

GRAND PLAZA HOTEL CORPORATION

24 July 2015

Filed Through EDGE

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

Attention: Janet A. Encarnacion
Head, Disclosure Department

RE: Grand Plaza Hotel Corporation –Warrant of Distrain and/or Levy

Gentlemen,

Please be informed that on 24 July 2015, Grand Plaza Hotel Corporation ("Corporation") received a Warrant of Distrain and/or Levy dated 24 July 2015 from the Bureau of Internal Revenue ("BIR") ("Warrant"). The BIR seeks to collect the aggregate amount of PhP506,028,228.24, as Y2008 deficiency income tax, withholding tax on compensation, and value added tax.

The Warrant relates to the previous disclosure of the Corporation regarding a Collection Letter that the Corporation received from the BIR on 12 December 2013 in connection with a Formal Letter of Demand for alleged deficiency income tax, value added tax, expanded withholding tax, withholding tax on compensation and documentary stamp tax for the year 2008.

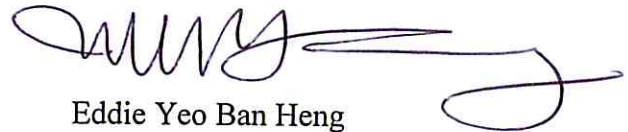
Pursuant to the Warrant, the BIR seeks to (i) distrain the goods, chattels or effects, and other personal property of the Corporation and (ii) levy upon the real property of the Corporation as may be necessary to satisfy the taxes due and such expenses as may be incurred in making the distrain/levy.

Considering that a Petition for Review has been earlier filed with the Court of Tax Appeals on 20 February 2015 to question the validity of the collection proceedings initiated by the Commissioner of Internal Revenue, and that the matter is currently being litigated at the Court

of Tax Appeals, the Corporation will take immediate legal measures to ensure that such Warrant is properly restrained in the meantime.

¹The Warrant covers the sum of PhP506,028,228.24, as 2008 Deficiency Income Tax, Withholding Tax on Compensation and Value Added Tax under various assessments dated 18 July 2013, plus all increments incident to delinquency.

Sincerely yours,

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

Eddie Yeo Ban Heng
Assistant Compliance Officer
Grand Plaza Hotel Corporation