2014.

Security Ownership of Certain Record and Beneficial Owners of More than 5%

Title of Class	Name and Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Shareholding (inclusive of treasury shares)
Common	The Philippine Fund Limited ("TPFL") Milner House, 18 Parliament Street, Hamilton, Bermuda; shareholder of issuer	Please refer to footnote two below ²	Bermuda	29,186,597	33.43%
Common	Zatrio Pte Ltd 36 Robinson Road 04-01 City House Singapore 068877; shareholder of issuer	Please refer to footnote three below ³	Singapore	18,055,429	20.68%
Common	PCD Nominee Corporation (Filipino) G/F MSE Building	(Beneficial owners unknown to issuer)	Filipino	6,669,081	7.64%

² The Philippine Fund Limited is owned by:

Shareholder's Name	Class of Shares Owned	% Held
1. Hong Leong Hotels Pte. Ltd. P.O. Box 309 Grand Cayman British West Indies, Cayman Islands	Ordinary	60%
2. Pacific Far East (PFE) Holdings Corp. (formerly Istethmar International Corporation) Suite 2705-09, 27Flr, Jardine House 1 Connaught Place, Central, Hong Kong	Ordinary	20%
3. Robina Manila Hotel Limited 8/F BangkokBankBuilding 28 Des Voeux Road, Central Hong Kong	Ordinary	20%

³ Zatrio Pte Ltd is wholly owned with ordinary shares of stock by Republic Hotels & Resorts Limited, with address at 36 Robinson Road, #04-01 City House, Singapore 068877.

Title of Class	Name and Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Shareholding (inclusive of treasury shares)
	Ayala Avenue, Makati City	<i>(RCBC Trust & Investments Division ("RCBC Trust") 333 Sen. Gil J. Puyat Ave. Makati City⁴)</i>		(5,943,729)	(6.8%)

Traditionally, the shares held by TPFL and Zatrio Pte Ltd. are voted by the Company's Chairman and President, Mr. Wong Hong Ren, or the Company's Chief Financial Officer and Compliance Officer, Mr. Yam Kit Sung, or in their absence, the Chairman of the stockholders' meeting, by virtue of a proxy validly issued for the scheduled annual stockholders' meeting.

The shares held by RCBC Trust are lodged with the Philippine Depository & Trust Corp. ("PDTC") through a Participant. RCBC Trust is the recognized beneficial owner of these shares in the PDTC. In the books of the Company, the shareholder of record as regards these shares is the PCD Nominee Corporation. Under the Rules of the Philippine Central Depository, the PCD Nominee Corporation does not have the right to vote the shares lodged with it and it has to execute a proxy in favor of the Participant who lodged the shares with the PCD Nominee Corporation. The Participant then follows the instructions of the beneficial owners of the shares. The beneficial owners may have the Participant represent those shares using the proxy issued in their favor by the PCD Nominee Corporation. In such a case, the beneficial owner must issue a written authorization in favor of the Participant. On the other hand, the beneficial owner may attend the meeting or designate another person to attend in his behalf. In this case the Participant will issue a sub-proxy in favor of the beneficial owner or his designated representative.

Traditionally, the shares held by RCBC Trust are voted by Ms. Michele Dee-Santos. Ms. Santos is not an officer, director or an employee of RCBC Trust. She is a director of the Company.

⁴ The shares held by the RCBC Trust are owned by various trust accounts under its trusteeship and management. Only the trust accounts owned by Abundance Providers and Entrepreneurs Corporation ("APEC"), formerly known as Pacific Plans, Inc., own more than five percent (5%) of the outstanding capital stock of the Company. The trust account of APEC (including its Employees' Retirement Fund) owns 6,043,111 shares of the Company as of 31 March 2010 and this corresponds to 8.93% of the outstanding capital stock of the Company, excluding treasury shares (or 6.92% inclusive of treasury shares).

APEC is a pre-need trust fund established pursuant to the regulations of the Securities and Exchange Commission for the benefit of plan holders. The address of APEC is at GPL Building, 221 Sen. Gil Puyat Ave., Makati City.

For the 2014 annual stockholders' meeting, Mr. Wong Hong Ren and Mr. Yam Kit Sung have been authorized to vote the shares held by TPFL and Zatrio Pte Ltd., by virtue of a proxy. Ms. Michele Dee-Santos has been authorized to vote the shares held by RCBC Trust.

Security Ownership of Management

The following table shows the shareholdings beneficially held by the directors and officers of the Company as of 31 March 2014 (to be updated):

Shares Beneficially Held By Officers

Title of Class	Name of Beneficial Owner	Amount and Nature of beneficial ownership	Citizenship	Percent of class
Common shares	Yam Kit Sung	2,999 shares (direct)	Singaporean	Less than 1%
Common shares	Eddie Yeo Ban Heng ("Eddie Yeo")	1 share (direct)	Malaysian	Less than 1%
Common shares	Arlene de Guzman	1,000 shares (direct)	Filipino	Less than 1%
		Total: 4,000 shares beneficial		Less than 1%

Shares Held by Current Directors

Title of Class	Name of Beneficial Owner	Amount and Nature of beneficial ownership	Citizenship	Percent of class
Common shares	Wong Hong Ren	1 share (direct)	Singaporean	Less than 1%
Common shares	Bryan Cockrell	1 share (direct)	American	Less than 1%
Common shares	Michele Dee-Santos	1 share (direct)	Filipino	Less than 1%
Common shares	Angelito Imperio	1 share (direct)	Filipino	Less than 1%
Common shares	Eddie Yeo	1 share (direct)	Malaysian	Less than 1%
Common shares	Eddie C. T. Lau	1 share (direct)	Chinese	Less than 1%
Common shares	Mia Gentugaya	1 share (direct)	Filipino	Less than 1%
		Total: 7 shares		Less than 1%

Aggregate number of shares held by directors and officers of the Company is 4,007 shares.

The aggregate beneficial shareholdings of the directors and the officers of the Company is less than 1% of the outstanding capital stock of the Company. The seven (7) shares of the 7 current directors are held to qualify them to be elected as members of the Board of Directors of the Company. Five (5) directors are nominees of TPFL and RCBC Trust and two (2) are independent directors. Each independent director, Ms. Mia Gentugaya and Angelito Imperio, directly owns one (1) share of the Company.

Voting Trust Holders of 5% or More

There is no party holding any voting trust or any similar agreement for 5% or more of the Company's voting securities.

Change in Control

There are no arrangements, which may result in a change of control of the Company. No change in control in the Company occurred since the beginning of the last fiscal year.

Item 5. Directors and Executive Officers of the Company

Meeting Attendance of the Company's Board of Directors in 2013

The record of attendance of the Company's directors during the meetings of the Board of Directors that were held in 2013 is, as follows:

Date of Board of Directors' meetings	Name of Directors						
	Wong Hong Ren	Bryan Cockrell	Angelito Imperio	Mia Gentugaya	Michele Dee-Santos	Eddie Lau	Eddie Yeo
19 February 2013 (Joint Meeting with Nomination Committee)	Present	Present	Present	Absent	Present	Present	Present
29 April 2013	Absent	Present	Absent	Present	Present	Present	Present
15 May 2013 (10:30 a.m.) ⁵	Present	Absent	Present	Absent	Present	Absent	Present
15 May 2013 (11:30 a.m.) ⁶	Absent	Absent	Present	Absent	Present	Absent	Present
26 July 2013 ⁷	Present	Present	Present	Absent	Present	Present	Present
29 October 2013	Present	Absent	Present	Absent	Absent	Present	Present

⁵ Special Meeting of the Board of Directors

⁶ Annual Stockholders' Meeting

⁷ Organizational Board of Directors' Meeting

Total	4 out of 6	3 out of 6	5 out of 6	1 out of 6	5 out of 6	4 out of 6	6 out of 6
Percentage of Attendance	66.66%	50%	83.33%	16.66% ⁸	83.33%	66.66%	100%

Meeting Attendance of the Company's Audit Committee in 2013

Date of the Audit Committee meetings	Name of Directors		
	Bryan Cockrell	Mia Gentugaya	Michele Dee-Santos
19 February 2013	Present	Present	Present
29 April 2013	Present	Present	Present
26 July 2013	Present	Present	Present
29 October 2013	Absent	Present	Present
Total	3 out of 4	4 out of 4	4 out of 4
Percentage of Attendance	75%	100%	100%

Meeting Attendance of the Company's Nomination Committee in 2013

Date of the Nomination's Committee meetings	Name of Directors				
	Wong Hong Ren	Eddie Lau	Bryan Cockrell	Michele Dee-Santos	Angelito Imperio
19 February 2013 (Joint Meeting with Board of Directors)	Present	Present	Present	Present	Present
22 March 2013	Absent	Present	Present	Present	Present
Total	1 out of 2	2 out of 2	2 out of 2	2 out of 2	2 out of 2
Percentage of Attendance	50%	100%	100%	100%	100%

The incumbent directors and executive officers and relevant data about them are listed below:

⁸ For the 12-month period of her incumbency as an independent director (i.e., from 15 May 2013 to 15 May 2014, the Corporation anticipates that Ms. Mia Gentugaya's attendance in all Board of Directors' meetings of the Corporation is at least 60%.

Name	Office	Citizenship	Family Relation	Age
Wong Hong Ren	Chairman & President	Singaporean	No relation	62
Bryan Cockrell	Director	American	No relation	66
Eddie C. T. Lau	Director	Chinese	No relation	58
Michele Dee Santos	Director	Filipino	No relation	46
Angelito Imperio	Independent Director	Filipino	No relation	74
Mia Gentugaya	Independent Director	Filipino	No relation	62
Eddie Yeo Ban Heng	Director / Vice-President / Assistant Compliance Officer / General Manager of The Heritage Hotel Manila / Member The Heritage Hotel Manila Management Executive Committee	Malaysian	No relation	66
Yam Kit Sung	General Manager of the Company / Chief Finance Officer / Compliance Officer / Chief Audit Executive / Member The Heritage Hotel Manila Management Executive Committee	Singaporean	No relation	43
Maria Christina J. Macasaet-Acaban	Corporate Secretary	Filipino	No relation	40
Alain Charles J. Veloso	Assistant Corporate Secretary	Filipino	No relation	34
Arlene De Guzman	Treasurer	Filipino	No relation	54
Geraldine Nono Gaw	Director of Marketing / Member The Heritage Hotel Manila Management Executive Committee	Filipino	No relation	46
Mary Grace Magsalin	Director of Human Resource Development / Member The Heritage Hotel Manila Management Executive Committee	Filipino	No relation	42
Catherine Serrano	Director of Finance / Member The Heritage Hotel Manila	Filipino	No relation	42

	Management Executive Committee			
--	--------------------------------	--	--	--

Ms. Mia G. Gentugaya and Mr. Angelito Imperio are the incumbent independent directors.

One of the grounds for the temporary disqualification of a director under the Revised Manual on Corporate Governance of the Company is absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.

Final List of Nominees for Election

The Nomination Committee prepared the final list of candidates for independent directors based on the recommendations and information submitted by the nominating stockholders:

- Procedure for the Nomination and Election of Independent Directors

Under the Company's By-Laws, the Company shall elect such number of independent director/(s) as the relevant laws or regulations may require. At least three (3) months before the annual stockholders' meeting in which an independent director/(s) shall be elected, or at such time as the relevant law or regulation may from time to time prescribe, the incumbent Board of Directors shall meet to appoint a Nomination Committee. The Nomination Committee shall consist of at least three (3) members, one of whom shall be an incumbent independent director.

The Nomination Committee shall prepare the list of candidates for independent director/(s) based upon qualified candidates nominated by the stockholders. The Nomination Committee, subject to the approval by the Board of Directors, shall promulgate the rules, guidelines and criteria to govern the conduct of the nomination. Only the candidates whose nominations are confirmed by the Nomination Committee to be in accordance with such rules, guidelines and criteria to govern the conduct of the nomination. No other nomination shall be entertained after the list of candidates has been finalized and submitted to the Chairman. No further nomination shall be entertained or allowed on the floor during the stockholders' meeting.

The Chairman of the Board, or in his or her absence, the designated chairman of the stockholders' meeting, shall inform the stockholders attending the stockholders' meeting of the mandatory requirement of electing independent director/(s). In case of failure to elect an independent director, the Chairman shall call a separate election during the same meeting to fill the vacancy.

In case of a vacancy in the position of independent director, the vacancy shall be filled by a vote of at least a majority of the directors, if still constituting a quorum, based upon the nomination of the Nomination Committee. In the absence of such quorum, the vacancy shall be filled in a meeting of the stockholders duly called for that purpose. An

independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

In its organizational meeting held on 26 July 2013, the Board of Directors appointed the members of the Company's Nomination Committee.

On 11 February 2014, the Board of Directors and the Nomination Committee approved the materials and timetable for the selection of nominees for the Company's independent directors, for election in the annual stockholders' meeting to be held on 15 May 2014.

For 2014, the Board of Directors and the Nomination Committee approved the following timetable:

- a. 3 March 2014 - sending out of notices to stockholders that the Nomination Committee is accepting nominations for independent directors;
- b. 5:00 pm of 17 March 2014 - deadline for the submission of the recommendation and acceptance of recommendation forms;
- c. 21 March 2014 - deliberations of the Nomination Committee and preparation of final list of candidates.

- Final List of Candidates for Independent Directors

On 21 March 2014, the Nomination Committee approved the final candidates for independent directors, consisting of the following individuals:

- a. Mia G. Gentugaya

Atty. Gentugaya was nominated by The Philippine Fund Limited. She is not related to The Philippine Fund Limited. She is 62 years old, Filipino, and a Philippine resident. Please refer to the description of her business experience below.

- b. Angelito C. Imperio

Atty. Imperio was nominated by Zatrio Pte. Ltd. He is not related to Zatrio Pte. Ltd. He is 74 years old, Filipino, and a Philippine resident. Please refer to the description of his business experience below.

Under the By-Laws of the Company, each director elected during the annual stockholders' meeting shall hold office until the next annual stockholders' meeting and until his or her successor has been elected and has qualified.

None of the directors has resigned or has refused to stand for re-election because of a disagreement with the Company regarding the Company's operations.

Except for the nominees selected by the Nomination Committee for the position of independent directors, there are no named nominees for the position of regular directors yet. The actual

nominations for the position of regular directors will be made during the annual stockholders' meeting.

Business Experience of Directors and Officers (covering at least the past five (5) years):

A brief description of the business experience of the incumbent directors and officers for the past five years is provided below:

WONG HONG REN
CHAIRMAN & PRESIDENT

Mr Wong Hong Ren was first elected Director and Chairman of the Board of Directors in May 1996. He was also an executive director of Millennium & Copthorne Hotels plc, a public listed company on the London Stock Exchange since April 2001. Mr Wong was appointed Chief Executive Officer of Millennium & Copthorne Hotels plc on 27 June 2011. He is also Chairman of Millennium & Copthorne New Zealand Limited and CDL Investments New Zealand Limited, both of which are listed on the New Zealand stock exchange. He is also the non-executive Chairman of M&C REIT Management Limited which manages the Singapore listed CDL Hospitality Trusts.

BRYAN K. COCKRELL
VICE CHAIRMAN and DIRECTOR

Mr. Bryan Cockrell, an American national, has been a Director of the Company since May 1997. Mr. Cockrell is the Chairman of the Pathfinder Group in the Philippines which has interests in tourism-related ventures, properties and other joint ventures undertakings and of the Group's investments in Vietnam. Before his stint in the Philippines, he held numerous positions in Singapore, Indonesia and Saudi Arabia. Mr. Cockrell is also a Director of Lafarge Republic Inc., a listed company.

ANGELITO C. IMPERIO
INDEPENDENT DIRECTOR

Atty. Imperio has been a Director of the Company continuously since August 1992 and during that span of time, he served as independent Director from 2001 to 2004, and again from 2008 up to the present. He completed his legal education at the University of the Philippines (LL.B.) and was admitted to the bar in 1966. He was a senior partner of the law firm SyCip Salazar Hernandez & Gatmaitan until his retirement in October 2004. At present, his professional work is limited to outside counseling, particularly on estate planning, and serving as an official Appellate Court Mediator of civil cases pending in the Court of Appeals

MIA G. GENTUGAYA
INDEPENDENT DIRECTOR

Atty. Gentugaya is a senior partner of SyCip Salazar Hernandez & Gatmaitan. She has been a Director of the Company since August 1992 and served as independent director since 2005. She

was admitted to the Philippine Bar in 1978 after completing her legal education at the University of the Philippines (LL.B.). Atty. Gentugaya practices corporate and commercial law, and has been named by Global Chambers and International Financial Law Review as one of the world's leading lawyers in project finance and commercial law. She is a member of the International Bar Association, the Philippine Bar Association, the Maritime Law Association of the Philippines (charter member; Trustee, 1988 – 1989) and the Makati Business Club. She also serves in the Board of Directors of various companies.

MICHELE DEE-SANTOS
DIRECTOR

Ms. Santos was appointed on 7 February 2006. She obtained a B.A. International Business from Marymount College, New York, U.S.A. She started her career as a Staff Operations Manager of American Express Bank in New York City. She is currently the Executive Vice President of AY Foundation, President of Sandee Unlimited Inc., Chairperson and President of Luis Miguel Foods, Inc., Treasurer of Mico Equities, Inc. Ms. Dee-Santos also sits on the Board of Malayan Insurance Co., Bankers Assurance Corporation., First Nationwide Assurance Corporation, Pan Malayan Express Inc. Aequitas Holdings, Inc. and RCBC Savings Bank. She is not a director of any other reporting company.

EDDIE B.H. YEO
DIRECTOR, VICE-PRESIDENT, ASSISTANT COMPLIANCE OFFICER & GENERAL
MANAGER OF THE HERITAGE HOTEL MANILA

Mr. Eddie Yeo is appointed as a Director and General Manager of The Heritage Hotel Manila on 13 January 2005. Prior to his current position, he was the General Manager of Copthorne Kings Hotel Singapore from January 1999 to 2004. He has more than 42 years experience in managing and developing hotel projects in Singapore, Malaysia, Thailand, Australia, USA and Vietnam. He holds a Master of Business Administration from the University of South Australia, is a Certified Hotel Administrator (CHA) from the Educational Institute of the American Hotel & Motel Association, Michigan, USA and a Member of the Chartered Management Institute, UK. He is the Vice President of the Singapore Philippines Association and the Malaysian Associations of the Philippines. He sits on the Board of the Hotel Association of the Philippines, Hotel Federations of the Philippines and the Foreign Chamber Council of the Philippines.

EDDIE C.T. LAU
DIRECTOR

Mr. Eddie Lau, is a British national and was appointed Director of the Company since 17 January 2005. He obtained his MBA from the University of Durham, UK. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Certified Accountants in UK. Mr. Lau is also an associate member of the Chartered Institute of Bankers in UK. He has more than 25 years experience in the financial industry and has extensive practical exposures in financial control, business planning and operational management. He had worked with Hang Seng Bank, Standard Chartered Bank, Bank Austria and The Long-Term Credit Bank of Japan. For the past twelve years, he was the Financial Controller of those banks that he

worked with. Mr. Lau had also served in the Hong Kong Monetary Authority as a Bank Examiner to monitor the banks' compliance in Hong Kong. Currently, Mr. Lau is the Senior Vice President – Head of Group Finance of Asia Financial Holdings group. He joined Asia Financial Holdings group since July 2000.

YAM KIT SUNG

GENERAL MANAGER, CHIEF FINANCE OFFICER, COMPLIANCE OFFICER & CHIEF AUDIT EXECUTIVE

Mr. Yam obtained his Bachelor of Accountancy (Honors) degree from Nanyang Technological University in Singapore. Upon graduation, he joined the international accounting firm, Price Waterhouse based in Singapore as an auditor and later joined CDL Hotels International Limited (now known as Millennium & Copthorne Hotels International Limited) as an Internal Auditor. In 1996, he joined The Heritage Hotel Manila as an Operations Analyst and was appointed General Manager of the Company in April 2000. In June 2006, Mr. Yam was appointed Vice President - Finance for HL Global Enterprises Limited, a company listed on the Singapore Stock Exchange. From 1 March 2013, Mr. Yam was re-designated as Vice President – Asset Management (China) for HL Global Enterprises Limited. He also sits on the Board of several companies in the HL Global Enterprises Limited Group.

ARLENE DE GUZMAN

TREASURER

Ms. Arlene de Guzman has been the Company's Treasurer since August 1997. She is also a former director and president of the Company. She graduated with a B.S. Business Economics (cum laude) degree from the University of the Philippines in 1981. Her business experience includes: Senior Project Evaluation Officer, National Development Company, Head, Financial Risk Management, Philippine Associated Smelting and Refining Corporation (PASAR) and currently Senior Vice President of the Pathfinder Group. She is presently a director and/or officer of the various companies under the Pathfinder Group, Grand Plaza Hotel Corp, Calumbuyan Holdings Group, Seacem Group and the President of a listed company - Southeast Asia Cement Holdings Inc. Other than the foregoing, Ms. de Guzman is not an officer or director of other public companies, listed companies, or companies that are grantees of secondary licenses from the SEC.

MARIA CHRISTINA J. MACASAET-ACABAN

CORPORATE SECRETARY

Ms. Macasaet-Acaban is a partner of the law firm of Quisumbing Torres. She joined Quisumbing Torres in 1998 after graduating *cum laude* from the University of the Philippines College of Law (L.I.B. 1998). She was also a recipient of the Dean's Medal for Academic Excellence and a member of the Order of the Purple Feather, the honors society of the University of the Philippines College of Law. She was admitted to the Philippine Bar in 1999.

Ms. Macasaet-Acaban practices corporate and commercial law, with focus on foreign investments, mergers and acquisitions, corporate compliance. She has represented multinational corporations operating in various industries, such as pharmaceutical and healthcare, information

technology, outsourcing, manufacturing and real estate, in Philippine and cross-border transactions, and advised on equity restrictions, investment structures and regulatory compliance for Philippine business operations.

She serves as corporate secretary and assistant corporate secretary of various private companies. She is not an officer or director of other public companies or companies that are grantees of secondary licenses from the SEC.

ALAIN CHARLES J. VELOSO
ASSISTANT CORPORATE SECRETARY

Mr. Veloso is a senior associate of the law firm Quisumbing Torres. Mr. Veloso's practices corporate and commercial law, with focus on pharmaceuticals, securities, mergers and acquisitions, energy and natural resources, securities, infrastructure, and outsourcing. He joined Quisumbing Torres in 2006 after graduating class valedictorian and *cum laude* from the University of the Philippines College of Law in 2006. He was also a recipient of the Dean's Medal for Academic Excellence, a member of the Order of the Purple Feather, a Chief Justice Fred Ruiz Castro Academic Scholar, an ACCRA – Violeta C. Drilon Merit Scholar, and a Member of the Pi Gamma Mu Honors Society and the Phi Kappa Phi Honors Society. Mr. Veloso was admitted to the Philippine Bar in 2007 and ranked 10th in the 2006 Philippine Bar exams. Prior to obtaining his law degree, Mr. Veloso obtained his B.S. Accountancy from the University of the Philippines - Tacloban College in 2001, graduating *cum laude*. Mr. Veloso passed the Philippine licensure exam for Certified Public Accountants in 2001. He also teaches Transportation and Public Utilities Law and Land Titles and Registration at Centro Escolar University School of Law and Jurisprudence.

Mr. Veloso is also the assistant corporate secretary of various private companies. He is not an officer or director of other public companies or companies that are grantees of secondary licenses from the SEC.

GERALDINE NONO GAW
DIRECTOR OF MARKETING, MEMBER – HERITAGE HOTEL MANILA
MANAGEMENT EXECUTIVE COMMITTEE

Geraldine N. Gaw joined the company in 2003 as the Director of Catering and was promoted as Director of Sales and Marketing in 2008. Prior to joining the Heritage Hotel Geraldine held the position of Convention and Banquet Sales Manager from 1999 to 2003 at the Manila Midtown Hotel. She has also held several senior positions in various hotels in Metro Manila and Davao City, namely the Mandarin Oriental Hotel and the Davao Insular Intercontinental Inn. She is currently a member of the Hotel Sales and Marketing Association. Geraldine graduated at the Ateneo De Davao University with a Degree in Business Administration major in Accounting.

MARY GRACE MAGSALIN
DIRECTOR OF HUMAN RESOURCE DEVELOPMENT, MEMBER – HERITAGE
HOTEL MANILA MANAGEMENT EXECUTIVE COMMITTEE

Mary Grace G. Magsalin joined the company in 2004 as Human Resources Manager. She was promoted as Director of Human Resources in June 2005. Previous to this, she gained her expertise and has been exposed to various industries from 1992. Her professional exposure includes the following: Group Human Resources Manager of ESLA Group of Companies, a retail chain operating Luzon wide, as Training Consultant of an Immigration Firm, Personnel & Training Manager, Industrial Relations Officer and Personnel Manager of manning agencies and bank. After completing a degree in Industrial and Business Management Engineering with distinction (cum laude) from the University of Negros Occidental-Recoletos and pursued Bachelor of Laws from University of Santo Tomas. She is currently holding the position of Vice-Chairman for Tripartite Industrial Peace Council for Makati and Pasay City and a member of the Association of Human Resource Managers in Hospitality Industry.

CATHERINE A. SERRANO

DIRECTOR OF FINANCE, MEMBER – HERITAGE HOTEL MANILA MANAGEMENT EXECUTIVE COMMITTEE

Ms. Catherine A. Serrano joined Grand Plaza Hotel Corporation in April 2009 as its Accounting Manager. In April 2012 she was appointed as the Assistant Director of Finance and recently got promoted as the Director of Finance of the Heritage Hotel. Ms. Serrano took up her degree in Commerce major in Accounting at the University of the Assumption, San Fernando Pampanga.

Prior to working in the hotel industry Ms. Serrano honed her skills in her field for 13 years with the Laus Group of Companies where she held various managerial positions in Carworld Inc. (dealers of Mitsubishi), Ford Pampanga and Max's Restaurant. She was also the Accounting Group Head of Carworld Inc. affiliates such as, Kia Motors Pampanga, Suzuki Pampanga, Laus Group Estate, Carworld Caltex, Radioworld Broadcasting Corp., and Regent Printing House.

Ms. Serrano started her hotel career in February 2006 at the Holiday Inn Galleria Manila as Chief Accountant and was promoted in November 2007 as the Finance Manager of Crowne Plaza Galleria Manila.

Members of the Nomination Committee

1. Wong Hong Ren – Chairman
2. Bryan Cockrell
3. Michele Dee-Santos
4. Angelito Imperio – Independent Director
5. Eddie Lau

The Board of Directors appointed The Heritage Hotel Management Executive Committee to perform the functions of the Remuneration and Compensation Committee of the Company.

Significant Employees

The Company has no significant employees.

Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the Directors, Executive Officers or persons nominated.

Pending Legal Proceedings

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 PhP228.94 million, inclusive of penalty and interest from January 2003 to December 2006. The Company subsequently filed a petition for review with the Court of Tax Appeal ("CTA") to contest such Final Decision on Disputed Assessment.

The BIR further issued a Warrant of Dstraint 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 issued a Temporary Restraining Order enjoining the BIR from further efforts at collection of taxes, particularly the implementation of the Warrant of Dstraint and/or Levy and the Warrant of Garnishment.

In 2009, the Company moved to have a preliminary hearing conducted to first resolve the legal issue of whether or not the services rendered by the Company to PAGCOR is subject to VAT at 10% rate. The CTA granted the motion and hearings were subsequently conducted. On 18 February 2011, the CTA ruled in favor of the Company and cancelled the VAT deficiency assessment *in toto*.

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 BIR's assessment against the Company for deficiency VAT 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. The BIR shortly filed an appeal with the CTA En Banc.

On 1 September 2011, the CTA En Banc resolved to give course to BIR's appeal. The Company filed its Memorandum in October 2011. 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 are exempt from VAT, CIR's petition has no leg to stand on and must necessarily fall. The BIR 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. On 5th

December 2012, BIR filed with the Supreme Court a Petition for Review. As at the date of this report, the Petition for Review is still pending with the Supreme Court.

On 6th May 2013, the Company filed its Comment/Opposition to the Petition for Review and is awaiting feedback from the Supreme Court. On 17 October 2013, the Company received a Notice from the Supreme Court directing BIR to file a reply within 10 days from receipt of Notice. No decision from the Supreme Court as of 15 January 2014.

The Company will continue to pursue its case with the Supreme Court and will file the necessary disclosure on the outcome thereof following the issuance of the judgment of the Supreme Court.

Other than the above tax case, 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.

To the best knowledge and/or information of the Company, none of its directors, nominees for election as director, executive officers, underwriters, or controlled persons, have been involved during the past five (5) years, up to 31 March 2014, in any of the following events that are material to an evaluation of their ability or integrity:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

In the last two years, there were no material transactions or proposed transactions between the Company and any director in which the director had a material interest.

Aside from the related party transactions disclosed in Note 14 of the Notes to Financial Statements of the Company, the Company has no other relationships and related transactions.

Item 6. Compensation of Directors and Officers

Directors' and Officers' Compensation (Annual Compensation – in Pesos)

NAME	POSITION	YEAR	SALARY	BONUS	OTHERS/ DIRECTOR FEES
Wong Hong Ren	Chairman & President	2013			
Eddie Yeo Ban Heng	General Manager of Hotel	2013			
Yam Kit Sung	General Manager of the Company	2013			
Cathy Serrano	Director of Finance	2013			
Gigi Gaw	Director of Sales & Marketing	2013			
Total		2013	10,065,213	948,016	88,815
Directors		2013			1,494,626
All officers & Directors as a group		2013	10,065,213	948,016	1,583,441

Year 2012

NAME	POSITION	YEAR	SALARY	BONUS	OTHERS/ DIRECTOR FEES
Wong Hong Ren	Chairman & President	2012			
Eddie Yeo Ban Heng	General Manager of Hotel	2012			
Yam Kit Sung	General Manager of the Company	2012			
Johnny Yap	Executive Manager of Hotel	2012			
Alex Cheong	Executive Chef	2012			
Total		2012	11,328,636	1,481,160	70,000
Directors		2012			2,111,284
All officers & Directors as a group		2012	11,328,636	1,481,160	2,181,284

Year 2011

NAME	POSITION	YEAR	SALARY	BONUS	OTHERS/ DIRECTOR FEES
Wong Hong Ren	Chairman & President	2011			
Eddie Yeo Ban Heng	General Manager of Hotel	2011			
Yam Kit Sung	General Manager of the Company	2011			
Alex Cheong	Executive Chef	2011			
Lawrence Wee	Resident Manager (Resigned 14 Feb 2011)	2011			
Total		2011	11,159,794	2,320,767	5,039,420
Directors		2011			2,387,044
All officers & Directors as a group		2011	11,159,794	2,320,767	7,426,464

Proposed Remuneration of Officers and Directors for 2014

NAME	POSITION	SALARY	BONUS	OTHERS/ DIRECTOR FEES
Yam Kit Sung	General Manager			
Eddie Yeo	General Manager of The Heritage Hotel			
Mary Grace Magsalin	Director of HRD			
Cathy Serrano	Director of Finance			
Gigi Gaw	Director of Sales and Marketing			
Total Compensation of the Chairman & President and the other highest compensated officers named above		11,000,000	1,500,000	
Total Directors' Fees				2,000,000
All officers & Directors as a group		11,000,000	1,500,000	2,000,000

The proposed remuneration of the directors for 2014 above will be presented to the stockholders for approval at the 2014 annual stockholders' meeting. The proposed remuneration of the

officers named above shall be fixed and approved in a special meeting of the Board of Directors of the Company, to be held prior to the annual stockholders' meeting, as provided in the Company's By-Laws.

Please note that the compensation of the directors are one-time director's fees and do not involve any other form of remuneration. There are no arrangements, such as compensatory plan or arrangement or consulting contracts, pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as director.

Description of the Terms and Conditions of each Employment Contract between the Company and Executive Officers

All the key officers are on two-year employment contracts that may be renewed for another two years upon mutual agreement of the parties.

The employment contracts of the executive officers do not require such executive officers of the Company to be paid a total amount exceeding PhP2,500,000 as a result of their resignation or termination from the Company, or if there is a change in control of the Company.

Description of the Terms and Conditions of the Compensatory Plan or Arrangement for the Company's Executive Officers

The executive officers of the Company are paid a monthly fixed salary with variable bonus depending on performance. They are also on fixed employment period between 1-2 years and renewable depending on performance.

Item 7. Independent Public Accountants

Election, Approval or Ratification

R. G. Manabat & Co. is the Company's current independent public accountant. The handling partner is Ms. Alicia Columbres.

In compliance with the Securities Regulation Code Rule 68, paragraph 3(b)(ix), the independent auditor or in the case of an audit firm, the signing partner, shall be rotated after every five (5) years of engagement, subject to the observance of the two-year cooling off period in the re-engagement of the same signing partner or individual auditor. Ms. Alicia Columbres, the current handling partner, was first designated as such on 15 May 2013.

The Company's Audit Committee has recommended R. G. Manabat & Co. for re-appointment at the annual stockholders' meeting, with Alicia S. Columbres as the handling partner. Under the Revised Manual on Corporate Governance of the Company, the Audit Committee shall recommend the nominees for the independent public accountants of the Company.

The Members of the Audit Committee of the Company are as follows:

1. Mia Gentugaya – Independent Director
2. Bryan Cockrell
3. Michele Dee-Santos

The Chairperson of the Audit Committee is Ms. Mia Gentugaya.

Representatives of R. G. Manabat & Co are expected to be present at the annual stockholders' meeting and will be given the opportunity to make a statement if they desire to do so. Likewise, they are expected to be available to respond to any appropriate questions that may be raised during the meeting.

Compliance with SRC Rule 68 3 (b) (iv)

R. G. Manabat & Co., with Ms. Alicia Columbres as the handling partner, was appointed as the independent auditor of the Company by the stockholders during the annual stockholders' meeting held on 29 April 2005. In compliance with SRC Rule 68, par 3(b)(iv), the independent auditor shall be rotated every five (5) years of engagement. In case of a firm, the signing partner shall be rotated every five (5) years. Ms. Alicia Columbres was first designated as the handling partner on 15 May 2013.

Item 8. Compensation Plans

There are no matters or actions to be taken up in the meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to the authorization or issuance of any securities of the Company.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The Company's audited financial statements for the year ended 31 December 2013 (attached hereto as Annex "A") and other information related to the Company's financial statements are contained in the Company's SEC Form 17-A for the year ended 31 December 2013, which was filed by the Company with the Philippine Stock Exchange and with the SEC on 21 February 2014.

The management report required under paragraph (4) of SRC Rule 20 is attached hereto as Annex "B".

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

There are no matters or actions to be taken up in the meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

1. Approval of the Minutes of the Annual Meeting of the Stockholders of the Company held on 15 May 2013 ("**Minutes**").
2. Approval of the Annual Report and the audited financial statements for the year ended 31 December 2013.

The Annual Report to be ratified by the stockholders during the annual stockholders' meeting, has been disclosed to the stockholders in SEC Form 17-A. The Company's audited financial statements for the year ended 31 December 2013 are attached hereto as Annex "A". Action on the Minutes will not constitute approval or disapproval of any of the matters referred to in the Minutes which have been approved in the Annual Meeting of the Stockholders held on 15 May 2013.

Item 16. Matters Not Required to be Submitted

There are no matters or actions to be taken up in the meeting which does not require a vote of the stockholders.

Item 17. Other Proposed Action

1. Ratification of all acts and proceedings of the Board of Directors during the year 2013-2014, acting within the scope of their delegated authority and adopted in the ordinary course of business involving:

- a. Approval of the date of, and the record date for, the Corporation's annual stockholders' meeting for 2014;
 - b. Approval of the documents relating to the nomination of candidates for the independent directors of the Corporation and the proposed timetable for the nomination process for the independent directors for 2013-2014;
 - c. Approval of the increase in rent for the year 2014 and the renewal of the Contract of Lease between Harbour Land Corporation (as Lessor) and the Corporation (as Lessee);
 - d. Approval of the Corporation's participation in the Wholesale Electricity Spot Market as Indirect Member and appointment of authorized signatory therefor;
 - e. Buyback of shares;
 - f. Election / appointment of officers of the Company and The Heritage Hotel Manila for the year 2013-2014;
 - g. Authority with regard to transactions with banks (including change of signatories, and closure of bank accounts); and
 - h. Approval of quarterly reports of the Company during the year 2013 and the first quarter of 2014.
2. Election of the Board of Directors, including the election of the two (2) Independent Directors.
 3. Election of the independent auditor and the grant of authority to the Board of Directors to fix the independent auditor' remuneration.
 4. Ratification of the amendment of the Corporation's Articles of Incorporation to specify its principal office address.
 5. Approval of the remuneration of the Directors.

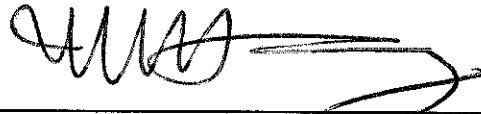
Item 18. Voting Procedures

1. The actions to be taken at the annual stockholders' meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock, except for (i) the election of directors, which shall be determined by cumulative voting under the Corporation Code, and (ii) the ratification of the amendment of the Corporation's Articles of Incorporation to specify its principal office address, which must be approved by the stockholders of the Company owning at least two-thirds (2/3) of the total outstanding capital stock entitled to vote.
2. Each stockholder shall be entitled to vote in person and by proxy and, unless otherwise provided by law, he shall have one (1) vote for each share of stock entitled to vote and recorded in his name in the books of the Company.
3. Voting and counting of votes will be done by *viva voce*.
4. The Corporate Secretary shall be responsible to count and validate the votes.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig, Philippines, on 23 April 2014.

By:



EDDIE YEO

**General Manager – The Héritage Hotel / Assistant
Compliance Officer – Grand Plaza Hotel Corporation**

WITNESSES:

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig, Philippines, on 23 April 2014.

By:

EDDIE YEO

**General Manager – The Heritage Hotel / Assistant
Compliance Officer – Grand Plaza Hotel Corporation**



ALAIN CHARLES J. VELOSO
Assistant Corporate Secretary
Grand Plaza Hotel Corporation

WITNESSES:

SUBSCRIBED AND SWORN to before me, who is personally known to me to be the same person who presented the foregoing instrument and signed the instrument in my presence, this 22nd day of April 2014, at Taguig City, Metro Manila. Affiants exhibiting to me the following:

Alain Charles J. Veloso

Passport No. EB0983029


expiry date on 17 September 2015
at Manila, Philippines.

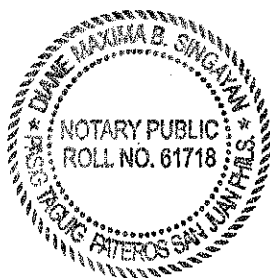
Eddie Yeo

Passport No. A-9956934
TIN No. 239-002-915

Singapore

Doc. No. 381 ;
Page No. 78 ;
Book No. I ;
Series of 2014.


DIANE MAXIMA B. SINGAYAN
Notary Public, Cities of Taguig, Pasig, San Juan, and Pateros
Appointment No. 285, Until December 31, 2014
12th Floor, Net One Center, 26th St., cor. 3rd Avenue
Crescent Park West, Bonifacio Global City, Taguig City 1634
ROLL OF ATTORNEYS NO: 61718
PTR No. A-2021177; 1/08/14; Taguig City, M.M.
LIFETIME IBP No. 924519; 01/10/13; Cagayan Valley



Annex "B"

MANAGEMENT REPORT

BUSINESS AND GENERAL INFORMATION

General

The Company was registered with the Securities and Exchange Commission on 9 August 1989 primarily to own, lease or manage one or more hotels, inns or resorts, all adjuncts and accessories thereto and all other tourist oriented businesses as may be necessary in connection therewith.

The Company owns The Heritage Hotel Manila, a deluxe class hotel which offers 467 rooms and deluxe facilities such as restaurants, ballrooms, and a casino.

The hotel opened on 2 August 1994 and the Company has continued to own and operate the hotel since then.

For the fiscal year ended 31 December 2013, the Company reported a net profit after tax of about PhP84 million as against PhP165 million in 2012 and PhP176 million in 2011.

There is no bankruptcy, receivership or similar proceedings involving the Company. There are no material reclassifications, mergers, and consolidation involving the Company, nor purchases or sales of a significant amount of assets not in the ordinary course of business of the Company.

The Company's main source of income is revenue from the hotel operations. The market for the hotel services varied. The bulk of the room guests are corporate clients from various countries. The majority of the room guests are Americans, Japanese, Koreans, Filipinos and guests from Southeast Asian nations, while food and beverage guests are mainly Filipinos.

Competitive Position

The main competitors of The Heritage Hotel Manila are Manila Diamond Hotel, Pan Pacific, Traders Hotel and Dusit Thani Hotel.

Based on information made available to us, the competitive position of these hotels is shown below:

NAME	MPI	ARI	RGI
Heritage Hotel	0.96	0.67	0.64
Diamond Hotel	1.02	0.89	0.91

Dusit Thani	1.02	1.21	1.24
Pan Pacific	1.1	1.11	1.23
Traders Hotel	1.0	0.8	0.8

Note: MPI stands for Market Penetration Index, ARI stands for Average Room Rate Index and RGI stands for Revenue Growth Index. A figure of “1” means that the hotel is getting the fair share of the market.

Raw Materials and Services

The hotel purchases its raw material for food and beverage (“F&B”) from both local and foreign suppliers. The top 3 suppliers for raw materials are Agathon Trading, Yulick Food Corporation and Distribution and RGL 33 Fruits and Vegetables.

Dependence on Single Customer

The Company’s main source of income is revenue from the operations of the Heritage Hotel. The operations of the hotel are not dependent on a single or a few customers.

Related Party Transactions

The Company in the normal course of business has entered into transactions with its related parties, principally consisting of cash advances. These advances are shown as “Due to related company”, “Due to immediate holding company”, and “Due to intermediate holding company” in the balance sheets.

The Company also leases its hotel site from a related company. The lease contract on the hotel site requires the Company to deposit PhP78 million to answer for any and all unpaid obligations that the Company may have under said contract. On 11 February 2014, the Board of Directors of the Company approved an increase in the yearly rent for the lease, and the renewal of the lease for another period of 25 years from 1 January 2015.

The Company has entered into a Management Agreement with Elite Hotel Management Services Pte. Ltd.’s Philippines Branch for the latter to act as the hotel’s administrator. Under the terms of the agreement, the Company is required to pay monthly basic management and incentive fees based on a certain percentage of revenue and gross operating profit.

Policy on Related Party Transactions

Section 5.2 of the Company’s Revised Manual on Corporate Governance requires all material information to be publicly and timely disclosed through the appropriate mechanisms of the PSE and submitted to the SEC. Such information includes, among others, related party transactions. All such information should be disclosed.

In compliance with the Amended Implementing Rules and Regulations of the Securities Regulation Code ("SRC Rules"), the Company must disclose the following details for a related party contract:

- a. the nature of the related party relationship;
- b. the type of transaction (e.g. supply or services contract, loans, guarantees);
- c. the total amounts payable and receivable in the transaction from or to the related party;
- d. the elements of the transaction necessary to understand the listed company's financial statements.

The Company must also disclose its transactions in which related persons, such as directors, officers, substantial shareholders or any of their immediate families have a direct material interest, such as the related person's beneficial ownership of the counterparty or share in the profits, bonus, or commissions out of the transaction.

No disclosure is needed for any transaction where:

- a. The transaction involves services at rates or charges fixed by law or governmental authority;
- b. The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;
- c. The amount involved in the transaction or a series of similar transactions has an aggregate value of less than PhP2,500,000; or
- d. The interest of the person arises solely from the ownership of securities of the registrant and the person receives no extra or special benefit that was not shared equally (pro rata) by all holders of securities of the class.

In compliance with the provisions of the Corporation Code, a contract of the Company with one or more of its directors or officers must be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock if any of the following conditions are absent:

- a. The presence of such director in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting.
- b. The vote of such director was not necessary for the approval of the contract.

Full disclosure of the adverse interest of the directors or officers involved must be made at the stockholders' meeting and the contract must be fair and reasonable under the circumstances.

Furthermore, the Company must comply with the provision of the Corporation Code which requires a contract between two or more corporations having interlocking directors, where (i)

the interest of the interlocking director in one corporation is substantial and his interest in the other corporation is merely nominal, and (ii) any of the following conditions are absent:

- a. The presence of such director in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting.
- b. The vote of such director was not necessary for the approval of the contract.

to be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the corporation where the interlocking director's interest is nominal. Similarly, full disclosure of the adverse interest of the interlocking director/s involved must be made at the stockholders' meeting and the contract must be fair and reasonable under the circumstances. Stockholdings exceeding twenty (20%) percent of the outstanding capital stock shall be considered substantial for purposes of interlocking directors.

Patents, Trademarks, Etc.

The Company registered the tradename "The Heritage Hotel Manila" with the Intellectual Property Office on 12 July 2000 under registration number 41995105127. Under current laws, the registration is valid for a term of 20 years, or up to 12 July 2020. The registration is renewable for another 10 years.

The Company is also authorized to use "The Heritage Hotel Manila" as its business name under its Articles of Incorporation.

The Company does not hold any other patent, trademark, copyright, license, franchise, concession or royalty agreement.

Government Approval and Regulation

The hotel applies for Department of Tourism ("DOT") accreditation annually. The accreditation is based on the 2012 Rules and Regulations to Govern the Accreditation of Accommodation Establishments of the DOT. The DOT inspects the hotel to determine whether the hotel meets the criteria of the DOT. The DOT accredited the hotel and the Company for the year 2013.

The Company is not aware of any new government regulation that may have a material impact on the operations of the Company during the fiscal year covered by this report.

Development Activities

The Company did not undertake any development activities during the last three fiscal years.

Number of Employees

The hotel employed a total of 335 employees during the year 2013. Out of the 335 employees, 196 are regular employees and 139 are casual employees.

The number of employees per type of employment is, as follows:

	REGULAR	CASUAL	TOTAL
Hotel Operating Staff (All operating dept)	140	103	243
Management/Admin/Security (A&G Dept)	22	27	49
Sales & Marketing	12	1	13
Repairs & Maintenance	22	8	30
Total	196	139	335

Barring any unforeseen circumstance, for the year 2014, the Company will maintain more or less the same number of employees as in year 2013.

There are no existing collective bargaining agreements between the Company and its employees.

Risks

The Company has exposure to various risks, including liquidity risk, credit risk and market risk. For discussions of these risks, see *Note 25 – Financial Risks and Capital Management* to the accompanying audited financial statements in Item 7.

OPERATIONAL AND FINANCIAL INFORMATION

Market for Company's Common Equity and Related Stockholder Matters

The common shares of the Company are listed on the Philippine Stock Exchange.

The following are the high and low share prices of the Company for the first quarter of 2014, and for the years 2013 and 2012 (Amount in Philippine Peso):

	HIGH	LOW	HIGH	LOW	HIGH	LOW
	2014	2014	2013	2013	2012	2012
First Quarter	No movement	No movement	No movement	No movement	70	26
Second Quarter			No movement	No movement	33	26.8
Third Quarter			No movement	No movement	45	40
Fourth Quarter			No movement	No movement	45	45

The last recorded trade of the shares of the Company during the fiscal year covered by this report occurred on 4th October 2012. The share price was PhP45.

Top Twenty (20) Stockholders

The top twenty (20) stockholders of record of the Company as of 31 March 2014, are as follows (to be updated):

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDING (INCLUSIVE OF TREASURY SHARES)
01	Grand Plaza Hotel Corp – Treasury stocks	32,616,051	37.35%
02	The Philippine Fund Limited	29,186,597	33.43%
03	Zatrio Pte Ltd	18,055,429	20.68%
04	PCD Nominee Filipino	6,669,081	7.64%
05	PCD Nominee Non-Filipino	231,313	0.26%
06	Alexander Sy Wong	35,143	0.04%
07	Yam Kit Seng	7,000	<0.01%
08	Phoon Lin Mui	7,000	<0.01%
09	Yam Kum Cheong	7,000	<0.01%
10	Yam Poh Choo	7,000	<0.01%
11	Lucas M. Nunag	4,800	<0.01%
12	Natividad Kwan	3,983	<0.01%
13	Yam Kit Sung	2,999	<0.01%
14	Le Ying Tan-Lao	2,799	<0.01%
15	Peter Kan	2,443	<0.01%
16	Romeo L. Salonga	2,400	<0.01%
17	Christopher Lim	2,239	<0.01%
18	Robert Uy	2,000	<0.01%
19	Certerio Uy	1,000	<0.01%
20	Rolando Umali	1,000	<0.01%
	Total	86,847,277	99.46%

The Company holds 32,616,051 shares as Treasury Stock, which comprises 37.35% of the Company's outstanding capital stock (inclusive of Treasury Stock).

Dividends

No dividends were declared for FY2013.

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.

Except for the restrictions provided by law (e.g., the availability of unrestricted retained earnings), there are no restrictions that limit the payment of dividends on the common shares.

Dividend Policy

The nature of the dividend, the dividend payment date and the amount of the dividend are determined and approved by the Company's Board of Directors.

Recent Sales of Unregistered or Exempt Securities

There were no recent sales of unregistered or exempt securities of the Company. All of the outstanding common shares of the Company are registered with the Securities and Exchange Commission pursuant to the Revised Securities Act (now Securities Regulation Code).

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Management's Discussion and Analysis of Financial Condition and Results of Operations

Top 5 Key Performance Indicators of the Company for the last 3 years:

	2013	2012	2011
Current ratio (Solvency ratio)	1.88	1.93	2.03
Debt/Equity	0.35	0.37	0.35
Assets/Equity	1.36	1.37	1.35
Profit before tax margin ratio	21.24%	34.06%	34.78%
Interest rate coverage ratio	NA	NA	NA

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

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. The current ratio has reduced during the year of review mainly due to lesser current assets especially in cash due to share buyback and lower profitability this year.

Debt to equity ratio measures a company financial leverage. It is derived by dividing total liabilities over equity. This ratio dropped by 0.02 versus last year due to lesser liabilities especially income tax payable.

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. There is no significant movement in this ratio.

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 has dropped by 13 percentage points due to the fact that one of the major

tenant, PAGCOR, has not renewed its Lease Agreement with the Company in July 2013. As such, rental income has dropped significantly.

Interest rate coverage ratio measures how easily a company can pay interest outstanding debts. It is calculated by dividing earnings before interest and tax over interest expense. The Company has no loans to third parties or related parties and as such, it has no interest expenses.

Management is not aware of:

- a. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company is not having or anticipate having within the next 12 months any cash flow or liquidity problems; and the Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. There is no significant amount of the Company's trade payables that have not been paid within the stated trade terms.
- b. Any events that will trigger direct or contingent financial obligations that is material to the Company, including any default or novation of an obligation.
- c. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- d. There are no material commitments for capital expenditures.
- e. 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 or revenues or income from continuing operations should be described.

Please see attached chart for the relationship between the Company and its ultimate parent company.

Financial Conditions:

The total assets and liabilities of the Company for the last 3 years are as follows:

YEAR	ASSETS – PHP'000	LIABILITIES – PHP'000
2013	1,363,125	357,905
2012	1,445,249	382,109
2011	1,526,631	397,319

2013 Financial Conditions

Total assets for the year 2013 decreased by Php82 million (5%) relative to the same period of last year. Total liabilities also decreased by Php24 million (6%) versus last year same period.

Assets:

- Cash and cash equivalents: This balance consists of cash and fixed deposits placed with banks. There is a decrease of Php76 million (27%) compared to the same period of last year. This is mainly due to payment of share buyback exercise amounting to Php142 million in second half of 2013 and lower revenue.
- Receivables net: This balance increased by Php18 million over same period last year due to increase receivables from a major tenant.
- Prepayments and other current assets: The increase of Php3.8 million over prior year is due to increase in input value added tax and some prepaid expenses.
- Property and equipment – net: This balance decreased by Php23 million which is mainly due to depreciation charges for the year.
- Deferred tax assets: This balance decreased mainly due to lower balance for retirement benefits.

Liabilities and Equity:

- Accounts payable and accrued expenses: This balance dropped by Php4.2 million compared with prior year and this is mainly due to lower trade payables which is consistent with the lower revenue.
- Due to related parties: There is repayment to related parties at year end for outstanding balances and as such, this balance dropped by Php4.7 million compared to the same period of last year.

- Income tax payable: Due to lower profit and the Company has sufficient creditable withholding tax, income tax payable is zero balance for last quarter.
- Refundable deposits: This represents deposits given by tenants to the Company for lease of space. There is a reduction of PhP2.1 million versus last year due to refund of certain deposit to a tenant.
- Accrued retirement liability: This balance represents accrual for retirement liability for employees in accordance to the actuarial report by valuer. This balance decreased PhP1.5 million relative to same period of last year.
- Treasury stock – There is an increase in treasury stock by PhP142 million versus last year and this is a result of the share buyback in 2013.

2012 Financial Conditions

Total assets for the year 2012 decreased by PhP78 million or 5% versus the same period last year. Total liabilities decreased by PhP5.2 million or 1.3%. The main decrease in assets is due to lower cash position.

Assets:

- Cash and cash equivalents: This balance consists of cash and fixed deposits placed with banks. There is a drop from PhP354.3 million to PhP282.6 million as a result of share buyback and cash dividend payments during the FY2012. The Company paid out PhP178.3 million in total for both dividends and share buyback.
- Receivables – net: There is an increase in this balance by PhP16 million (5%) The increase is mainly due to increase in VAT due from PAGCOR and also advances to contractor in connection with a renovation project.
- Due from related parties: In the normal course of business, the Company advances to its related companies for working capital purpose. There is a drop in the balance from PhP3.1 million to PhP1.1 million due to the related companies have settled their outstanding balances to the Company as at year end.
- Inventories: Inventories consist of food, general supplies, beverage and tobacco, engineering supplies. The increase in this balance by PhP1.9 million is due to increase in food inventory.
- Prepayments and other current assets: This balance consists of input value-added tax and prepaid expenses which are mainly insurance premium. There is an increase in balance by PhP1.1 million.
- Property and equipment – net: This balance decreased by PhP25.6 million (3%) and is attributable to the net effect of depreciation, disposal of fixed assets and addition of fixed assets during the year. Depreciation charges for the year is PhP38 million.

- **Deferred tax assets:** Deferred tax assets consist of retirement liability, deferred rental income, allowance for impairment loss on receivables and foreign exchange gain/loss. The increase in balance by PhP1.8 million (18%) is due to higher retirement liability.

Liability and Equity:

- **Accounts payable and accrued expenses:** This account consists mainly of trade payables, accrued payroll and accrued utilities. There is a decrease in accrued trade payables by PhP10.6 million (16%) due to lesser volume of business for this year.
- **Income tax payable:** Income tax payable fell by PhP5.1 million (25%) and this is consistent with the lower profit for this year.
- **Due to related parties:** There is a drop in this balance by PhP12.4 million (64%) and is because the Company has repaid some outstanding payables to its related companies.
- **Other current liabilities:** This balance consists of output VAT payable, deferred rental and withholding taxes payable. The increase in balance by PhP9 million (4%) is due to higher output VAT payables.
- **Accrued retirement liability:** There is an increase in PhP2.7 million (8%) due to provision for retirement liability for the year 2012.
- **Refundable deposit:** This balance is mainly for security deposits placed by tenants with the Company. The increase in balance by PhP3.5million (13%) is due to the deposit of a new tenant.
- **Treasury stock:** This pertains to the share buyback exercise conducted during the year. On 25th June 2012, the Board approved a share buyback exercise of 1 share for every 25 shares and at PhP50 per share.

2011 Financial Conditions

Total assets for the year 2011 increased by PhP59 million or 4% versus to last year. Total liabilities increased by PhP7.3 million or 1.8%. The main increase in assets is due to higher cash position.

Assets:

- **Cash and cash equivalents:** This balance includes cash on hand and also short-term placements with banks. This balance increased by PhP171 million (93%) over last year. The main reason is because in last year's financial statements, about PhP93 million was classified under non-current assets while this was re-classified back to cash in year 2011. In addition, due to better trading and no major spending, cash balance also improved.

- Due from related parties: This balance increased by PhP0.89 million (40%) as the related parties have not settled its obligation to the Company as at year end 2011.
- Inventories: There is a decrease of PhP0.76 million (5%) due to lower general supplies balance.
- Prepayments and other current assets: There is a fall of PhP2.2 million (14%) mainly due to lesser prepaid expenses for this year. The bulk of prepaid insurance in relation to the Surety Bond has been terminated in the 3rd quarter of year 2011 as there is no requirement for the Bond.
- Deferred tax assets – net: Deferred tax assets comprised of accrual of retirement expenses, foreign exchange difference gain, deferred rental income and provision for impairment losses on receivables. There is an increase of PhP1.43 million (16%) relative to the same period of last year. The increase is due to higher balance in retirement expenses and deferred rental income.
- Property and equipment – net: This balance decreased by PhP24 million (3%) due to depreciation charges for the year and offset by addition of fixed assets of PhP14 million.
- Other non-current assets: The main reason for the fall in this balance by PhP93 million (52%) is that in year 2010, there was a restricted cash balance of PhP93.7 million which in year 2011 was reclassified to cash.

Liabilities and Equity:

- Accounts payable and accrued expenses: This balance increased by PhP23 million or 38% mainly due to higher trade payables.
- Income tax payable: This balance increased by PhP3.7 million (23%) mainly due to higher taxable profit.
- Due to related parties: There is an increase in this balance by PhP11.4 million (144%) as the Company has not repaid the outstanding balances to its related companies.
- Other current liabilities: This balance decrease by PhP40.5 million (15%) as in year 2010, there was a balance of PhP54.6 million of dividend payable which was absent in this year 2011.
- Refundable deposits: This account pertains to deposits given by tenants and customers. The increase of PhP5.6 million (25%) is due to an increase in security deposit by one tenant.
- Accrued retirement liability: The increase in this balance by PhP3.4 million (11%) is due to the accrual of more retirement liability for the year in accordance to the Actuarist Report.

- Treasury stock: During the year 2011, the Company conducted a share buyback exercise with a share price of PhP50 per share and the ratio of 1 share for every 25 shares. The total amount is PhP123.7 million.

Results of Operations:

Revenue and Net Income After Tax ("NIAT") of the Company during the last 3 years are as follows:

YEAR	REVENUE – PHP'000	NIAT – PHP'000
2013	582,653	85,576
2012	687,318	165,476
2011	718,828	176,063

2014 Results of Operations

For the year 2013, the Company reported revenue of PhP582.6 million compared with PhP687.3 million in year 2012. Revenue dropped by PhP104.7 million (15%) while profit after tax decreased by PhP79.8 million (48%) versus prior year.

Revenue:

Rooms revenue decreased from PhP353 million to PhP336 million or PhP17 million (4%). The hotel managed to increase its occupancy from 64% to 66%, however, Average Room Rate (ARR) was lowered from PhP3,317 to PhP3,101 in order to compete. There are more new hotels in the market and the hotel has to reduce its ARR in order to attract guests.

Food and Beverage (F&B) revenue registered a fall from PhP183 million to PhP158 million or PhP25 million (13%). The negative variance is mainly due to the closure of PAGCOR operated casino in the hotel in July 2013. The hotel is able to increase its revenue for Riviera by PhP2 million against prior year and also banquet has increased its revenue by PhP2 million.

Other Operated Departments revenue decreased by PhP2.5 million (27%) from prior year

Others revenue consist mainly rental income and this segment fell by PhP60 million (42%) due to the closure of PAGCOR operated casino in July 2013.

Cost of sales:

Total cost of sales dropped by PhP5.3 million (8%) which is consistent with the lower F&B revenue for the year.

Gross Profit:

Gross profit showed a drop by PhP99.2 million (15%) due to lower revenue.

Selling Expenses:

Selling expenses consist of property operation, maintenance, energy and conservation, salaries, transport charges and commission. As compared to the prior year, there is a drop of Php3.4 million (1.6%). The decrease is mainly from lower headcount and as such, payroll cost has reduced.

Administrative Expenses:

Administrative expenses mainly consist of management and incentive fees, salaries, credit card commission and dues and subscription. There is an increase of Php18 million (10%) compared to last year and part of the increase is in payroll cost for sales and marketing as hotel has managed to fill up some vacant positions this year.

Other income/(expenses):

There is an increase from Php11.1 million to Php14.9 million or 34% as there is an exchange gain of Php7 million in this year versus last year of Php1.5 million.

Income Tax Expense:

Income tax expense decreased by Php30.3 million or 44% due to lower profit for the year.

Net Income After Tax:

Net income after tax fell from Php165 million to Php85 million as a result of lower revenue for the year.

2012 Results of Operations

For the year 2012, the Company registered a drop in revenue by Php31.5 million (4.3%) as compared to the same period of last year. Net income after tax recorded a fall of Php10.5 million (6%) relative to prior year.

Revenue:

Room revenue decreased from Php367.7 million to Php353.1 million or 3.8%. The fall in room revenue is mainly due to drop in occupancy from 67% in 2011 to 64% in 2012. As a result, Revenue Per Available Room (Revpar) also decreased by 4%. The unfavorable variance is due to the corporate segment but offset by the increase in package segment.

Food and Beverage (F&B) division also showed a fall in revenue from Php202.8 million to Php183 million or 9%. The 3 revenue centers, Riviera Café, Casino and Banquet registered the fall in revenue. With the opening of the Resort World Casino Manila, it drew away the regular casino players in the Hotel.

Others consisting mainly of rental from a tenant increased from Php136.8 million to Php141.8 million or 3.5% due to higher rental and a new tenant.

Cost of sales:

Total cost of sales does not show any material variance as compared to prior year.

Gross Profit:

Gross profit showed a drop by PhP30.8 million or 4.7% due to lower revenue.

Selling Expenses:

Selling expenses consist of property operation, maintenance, energy and conservation, salaries, transport charges and commission. As compared to the prior year, there is an increase from PhP213.6 million to PhP217.8 million or PhP4.1 million (1.9%). The variance is attributable to increase in salaries and property operation, maintenance, energy and conservation.

Administrative Expenses:

Administrative expenses mainly consist of management and incentive fees, salaries, credit card commission and dues and subscription. There is a drop from PhP196.8million to PhP181.3 million and this is attributable to the lower management and incentive fees which is consistent with the lower hotel revenue and gross operating profit for the year.

Other income/(expenses):

There is an increase from PhP7.5 million to PhP11.1 million or 47% as there is an exchange gain of PhP1.5 million in this year versus last year with a loss of PhP2 million.

Income Tax Expense:

Income tax expense decreased by PhP5.3 million or 7.2% due to lower profit for the year.

Net Income After Tax:

Net income after tax fell from PhP176 million to PhP165 million as a result of lower revenue for the year.

2011 Results of operations

For the year under review, the Company showed a modest growth in revenue of PhP39 million or 5.7% compared to last year. However, the net income after tax slightly increased by PhP2.5 million or 1% due to rising inflation.

Revenue:

Room revenue improved by PhP6.2 million or 1.7% compared to last year. Occupancy improved from 63% to 67% while Average Room Rate showed a drop of 4%. The growth in room revenue is derived mainly from the group and airline crews segments.

F&B revenue improved by PhP11 million or 5% over the same period of last year. The improvement in F&B is shown in Riviera, Casino and lobby lounge outlets. Casino registered the strongest growth of PhP11.6 million or 27% compared to last year.

Other operated departments registered a minor growth of PhP0.16 million while other revenue increased by PhP21.4 million or 18% due to higher rental for a new tenant.

Cost of sales:

F&B cost of sales showed an increase of PhP5 million or 8% which is consistent with the higher F&B revenue.

Gross Profit:

Gross profit is derived after deducting cost of sales from revenue. There is an improvement in gross profit by 5.5 % as compared with year 2010. This is due to higher revenue contribution.

Selling Expenses:

Selling expenses increased by PhP17.6 million or 9% over last year. One of the main reasons for the increment is due to higher property operation, maintenance, energy and conservation expenses which increased by PhP10.5 million due to higher electricity rate this year. In addition, payroll and related expenses also increased by PhP2.6 million due to salary increase.

Administrative Expenses:

Administrative expenses increased by PhP9.8 million or 5% due to higher payroll and related expenses and professional fees.

Other Income/(Expenses):

This consists mainly of interest income and foreign exchange gain or loss. There is a fall of PhP2.9 million or 28% due to the fact that in year 2010, there was recognition of other income from purchase of Tax Credit Certificate.

Net Income before tax:

This is the income before tax but after deduction of all expenses. There is an increase of PhP3.8 million in year 2011 as compared to last year. The favorable variance is due to higher revenue.

Provision for income tax:

Total provision for income tax for year 2011 is PhP73.9 million (2010: PhP72.5 million). This increase in provision is consistent with the higher profit.

Net Income:

As a result of the significantly higher revenue, the profit after tax of the Company showed an increase of PhP2.5 million.

PROSPECTS FOR YEAR 2014:

PAGCOR's contract of lease with the Hotel has expired in July 2013 and the impact is felt on the Company's profitability.

We are continuing the Profit Improvement Plan measures in order to sustain the profit of the Company. The goal of the Company for year 2014 is to meet the budget and to achieve this goal, management is focusing on Profit Improvement Plan and Revenue Management whereby we will strengthen the sales team and focus on key corporate accounts and work with strategic partners

to improve the sales. At the same time, the Company will continue to monitor its cost base and overheads to ensure that the Company is competitive.

Risks

The Company has exposure to various risks, including liquidity risk, credit risk and market risk. For discussions of these risks, see *Note 25 – Financial Risks and Capital Management* to the Company's audited financial statements.

Financial Statements

The Company's audited financial statements for the year ended 31 December 2013 are attached hereto as Annex "A". Please refer also to the accompanying notes to the audited financial statements.

External Audit Fees and Services

The Company paid Php620,000 for 2013 and 2012, each year, for the audit of the Company's annual financial statements or services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those fiscal years.

The Company has paid no other audit-related fees and other fees to its independent auditor in the previous years. For the year 2014, the Company estimates to pay audit fees in the amount of Php650,000 to its independent auditor.

Audit Committee's approval policy and procedure for the external audit fees and services

The Company's Management presents the proposed audit fees for the year of review and the previous year for deliberation by the Audit Committee before the Audit Committee approves it.

Change in and disagreements with accountants on accounting and financial disclosure

There are no changes and/or disagreements with the accountants of the Company or of the Hotel on any matter relating to accounting principles or practices, financial disclosures, auditing scope and procedure.

Upon written request of any shareholder of record entitled to notice of and vote at the meeting, the Company shall furnish such shareholder with a copy of the Company's Annual Report on SEC Form 17-A without charge. Any such written request shall be addressed to:

GRAND PLAZA HOTEL CORPORATION
10/F, The Heritage Hotel Manila
Roxas Boulevard cor. EDSA Extension
Pasay City

Attention: Mr. Yam Kit Sung
General Manager and Chief Financial Officer

SCHEDULES SUPPORTING FINANCIAL STATEMENTS

- a. Marketable Securities**
This is not applicable to the Company.
- b. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)**
No significant amount is involved. No separate schedule is attached.
- c. Non-Current Marketable Equity Securities, Other Long Term Investments in Stock, and Other Investments.**
This is not applicable to the Company.
- d. Indebtedness of Unconsolidated Subsidiaries And Affiliates**
This is not applicable to the Company.
- e. Property, Plant and Equipment**
See Note 10 of the Financial Statements.
- f. Accumulated Depreciation**
See Note 10 of the Financial Statements.
- g. Intangible Assets - Other Assets**
This is not applicable to the Company.
- h. Long Term Debt**
This is not applicable to the Company.
- i. Indebtedness to Affiliates and Related Parties (Long Term loans from related companies)**
Attached is the Company's Audited Financial Statements for the fiscal year ended 31 December 2013, 2012, and 2011 reflecting under Note 9 the loan advanced to Rogo Realty Corporation ("RRC") collateralized by RRC's investment in shares of stock and Note 14 on Related Party Transactions.
- j. Guarantees of Securities of Other Issuers**
This is not applicable to the Company.
- k. Capital Stock**
Attached is the list of top 100 stockholders of the Company, comprising of 99.55% of the Company's total shares outstanding as at 31 March 2014.
- l. Additional Components**
Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration; Map of the Group; Schedule of Philippine Financial Reporting Standards; and Supplementary Schedules of Annex 68-E.

GRAND PLAZA HOTEL CORPORATION

11 February 2014

Statement of Management's Responsibility For Financial Statements

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong

The management of **GRAND PLAZA HOTEL CORPORATION** is responsible for all information and representations contained in the financial statements as of and for the years ended December 31, 2013, 2012 and 2011. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the Company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the Company.

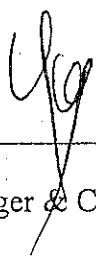
KPMG Manabat Sanagustin & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with generally accepted auditing standards in the Philippines and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors and Stockholders.

10 Floor, The Heritage Hotel Manila, Roxas Blvd cor. EDSA Extension Pasay City

Tel: 854 8838 Fax: 854 8825

A MEMBER OF THE HONG LEONG GROUP SINGAPORE

Wong Hong Ren
Chairman and President


Yam Kit Sung
General Manager & Chief Financial Officer

Subscribed and sworn to before me a notary public for and in the City of TAGUIG CITY this
day 5 FEB 07 2014 2014, the signatories exhibiting to me their Community Tax
Certificates/Passports details of which are as follows:

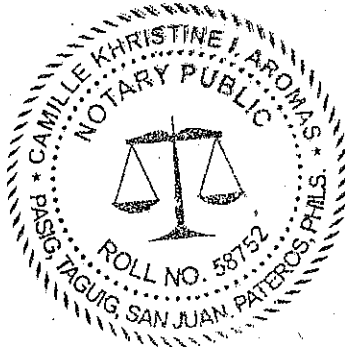
Name	Community Tax Certificate/ Passport Number	Date	Place of Issue
------	---	------	----------------

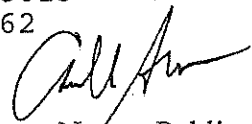
Wong Hong Ren


Yam Kit Sung

Passport No. 7023301J
TIN No. 909-330-062

Doc. No. 149
Page No. 31
Book No. III
Series of 2014




Notary Public
CAMILLE KRISTINE I. AROMAS
Notary Public
Taguig, Pasig, San Juan and Pateros
Appointment No. 174, Until December 31, 2014
12th Floor, Net One Center, 26th St. cor. 3rd Avenue
Crescent Park West, Bonifacio Global City, Taguig
Roll of Atty. No. 58752
PTR No. A-2024388; 1/08/2014; Taguig City
IBP Lifetime No. 010003; 5/05/2011; RSM
MCLE Compliance No. IV-0018533; 23/4/2013

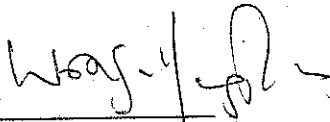
GRAND PLAZA HOTEL CORPORATION

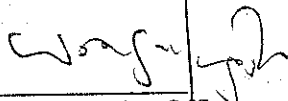
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Grand Plaza Hotel Corporation, (the Company), is responsible for the preparation and fair presentation of the financial statements as at and for the years ended **December 31, 2013 and 2012**, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

R. G. Manabat Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

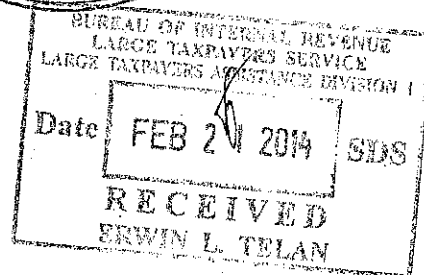
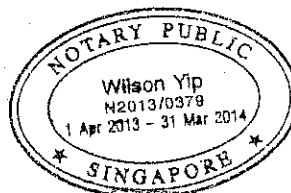
Signature 
Wong Hong Ren, Chairman of the Board

Signature 
Wong Hong Ren, Chief Executive Officer

Signature _____
Yam Kit Sung, Chief Financial Officer

Signed this 7th day of February 2014

notary attestation



GRAND PLAZA HOTEL CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Grand Plaza Hotel Corporation, (the **Company**), is responsible for the preparation and fair presentation of the financial statements as at and for the years ended **December 31, 2013 and 2012**, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

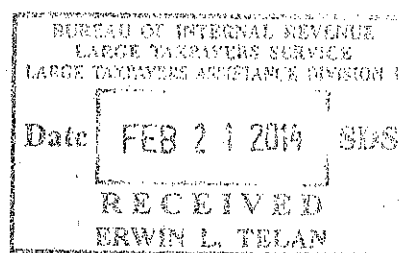
The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

R. G. Manabat Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature _____
Wong Hong Ren, Chairman of the Board

Signature _____
Wong Hong Ren, Chief Executive Officer

Signature _____
Yam Kit Sung, Chief Financial Officer



Signed this 6th day of February 2014

GRAND PLAZA HOTEL CORPORATION
STATEMENTS OF FINANCIAL POSITION

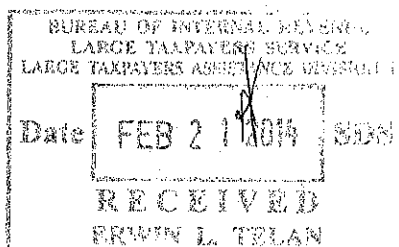
		2012		
		December 31	December 31	January 1
	Note	2013	(As restated - see Note 27)	(As restated - see Note 27)
ASSETS				
Current Assets				
Cash and cash equivalents	4, 25	P205,890,655	P282,627,393	P354,346,636
Receivables - net	5, 14, 25	322,009,422	304,042,397	289,457,654
Loan receivable	9, 14, 25	15,500,000	15,500,000	15,500,000
Due from related parties	14, 25	1,885,100	2,128,022	3,104,245
Inventories	6	13,582,447	14,560,701	12,590,052
Prepaid expenses and other current assets	7	18,482,934	14,671,313	13,556,076
Total Current Assets		577,350,558	633,529,826	688,554,663
Noncurrent Assets				
Property and equipment - net	10	647,640,324	670,837,987	696,497,186
Investment in an associate	8, 14	48,467,138	47,856,099	47,400,841
Deferred tax assets - net	21, 27	5,571,856	8,929,599	8,686,548
Other noncurrent assets	11, 14, 19, 25	84,095,791	84,095,791	84,095,791
Total Noncurrent Assets		785,775,109	811,719,476	836,680,366
		P1,363,125,667	P1,445,249,302	P1,525,235,029
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	12, 14, 25	P77,567,689	P81,778,891	P83,754,423
Due to related parties	14, 19, 25	2,115,421	6,843,486	19,329,331
Income tax payable		-	14,731,884	19,901,903
Other current liabilities	13, 25	227,186,550	224,095,289	215,947,873
Total Current Liabilities		306,869,660	327,449,550	338,933,530
Noncurrent Liabilities				
Refundable deposits	19	29,120,790	31,231,875	27,655,055
Accrued retirement benefits liability	20, 27	21,914,777	23,428,474	26,077,462
Total Noncurrent Liabilities		51,035,567	54,660,349	53,732,517
Total Liabilities		357,905,227	382,109,899	392,666,047
Equity				
Capital stock		873,182,700	873,182,700	873,182,700
Additional paid-in capital		14,657,517	14,657,517	14,657,517
Remeasurement gains on defined benefit plan	20, 27	6,085,245	7,114,234	3,257,477
Retained earnings:				
Appropriated	22	1,630,777,870	1,488,311,220	1,369,513,270
Unappropriated	24, 27	111,294,978	168,184,952	241,471,288
Treasury stock	23	(1,630,777,870)	(1,488,311,220)	(1,369,513,270)
Total Equity		1,005,220,440	1,063,139,403	1,132,568,982
		P1,363,125,667	P1,445,249,302	P1,525,235,029

See Notes to the Financial Statements.

GRAND PLAZA HOTEL CORPORATION
STATEMENTS OF PROFIT OR LOSS

		Years Ended December 31		
		2012	2011	
	Note	(As restated - see Note 27)	(As restated - see Note 27)	
REVENUES				
Rooms		P336,688,055	P353,134,536	P367,797,598
Food and beverage		158,290,397	183,057,051	203,305,340
Other operating departments		6,665,324	9,233,265	10,827,511
Others	19	81,009,951	141,893,873	136,897,660
		582,653,727	687,318,725	718,828,109
COST OF SALES AND SERVICES	15			
Food and beverage		56,283,435	60,673,470	61,942,665
Other operating departments		3,466,534	4,461,453	3,845,761
		59,749,969	65,134,923	65,788,426
		522,903,758	622,183,802	653,039,683
SELLING EXPENSES	16, 27	214,534,010	218,024,030	213,676,025
ADMINISTRATIVE EXPENSES	17	199,528,308	181,334,125	196,887,450
		414,062,318	399,358,155	410,563,475
NET OPERATING INCOME		108,841,440	222,825,647	242,476,208
OTHER INCOME (EXPENSES)				
Interest income	4, 9, 14	7,125,401	9,567,316	9,114,225
Foreign exchange gain (loss)		7,126,239	1,504,399	(2,087,781)
Equity in net income of an associate	8	611,039	455,258	307,867
Others		76,700	(414,424)	213,835
		14,939,379	11,112,549	7,548,146
INCOME BEFORE INCOME TAX		123,780,819	233,938,196	250,024,354
INCOME TAX EXPENSE	21	38,204,143	68,571,560	73,960,628
NET INCOME		P85,576,676	P165,366,636	P176,063,726
Basic and Diluted Earnings Per Share	18	P1.53	P2.83	P2.89

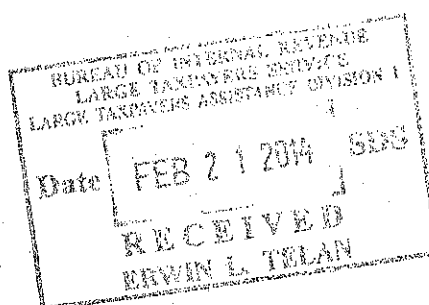
See Notes to the Financial Statements.



GRAND PLAZA HOTEL CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31			
		2012	2011
	Note	2013	(As restated - see Note 27)
NET INCOME		P85,576,676	P165,366,636
OTHER COMPREHENSIVE INCOME (LOSS)	20, 27		(As restated - see Note 27)
Remeasurement of net defined benefit plan		(1,469,984)	5,509,652
Income tax relating to an item that will not be reclassified subsequently		440,995	(1,652,895)
		(1,028,989)	3,257,477
TOTAL COMPREHENSIVE INCOME		P84,547,687	P169,223,393

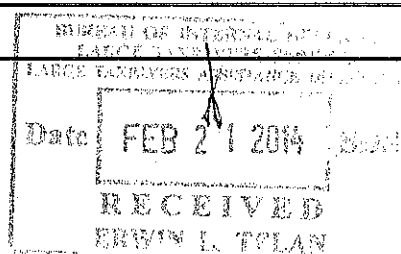
See Notes to the Financial Statements.



GRAND PLAZA HOTEL CORPORATION
STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2013	2012 (As restated - see Note 27)	2011 (As restated - see Note 27)
CAPITAL STOCK	23			
Common stock - P10 par value:				
Authorized - 115,000,000 shares				
Issued - 87,318,270 shares		P873,182,700	P873,182,700	P873,182,700
ADDITIONAL PAID-IN CAPITAL		14,657,517	14,657,517	14,657,517
REMEASUREMENT GAINS ON DEFINED BENEFIT PLAN - Net of Tax	20, 27			
Balance at the beginning of year		7,114,234	3,257,477	-
Movement during the year		(1,028,989)	3,856,757	3,257,477
Balance at end of year		6,085,245	7,114,234	3,257,477
RETAINED EARNINGS				
Appropriation for acquisition of treasury stock				
Balance at beginning of year		1,488,311,220	1,369,513,270	1,245,759,170
Additions during the year	22	142,466,650	118,797,950	123,754,100
Balance at end of year		1,630,777,870	1,488,311,220	1,369,513,270
Unappropriated				
Balance at beginning of year	27	168,184,952	241,471,288	189,161,662
Net income for the year		85,576,676	165,366,636	176,063,726
Appropriation during the year	22	(142,466,650)	(118,797,950)	(123,754,100)
Dividends declared during the year	24	-	(119,855,022)	-
Balance at end of year		111,294,978	168,184,952	241,471,288
		1,742,072,848	1,656,496,172	1,610,984,558
TREASURY STOCK, At Cost -				
32,616,051 shares, 29,766,718 shares, and 27,390,759 shares in 2013, 2012 and 2011, respectively	23			
Balance at beginning of year		(1,488,311,220)	(1,369,513,270)	(1,245,759,170)
Acquisition of treasury stock during the year	22, 23	(142,466,650)	(118,797,950)	(123,754,100)
Balance at end of year		(1,630,777,870)	(1,488,311,220)	(1,369,513,270)
		P1,005,220,440	P1,063,139,403	P1,132,568,982

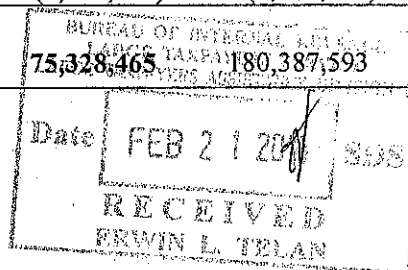
See Notes to the Financial Statements.



GRAND PLAZA HOTEL CORPORATION
STATEMENTS OF CASH FLOWS

		Years Ended December 31		
		2012	2011	
	Note	(As restated - see Note 27)	(As restated - see Note 27)	
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Income before income tax		P123,780,819	P233,938,196	P250,024,354
Adjustments for:				
Depreciation and amortization	10, 17	36,293,759	37,563,273	38,360,257
Retirement benefits cost	20	2,824,844	3,876,365	3,837,572
Provision for (recovery of) impairment losses on receivables	25	27,260	(50,045)	(173,869)
Interest income	4, 9, 14	(7,125,401)	(9,567,316)	(9,114,225)
Unrealized foreign exchange loss (gain)		(3,497,543)	1,135,365	2,196,862
Equity in net income of an associate	8	(611,039)	(455,258)	(307,867)
Loss on disposal of property and equipment		-	433,175	-
Dividend income		-	(18,750)	-
Operating income before working capital changes		151,692,699	266,855,005	284,823,084
Decrease (increase) in:				
Receivables		(13,509,900)	(17,901,160)	(13,225,736)
Inventories		978,254	(1,970,649)	761,540
Due from related parties		242,922	976,223	(895,005)
Prepaid expenses and other current assets		(2,686,903)	(14,575,351)	(10,886,605)
Other noncurrent assets		-	-	93,783,783
Increase (decrease) in:				
Accounts payable and accrued expenses		(4,211,202)	(1,975,533)	22,859,178
Due to related parties		(4,728,066)	(12,485,845)	11,412,236
Refundable deposits		(2,111,085)	3,576,820	5,623,444
Other current liabilities		3,091,261	8,147,416	14,123,234
Cash generated from operations		128,757,980	230,646,926	408,379,153
Interest received		2,641,017	12,933,778	16,164,213
Income taxes paid		(50,262,007)	(62,177,410)	(58,278,333)
Retirement benefits paid	20	(5,808,525)	(1,015,701)	(421,998)
Net cash provided by operating activities		75,328,465	180,387,593	365,843,035

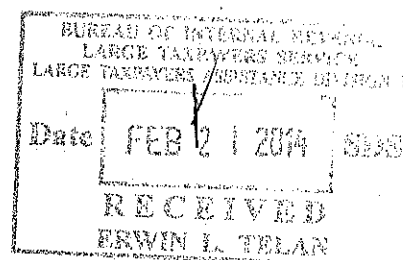
Forward



Years Ended December 31

			2012 (As restated - see Note 27)	2011 (As restated - see Note 27)
	<i>Note</i>	2013		
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	10	(P13,096,096)	(P13,471,050)	(P14,135,881)
Proceeds from disposal of property and equipment		-	1,133,801	-
Dividend received		-	18,750	-
Net cash used in investing activities		(13,096,096)	(12,318,499)	(14,135,881)
CASH FLOWS FROM FINANCING ACTIVITIES				
Acquisition of treasury stock	23	(142,466,650)	(118,797,950)	(123,754,100)
Dividends paid	24	-	(119,855,022)	(54,690,042)
Net cash used in financing activities		(142,466,650)	(238,652,972)	(178,444,142)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		3,497,543	(1,135,365)	(2,196,862)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(76,736,738)	(71,719,243)	171,066,150
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
	4	282,627,393	354,346,636	183,280,486
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	4	P205,890,655	P282,627,393	P354,346,636

See Notes to the Financial Statements.



GRAND PLAZA HOTEL CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Grand Plaza Hotel Corporation (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 9, 1989 primarily to own, lease or manage one or more hotels, inns or resorts, all adjuncts and accessories thereto; and all other tourist-oriented businesses as may be necessary in connection therewith. The Company is a public company under Section 17.2 of the Securities Regulation Code and its shares are listed on the Philippine Stock Exchange (PSE). The Company is 54% owned by The Philippine Fund Limited (TPFL), a corporation organized in the Islands of Bermuda. The ultimate parent of the Company is Hong Leong Investment Holdings Pte Ltd., a corporation organized in Singapore.

The Company owns and operates The Heritage Hotel (the "Hotel"), its only operating segment, which is a deluxe class hotel that offers 450 rooms and facilities and amenities such as restaurants, function halls, and a coffee shop. The address of the Company's registered and principal office is located at the 10th Floor, The Heritage Hotel Manila, EDSA corner Roxas Boulevard, Pasay City.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC).

The financial statements as at and for the year ended December 31, 2013 were approved and authorized for issue by the Board of Directors (BOD) on February 11, 2014.

Basis of Measurement

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

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 off to the nearest peso, except when otherwise stated.

Use of Estimates and Judgments

The preparation of financial statements in accordance with PFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

Judgments are made by management on the developments, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

The following presents the summary of these judgments and estimates, which have the most significant effect on the amounts recognized in the financial statements:

Determining Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency has been determined to be the Philippine peso. It is the currency that mainly influences the sales price of goods and services and the costs of providing these goods and services.

Determining Lease Agreements

Operating Lease - Company as Lessor

The Company has entered into a lease of its commercial spaces. The Company has determined that it retains all significant risks and rewards of ownership of these spaces which are leased out under operating leases arrangements (see Note 19).

Operating Lease - Company as Lessee

The Company has entered into a lease of land. All the significant risks and rewards of ownership of the leased land remain with the lessor, since the leased property, together with the buildings thereon, and all attached permanent fixtures will be returned to the lessor upon the termination of the lease (see Note 19).

Estimating Allowance for Impairment Losses on Receivables

The Company maintains an allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the customers, customers' payment behavior and known market factors. The Company reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a regular basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase the recorded administrative expenses and decrease current assets.

As of December 31, 2013 and 2012, allowance for impairment losses on trade receivables amounted to P155,621 and P128,361, respectively (see Note 5). As at December 31, 2012 and 2011, the carrying amount of receivables amounted to P322,009,422 and P304,042,397 (see Note 5).

Estimating Net Realizable Value of Inventories

In determining the net realizable value of inventories, the Company considers inventory obsolescence, physical deterioration, physical damage and changes in price levels or other causes based on specific identification and as determined by management for inventories estimated to be salable in the future. The Company adjusts the cost of inventory to recoverable value at a level considered adequate to reflect market decline in value of the recorded inventories. The Company reviews its inventories on a regular basis to identify those which are to be written down to net realizable values.

Inventories, at lower of cost and net realizable value, amounted to P13,582,447 and P14,560,701 as at December 31, 2013 and 2012, respectively (see Note 6).

Estimating Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property and equipment is based on collective assessment of internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

As at December 31, 2013 and 2012, the carrying amount of property and equipment amounted to P647,640,324 and P670,837,987, respectively (see Note 10).

Estimating Realizability of Deferred Tax Assets

The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company also reviews the expected timing and tax rates upon reversal of temporary differences and adjusts the impact of deferred tax accordingly.

As at December 31, 2013 and 2012, the Company's deferred tax assets amounted to P9,229,081 and P11,978,556, respectively (see Note 21).

Estimating Retirement Benefits Obligations

The determination of the obligation and retirement benefits cost is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates.

The Company's retirement benefits liability amounted to P21,914,777 and P23,428,474 as at December 31, 2013 and 2012, respectively. In 2013 and 2012, the retirement benefits cost amounted to P2,824,844 and P3,876,365, respectively. Cumulative actuarial loss amounted to P8,693,207 and P10,163,191 as at December 31, 2013 and 2012, respectively (see Note 20).

Estimating Allowance for Impairment Losses on Nonfinancial Assets

The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of such asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

There were no impairment losses on the Company's nonfinancial assets recognized as at December 31, 2013 and 2012, respectively.

Estimating Provisions and Contingencies

The Company, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations in accordance with its policies on provisions and contingencies. The estimate of the probable costs for the resolution of possible claims has been developed in consultation with its legal counsel and is based upon an analysis of potential results.

There were no provisions or contingencies recognized as at December 31, 2013 and 2012, respectively.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all the years presented in these financial statements, except for the changes in accounting policies as explained below.

Adoption of New and Revised Standards, Amendments to Standards and Interpretations

The Company has adopted the following amendments to standards and interpretations starting January 1, 2013 and accordingly, changed its accounting policies. Except for PAS 19, *Employee Benefits* (Amended 2011), the adoption of these amendments to standards and interpretations did not have any significant impact on the Company's financial statements.

- PAS 19, *Employee Benefits* (Amended 2011). The amended PAS 19 includes the following requirements:
 - actuarial gains and losses are recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which is currently allowed under PAS 19; and
 - expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

The impact of the adoption of these amendments is presented in Note 27.

- *Presentation of Items of Other Comprehensive Income* (Amendments to PAS 1). The amendments:
 - require that an entity presents separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss;
 - do not change the existing option to present profit or loss and other comprehensive income in two statements; and
 - change the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. However, an entity is still allowed to use other titles.

The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other PFRSs continue to apply in this regard.

- *Disclosures: Offsetting Financial Assets and Financial Liabilities* (Amendments to PFRS 7). These amendments include minimum disclosure requirements related to financial assets and financial liabilities that are:

- offset in the statement of financial position; or
- subject to enforceable master netting arrangements or similar agreements.

They include a tabular reconciliation of gross and net amounts of financial assets and financial liabilities, separately showing amounts offset and not offset in the statement of financial position.

- PFRS 12, *Disclosure of Interests in Other Entities*, contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e., joint operations or joint ventures), associates and/or unconsolidated structured entities, aiming to provide information to enable users to evaluate:

- the nature of, and risks associated with, an entity's interests in other entities; and
- the effects of those interests on the entity's financial position, financial performance and cash flows.

- PFRS 13, *Fair Value Measurement*, replaces the fair value measurement guidance contained in individual PFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other PFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- PAS 28, *Investments in Associates and Joint Ventures* (2011)

PAS 28 (2011) supersedes PAS 28 (2008), *Investments in Associates*. PAS 28 (2011) makes the following amendments:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and
- on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or *vice versa*, the entity does not remeasure the retained interest.

- *Annual Improvements to PFRSs 2009 - 2011 Cycle* - various standards contain amendments to five standards with consequential amendments to other standards and interpretations. The following are the said improvements or amendments to PFRSs, none of which has a significant effect on the financial statements of the Company:

- PAS 1, *Presentation of Financial Statements* - Comparative Information beyond Minimum Requirements. This is amended to clarify that only one comparative period - which is the preceding period - is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with PFRSs.

For example, if an entity elects to present a third statement of comprehensive income, then this additional statement should be accompanied by all related notes, and all such additional information should be in accordance with PFRSs. However, the entity need not present:

- other primary statements for that additional comparative period, such as a third statement of cash flows; or
- the notes related to these other primary statements.

New and Revised Standards, Amendments to Standards and Interpretations Not Yet Adopted

A number of new and revised standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, and have not been applied in preparing these financial statements. Except as otherwise indicated, none of these is expected to have a significant effect on the financial statements. Those which may be relevant to the Company.

The Company will adopt the following new and revised standards, amendments or improvements to standards in the respective effective dates:

To be Adopted on January 1, 2014

- *Offsetting Financial Assets and Financial Liabilities (Amendments to PAS 32)*. These amendments clarify that:
 - An entity currently has a legally enforceable right to set-off if that right is:
 - not contingent on a future event; and
 - enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.
 - Gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that:
 - eliminate or result in insignificant credit and liquidity risk; and
 - process receivables and payables in a single settlement process or cycle.

These amendments are effective for annual periods beginning on or after January 1, 2014 and are to be applied retrospectively.

To be Adopted (No definite date - Originally January 1, 2015)

- PFRS 9, *Financial Instruments* (2009), PFRS 9, *Financial Instruments* (2010) and PFRS 9, *Financial Instruments* (2013)

PFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under PFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. PFRS 9 (2010) introduces additions relating to financial liabilities.

PFRS 9 (2013) introduces the following amendments:

- A substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements;

- Changes to address the so-called 'own credit' issue that were already included in PFRS 9 *Financial Instruments* to be applied in isolation without the need to change any other accounting for financial instruments; and
- Removes the January 1, 2015 mandatory effective date of PFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

The IASB is currently discussing some limited amendments to the classification and measurement requirements in IFRS 9 and is also discussing the expected credit loss impairment model to be included in IFRS 9. Once those deliberations are complete the IASB expects to publish a final version of IFRS 9 that will include all of the phases: Classification and Measurement; Impairment and Hedge Accounting. That version of IFRS 9 will include a new mandatory effective date.

Financial Instruments

Non-derivative Financial Instruments

Non-derivative financial instruments consist of cash and cash equivalents, receivables, loan receivable, due from related parties, deposits (included under other noncurrent 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, financial assets at FVPL 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 financial assets 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 deposits.

Cash includes cash on hand and 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 rate 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.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) principle, and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses. Obsolete inventories are disposed of and related costs are recognized in profit or loss.

Investment in an Associate

An associate is an entity in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.

Investment in an associate is accounted for under the equity method of accounting and is recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the associate after the date of acquisition until such time the Company loses its significant influence. The Company's share of the profit or loss of the associate is recognized as "Equity in net income of an associate" in profit or loss.

The Company discontinues applying the equity method when its investment in the investee company is reduced to zero. Accordingly, additional losses are not recognized unless the Company has guaranteed certain obligations of the investee company. When the investee company subsequently reports net income, the Company will resume applying the equity method but only after its share in net income equals the share in net losses not recognized during the period the equity method was suspended.

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation, amortization and impairment losses, if any.

Initially, an item of property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to working condition. Subsequent expenditures are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Company. The costs of day-to-day servicing an asset are recognized in profit or loss in the period in which they are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of property and equipment. Leasehold improvements are amortized over the estimated useful lives or the term of the lease, whichever is shorter.

The estimated useful lives are as follows:

	Number of Years
Building and building improvements	46 - 50
Furniture, fixtures and equipment	5 - 10
Transportation equipment	5
Leasehold improvements	5 or term of the lease whichever is shorter

Estimated useful lives and depreciation and amortization methods are reviewed at each reporting date to ensure that they are consistent with the expected pattern of economic benefits from these assets.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment

Financial Assets

Financial assets are reviewed for impairment at each reporting date.

Assets Carried at Amortized Cost. If there is objective evidence that an impairment loss on receivable carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognized in profit or loss. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of impairment. For the purpose of specific evaluation of impairment, the Company assesses whether financial assets are impaired through assessment of collectability of financial assets considering the debtor's capacity to pay, history of payment, and the availability of other financial support. For the purpose of collective evaluation of impairment, if necessary, financial assets are grouped on the basis of such credit risk characteristics such as debtor type, payment history, past-due status and terms.

Assets Carried at Cost. If there is objective evidence that an impairment loss is incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Nonfinancial Assets

The carrying amounts of the Company's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU, while fair value less costs to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets or CGUs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Capital Stock

Capital stock are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefit.

Treasury Stock

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in additional paid-in capital.

Retained Earnings

The amount included in retained earnings includes earnings attributable to the Company's equity holders and reduced by dividends, if any, on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are declared by the Company's stockholders. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting date.

Retained earnings may also include prior year adjustments and the effect of changes in accounting policies as may be required by the standards' transitional provisions.

Revenue and Expense Recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. The following specific recognition criteria must also be met before revenue is recognized:

Room Revenue: Revenue is recognized upon actual room occupancy.

Food and Beverage: Revenue is recognized upon delivery of order.

Other Operating Departments: Revenue is recognized upon rendering of service.

Other Income: Rent income from operating lease is recognized on a straight-line basis over the lease term.

Interest income which is presented net of tax, is recognized when earned.

Costs and expenses are recognized when incurred.

Foreign Currency Transactions

Transactions in foreign currencies are translated to Philippine peso based on the prevailing exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at the reporting date. The resulting foreign exchange gains or losses are recognized in profit or loss.

Operating Leases - Company as Lessee

The Company leases the land it occupies from a related party under a long-term lease agreement. Management has determined that all significant risks and rewards of this property remain with the lessor. Accordingly, such lease is accounted for as operating lease.

Operating Leases - Company as Lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Rent income from operating leases is recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as rent income. Contingent rents are recognized as income in the period in which they are earned.

Taxes

Income tax expense is composed of current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at reporting date.

Deferred Tax

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and the carryforward tax benefits of unused net operating loss carryover (NOLCO) and unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the carryforward tax benefits of unused NOLCO and unused tax credits from excess MCIT can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recognized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and the deferred taxes relate to the same tax authority on the same taxable entity.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services are not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with amount of VAT included.

The input and output VAT are presented at gross and included under prepaid expenses and other current assets and other current liabilities in the statements of financial position.

Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) for its common shares. Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends declared during the year, if any. Diluted EPS is determined by adjusting the net income for the effects of all dilutive potential shares.

Related Parties

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities.

Retirement Costs

The Company's net obligation in respect of the defined benefit plans is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

Any event after the reporting date that provide additional information about the Company's financial position at the reporting date (adjusting events) is recognized in the financial statements when material. Any event after the reporting date that is not an adjusting event is disclosed in the notes to the financial statements when material.

4. Cash and Cash Equivalents

This account consists of:

	<i>Note</i>	2013	2012
Cash on hand and in banks		P21,996,327	P17,548,366
Short-term investments		183,894,328	265,079,027
	25	P205,890,655	P282,627,393

Cash in banks earns interest at the prevailing bank deposit rates. Short-term investments consist mainly of time deposits which earn interest ranging from .12% to .5% in 2013 and 2012. Interest income earned amounted to P2,450,401, P4,892,320 and P4,439,229 as at December 31, 2013, 2012 and 2011, respectively.

5. Receivables

This account consists of:

	<i>Note</i>	2013	2012
Trade			
Receivables from Philippine Amusement and Gaming Corporation (PAGCOR)		P232,582,149	P228,521,008
Charge customers	25	30,953,275	33,790,343
Others		10,309,653	8,969,364
		273,845,077	271,280,715
Interest	14	19,047,150	13,832,218
Utility charges		17,434,978	7,385,164
Advances to contractors		7,883,525	8,587,101
Advances to employees		1,286,382	549,066
Others		2,667,931	2,536,494
		322,165,043	304,170,758
Less allowance for impairment losses on trade receivables	25	155,621	128,361
	25	P322,009,422	P304,042,397

Trade receivables are non-interest bearing and are generally on a 15 to 30 day credit term.

Receivables from PAGCOR include billings for output value added tax (VAT) as at December 31, 2013 and 2012, respectively. The collection of this amount is still pending as PAGCOR is seeking clarification from the Bureau of Internal Revenue (BIR) whether PAGCOR is subject to VAT considering its status as a government corporation. The corresponding output VAT payable from the billings to PAGCOR is likewise not remitted to the BIR pending the clarification from the BIR (see Note 13).

Under Revenue Regulation 16-2005 "Consolidated Value Added Tax Law" which took effect on November 1, 2005, it was legislated that PAGCOR is subject to the value added tax of 12%. Management believes that this law has a prospective application and therefore the previously recorded VAT on transactions with PAGCOR (prior to November 1, 2005) would have to be reversed when the position from the BIR is secured.

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 Php228.94 million, inclusive of penalty and interest from January 2003 to December 2006. The Company subsequently filed a petition for review with the Court of Tax Appeal ("CTA") to contest such Final Decision on Disputed Assessment.

The BIR further issued a Warrant of Dstraint and/or Levy and Warrant of Garnishment against the Company and its assets. On September 12, 2008, the Company filed a surety bond with the CTA, and the CTA issued a Temporary Restraining Order enjoining the BIR from further efforts at collection of taxes, particularly the implementation of the Warrant of Dstraint and/or Levy and the Warrant of Garnishment.

In 2009, the Company moved to have a preliminary hearing conducted to first resolve the legal issue of whether or not the services rendered by the Company to PAGCOR is subject to VAT at 10% rate. The CTA granted the motion and hearings were subsequently conducted. On February 18, 2011, the CTA ruled in favor of the Company and cancelled the VAT deficiency assessment in toto.

As mentioned in the CTA Resolution, in line with the decision of the Supreme Court (SC) in Philippine Amusement and Gaming Corporation (PAGCOR) vs. The Bureau of Internal Revenue, et al., the CTA, in its decision dated February 18, 2011, cancelled the BIR's assessment against the Company for deficiency VAT in the amount of Php228.94 million for taxable years 1996 to 2001. In its resolution dated May 17, 2011, the CTA denied the Commissioner of Internal Revenue's Motion for Reconsideration of the CTA's decision rendered on February 18, 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. The BIR shortly filed an appeal with the CTA En Banc.

On September 1, 2011, the CTA En Banc resolved to give course to BIR's appeal. The Company filed its Memorandum in October 2011. On July 27, 2012, the CTA En Banc resolved that consistent with the pronouncement of the SC in the cases of BIR vs. Acesite Hotel Corporation and PAGCOR vs. BIR, that services rendered to PAGCOR are exempt from VAT, BIR's petition has no leg to stand on and must necessarily fall. The BIR filed a Motion for Reconsideration.

On October 8, 2012, the CTA En Banc resolved that BIR's Motion for Reconsideration is denied and the earlier decision of the CTA promulgated on May 17, 2011 is affirmed. On December 5, 2012, the BIR filed with the SC a Petition for Review.

On May 6, 2013, the Company filed its Comment/Opposition to the Petition for Review and is awaiting feedback from the SC. On October 17, 2013, the Company received a Notice from the SC directing BIR to file a reply within 10 days from receipt of Notice. As at February 11, 2014, the Company is still waiting for the SC decision.

The Company will continue to pursue its case with the SC and will file the necessary disclosure on the outcome thereof following the issuance of the judgment of the SC.

Other than the above matter, there are no material legal proceedings to which the Company or any of its subsidiaries or affiliates is a party or of which any of its property is the subject.

The Company's exposure to credit risks and impairment losses related to trade receivables from charge customers are disclosed in Note 25.

6. Inventories

This account consists of:

	2013	2012
Engineering supplies	P4,172,739	P4,274,858
General supplies	4,065,362	4,731,399
Food	4,031,072	4,528,475
Beverage and tobacco	1,046,567	710,792
Others	266,707	315,177
	P13,582,447	P14,560,701

There was no write down of inventories to NRV in both 2013 and 2012.

7. Prepaid Expenses and Other Current Assets

This account consists of:

	2013	2012
Input value-added tax	P11,200,062	P9,995,285
Prepaid expenses	5,404,404	4,186,243
Prepaid income tax	1,124,718	-
Others	753,750	489,785
	P18,482,934	P14,671,313

Input value-added tax is current and can be applied against output value-added tax.

Prepaid expenses consist of insurance premiums, dues and subscriptions fees.

8. Investment in an Associate

Investment in an associate pertains to the 40% ownership in Harbour Land Corporation (HLC), a Philippine corporation engaged in the real estate business (see Note 14).

This account consists of:

	2013	2012
Acquisition cost	P48,200,000	P48,200,000
Accumulated share in net earnings (losses):		
Balance at beginning of year	(343,901)	(799,159)
Equity in net income of associate during the year	611,039	455,258
Balance at end of year	267,138	(343,901)
	P48,467,138	P47,856,099

A summary of the financial information of HLC follows:

	2013	2012
Total assets	P152,860,101	P147,157,484
Total liabilities	85,721,931	81,546,912
Total equity, net of subscription receivable of P54 million	67,138,170	65,610,573
Revenue	10,678,560	10,678,560
Net income	1,527,597	1,138,145

9. Loan Receivable

This pertains to the loan granted to Rogo Realty Corporation (RRC), a company under common control, which is collateralized by RRC's investment in shares of stock of HLC with a carrying value of P72.3 million as at December 31, 2013 and 2012 and is payable on demand with interest rate of 5% per annum (see Note 14).

Interest income earned in 2013, 2012 and 2011 amounted to P775,000 for each year.

10. Property and Equipment

The movements and balances in this account are as follows:

	Building and Building Improvements	Furniture Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
Gross carrying Amount					
Balance, January 1, 2012	P984,519,046	P363,949,346	P4,158,198	P385,157	P1,353,011,747
Additions	1,386,174	12,084,876	-	-	13,471,050
Disposal	-	(5,322,664)	-	-	(5,322,664)
Balance, December 31, 2012	985,905,220	370,711,558	4,158,198	385,157	1,361,160,133
Additions	10,717,402	2,378,694	-	-	13,096,096
Balance, December 31, 2013	996,622,622	373,090,252	4,158,198	385,157	1,374,256,229
Accumulated Depreciation and Amortization					
Balance, January 1, 2012	366,304,344	285,666,862	4,158,198	385,157	656,514,561
Depreciation and amortization during the year	21,599,217	15,964,056	-	-	37,563,273
Disposal	-	(3,755,688)	-	-	(3,755,688)
Balance, December 31, 2012	387,903,561	297,875,230	4,158,198	385,157	690,322,146
Depreciation and amortization during the year	22,357,903	13,935,856	-	-	36,293,759
Balance, December 31, 2013	410,261,464	311,811,086	P4,158,198	P385,157	726,615,905
Carrying Amount					
December 31, 2012	P598,001,659	P72,836,328	P -	P -	P670,837,987
December 31, 2013	P586,361,158	P61,279,166	P -	P -	P647,640,324

11. Other Noncurrent Assets

This account consists of:

	<i>Note</i>	2013	2012
Lease deposit	14, 19, 25	P78,000,000	P78,000,000
Miscellaneous investments and deposits		5,085,791	5,085,791
Others		1,010,000	1,010,000
		P84,095,791	P84,095,791

12. Accounts Payable and Accrued Expenses

This account consists of:

	<i>Note</i>	2013	2012
Trade	14	P43,608,896	P54,117,021
Accrued payroll		16,254,895	13,251,893
Accrued utilities		14,940,930	11,973,118
Accrued other liabilities		1,946,158	2,005,173
Others		816,810	431,686
	25	P77,567,689	P81,778,891

The Company's exposure to liquidity risk related to trade and other payables are disclosed in Note 25.

Trade payables have normal terms of 15 to 30 days.

13. Other Current Liabilities

This account consists of:

	<i>Note</i>	2013	2012
Output VAT payable		P206,505,652	P202,715,371
Payable to employees	25	9,300,026	5,533,762
Withholding taxes payable		2,011,057	2,348,002
Deferred rental		-	5,073,130
Others	25	9,369,815	8,425,024
		P227,186,550	P224,095,289

Output VAT payable represents output tax charged to PAGCOR, as discussed in Note 5.

14. Related Party Transactions

In the normal course of business, the Company has transactions with its related parties. These transactions and account balances as at December 31 follow:

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance		Terms	Conditions
				Due from Related Parties	Due to Related Parties		
Associate							
▪ Lease deposit	2013	14b	P -	P78,000,000	P -	Required lease deposit on the leased land	Collectible upon termination of the contract
	2012		-	78,000,000	-	Required lease deposit on the leased land	Collectible upon termination of the contract
	2011		-	78,000,000	-	Required lease deposit on the leased land	Collectible upon termination of the contract
▪ Interest income	2013	14b	3,900,000	6,125,290	-	5% per annum of the lease deposit	Unsecured; no impairment
	2012		3,900,000	2,225,290	-	5% per annum of the lease deposit	Unsecured; no impairment
	2011		3,900,000	325,000	-	5% per annum of the lease deposit	Unsecured; no impairment
▪ Advances	2013	14a	135,037	135,037	-	Due and Demandable; non interest bearing	Unsecured; no impairment
▪ Rent expense	2013	19	10,678,560	-	-	Due and Demandable; non interest bearing	Unsecured; no impairment
	2012		10,678,560	-	1,904,343	Due and Demandable; non interest bearing	Unsecured
	2011		10,678,560	-	952,172	Due and Demandable; non interest bearing	Unsecured
Under Common Control							
▪ Management and incentive fees	2013	14d, 14e	25,020,591	-	1,424,181	Due and Demandable; non interest bearing	Unsecured
	2012		29,641,201	-	2,349,691	Due and Demandable; non interest bearing	Unsecured
	2011		33,546,682	-	18,188,345	Due and Demandable; non interest bearing	Unsecured

Forward

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance		Terms	Conditions
				Due from Related Parties	Due to Related Parties		
▪ Advances	2013	14a	P2,276,171	P1,750,063	P691,240	Due and Demandable; non interest bearing	Unsecured; no impairment
	2012		15,763,656	2,128,022	2,589,452	Due and Demandable; non interest bearing	Unsecured; no impairment
	2011		18,028,082	3,104,245	188,814	Due and Demandable; non interest bearing	Unsecured; no impairment
▪ Loan	2013	14c	-	15,500,000	-	Due and Demandable; interest bearing	Unsecured; no impairment
	2012		-	15,500,000	-	Due and Demandable; interest bearing	Unsecured; no impairment
	2011		-	15,500,000	-	Due and Demandable; Due and Demandable; interest bearing	Unsecured; no impairment
▪ Interest income	2013	14c	775,000	11,386,249	-	5% per annum of the loan receivable	Unsecured; no impairment
	2012		775,000	10,611,249	-	5% per annum of the loan receivable	Unsecured; no impairment
	2011		775,000	15,539,781	-	5% per annum of the loan receivable	Unsecured; no impairment
Key Management Personnel of the Entity							
▪ Short term employee benefits	2013	14f	19,293,747	-	-		
	2012		21,386,566	-	-		
	2011		21,712,009	-	-		
TOTAL	2013			P112,896,639	P2,115,421		
TOTAL	2012			P108,464,561	P6,843,486		
TOTAL	2011			P112,469,026	P19,329,331		

Due from related parties are included in the following accounts:

	Note	2013	2012	2011
Receivables - net	5, 9, 19	P17,511,539	P12,836,539	P15,864,781
Loan receivable	9	15,500,000	15,500,000	15,500,000
Due from related parties		1,885,100	2,128,022	3,104,245
Other noncurrent assets	11, 19	78,000,0000	78,000,000	78,000,000
Total		P112,896,639	P108,464,561	P112,469,026

- a. In the normal course of business, the Company grants/obtains advances to/from related parties for working capital purposes. These advances are non-interest bearing, unsecured and are receivable/payable on demand.

- b. The interest receivable from HLC, its associate, represents the uncollected interest on the lease deposit of the Company to HLC at 5% a year (see Note 19). The related interest income amounted to P3.9 million for each of the years in the three-year period ended December 31, 2013.
- c. The interest receivable from RRC, an entity under common control, represents the uncollected interest on the loan granted by the Company to RRC at 5% a year (see Note 9). The related interest income amounted to P0.78 million for each of the years in the three-year period ended December 31, 2013.
- d. The Company has a management contract with CDL, an entity under common control, under which the latter provides management, technical and administrative services to the Company in return for a yearly management and incentive fees equivalent to 2% of total gross revenue and 7% of gross operating profit, respectively (see Note 17). CDL was replaced by Elite Hotel Management Services Pte. Ltd - Philippine Branch in April 2011.
- e. The Company has a Management Agreement with Elite Hotel Management Services Pte. Ltd - Philippine Branch, an entity under control, under which the latter provides management, technical and administrative services. In return, the Company has to pay monthly basic management and incentive fees based on a percentage of the hotel's revenue (2%) and gross operating profit (7%) starting April 2011.
- f. Transactions with Key Management Personnel
The total remuneration of key management personnel in the form of short-term employee benefits is shown below:

	2013	2012	2011
Directors of Hotel operations	P3,671,418	P3,053,604	P4,632,014
Executive officers	15,622,329	18,332,962	17,080,085
	P19,293,747	P21,386,566	P21,712,099

The Company does not provide post-employment and equity-based compensation benefits to its Board of Directors and Expatriates.

15. Cost of Sales and Services

This account consists of:

	Note	2013	2012	2011
Inventories at beginning of year	6	P14,560,701	P12,590,052	P13,351,592
Purchases		58,771,715	67,105,572	65,026,886
Available for sale and use		73,332,416	79,695,624	78,378,478
Inventories at end of year	6	(13,582,447)	(14,560,701)	(12,590,052)
		P59,749,969	P65,134,923	P65,788,426

16. Selling Expenses

This account consists of:

	<i>Note</i>	2013	2012	2011
Salaries, wages and employee benefits:	20			
Food and beverage		P34,125,259	P40,214,428	P37,507,347
Rooms		29,707,598	27,921,985	27,380,743
Other operating departments		1,272,489	1,300,854	1,085,379
		65,105,346	69,437,267	65,973,469
Property operation, maintenance, energy and conservation		103,083,894	104,829,993	102,710,455
Guest supplies		9,984,630	9,769,726	12,134,169
Transport charges		6,931,548	8,516,011	6,562,299
Commission		6,231,033	3,313,766	2,188,715
Laundry and dry cleaning		5,186,222	5,494,644	5,334,938
Kitchen fuel		2,841,429	4,153,321	3,852,414
Printing and stationery		2,358,083	2,525,723	2,992,692
Operating supplies		1,186,414	1,681,695	1,755,005
Music and entertainment		1,003,012	959,495	875,703
Cleaning supplies		775,512	779,811	875,042
Permits and licenses		350,633	331,556	319,987
Miscellaneous		9,496,254	6,231,022	8,101,137
		P214,534,010	P218,024,030	P213,676,025

17. Administrative Expenses

This account consists of:

	<i>Note</i>	2013	2012	2011
Hotel overhead departments				
Salaries, wages and employee benefits:				
Administrative and general	20	P35,176,442	P32,318,676	P32,507,749
Engineering		8,727,296	9,071,697	8,534,422
Sales and marketing		7,857,115	6,006,970	6,855,053
Human resources		2,743,667	2,633,855	2,488,329
		54,504,520	50,031,198	50,385,553
Management and incentive fees	14	25,020,591	29,641,201	33,546,682
Credit card commission		5,918,815	5,563,850	5,570,015
Dues and subscription		3,071,583	2,231,370	2,225,263
Data processing		2,438,617	1,425,280	2,302,681
Telecommunications		2,070,823	1,411,073	1,476,228
Advertising		1,240,189	1,077,385	2,194,679
Entertainment		867,063	848,183	824,137
Awards and social activities		686,714	557,943	671,861
Miscellaneous		4,189,586	1,589,080	2,348,540
		100,008,501	94,376,563	101,545,639
Corporate office				
Depreciation and amortization	10	36,293,759	37,563,273	38,360,257
Insurance		12,620,164	11,491,995	10,473,676
Leased land rental	19	10,678,560	10,678,560	10,678,560
Property tax		9,265,681	9,265,681	9,265,681
Taxes and licenses		8,680,760	1,698,192	1,564,245
Utility charges		7,464,596	-	-
Professional fees		7,446,688	7,262,330	13,297,869
Directors' fees		1,494,626	2,111,285	2,387,044
Office supplies		1,033,836	1,255,902	1,258,110
Transportation		131,533	388,636	1,012,368
Miscellaneous		4,409,604	5,241,708	7,044,001
		99,519,807	86,957,562	95,341,811
		P199,528,308	P181,334,125	P196,887,450

18. Earnings Per Share

Basic and diluted earnings per share are computed as follows:

	2013	2012	2011
Weighted average number of common shares			
Balance at beginning of year	57,551,552	59,927,511	62,402,593
Weighted average number of shares acquired during the year	(1,560,672)	(1,484,974)	(1,546,926)
	55,990,880	58,442,537	60,855,667

	2013	2012	2011
Net income for the year	P85,576,676	P165,366,636	P176,063,726
Divided by weighted average number of outstanding shares	55,990,880	58,442,537	60,855,667
	P1.53	P2.83	P2.89

There are no potential dilutive common shares in the years presented.

19. Leases

Company as Lessor

The Company leases certain portions of the Hotel premises to third parties for a term of three years with options for extension/renewal upon mutual agreement of the parties. The leases include provisions for rental increment of 5% upon renewal of the contracts subject to renegotiations of both parties. Future minimum lease receivables are as follows:

	2013	2012
Due within one year	P -	P104,054,366
After one year but not more than five years	-	-
	P -	P104,054,366

The lease agreements with the third parties required the latter to give the Company lease deposits which amounted to a total of P26,734,470 and P28,290,278 as at December 31, 2013 and 2012, respectively, and are shown as part of "Refundable deposits" in the statements of financial position. Rent income amounted to P75,556,780, P136,647,105 and P131,661,025 in 2013, 2012 and 2011, respectively, and is shown as "Others" under Revenue in the statements of profit or loss.

On March 31, 2011, the Company and PAGCOR, agreed to amend and include additional spaces in the Contract of Lease. The amended lease contract is binding until July 10, 2013.

On February 15, 2012, the BOD of PAGCOR has decided not to renew the contract of lease which ended on July 10, 2013.

Company as Lessee

The Company leases the land occupied by the Hotel from HLC for a period of 25 years up to January 1, 2015. On August 1, 2004, the Company, as lessee, and HLC, as lessor, agreed to amend the Contract of Lease with Option to Purchase executed by the parties on November 12, 1991 covering the lease of the land. The amended contract provides for the following:

- a. Annual rental on the land of P10,678,560 (shown as part of Leased land rental under "Administrative expenses" account in 2013, 2012 and 2011);
- b. Required lease deposit (shown as part of "Other noncurrent assets" in the statements of financial position) of P78 million; and
- c. Interest rate of 5% per annum on the lease deposit which the lessor is obligated to pay to the Company.

Future minimum rental obligations on the land are as follows:

	2013	2012	2011
Due within one year	P10,678,560	P10,678,560	P10,678,560
After one year but not more than five years	-	10,678,560	21,357,120
	P10,678,560	P21,357,120	P32,035,680

20. Retirement Cost

The Company has an unfunded, noncontributory, defined benefit retirement plan covering substantially all of its employees, except for its Board of Directors and Expatriates. It provides a retirement benefit equal to eighty-six (86%) of monthly salary per year of services payable to an employee who retires at age of 60 with at least 5 years in service. Annual cost is determined using the projected unit credit method. The Company's latest valuation date is December 31, 2013. The latest actuarial valuation report of the Company is dated September 30, 2013.

The recognized liability representing the present value of the defined benefit obligation is presented as "Accrued retirement benefits liability" in the Company's statements of financial position amounted to P21,914,777 and P23,428,474 (as restated - see Note 27) as at December 31, 2013 and 2012, respectively.

The movements in the present value of the defined benefit obligation are as follows:

	2013	2012 (As restated - see Note 27)
Present value of obligation at beginning of year	P23,428,474	P26,077,462
Interest cost	1,382,280	1,981,887
Current service cost	1,442,564	1,894,478
Benefits paid	(5,808,525)	(1,015,701)
Actuarial loss (gain) arising from:		
Financial assumptions	3,501,119	(5,993,430)
Experience adjustment	(2,031,135)	483,778
Present value of obligation at end of year	P21,914,777	P23,428,474

The amounts of retirement benefits cost which are included under "Salaries, wages and employee benefits" in the statements of profit or loss for the years ended December 31 are as follows:

	2013	2012 (As restated - see Note 27)	2011
Current service cost	P1,442,564	P1,894,478	P2,141,338
Interest cost	1,382,280	1,981,887	1,696,234
Retirement benefits cost	P2,824,844	P3,876,365	P3,837,572

The actuarial gain, before deferred income taxes, recognized under "Other comprehensive income" in the statements of comprehensive income and statements of changes in equity are as follows:

	2013	2012 (As restated - see Note 27)
Cumulative actuarial gain at the beginning of the year	P10,163,191	P4,653,539
Actuarial (loss) gain arising from:		
Financial assumptions	(3,501,119)	5,993,430
Experience adjustment	2,031,135	(483,778)
	P8,693,207	P10,163,191

The net accumulated actuarial gains, net of deferred tax amounted to P6,085,245 and P7,114,234 as at December 31, 2013 and 2012, respectively, as presented in the statements of changes in equity.

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2013	2012	2011
Discount rate	5%	6%	8%
Future salary increases	3%	3%	7%

Assumptions regarding future mortality have been based on published statistics and mortality rates of the 1985 Unisex Annuity table.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Increase	Decrease
Discount rate (1% movement)	(P1,265,150)	P1,376,737
Future salary increase rate (1% movement)	1,287,083	(1,197,528)

Although the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk, and market (investment) risk.

The weighted-average duration of the defined benefit obligation is 13 years as at December 31, 2013 and 2012.

Maturity analysis of the benefit payments:

	2013				
	Carrying Amount	Contractual Cash Flows	Less than 5 Years	5 Years but Less than 10 Years	More than 10 Years
Retirement benefits liability	P21,914,777	P21,914,777	P3,652,463	P4,082,164	P14,180,150

The Company is not required to pre-fund the future defined benefits payable under the Retirement Fund before they become due. For this reason, the amount and timing of contributions to the Retirement Fund are at the Company's discretion. However, in the event a benefit claim arises, the Company will be liable to pay its employees.

21. Income Tax

The components of the Company's income tax expense are as follows:

	2013	2012 (As restated - see Note 27)	2011
Current tax expense	P34,405,405	P70,467,505	P75,390,864
Deferred tax expense (benefit)	3,798,738	(1,895,945)	(1,430,236)
	P38,204,143	P68,571,560	P73,960,628

The reconciliation of the income tax expense computed at statutory income tax rate to the income tax expense shown in profit or loss is as follows:

	2013	2012 (As restated - see Note 27)	2011
Income before income tax	P123,780,819	P233,938,196	P250,024,354
Income tax expense at statutory tax rate	P37,134,246	P70,181,459	P75,007,306
Additions to (reductions in) income tax resulting from the tax effects of:			
Income subjected to final tax	(735,123)	(1,467,696)	(1,331,743)
Equity in net income of an associate	(183,312)	(136,577)	(92,360)
Non deductible expense (nontaxable income)	1,988,332	(5,626)	377,425
	P38,204,143	P68,571,560	P73,960,628

The components of the Company's deferred tax assets - net are as follows:

	2013	2012 (As restated - see Note 27)
Accrued retirement benefits liability	P9,182,395	P10,077,500
Allowance for impairment losses on receivables	46,686	38,508
Deferred rental income	-	1,521,939
Unrealized foreign exchange loss (gain)	(1,049,263)	340,609
Actuarial gain on defined benefit plan	(2,607,962)	(3,048,957)
	P5,571,856	P8,929,599

22. Appropriation of Retained Earnings

The Company has appropriated the amounts of P142,466,650, P118,797,950 and P123,754,100 in 2013, 2012 and 2011, respectively, to finance the acquisition of treasury stock during those years.

23. Share Capital

a. Capital Stock

	2013	2012	2011
Authorized - 115,000,000 shares at 10 par value shares			
Issued	87,318,270	87,318,270	87,318,270
Less treasury stock	(32,616,051)	(29,766,718)	(27,390,759)
Total issued and outstanding	54,702,219	57,551,552	59,927,511

b. *Treasury Stock*

The movement of shares of treasury stock as at December 31 are as follows:

	2013	2012	2011
Balance at beginning of year	29,766,718	27,390,759	24,915,677
Acquisition of treasury stock during the year	2,849,333	2,375,959	2,475,082
	32,616,051	29,766,718	27,390,759

24. Dividend Declaration

On May 15, 2012, the Board of Directors of the Company declared cash dividends equivalent to P119,855,022 out of the unrestricted retained earnings as at December 31, 2011 payable on or before June 22, 2012 to the stockholders of record as of May 29, 2012. No dividends were declared in 2013 and 2011. As at December 31, 2013 and 2012, there were no dividends payable.

25. Financial Risk and Capital Management

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The BOD, through the Executive Committee, 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 Company's Audit Committee assists the BOD in fulfilling its oversight responsibility of the Company's corporate governance process relating to the: a) quality and integrity of the Company's financial statements and financial reporting process and the Company's systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the Company's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance by the Company with legal and regulatory requirements, including the Company's disclosure control and procedures; e) evaluation of management's process to assess and manage the Company's enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit Committee also prepares the reports required to be included in the Company's annual report.

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 are 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 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 management annually reviews the exposure limits and credit ratings of the counterparties.

Receivable balance is being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The carrying amount of financial assets as of December 31, 2013 and 2012 represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates is as follows:

	<i>Note</i>	2013	2012
Cash and cash equivalents (excluding cash on hand)	<i>4</i>	P205,293,155	P282,078,893
Receivables - net	<i>5, 14</i>	322,009,422	304,042,397
Loan receivable	<i>9, 14</i>	15,500,000	15,500,000
Due from related parties	<i>14</i>	1,885,100	2,128,022
Lease deposit	<i>11</i>	78,000,000	78,000,000
		P622,687,677	P681,749,312

Details of trade receivables from charge customers as at December 31, 2013 and 2012 by type of customer are as follows:

	Note	2013	2012
PAGCOR		P8,936,199	P7,213,112
Credit cards		5,394,442	4,457,495
Airlines		4,960,973	8,168,267
Corporations		4,313,158	6,576,109
Travel agencies		4,223,105	4,022,305
Others		3,125,398	3,353,055
	5	30,953,275	33,790,343
Less allowance for impairment losses on trade receivables	5	155,621	128,361
		P30,797,654	P33,661,982

The Company's most significant customer, PAGCOR, accounts for 28.87% and 21.35% of the trade receivables from charge customers as at December 31, 2013 and 2012, respectively. Revenues from PAGCOR approximately amounted to P98,193,426, P202,933,825 and P217,804,836 in 2013, 2012 and 2011, respectively, and represent 17%, 30% and 30% of the Company's total revenues, respectively.

The aging of trade receivables from charge customers as at December 31, 2013 and 2012 is as follows:

	2013		2012	
	Gross Amount	Impairment	Gross Amount	Impairment
Current	P14,792,658	P -	P21,066,199	P -
Over 30 days	5,982,920	-	8,829,645	-
Over 60 days	795,860	-	3,318,427	-
Over 90 days	9,381,837	155,621	576,072	128,361
	P30,953,275	P155,621	P33,790,343	P128,361

Receivables from PAGCOR amounting to P8,936,199 included in over 90 days are still collectible based on management's assessment of collection history, thus no impairment was provided.

The movements in the allowance for impairment in respect of trade receivables during the year are as follows:

	Amount
Balance at January 1, 2012	P178,406
Reversal in 2012	(50,045)
Balance at December 31, 2012	128,361
Provision in 2013	27,260
Balance at December 31, 2013	P155,621

The allowance for impairment losses on trade receivables as of December 31, 2013 and 2012 of P155,621 and P128,361, respectively, relates to outstanding accounts of customers that are more than 90 days past due.

The table below shows the credit quality of the Company's financial assets based on their historical experience with the corresponding debtors.

	As at December 31, 2013			Total
	Grade A	Grade B	Grade C	
Cash and cash equivalents	P205,890,655	P -	P -	P205,890,655
Receivables - net	32,239,657	54,675,306	235,094,459	322,009,422
Loan receivable	-	15,500,000	-	15,500,000
Due from related parties	-	1,885,100	-	1,885,100
Lease deposit	78,000,000	-	-	78,000,000
	P316,130,312	P72,060,406	P235,094,459	P623,285,177

	As at December 31, 2012			Total
	Grade A	Grade B	Grade C	
Cash and cash equivalents	P282,627,393	P -	P -	P282,627,393
Receivables - net	27,925,890	47,192,287	228,924,220	304,042,397
Loan receivable	-	15,500,000	-	15,500,000
Due from related parties	-	2,128,022	-	2,128,022
Lease deposit	78,000,000	-	-	78,000,000
	P388,553,283	P64,820,309	P228,924,220	P682,297,812

Grade A receivables pertain to those receivables from customers that always pay on time or even before the maturity date. Grade B includes receivables that are collected on their due dates provided that they were reminded or followed up by the Company. Those receivables which are collected consistently beyond their due dates and require persistent effort from the Company are included under Grade C.

Cash in banks is considered good quality (Grade A) as this pertains to deposits in reputable banks.

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 in operations. 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.

The Company's total current liabilities as at December 31, 2013 and 2012 amounted to P306,869,660 and P327,449,550, respectively, which are less than its total current assets of P577,350,558 and P633,529,826, respectively. Thus, the Company has sufficient funds to pay for its current liabilities and has minimal liquidity risk.

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. Also, there are minimal changes in room rates in the hotel industry.

Interest Rate Risk

The Company has no interest-bearing debt obligations to third parties and its receivables are subject to fixed interest rates. As such, the Company has minimal interest rate risk.

Foreign Currency Risk

Financial assets and financing facilities extended to the Company were mainly denominated in Philippine peso and have minimal transactions in foreign currency. Net foreign exchange gain (loss) from the revaluation of its short-term investments amounted to P3,497,543 and (P1,135,365) as at December 31, 2013 and 2012, respectively. As such, the Company's foreign currency risk is minimal.

Fair Values

The fair values together with the carrying amounts of the financial assets and liabilities shown in the statements of financial position are as follows:

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	P205,890,655	P205,890,655	P282,627,393	P282,627,393
Receivables - net	322,009,422	322,009,422	304,042,397	304,042,397
Loan receivable	15,500,000	15,500,000	15,500,000	15,500,000
Due from related parties	1,885,100	1,885,100	2,128,022	2,128,022
Lease deposit	78,000,000	78,000,000	78,000,000	78,000,000
Accounts payable and accrued expenses	77,567,689	77,567,689	81,778,891	81,778,891
Due to related parties	2,115,421	2,115,421	6,843,486	6,843,486
Other current liabilities*	18,669,841	18,669,841	13,958,786	13,958,786

*excluding payables to government

Estimation of Fair Values

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

Cash and Cash Equivalents

The fair value of cash approximates its carrying amount due to the short-term nature of these assets.

Receivables/Due from Related Parties/Loan Receivable/Accounts Payable and Accrued Expenses/Due to Related Parties/Other Current Liabilities Except for Output VAT Liability and Withholding Taxes Payables, and Deferred Rental

Current receivables are reported at their net realizable values, at total amounts less allowances for estimated uncollectible accounts. Current liabilities are stated at amounts reasonably expected to be paid within the next twelve months or within the Company's operating cycle. Due to/from related parties and loan receivable are payable on demand.

Short-term Investments/Other Noncurrent Assets

Short-term investments and other noncurrent assets are interest bearing. The carrying value of short-term investments approximates its fair value, because the effective interest rate used for discounting the short-term investment and other noncurrent assets approximates the current market rate of interest for similar transactions.

Capital Management

The Company's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flow to selective investments. The Company sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The Chief Financial Officer has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The Company is not subject to externally-imposed capital requirements.

The Company monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to accounts payable and accrued expenses, income tax payable, due to related parties, other current liabilities, refundable deposits and accrued retirement benefits liability. Total equity comprises mainly of the capital stock, additional paid-in capital and retained earnings.

There were no changes in the Company's approach to capital management during the year.

As at December 31, 2013 and 2012, the Company is compliant with the minimum public float requirement by the Philippine Stock Exchange (PSE).

The Company has 115,000,000 shares registered with the SEC as at December 31, 2013 and 2012. As at December 31, 2013 and 2012, the Company issue/offer price is P45 based on the Philippine Stock Exchange (PSE) website. The total number of shareholders is 506 as at December 31, 2013 and 2012.

26. Contingencies

The Company, in the ordinary course of business, is a party to certain labor and other cases which are under protest or pending decisions by the courts, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability arising from these cases or claims, if any, will not have a material effect on the Company's financial position or results of operations.

27. Change in Accounting Policy

The Company restated its December 31, 2012 financial statements as a result of the retrospective application of PAS 19 (Amended 2011) and accordingly, recognized the actuarial gain and losses in other comprehensive income. Also, the Company reclassified the corresponding deferred tax liability on retirement benefits liability as a result of the restatement.

The impact of the change in accounting policy as at and for the year ended December 31, 2013 is as follows:

	Adoption of PAS 19 Amended	December 31, 2013 As Presented
Statement of Financial Position		
Deferred tax assets - net	(P2,329,847)	P5,571,856
Accrued retirement benefits liability	(7,766,159)	21,914,777
Remeasurement gains on defined benefit plan	(380,055)	6,085,245
Statement of Profit or Loss		
Income tax expense	(230,904)	38,204,143
Statement of Comprehensive Income		
Remeasurement gains on defined benefit plan - net of deferred tax	(380,055)	6,085,245

The impact of the restatement as at and for the year ended December 31, 2012 is as follows:

	As Previously Reported	Effect of Restatement	As Restated
Statement of Financial Position			
Deferred tax assets - net	P11,931,345	(P3,001,746)	P8,929,599
Accrued retirement benefits liability	33,434,296	(10,005,822)	23,428,474
Retained earnings - unappropriated	168,295,110	(110,158)	168,184,952
Remeasurement gains on defined benefit plan	3,257,477	3,856,757	7,114,234
Statement of Profit or Loss			
Selling expenses	217,866,661	157,369	218,024,030
Income tax expense	68,618,771	(47,211)	68,571,560
Statement of Comprehensive Income			
Remeasurement gains on defined benefit plan - net of deferred tax	-	3,856,757	3,856,757

The impact of the restatement as at and for the year ended January 1, 2012 is as follows:

	As Previously Reported	Effect of Restatement	As Restated
Statement of Financial Position			
Deferred tax assets - net	P10,082,610	(P1,396,062)	P8,686,548
Retirement benefits liability	30,731,001	(4,653,539)	26,077,462
Remeasurement gains on defined benefit plan	-	3,257,477	3,257,477
Statement of Comprehensive Income			
Remeasurement gains on defined benefit plan - net of deferred tax	-	3,257,477	3,257,477

28. Supplementary Information Required by Bureau of Internal Revenue (BIR)

In addition to the disclosures mandated under PFRSs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRSs. The following are the tax information required for the taxable year ended December 31, 2013:

I. Based on Revenue Regulations (RR) No. 19-2011

A. Sales/Receipts/Fees

	Exempt	Special Rate	Regular/ Normal Rate	Total
Sale of services	P -	P -	P424,363,330	P424,363,330
Sale of goods	-	-	158,290,397	158,290,397
	P -	P -	P582,653,727	P582,653,727

B. Cost of Sales/Services

	Exempt	Special Rate	Regular/ Normal Rate	Total
Cost of Sales				
Merchandise/finished goods inventory, beginning	P -	P -	P14,560,701	P14,560,701
Add: Purchases of merchandise/cost of goods manufactured	-	-	58,771,715	58,771,715
Total goods available for sale	-	-	73,332,416	73,332,416
Less: Merchandise/ finished goods inventory, end	-	-	13,582,447	13,582,447
	P -	P -	P59,749,969	P59,749,969

C. Non-Operating and Taxable Other Income

	Exempt	Special Rate	Regular/ Normal Rate	Total
Interest income	P -	P -	P4,674,992	P4,674,992
Others	-	-	2,570,027	2,570,027
	P -	P -	P7,245,019	P7,245,019

D. Itemized Deductions (if Company did not avail of the Optional Standard Deduction)

	Exempt	Special Rate	Regular/ Normal Rate	Total
Salaries and allowances	P -	P -	P122,593,547	P122,593,547
Repairs and maintenance- materials and supplies	-	-	103,083,894	103,083,894
Depreciation	-	-	36,293,759	36,293,759
Management and consultancy fee	-	-	25,020,591	25,020,591
Office supplies	-	-	14,152,061	14,152,061
Insurance	-	-	12,620,164	12,620,164
Commissions	-	-	12,149,847	12,149,847
Taxes and licenses	-	-	11,669,300	11,669,300
Rental	-	-	10,678,560	10,678,560
Professional fees	-	-	7,446,688	7,446,688
Transportation and travel	-	-	7,063,080	7,063,080
Dues and subscription	-	-	3,071,583	3,071,583
Fuel and oil	-	-	2,841,429	2,841,429
Data processing	-	-	2,438,617	2,438,617
Representation and entertainment	-	-	1,870,075	1,870,075
Directors fee	-	-	1,494,626	1,494,626
Advertising	-	-	1,240,189	1,240,189
Other hotel expenses	-	-	39,736,085	39,736,085
	P -	P -	P415,464,095	P415,464,095

II. Based on RR No. 15-2010

A. Value Added Tax (VAT)

1. Output VAT	P57,140,336
<i>Account title used:</i>	
Basis of the Output VAT:	
Vatable sales	P476,169,469
Exempt sales	2,363,642
Zero rated sales	103,941,600
	P582,474,711
2. Input VAT	
Beginning of the year	P9,995,286
Current year's domestic purchases:	
a. Goods for resale/manufacture or further processing	7,807,923
b. Services lodged under other accounts	20,389,464
Less: Applied input VAT during the year	(26,992,611)
Balance at the end of the year	P11,200,062

B. Withholding Taxes

Tax on compensation and benefits	P21,168,209
Creditable withholding taxes	9,264,139
Final withholding taxes	82,160
	P30,514,508

C. All Other Taxes (Local and National)

<i>Other taxes paid during the year recognized under "Taxes and licenses" account under Operating Expenses</i>	
Real estate taxes	P9,265,681
License and permit fees	1,340,152
Others	1,063,467
	P11,669,300

D. Deficiency Tax Assessments

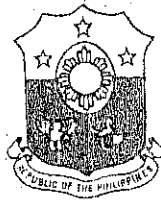
Period Covered	Amount*
2001	P765,104
2002	228,943,589
2008	262,576,825
2010	1,656,322
	P493,941,840

**Amount of deficiency tax assessments, whether protested or not.*

E. Tax Cases

As of December 31, 2012, the Company has the following tax cases:

- a. 2001 - Settled basic tax due of P403,130 on March 2010, as agreed on the Letter of Abatement filed. Request to waive the interest and surcharges of P346,140 is still for approval at BIR LTS.
- b. 2002 - PAGCOR VAT case filed against the Company.



**FOREIGN SERVICE OF THE
REPUBLIC OF THE PHILIPPINES**

EMBASSY OF THE PHILIPPINES)
(Consular Section) S.S.
Singapore)

CERTIFICATE OF AUTHENTICATION

I, **VICTORIO MARIO M. DIMAGIBA, JR.** CONSUL of the Republic of
the Philippines, Singapore, duly commissioned and qualified, do hereby certify that

WILSON YIP

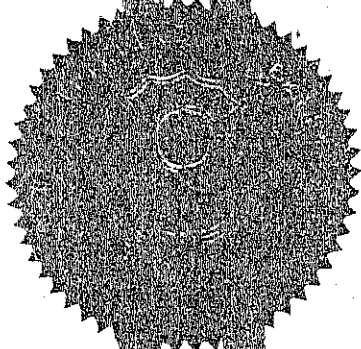
before whom the annexed instrument has been executed to wit:

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS
DATED 11 FEBRUARY 2014

was at the time he/she signed the same Notary Public in Singapore and that
his/her signature affixed thereto is genuine.

The Embassy assumes no responsibility for the contents of the annexed document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Embassy of
the Philippines, Singapore, this 7th day of FEBRUARY 2014



Service No: 79
Fee Paid: \$ 50
OR NO: 46

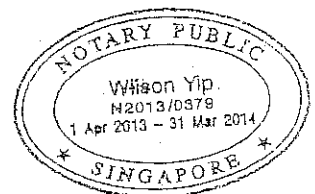
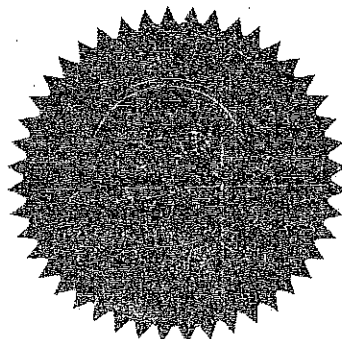
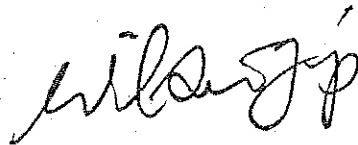
VICTORIO MARIO M. DIMAGIBA, JR.
CONSUL

NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME

I, WILSON YIP Notary Public duly authorised and appointed practising in the Republic of Singapore DO HEREBY CERTIFY AND ATTEST that the document "STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS" dated 5 February 2014 hereunto annexed was signed and executed by WONG HONG REN holder of Singapore Passport No E1802233F and the person named and mentioned in the said document for and on behalf of GRAND PLAZA HOTEL CORPORATION.

IN FAITH AND TESTIMONY
WHEREOF I have hereunto subscribed
my name and affixed my seal of office this
7th day of February 2014.



GRAND PLAZA HOTEL CORPORATION

11 February 2014

Statement of Management's Responsibility For Financial Statements

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong

The management of **GRAND PLAZA HOTEL CORPORATION** is responsible for all information and representations contained in the financial statements as of and for the years ended December 31, 2013, 2012 and 2011. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the Company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

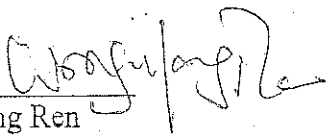
The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the Company.

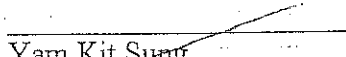
KPMG Manabat Sanagustin & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with generally accepted auditing standards in the Philippines and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors and Stockholders.

10 Floor, The Heritage Hotel Manila, Roxas Blvd cor. EDSA Extension Pasay City

Tel: 854 8838 Fax: 854 8825

A MEMBER OF THE HONG LEONG GROUP SINGAPORE


Wong Hong Ren
Chairman and President


Yam Kit Sung
General Manager & Chief Financial Officer

Subscribed and sworn to before me a notary public for and in the City of Singapore this
5th day of February 2014, the signatories exhibiting to me their Community Tax
Certificates/Passports details of which are as follows:

Name	Community Tax Certificate/ Passport Number	Date	Place of Issue
------	---	------	----------------

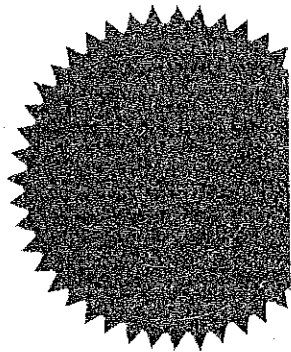
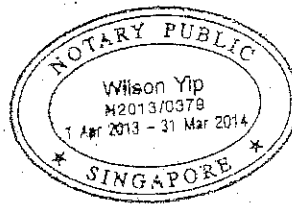
Wong Hong Ren	E1802233F		
---------------	-----------	--	--

		30 April 2010	Singapore
--	--	---------------	-----------

Yam Kit Sung


Notary Public

Doc. No.
Page No.
Book No.
Series of 2014





102212014001610

**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

Barcode Page**The following document has been received:**

Receiving Officer/Encoder : Jose Rodel Taruc
Receiving Branch : SEC Head Office
Receipt Date and Time : February 21, 2014 01:04:48 PM
Received From : Head Office

Company Representative**Doc Source****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

Document ID 102212014001610
Document Type 17-A (FORM 11-A:AANU)
Document Code 17-A
Period Covered December 31, 2013
No. of Days Late 0
Department CFD
Remarks WITH FINANCIAL STATEMENT 2013

COVER SHEET

1 6 6 8 7 8

S.E.C. Registration Number

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

(Company's Full Name)

1 0 t h F l o o r , T h e H e r i t a g e H o t e l

M a n i l a , E D S A c o r n e r

R o x a s B o u l e v a r d , P a s a y C i t y

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

Mr. Yam Kit Sung

Contact Person

854-8838

Company Telephone Number

1 2 3 1
Month Day

A A F S
FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

506

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

Remarks = pls. use black ink for scanning purposes.

GRAND PLAZA HOTEL CORPORATION

FINANCIAL STATEMENTS
December 31, 2013, 2012 and 2011



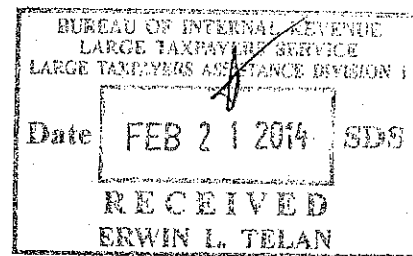
R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue
Makati City 1226, Metro Manila, Philippines

Telephone +63 (2) 885 7000
Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
E-Mail manila@kpmg.com.ph

Branches: Subic · Cebu · Bacolod · Iloilo

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Grand Plaza Hotel Corporation
10th Floor, The Heritage Hotel Manila
EDSA corner Roxas Boulevard
Pasay City



Report on the Financial Statements

We have audited the accompanying financial statements of Grand Plaza Hotel Corporation, which comprise the statements of financial position as at December 31, 2013 and 2012, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the years in the three-year period ended December 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

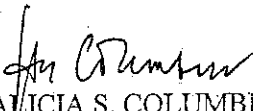
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Grand Plaza Hotel Corporation as at December 31, 2013 and 2012, and its financial performance and its cash flows for each of the years in the three-year period ended December 31, 2013 in accordance with Philippine Financial Reporting Standards.

**Report on the Supplementary Information Required Under Revenue Regulations (RR)
No. 19-2011 and RR No. 15-2010 of the Bureau of Internal Revenue**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.


ALICIA S. CUMBRES

Partner

CPA License No. 069679

SEC Accreditation No. 1181-A, Group A, valid until January 11, 2015

Tax Identification No. 120-964-156

BIR Accreditation No. 08-001987-27-2011

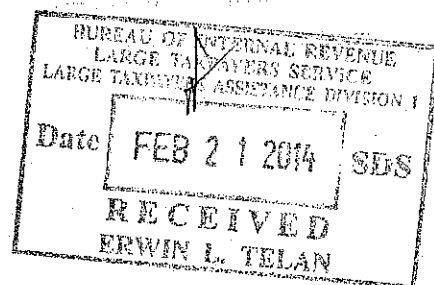
Issued November 3, 2011; valid until November 2, 2014

PTR No. 4225120MC

Issued January 2, 2014 at Makati City

February 11, 2014

Makati City, Metro Manila



Stock Transfer Service Inc.
GRAND PLAZA HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2014

Rank	Sth. No.	Name	Citizenship	Holdings	Rank
1	0001653000	GRAND PLAZA HOTEL CORPORATION - TREASURY STOCKS	Filipino	32,616,051	37.35%
2	0003081000	THE PHILIPPINE FUND LIMITED	Bermudan	29,186,597	33.43%
3	00033396000	ZATRIO PTE LTD	Singaporean	18,055,429	20.68%
4	0002435000	PCD NOMINEE CORPORATION (FILIPINO)	Filipino	6,669,081	07.64%
5	0002435100	PCD NOMINEE CORPORATION (NON-FILIPINO)	Foreign	231,313	00.26%
6	0003180200	ALEXANDER SY WONG	Filipino	35,143	00.04%
7	0003010050	YAM KIT SENG	Singaporean	7,000	00.01%
8	0002290050	PHOON LIN MUI	Singaporean	7,000	00.01%
9	0001180060	YAM POH CHOO	Singaporean	7,000	00.01%
10	0001150050	YAM KUM CHEONG	Singaporean	7,000	00.01%
11	0002360000	LUCAS M. NUNAG	Filipino	4,800	00.01%
12	0001870000	NATIVIDAD B. KWAN	Filipino	3,983	00.00%
13	0003050050	YAM KIT-SUNG	Singaporean	2,999	00.00%
14	0001921000	LE YING TAN LAO	Filipino	2,799	00.00%
15	0001855000	PETER KAN	Singaporean	2,443	00.00%
16	0002920000	ROMEO L. SALONGA	Filipino	2,400	00.00%
17	0001970000	CHRISTOPHER L. LIM	Filipino	2,239	00.00%
18	0003140000	ROBERT UY	Filipino	2,000	00.00%
19	0003140001	CERTERIO B. UY	Filipino	1,000	00.00%
20	0003140003	ROLANDO S. UMALI	Filipino	1,000	00.00%
21	0003150060	AURORA L. VELASQUEZ	Filipino	1,000	00.00%
22	0003165304	NELIA C. VILLAFRANCA	Filipino	1,000	00.00%
23	0003165306	FRANCISCO B. VILLAPAZ JR.	Filipino	1,000	00.00%
24	0003165600	VONG KIN LOK	Foreign	1,000	00.00%
25	0003165601	TERESITA Z. VALDEZ	Filipino	1,000	00.00%
26	0003165602	MILAGROS H. VILLADAREZ	Filipino	1,000	00.00%

Stock Transfer Service Inc.
GRAND PLAZA HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2014

Page No.

2

Rank	Sth. No.	Name	Citizenship	Holdings	Rank
27	0003165603	DANILO M. VISTRO	Filipino	1,000	00.00%
28	0003165604	RAMON G. VIZMONTE	Filipino	1,000	00.00%
29	0003165605	JULIETA M. VIDAL	Filipino	1,000	00.00%
30	0003165606	VERA VERONICA S. VALERO	Filipino	1,000	00.00%
31	0003166800	HARRY F. VILLALONGA	Filipino	1,000	00.00%
32	0003168010	WAN YIN KWAN	Foreign	1,000	00.00%
33	0003168500	VERA WANG	Foreign	1,000	00.00%
34	0003100001	LEAH C. TIOZON	Filipino	1,000	00.00%
35	0003100002	JOSE M. TIZON	Filipino	1,000	00.00%
36	0003100003	LUZ D. TIZON	Filipino	1,000	00.00%
37	0003100004	LOUIE MANABAT TIZON	Filipino	1,000	00.00%
38	0003100005	EMILY GRACE TISON	Filipino	1,000	00.00%
39	0003100010	TIEN POLL	Foreign	1,000	00.00%
40	0003101500	MICHELLE A. TIZON	Filipino	1,000	00.00%
41	0003108600	MENIANE B. TOLEDO	Filipino	1,000	00.00%
42	0003130001	JESSE E. TOYAO	Filipino	1,000	00.00%
43	0003134001	ELSIE P. TRINIDAD	Filipino	1,000	00.00%
44	0003134002	ELENA S. TRAJANO	Filipino	1,000	00.00%
45	0003134003	ALFREDO C. TRINIDAD	Filipino	1,000	00.00%
46	0003134004	DANILO FRANCO	Filipino	1,000	00.00%
47	0003137300	TSANG PO KUEN	Foreign	1,000	00.00%
48	0003137500	PALMY MARINEL P. TUDTUD	Filipino	1,000	00.00%
49	0003138010	TSE LOK MAN	Foreign	1,000	00.00%
50	0003138020	TSANG KIT-WAN	Foreign	1,000	00.00%
51	0003138200	TSOI KA LO	Foreign	1,000	00.00%
52	0003183300	WONG CHIU PING	Foreign	1,000	00.00%

User ID: KAT

Time: 04/04/2014 10:33:14

Stock Transfer Service Inc.
GRAND PLAZA HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2014

Page No.

3

Rank	Stk. No.	Name	Citizenship	Holdings	Rank
53	0003188040	WONG KAR PO	Foreign	1,000	00.00%
54	0003275000	RODOLFO YRREVERRE	Filipino	1,000	00.00%
55	0003320010	YIM SIU HAN	Foreign	1,000	00.00%
56	0003330001	ANNABELLE YUCHENGCO	Filipino	1,000	00.00%
57	0003340001	BENIGNO L. ZIALCITA III	Filipino	1,000	00.00%
58	0008675100	FE G. BARITA	Filipino	1,000	00.00%
59	0008675200	FERDINAND A. BURDEN	Filipino	1,000	00.00%
60	0008675300	BABY T. BURGOS	Filipino	1,000	00.00%
61	0008676200	HERMINIO S. BARLIS	Filipino	1,000	00.00%
62	0011200001	MARY GRACE O. CANTORIA	Filipino	1,000	00.00%
63	0011300112	DANILO B. CABUGNAS	Filipino	1,000	00.00%
64	0014300150	SALOME J. DIAZ	Filipino	1,000	00.00%
65	0018100110	ANNABELLE P. INAL	Filipino	1,000	00.00%
66	0030909060	BERNARDO M. TIZON	Filipino	1,000	00.00%
67	0003072030	TANG SIO PENG	Foreign	1,000	00.00%
68	0003072031	VICTOR R. TANJUAKIO	Filipino	1,000	00.00%
69	0003072032	DIVINA TAYSON	Filipino	1,000	00.00%
70	0003072039	ROBERTO A. TABANAG	Filipino	1,000	00.00%
71	0003072040	MA. EDINA C. TACAN	Filipino	1,000	00.00%
72	0003072100	TEOH TEE TEONG	Foreign	1,000	00.00%
73	0003072950	CELINE MARIE R. TENCE	Filipino	1,000	00.00%
74	0003073400	SHERYL JOY E. TESIO	Filipino	1,000	00.00%
75	0003190110	WONG HUET MUI	Foreign	1,000	00.00%
76	0003190800	WONG PO WAH	Foreign	1,000	00.00%
77	0003192000	WONG KOK HO	Foreign	1,000	00.00%
78	0003203500	WONG WAI FAN	Foreign	1,000	00.00%

User ID: KAT

Time: 04/04/2014 10:33:14

Stock Transfer Service Inc.
GRAND PLAZA HOTEL CORPORATION
List of Top 100 Stockholders
AS of 03/31/2014

Page No. 4

Rank	Sth. No.	Name	Citizenship	Holdings	Rank
79	0003219001	WU YIN WAN	Foreign	1,000	00.00%
80	0003250001	AL JAN G. YAP	Filipino	1,000	00.00%
81	0003256100	JOCELINDA A. YANG	Filipino	1,000	00.00%
82	0003270010	YEUNG BIK CHEUNG	Foreign	1,000	00.00%
83	0003271200	WEE SIEW NGOR	Foreign	1,000	00.00%
84	0003271500	WEE SWAN GEOK	Foreign	1,000	00.00%
85	0003271600	JOANNE YEO SWEE GIM	Foreign	1,000	00.00%
86	0003271700	PATRICIA YEO WEI PING	Foreign	1,000	00.00%
87	0001980010	LIM BOON HING	Foreign	1,000	00.00%
88	0001980020	LIM LEE HOON	Foreign	1,000	00.00%
89	0001982300	AIDA G. LIMORAN	Filipino	1,000	00.00%
90	0001990001	REYNALDO F. LINESES	Filipino	1,000	00.00%
91	0003057500	TAM MAN KWONG	Foreign	1,000	00.00%
92	0003057501	ARACELI B. TABUG	Filipino	1,000	00.00%
93	0003065600	TAN CHENG YAN	Foreign	1,000	00.00%
94	0003065700	TAN KIM WAN	Foreign	1,000	00.00%
95	0003065701	MA. LIWAYWAY M. TAN	Filipino	1,000	00.00%
96	0003070010	TAM TOMMY	Foreign	1,000	00.00%
97	0003070020	TAN SIEW TENG CONNIE	Foreign	1,000	00.00%
98	0003070150	TEO KENG LEE	Foreign	1,000	00.00%
99	0003070151	MA. SARAH P. TERRE	Filipino	1,000	00.00%
100	0003070160	LUCY TENG	Filipino	1,000	00.00%

User ID: KAT

Time: 04/04/2014 10:33:14

Stock Transfer Service Inc.
 GRAND PLAZA HOTEL CORPORATION
 List of Top 100 Stockholders
 As of 03/31/2014

Page No. 5

Rank Sth. No.	Name	Citizenship	Holdings	Rank
---------------	------	-------------	----------	------

Total Top 100 Shareholders :

86,927,277	99.55%
------------	--------

Total Outstanding Shares

87,318,270

RBKPS006



Philippine Depository & Trust Corp.

Philippine Depository & Trust Corp.

PCDUSER1

OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - GPH000000000 & Company Name - GRAND PLAZA HOTEL

Business Date 03/31/2014

BP ID	BP NAME	ACCOUNT NO.	ADDRESS	ACCOUNT TYPE	TELEPHONE NUMBER	ID TYPE	ID NUMBER	INVESTOR TYPE	COUNTRY	HOLDINGS	TAXCODE
10200000000	ABACUS SECURITIES CORPORATION	5	Unit 2904-A East Tower, PSE Centre Exchange Road Ortigas Center Pasig City Metropolitan Manila 1600	Omnibus Without Client	634-2105	Tax Identification Number	3	Domestic	PHILIPPINES	6,771.00	PH10
10200000000	ABACUS SECURITIES CORPORATION	6	Unit 2904-A East Tower, PSE Centre Exchange Road Ortigas Center Pasig City Metropolitan Manila 1600	Settlement	634-2105	Tax Identification Number	3	Domestic	PHILIPPINES	73.00	NWT
10200000000	ABACUS SECURITIES CORPORATION	7	Unit 2904-A East Tower, PSE Centre Exchange Road Ortigas Center Pasig City Metropolitan Manila 1600	Own	634-2105	Tax Identification Number	3	Domestic	PHILIPPINES	53.00	NWT
11200000000	AB CAPITAL SECURITIES, INC.	5	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Omnibus Without Client	814-5601	Tax Identification Number	13	Domestic	PHILIPPINES	200.00	PH10
11200000000	AB CAPITAL SECURITIES, INC.	6	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Settlement	814-5601	Tax Identification Number	13	Domestic	PHILIPPINES	330,912.00	NWT

BP ID	BP NAME		ACCOUNT TYPE		ID TYPE		INVESTOR TYPE		HOLDINGS	
	ACCOUNT NO.	ADDRESS	TELEPHONE NUMBER		ID NUMBER		COUNTRY		TAXCODE	
11200000000000000000	14	AB CAPITAL SECURITIES, INC. 8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Settlement 814-5601		Tax Identification Number 13		Domestic PHILIPPINES		PH10	2,670.00
11200000000000000000	16	AB CAPITAL SECURITIES, INC. 8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Settlement 814-5601		Tax Identification Number 13		Foreign PHILIPPINES		RA02	9,249.00
11200000000000000000	1	AB CAPITAL SECURITIES, INC. 8/F PHINMA PLAZA 39 PLAZA DRIVE, ROCKWELL CENTER, MAKATI CITY Metropolitan Manila	Client 898-7555		Certificate Of Incorporation 13		Foreign PHILIPPINES		SI17	221,979.00
12400000000000000000	5	B. H. CHUA SECURITIES CORPORATION 872 G. Araneta Avenue, Quezon City Metropolitan Manila 1135	Omnibus Without Client 412-3444		Tax Identification Number 000-401-773		Domestic PHILIPPINES		PH10	200.00
12600000000000000000	5	BPI SECURITIES CORPORATION 8/F BPI Head Office Bldg., Ayala Ave., cor. Paseo de Roxas Makati City Metropolitan Manila 1226	Omnibus Without Client 8196535		Tax Identification Number 26		Domestic PHILIPPINES		PH10	1,306.00
13100000000000000000	5	PCIB SECURITIES, INC. 8/F PCIB Tower 2, Dela Costa St., Makati City Metropolitan Manila 1002	Omnibus Without Client 8912028		Tax Identification Number 30		Domestic PHILIPPINES		PH10	950.00
16100000000000000000	5	FRANCISCO ORTIGAS SECURITIES, INC. 10/F Ortigas Bldg. Ortigas Ave, Pasig City Metropolitan Manila 1600	Omnibus Without Client 631-26-74		Tax Identification Number 000-283-304		Domestic PHILIPPINES		PH10	2,245.00
16100000000000000000	7	FRANCISCO ORTIGAS SECURITIES, INC. 10/F Ortigas Bldg. Ortigas Ave, Pasig City Metropolitan Manila 1600	Own 631-26-74		Tax Identification Number 000-283-304		Domestic PHILIPPINES		NWT	28.00

BP ID	BP NAME	ACCOUNT NO.	ADDRESS	ACCOUNT TYPE	TELEPHONE NUMBER	ID TYPE	ID NUMBER	INVESTOR TYPE	COUNTRY	HOLDINGS	TAX CODE
168000000000	GLOBALINKS SECURITIES & STOCKS, INC. # 706 Ayala Tower One Ayala Avenue Cor. Pasco de Roxas St. Makati City Metropolitan Manila 1226	5		Omnibus Without Client	759-4136	Tax Identification Number	65	Domestic	PHILIPPINES	2,032.00	PH10
180000000000	I. B. GIMENEZ SECURITIES, INC. 2703A EAST TOWER PSE CENTRE, EXCHANGE ROAD, ORTIGAS CENTRE, PASIG CITY Metropolitan Manila 1600	5		Omnibus Without Client	6673472-6673473	Tax Identification Number	000-329-846-000	Domestic	PHILIPPINES	80.00	PH10
203000000000	COL Financial Group, Inc. 2401-B EAST TOWER, PSE CENTRE EXCHANGE ROAD, ORTIGAS CENTER PASIG CITY Metropolitan Manila 1605	1		Omnibus Without Client	635-5735	Tax Identification Number	203-523-208	Foreign	PHILIPPINES	85.00	FMX1
203000000000	COL Financial Group, Inc. 2401-B EAST TOWER, PSE CENTRE EXCHANGE ROAD, ORTIGAS CENTER PASIG CITY Metropolitan Manila 1605	5		Omnibus Without Client	635-5735	Tax Identification Number	203-523-208	Domestic	PHILIPPINES	32,096.00	PH10
206000000000	MERIDIAN SECURITIES, INC. Suite 2702B&C Tektite Tower I Ortigas Centre, Pasig City Metropolitan Manila 1600	5		Omnibus Without Client	634-6931/36	Tax Identification Number	000-338-748-000	Domestic	PHILIPPINES	100.00	PH10
213000000000	NIEVES SECURITIES, INC. UNIT 106, G/F TYTANA PLAZA V. TYTANA COR INSULAR STS. PLAZA LORENZO RUIZ, BINONE MANILA CITY Metropolitan Manila 1006	5		Omnibus Without Client	4777888	Tax Identification Number	000-333-999-000	Domestic	PHILIPPINES	1,000.00	PH10
215000000000	OPTIMUM SECURITIES CORPORATION No. 11 E. O. Bldg., United St. cor. 2nd St. Bo. Kapitolyo, Pasig City Metropolitan Manila 1650	5		Omnibus Without Client	631-7831/36	Tax Identification Number	112	Domestic	PHILIPPINES	17.00	PH10

BP ID	BP NAME	ACCOUNT NO.	ADDRESS	ACCOUNT TYPE	TELEPHONE NUMBER	ID TYPE	ID NUMBER	INVESTOR TYPE	COUNTRY	HOLDINGS	TAX CODE
21500000000000000000	OPTIMUM SECURITIES CORPORATION No. 11 E. O. Bldg., United St. cor. 2nd St. Bo. Kapitolyo, Pasig City Metropolitan Manila 1650	6		Settlement	631-7831/36	Tax Identification Number	112	Domestic	PHILIPPINES	24.00	NWT
21900000000000000000	PAPA SECURITIES CORPORATION 6/F, S & L Building Dela Rosa cor. Esteban Sts. Legaspi Village, Makati City Metropolitan Manila 1200	5		Omnibus Without Client	817-8433	Tax Identification Number	000-215-520	Domestic	PHILIPPINES	879.00	PH10
23000000000000000000	QUALITY INVESTMENTS & SECURITIES CORPORATION Suite 1602 Tytana Plaza Oriente St, Binondo Manila Metropolitan Manila 1006	5		Omnibus Without Client	241-0547	Tax Identification Number	000-333-614-000	Domestic	PHILIPPINES	200.00	PH10
25100000000000000000	TANSENGCO & CO., INC. U-2308 World Trade Exchange Condominium 215 Jw Luna St., Binondo, Manila Metropolitan Manila 1006	5		Omnibus Without Client	241-7155	Tax Identification Number	146	Domestic	PHILIPPINES	777.00	PH10
26700000000000000000	FIRST METRO SECURITIES BROKERAGE CORP Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City Metropolitan Manila 1226	5		Omnibus Without Client	759-4133/34	Tax Identification Number	003-458-062-000	Domestic	PHILIPPINES	181.00	PH10
27500000000000000000	YAO & ZIALCITA, INC. Yao & Zialcita, Inc., 5G Vernida I Condominium, 12C Amorsolo St., Legaspi Village, Makati City Metropolitan Manila	5		Omnibus Without Client	5274019 to 21	Tax Identification Number	170	Domestic	PHILIPPINES	18.00	PH10
27800000000000000000	YU & COMPANY, INC. Unit E 1606-B Tektite Tower 1 Exchange Road, Ortiga Center Pasig City Metropolitan Manila 1600	5		Omnibus Without Client	634-6248	Tax Identification Number	000-324-373-000	Domestic	PHILIPPINES	83.00	PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE		ID TYPE		INVESTOR TYPE		HOLDINGS	
		TELEPHONE NUMBER		ID NUMBER		COUNTRY		TAX CODE	
SCTD1000000 1	MBTC - TRUST BANKING GROUP 5/F Metrobank Plaza Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Own 894-8888		Tax Identification Number 990		Domestic PHILIPPINES		23,555.00	NWT
Total Holdings									6,900,394.00



R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue
Makati City 1226, Metro Manila, Philippines

Telephone +63 (2) 885 7000
Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
E-Mail manila@kpmg.com.ph

Branches: Subic · Cebu · Bacolod · Iloilo

REPORT OF INDEPENDENT AUDITORS

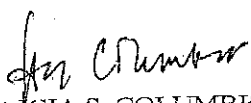
The Board of Directors and Stockholders
Grand Plaza Hotel Corporation
10th Floor, The Heritage Hotel Manila
EDSA corner Roxas Boulevard
Pasay City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Grand Plaza Hotel Corporation (the "Company") as at and for the years ended December 31, 2013 and 2012, included in this Form 17-A, and have issued our report thereon dated February 11, 2014.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Company's management. Such additional components include: Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration; Map of the Group; Schedule of Philippine Financial Reporting Standards; and Supplementary Schedules of Annex 68-E.

These supplementary information are presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended, and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R. G. MANABAT & CO.


ALICIA S. CUMBRES
Partner

CPA License No. 069679

SEC Accreditation No. 1181-A, Group A, valid until January 11, 2015

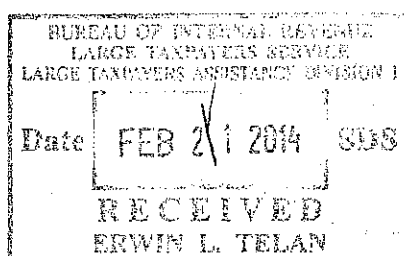
Tax Identification No. 120-964-156

BIR Accreditation No. 08-001987-27-2011

Issued November 3, 2011; valid until November 2, 2014

PTR No. 4225120MC

Issued January 2, 2014 at Makati City



February 11, 2014
Makati City, Metro Manila

GRAND PLAZA HOTEL CORPORATION

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary				
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
PFRS 10	Consolidated Financial Statements			✓
PFRS 11	Joint Arrangements			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Balance Sheet Date	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
PAS 19 (Amended)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓

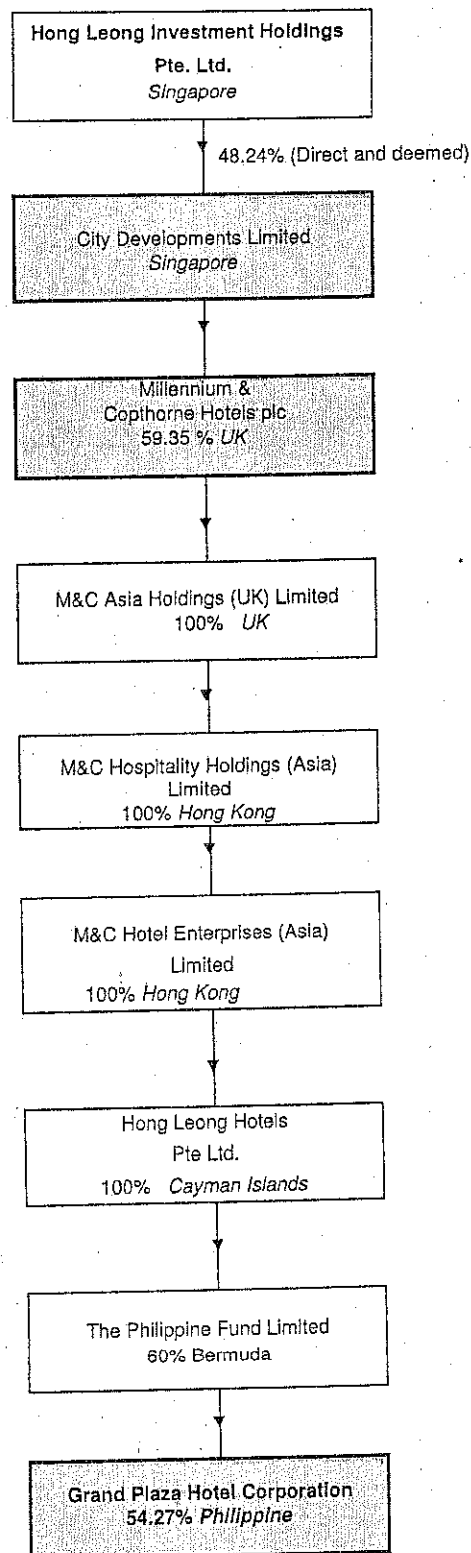
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

GRAND PLAZA HOTEL CORPORATION

SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

Items	Amount
Unappropriated Retained Earnings, beginning	P237,731,133
Adjustments:	
(See adjustments in previous year's Reconciliation)	(75,480,172)
Unappropriated Retained Earnings, as adjusted, beginning	162,250,961
Net Income based on the face of AFS	85,576,676
Less: Non-actual/unrealized income net of tax	(611,039)
▪ Equity in net income of associate/joint venture	-
▪ Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-
▪ Unrealized actuarial gain	-
▪ Fair value adjustment (M2M gains)	-
▪ Fair value adjustment of Investment Property resulting to gain Adjustment due to deviation from PFRS/GAAP-gain	-
▪ Fair value adjustment of Investment Property resulting to gain Adjustment due to deviation from PFRS/GAAP-gain	-
▪ Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
▪ Recognized deferred tax assets	(3,798,739)
Add: Non-actual losses	-
▪ Depreciation on revaluation increment (after tax)	-
▪ Adjustment due to deviation from PFRS/GAAP - loss	-
Loss on fair value adjustment of investment property (after tax)	-
Net Income Actual/Realized	243,417,859
Add (Less):	
▪ Dividend declarations during the period	-
▪ Appropriations of Retained Earnings during the period	(142,466,650)
▪ Reversals of appropriations	-
▪ Effects of prior period adjustments	(110,158)
▪ Treasury shares	-
	(142,576,808)
Unappropriated Retained Earnings, as adjusted, ending	P100,841,051

The Philippine Fund Limited Group Structure



 Listed Companies

REPUBLIC OF THE PHILIPPINES)
CITY OF TAGUIG) S.S.

SECRETARY'S CERTIFICATE

I, Alain Charles J. Veloso, Filipino, of legal age, with office address at the 12th Floor, Net One Center, 26th Street corner 3rd Avenue, Crescent Park West, Bonifacio Global City, Taguig, Metro Manila, after having duly sworn, do hereby certify that:

1. I am the duly elected and qualified Assistant Corporate Secretary of Grand Plaza Hotel Corporation ("Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines.
2. Based on our records and on the confirmation that we obtained from the directors or key executive officers of the Corporation as of 21 April 2014, no directors or key executive officers of the Corporation are connected with any government agencies or its instrumentalities.
3. I execute this Secretary's Certificate to comply with the requirements of the Philippine Securities and Exchange Commission, in connection with the Corporation's Information Statement on SEC Form 20-IS.

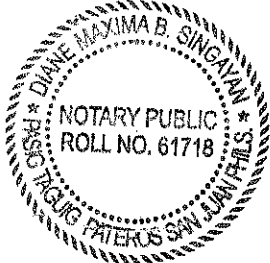
22 April 2014, Taguig City, Metro Manila.



Alain Charles J. Veloso
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me by Alain Charles J. Veloso, who is personally known to me to be the same person who presented the foregoing instrument and signed the instrument in my presence, ~~APR 22 2014~~ of April 2014, at Taguig City, Metro Manila, affiant exhibiting to me his Passport No. EB0983029 issued on 18 September 2010, expiry date on 17 September 2015 at Manila, Philippines.

Doc. No. 379 ;
Page No. 77 ;
Book No. I ;
Series of 2014.



DIANE MAXIMA B. SINGAYAN
Notary Public, Cities of Taguig, Pasig, San Juan, and Pateros
Appointment No. 285, Until December 31, 2014
12th Floor, Net One Center, 26th St., cor. 3rd Avenue
Crescent Park West, Bonifacio Global City, Taguig City 1634
ROLL OF ATTORNEYS NO: 61718
PTR No. A-2021177; 1/08/14; Taguig City, M.M.
LIFETIME IBP No. 924519; 01/10/13; Cagayan Valley