

**SECURITIES AND EXCHANGE COMMISSION**

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Company Information

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Company Name: GRAND PLAZA HOTEL CORPORATION DOING BUSINESS UNDER THE NAME OF THE HERITAGE HOTEL MANILA

Industry Classification: H55110

Company Type: Stock Corporation

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

- 1 For the quarterly period ended **March 31, 2026**
2. Commission identification number _____ 3. BIR Tax Identification No. **000-460-602-000**

GRAND PLAZA HOTEL CORPORATION

4. Exact name of issuer as specified in its charter

PHILIPPINES

5. Province, country or other jurisdiction of incorporation or organization _____

6. Industry Classification Code: _____ (SEC Use Only)

10F, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA, Pasay City 1300

7. Address of issuer's principal office

Tel. No. (632) 8854-8838

Fax No. (632) 8854-8825

8. Issuer's telephone number, including area code

N.A.

9. Former name, former address and formal fiscal year if changed since last report

10. Securities registered pursuant to Sections 8 & 12 of the Code, or Sections 4 & 8 of the RSA

Title of each Class

Number of shares of common
Stock outstanding and amount
Of debt outstanding

COMMON SHARES

87,318,270*

*includes 33,600,901 treasury shares

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

Yes [X] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

PHILIPPINE STOCK EXCHANGE, INC.

COMMON

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No []

PART I – FINANCIAL INFORMATION

Item 1 Financial Statements

Financial Statements and, if applicable, Pro-forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

Item 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Furnish the information required by Part III, Paragraph (A)(2)(b) of “Annex C”

PART II – OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report in SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.



Issuer: **YAM KIT SUNG**

Signature and Title: **General Manager & Chief Financial Officer**

Date : _____

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements Required Under SRC Rule 68.1

- Please see attached financial statements for interim Balance Sheets, Statements of Income, Statements of Changes in Equity and Statements of Cash flows.

Notes to Financial Statements

Summary of significant accounting policies

The financial statements of the Company have been prepared in accordance with Philippine generally accepted accounting principles (GAAP) and are denominated in Philippine pesos. The preparation of financial statements in accordance with Philippine GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies.

The same accounting policies and methods of computation are followed in the interim financial statements for the year 2025 as compared with the most recent annual financial statements.

Seasonality or Cyclicity of Interim Operations

All segments of the business are in its normal trading pattern.

Material Items

There are no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidents.

Estimates

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

Issuances of Debts and Equity

There are no issuances, repurchases and repayments of debts and equity securities.

Dividends

There were no dividends declared in the current interim period.

Segment Revenue and Results

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

The Company organized its business into 3 main segments:

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

The segment revenues and results are as follows:

| | YTD 1 st Quarter Revenue – Peso ‘000 | YTD 1 st Department Profit – Peso ‘000 |
|--|---|---|
| Room | 70,047 | 51,011 |
| Food and Beverage | 35,830 | 10,519 |
| Other Operated Departments and rental | 3,762 | 3,525 |

Subsequent Events

None

Composition of Company

There are no changes in the composition of the Company during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

Contingent assets or liabilities

There are no changes in contingent assets or liabilities since the last annual balance sheet date.

Contingencies

There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The top 5 Key Performance Indicators of the Company are as follows:

| | 31 March 2026 | 31 March 2025 |
|--|----------------------|---------------|
| Current liquidity ratios | 1.63 | 2.10 |
| Solvency (Debt to equity) | 0.51 | 0.56 |
| Assets to equity ratios | 1.51 | 1.56 |
| Profitability ratios Profit/(Loss) before tax margin ratio | -14.0% | -10.5% |
| EBITDA (Earnings before interest, tax, depreciation and amortization) - Peso | -8.46m | -3.43m |

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

Current liquidity ratio is derived by dividing the current assets with the current liabilities. This indicator measures the liquidity of the Company in the short term. The current ratio decreased by 0.47 during the period of review compared to the same period of last year due to lower current assets arising from lower cash balance and reduction in receivables from a tenant. In addition, refundable deposit to tenant has reduced by PhP78.08m.

Debt to equity ratio measures a company’s financial leverage. It is derived by dividing total liabilities over equity. There is a decrease in this ratio by 0.05 over the same period of last year and this is due to lower equity while total liabilities had also reduced by PhP57.79m or 10.24% compared to last year.

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 a decrease in this ratio by 1.05 over last year as a result of lower assets balance.

Profit before tax margin ratio is computed by dividing the profit before tax against the total revenue. This ratio measures whether the Company can cover its expenses in relation to the revenue. For this quarter, the Company reported a loss.

EBITDA represents earnings before interest, tax, depreciation and amortization. This indicator measures the operating cash flow of a company. For the quarter under review, EBITDA fell to negative due to absence of rental income from a major tenant while hotel revenue remains stable.

Balance Sheets Analysis:

- Cash and investments in short-term notes: This balance consists mainly of cash and fixed deposits with banks. As compared to the end of last fiscal year, the balance decreased by PhP4.4 million or 1.5% and decreased by PhP141.0 million or 33.1% compared to the same period of last year. The decrease is mainly due to payment to contractors in connection with the renovation of the hotel.
- Accounts receivable: trade: As compared to 31 December 2025, trade receivable has fallen by PhP12.9 million (22.0%) due to improvement in collection effort while it also decreased by PhP3.8 million (7.7%) relative to same period of last year.
- Prepaid expenses: This balance increased by about Ph19.9 million (34.5%%) as compared to same period last year due to prepaid insurance premium during the year which will be amortized in 2026.
- Other current assets: The balance declined by PhP138.9 million, representing a 52.7% reduction compared to the previous year. The main reason is due to the settlement of outstanding rental due from a tenant.
- Property and equipment: As compared to the same period of last year, this balance increased by PhP219.3 million (40.9%) as a result of addition from renovation and recognition of Property and equipment due to the forfeiture of the tenant. There is reduction of PhP15.1 million (2.0%) as compared to end of last fiscal year due to depreciation for the first quarter of 2026.
- Accounts payable: As compared to the end of last fiscal year, this balance has decreased by PhP9.9 million (8.8%) as business is slower in the first quarter of 2026, hotel has reduced unnecessary purchases. The balance rose by PhP11.4 million (12.6%) from last year, reflecting higher revenue and increased purchases.
- Due to associated/related companies: This balance rose by PhP12.8 million, or 13.6%, compared to the end of last year because the Company has not yet repaid its outstanding balance to related companies. The payment is scheduled for 2Q2026.

Income Statement Analysis for the 3 Months Ended 31 March 2026

Revenue:

Total revenue for 1Q2026 as compared to 1Q2025 improved by PhP7.1 million (6.9%) with Rooms Department showing the highest growth due to the completion of 2 floors of guestroom renovation in 2025.

Rooms:

Hotel occupancy dropped from 65.4% to 52.9% in 1Q2025 due to fewer available rooms during guestroom renovations. Average Room Rate (ADR) improved from PhP3,175 to PhP3,267 resulting in Revpar growth of 16.8%. With 2 floors of renovated rooms, the hotel can attract higher yield guests resulting in higher ADR.

F&B:

F&B revenue improved marginally by PhP0.4 million (1.0%). Banquets improved by 4.9% over last year, which helped to mitigate the shortfall in Riviera. Average check improved from PhP563 to PhP631.

Cost of Sales:

F&B cost of sales fell 6% to maintain profit margins amid lower revenue.

Operating Expenses:

This is comprised of payroll cost, operating expenses, utilities and fixed charges. This balance increased by PhP17.5 million (16.8%). The main reason for the increase is in electricity cost which increased from PhP7.9 million to PhP9.9 million (25.5%) due to the Middle East crisis. In addition, depreciation also increased by PhP4.6 million (43.3%) due to higher depreciable assets for this quarter and Company also settled its tax payment for FY2021 with Bureau of Internal Revenue amounting to about PhP8 million.

Non-operating Income:

Non-operating income recorded an income of PhP8.2 million this quarter, which is PhP5.2 million (169.4%) higher than same period last year. The positive variance is due to an exchange gain of PhP5.3 million as compared to an exchange loss of PhP1.9m in prior year. Interest income reduced by 43.5% due to lower cash balance and interest rate.

Net income before tax:

The Company reported a loss of PhP15.4 million for this quarter, which is 41.5% higher than last year.

There are no material event(s) and uncertainties known to management that would address the past and would have an impact on the future operations of the following:

- Any known trends, demands, commitments, events or uncertainties will have a material impact on the Company's liquidity.
- Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- Any significant elements of income or loss that did not arise from the Company's continuing operations.

- The causes for any material change(s) (5% or more) from period to period in one or more line items (vertical and horizontal) of the Company's financial statements.
- Any seasonal aspects that had a material effect on the financial condition or results of operations.

Management is not aware of any event that may trigger direct or contingent financial obligations that is material to the Company, including any default or acceleration of an obligation. Management is not aware of any material off-balance sheet transaction, arrangement, obligation (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons that were created during the first 3 months of 2024.

PART II – OTHER INFORMATION

Grand Plaza Hotel Corporation versus Commissioner of Internal Revenue (“BIR”) – Court of Tax Appeal (“CTA”) Case No. 8992

This case is a Petition for Review filed on 20 February 2015 with CTA to invalidate the tax deficiency assessment in relation to year 2008.

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

On 22 October 2025, the Corporation received a copy of the Notice from the Supreme Court First Division. The Supreme Court denied the petition for review on certiorari and considering that there is no substantial argument to warrant a modification of the Court's resolution, the Cort resolved to deny reconsideration with Finality. The court also ruled that no further pleadings, motions, letters or other communications shall be entertained.

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

Financial Risk Exposure:

In the context of the current global financial condition, the Securities and Exchange Commission sent us a memorandum to companies on 29 October 2008, which requires companies to make a self-assessment or evaluation to determine whether any of the items below are applicable. If applicable, these items must be disclosed in the interim financial report on SEC Form 17-Q (“Quarterly Report”):

1. The qualitative and quantitative impact of any changes in the financial risk exposures of GPHC, particularly on currency, interest, credit, market and liquidity risks, that would materially affect its financial condition and results of operation, and a description of any enhancement in the Company’s risk management policies to address the same.
2. A description of the financial instruments of the Company and the classification and measurements applied for each. If material in amount, provide detailed explanation or complex securities particularly on derivatives and their impact on the financial condition of the Company.
3. The amount and description of the Company’s investments in foreign securities.
4. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.
5. An explanation of how risk is incorporated and considered in the valuation of assets or liabilities.
6. A comparison of the fair values as of date of the recent interim financial report and as date of the preceding interim period, and the amount of gain or loss recognized for each of the said periods.
7. The criteria used to determine whether the market for a financial instrument is active or inactive, as defined under Philippine Accounting Standard 39 – Financial Instruments.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company’s risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Company’s risk management policies. The committee identifies all issues affecting the operations of the Company and reports regularly to the BOD on its activities.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address

the risks that inevitably occur so as not to affect the Company's operations and detriment forecasted results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee directly interfaces with the internal audit function, which undertakes reviews of risk management controls and procedures and ensures the integrity of internal control activities which affect the financial management system of the Company. The results of procedures performed by Internal Audit are reported to the Audit Committee.

Credit Risk

Credit risk represents the risk of loss the Company would incur if credit customers and counterparties fail to perform their contractual obligations. The Company's credit risk arises principally from the Company's trade receivables.

Exposure to credit risk is monitored on an ongoing basis, credit checks being performed on all clients requesting credit over certain amounts. Credit is not extended beyond authorized limits, established where appropriate through consultation with a professional credit vetting organization. Credit granted is subject to regular review, to ensure it remains consistent with the clients' current credit worthiness and appropriate to the anticipated volume of business.

The investment of the Company's cash resources is managed so as to minimize risk while seeking to enhance yield. The Company's holding of cash and money market placements expose the Company's to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations and the Company consequently suffers financial loss. Credit risk management involves entering into financial transactions only with counterparties with acceptable credit rating. The treasury policy sets aggregate credit limits of any one counterparty and annually reviews the exposure limits and credit ratings of the counterparties.

Receivables balance is being monitored on a regular basis to ensure timely execution of necessary intervention efforts. As of balance sheet date, there were no significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to various market risks, including risks from changes in room rates, interest rates and currency exchange rates.

Room Rates

The risk from room rate changes relates to the Company's ability to recover higher operating costs through price increases to customers, which may be limited due to the competitive pricing environment that exists in the Philippine hotel industry and the willingness of customers to avail of hotel rooms at higher prices.

The Company minimizes its exposure to risks in changes in room rates by signing contracts with short period of expiry so this gives the Company the flexibility to adjust its room rates in accordance to market conditions.

Interest Rate Risk

The Company has no interest-bearing debt obligations to third parties. As such, the Company has minimal interest rate risk.

Foreign Currency Risk

Foreign assets and financing facilities extended to the Company were mainly denominated in Philippine Peso. As such, the Company's foreign currency risk is minimal.

The Company functional currency is Philippines peso. As at 31 March 2026, it holds bulk of its cash and cash equivalent in Philippines peso. The United States dollars are used to settle foreign obligations.

The Company does not have any third-party loans so it has no interest rate risk. The Company in the ordinary course of business extends credit to its customers. Exposure to credit risk is monitored on an ongoing basis, credit reviews being performed for clients requesting credit limit. The total exposure to trade receivables as at 31 March 2026 is PhP30.6 million.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. As at 31 March 2026, the Company has PhP598 million current assets and PhP365 million current liabilities, so the current assets are able to cover its current liabilities.

The Company does not invest in any other financial instruments. Any surplus funds are placed in short-term fixed deposits with local bank like Metropolitan Bank and Trust Co. and foreign bank like DBS Singapore and United Overseas Bank Singapore

The Company also does not invest in foreign securities.

The fair values together with the carrying amounts of the financial assets and liabilities shown in the balance sheet date are as follows:

| | 31 March 2026 | 31 March 2026 | 31 December 2025 | 31 December 2025 |
|-------------------------------------|------------------------|----------------------|------------------|------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Cash and cash equivalents | 285,077,093 | 285,077,093 | 289,523,720 | 289,523,720 |
| Receivables net | 50,982,205 | 50,982,205 | 63,254,592 | 63,254,592 |
| Due from/(to) related party net | (94,014,472) | (94,014,472) | (81,095,155) | (81,095,155) |
| Loan receivable | 15,500,000 | 15,500,000 | 15,500,000 | 15,500,000 |
| Lease deposit | 78,000,000 | 78,000,000 | 78,000,000 | 78,000,000 |
| Accounts payable & accrued expenses | 174,918,185 | 174,918,185 | 187,446,864 | 187,446,864 |

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

Cash and cash equivalent – the carrying amount approximates the fair value due to its short maturity.

Receivables/ due from related party/ loan receivable/ lease deposit/ accounts payable and accrued expenses/ due to related party – current receivables are reported at their net realizable values, at total amount less allowances for uncollectible amounts. Current liabilities are stated at amounts reasonably expected to be paid within the next 12 months or operating cycle. Due from/to related party and loan receivable are payable on demand. In the case of lease deposit, the fair value approximates the carrying amount.

GRAND PLAZA HOTEL CORPORATION**Balance Sheets****March 31, 2026***(with comparative figures for the year ended December 31, 2025)***(In Philippine Pesos)**

| ASSETS | Unaudited March 31, 2026 | Unaudited March 31, 2025 | Audited Dec. 31, 2025 |
|---|-------------------------------------|-------------------------------------|------------------------------------|
| <i>Current Assets</i> | | | |
| Cash and investments in short term notes | 285,077,093 | 426,078,586 | 289,523,720 |
| Accrued interest receivable | 355,013 | 1,163,379 | 374,581 |
| Accounts receivable - trade | 46,099,767 | 49,958,172 | 59,091,385 |
| Accounts receivable - others | 5,639,672 | 16,271,642 | 4,900,874 |
| Provision for bad debts | (1,112,247) | (1,112,247) | (1,112,247) |
| Deferred tax assets/(liabilities) | 19,751,174 | 19,986,188 | 19,935,511 |
| Advances to associated/related companies | 1,309,809 | 2,811,519 | 2,419,472 |
| Advances to immediate holding company | 11,567,755 | 10,364,148 | 10,566,420 |
| Inventories | 9,101,622 | 6,845,364 | 7,810,824 |
| Prepaid expenses | 77,739,056 | 57,811,689 | 76,715,848 |
| Creditable withholding tax | 18,247,440 | 22,147,497 | 18,112,836 |
| Other current assets | 124,520,376 | 263,459,796 | 112,330,049 |
| <i>Total Current Assets</i> | <u>598,296,529</u> | <u>875,785,734</u> | <u>600,669,272</u> |
| <i>Property and Equipment</i> | 755,063,999 | 535,801,946 | 770,205,455 |
| <i>Investment in Stock of Associated Company</i> | 50,771,101 | 50,608,544 | 50,443,242 |
| <i>Deposit on Lease Contract</i> | 78,000,000 | 78,000,000 | 78,000,000 |
| <i>Loans Receivable</i> | 15,500,000 | 15,500,000 | 15,500,000 |
| <i>Other Assets</i> | | | |
| Miscellaneous investments and deposits | 8,582,719 | 8,582,719 | 8,582,719 |
| Others | 1,010,000 | 1,010,000 | 1,010,000 |
| <i>Total Other Assets</i> | <u>9,592,719</u> | <u>9,592,719</u> | <u>9,592,719</u> |
| <i>Total Assets</i> | <u><u>1,507,224,348</u></u> | <u><u>1,565,288,941</u></u> | <u><u>1,524,410,687</u></u> |

GRAND PLAZA HOTEL CORPORATION**Balance Sheets****March 31, 2026***(with comparative figures for the year ended December 31, 2025)***(In Philippine Pesos)**

| LIABILITIES AND STOCKHOLDERS' EQUITY | Unaudited March 31, 2026 | Unaudited March 31, 2025 | Audited Dec. 31, 2025 |
|--|-------------------------------------|-------------------------------------|----------------------------------|
| Current Liabilities | | | |
| Accounts payable | 102,091,169 | 90,647,209 | 111,960,092 |
| Accrued liabilities | 72,827,016 | 73,016,661 | 75,486,772 |
| Rental payable | 17,127,186 | 9,903,393 | 12,366,326 |
| Due to associated/related companies | 106,892,035 | 99,024,333 | 94,081,047 |
| Refundable deposit | 28,709,669 | 106,787,223 | 27,927,343 |
| Hotel Lease Liability | 6,009,759 | 5,535,419 | 5,887,493 |
| Other current liabilities | 29,951,943 | 34,247,760 | 34,044,104 |
| Reserves | 1,860,392 | (1,914,023) | 2,491,252 |
| Total Current Liabilities | 365,469,170 | 417,247,976 | 364,244,429 |
| Long - Term Liabilities | | | |
| Hotel Lease Liability | 141,069,959 | 147,079,718 | 142,619,034 |
| Total Long - Term Liabilities | 141,069,959 | 147,079,718 | 142,619,034 |
| Stockholders' Equity | | | |
| Authorized - 115,000,000 shares in March 31, 2009 and December 31, 2008 at P10.00 par value per share | | | |
| Paid - in Capital | 873,182,699 | 873,182,699 | 873,182,699 |
| Premium on capital stock | 11,965,904 | 11,965,904 | 11,965,904 |
| Paid-in capital in excess of par - Warrants | 2,691,614 | 2,691,614 | 2,691,614 |
| Treasury stock | (1,680,020,370) | (1,680,020,370) | (1,680,020,370) |
| Retained earnings - beginning | 1,797,423,147 | 1,786,239,124 | 1,783,678,567 |
| Net income for the period | (16,862,005) | (8,594,071) | 13,744,580 |
| Reserves / net Actuarial Loss | 12,304,230 | 15,496,348 | 12,304,230 |
| Total Stockholders' Equity | 1,000,685,219 | 1,000,961,247 | 1,017,547,224 |
| Total Liabilities and Stockholders' Equity | 1,507,224,348 | 1,565,288,941 | 1,524,410,687 |

GRAND PLAZA HOTEL CORPORATION
Income Statements
For the quarters ended March 31, 2026 and 2025
(In Philippine Pesos)

| | Unaudited March 31, 2026 | Unaudited March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Revenue | | |
| Rooms | 70,046,919 | 64,380,496 |
| Food & Beverage | 35,829,829 | 35,467,009 |
| Other Operated Depts. | 377,215 | 369,597 |
| Rental Income/Others | 3,385,161 | 2,305,927 |
| | <u>109,639,124</u> | <u>102,523,029</u> |
| Total Revenue | | |
| Cost of Sales | | |
| Food & Beverage | 11,316,794 | 12,034,613 |
| Other Operated Depts. | 10,824 | 8,702 |
| | <u>11,327,618</u> | <u>12,043,315</u> |
| Total Cost of Sales | | |
| Gross Profit | 98,311,506 | 90,479,715 |
| Operating Expenses | <u>121,910,656</u> | <u>104,391,969</u> |
| Net Operating Income | <u>(23,599,150)</u> | <u>(13,912,255)</u> |
| Non-operating Income | | |
| Interest Income | 2,625,847 | 4,651,589 |
| Exchange Gain/(Loss) | 5,292,251 | (1,975,658) |
| Share in Net Income/(Loss) of Associated Co. | 327,860 | 385,063 |
| Other Income | - | - |
| | <u>8,245,958</u> | <u>3,060,993</u> |
| Total Non-Operating Income | | |
| Net Income/(Loss) Before Tax | (15,353,192) | (10,851,261) |
| Provision for Income Tax | <u>1,508,813</u> | <u>(2,257,190)</u> |
| Net Income/(Loss) After Tax | <u>(16,862,005)</u> | <u>(8,594,071)</u> |
| Basic earnings per share | <u>- 0.31</u> | <u>- 0.16</u> |
| Dilluted earnings per share | <u>(0.31)</u> | <u>(0.16)</u> |

Notes:

In March 30, 2026 and 2025 total shares outstanding is 53,717,369 net of 33,600,901 treasury shares

GRAND PLAZA HOTEL CORPORATION
Statements of Changes in Equity
For the quarters ended March 31, 2026 and 2025
(In Philippine Pesos)

| | Unaudited March 31, 2026 | Unaudited March 31, 2025 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Balance - beginning | 1,017,547,224 | 1,009,555,319 |
| Net income for the period | (16,862,005) | (8,594,071) |
| | | |
| <i>Balance - end</i> | <u>1,000,685,219</u> | <u>1,000,961,247</u> |

GRAND PLAZA HOTEL CORPORATION
Cash Flow Statements
For the quarters ended March 31, 2026 and 2025
(In Philippine Pesos)

| | <u>Unaudited</u> <u>March 31, 2026</u> | <u>Unaudited</u> <u>March 31, 2025</u> | <u>Audited</u> <u>Dec. 31, 2025</u> |
|--|---|---|--|
| Cash flows from operating activities | | | |
| Net income | (16,862,005) | (8,594,071) | 13,744,580 |
| Adjustments to reconcile net income to net cash provided by operating activities | | | |
| Net Adjustments for 2024/2025 Audited not carried in 1Q2025/ | - | 3,843,533 | |
| Interest Expense on Lease Liability/Adj on RE Beg | | | 1,282,976 |
| Other Adjustments (increase in actuarial loss) | 0 | 3,282,458 | 90,340 |
| Other Comprehensive Income(loss) | - | - | - |
| Depreciation and amortization | 15,141,456 | 10,569,158 | 49,526,423 |
| Equity in net income of associated company | (327,860) | (385,063) | (1,419,761) |
| Provision for bad debts | 1,112,247 | 1,112,247 | 1,112,247 |
| Changes in operating assets and liabilities | | | |
| (Increase) decrease in | | | |
| Accrued interest receivable | 19,568 | (122,774) | 666,025 |
| Accounts receivable - trade | 11,879,371 | 3,942,461 | (5,190,752) |
| Accounts receivable - others | (738,798) | 3,687,261 | 15,058,030 |
| Deferred income tax | 184,337 | (3,113,233) | (3,062,557) |
| Input tax | - | - | - |
| Advances to associated/related companies | 1,109,663 | (1,391,506) | (999,458) |
| Advances to immediate holding company | (1,001,334) | (74,424) | (276,696) |
| Inventories | (1,290,798) | 958,707 | (6,753) |
| Prepaid expenses | (1,023,207) | (3,292,619) | (22,196,779) |
| Creditable withholding tax | (134,604) | (2,551,117) | 1,483,544 |
| Other current assets | (12,190,327) | (118,387,426) | 32,742,321 |
| Increase (decrease) in | | | |
| Accounts payable | (9,868,923) | 4,863,804 | 26,176,686 |
| Accrued liabilities | (2,659,756) | 38,140,475 | 40,610,586 |
| Rental payable | 4,760,860 | 4,260,860 | 6,723,793 |
| Due to associated companies | 12,810,988 | 12,293,258 | 7,349,973 |
| Refundable deposit | 782,325 | 3,694,924 | (75,164,956) |
| Hotel Lease Liability | 122,266 | 112,617 | 464,692 |
| Income tax payable | - | - | - |
| Other current liabilities | (4,092,161) | (60,700,996) | (60,904,652) |
| Reserves | (630,859) | (3,282,458) | 1,122,817 |
| | <u>(2,897,552)</u> | <u>(111,133,925)</u> | <u>28,932,668</u> |
| Cash flows from investing activities | | | |
| Acquisition of property and equipment - net | 2,134,317 | (90,266,698) | (357,224,520) |
| Right-of-use Assets - net | (2,134,317) | 176,436,903 | 170,033,951 |
| Dividend (declared)/received | - | - | 1,200,000 |
| | <u>0</u> | <u>86,170,205</u> | <u>(185,990,569)</u> |
| Cash flows from financing activities | | | |
| Interest Paid on Lease Liability | - | - | - |
| Increase/(Decrease) in Hotel Lease Liability | <u>(1,549,075)</u> | <u>(1,426,809)</u> | <u>(5,887,493)</u> |
| | <u>(1,549,075)</u> | <u>(1,426,809)</u> | <u>(5,887,493)</u> |
| Net increase in cash and short-term notes | <u>(4,446,627)</u> | <u>(26,390,529)</u> | <u>(162,945,394)</u> |
| Cash and short-term notes, Beginning | <u>289,523,720</u> | <u>452,469,114</u> | <u>452,469,114</u> |
| Cash and short-term notes, Ending | <u>285,077,093</u> | <u>426,078,585</u> | <u>289,523,720</u> |

