PAS 1.46 (a)
PAS 1.44
PAS 1.46 (c)
PAS 1.46 (d)

GRANTHOR HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS[1]
DECEMBER 31, 2006 AND 2005
(Amounts in Philippine Pesos)

		Notes[2]	2006	2005
	A S S E T S			
PAS 1.57	**CURRENT ASSETS**			
PAS 1.68 (i)	Cash and cash equivalents	4	**P 18,763,552**	P 16,642,248
PAS 1.68 (h)	Trade and other receivables - net	5	**23,889,859**	37,843,152
PAS 1.68 (d)	Financial assets at fair value through profit or loss	6	**33,322,021**	32,210,910
PAS 1.68 (g)	Inventories - net	7	**52,561,959**	51,450,848
PAS 1.69	Prepayments	8	**15,770,249**	14,659,138
PAS 1.69	Total Current Assets		**144,307,640**	152,806,296
PAS 1.70	**NON-CURRENT ASSETS**			
PAS 1.68 (h)	Trade and other receivables - net	5	**41,991,701**	31,890,783
PAS 1.68 (d)	Financial assets - net	9	**94,533,812**	93,422,701
PAS 1.68 (a)	Property, plant and equipment - net	11	**169,196,599**	168,085,488
PAS 1.68 (b)	Investment property	12	**45,200,091**	44,088,980
PAS 1.68 (c)	Intangible assets - net	13	**11,313,111**	10,202,000
PAS 1.68 (n)	Deferred tax assets - net	23	**1,571,830**	9,349,608
PAS 1.69	Total Non-current Assets		**363,807,144**	357,039,560
	NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	14	**3,550,000**	3,550,000
PAS 1.69	**TOTAL ASSETS**		**P 511,664,785**	P 513,395,856

Forward

[1] For banks, the BSP requires the side-by-side presentation of consolidated FS and separate FS of the parent company.

[2] Indicate only the main note. Reference to other accounts or disclosures should be done within the notes to FS.

		Notes	2006	2005
	LIABILITIES AND EQUITY			
PAS 1.60	**CURRENT LIABILITIES**			
	Interest-bearing loans and borrowings	15	**P 15,401,111**	P 14,290,000
PAS 1.68 (j)	Trade and other payables	16	**50,199,124**	49,088,013
PAS 1.69	Due to related parties	24	**19,088,937**	17,977,826
PAS 1.68 (m)	Income tax payable		**3,425,323**	2,314,212
PAS 1.68 (k)	Provisions	17	**5,940,548**	4,829,437
PAS 1.69	Total Current Liabilities		**94,055,043**	88,499,488
PAS 1.57	**NON-CURRENT LIABILITIES**			
PAS 1.68 (l)	Interest-bearing loans and borrowings	15	**55,931,111**	54,820,000
PAS 1.68 (k)	Retirement benefit obligation	22	**17,718,124**	16,607,013
PAS 1.68 (k)	Provisions	17	**6,792,624**	5,681,513
PAS 1.69	Other non-current liabilities		**3,964,388**	2,853,277
PAS 1.69	Total Non-current Liabilities		**84,406,247**	79,961,803
PAS 1.69	Total Liabilities		**178,461,290**	168,461,291
	EQUITY [2]			
	Equity attributable to parent			
PAS 1.68 (p)	Capital stock	25	**150,000,000**	150,000,000
	Additional paid-in capital		**7,005,000**	7,005,000
	Treasury shares, at cost		**(1,000,000)**	(1,000,000)
	Revaluation reserves	2, 25	**23,879,536**	23,912,538
PAS 1.68 (p)	Retained earnings	2, 25	**136,059,000**	148,559,816
	Total equity attributable to shareholders of the parent		**315,943,535**	328,477,354
	Minority interest		**17,259,959**	16,457,211
PAS 1.69	Total Equity	2	**333,203,495**	**344,934,565**
PAS 1.69	**TOTAL LIABILITIES AND EQUITY**		**P 511,664,785**	P 513,395,856

See Notes to Consolidated Financial Statements.

[2] Major line items of equity (i.e., issued capital, reserves and retained earnings) should be presented on the face of the balance sheet. The various classes of this information, such as major items, the changes during the year and information on each class of share capital can be presented on the face of the balance sheet, statement of changes in equity, or in the notes.

PAS 1.46 (a)
PAS 1.44
PAS 1.46 (c)
PAS 1.46 (d)

GRANTHOR HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS[1]
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Amounts in Philippine Pesos)

		Notes[2]	2006	2005	2004
PAS 1.81 (a)	**REVENUES**				
	Sale of goods		**P 183,282,650**	P 181,171,539	P 156,982,596
	Rendering of services		**22,011,617**	19,900,506	13,334,605
			205,294,267	201,072,045	170,317,201
PAS 1.88	**COST OF SALES AND SERVICES**				
PAS 2.36 (d)	Cost of sales	18	**102,221,118**	100,110,007	68,331,945
	Cost of services	18	**12,341,465**	10,230,354	9,274,715
			114,562,583	110,340,361	77,606,660
PAS 1.92	**GROSS PROFIT**		**90,731,684**	90,731,684	92,710,541
	OTHER OPERATING EXPENSES (INCOME)				
PAS 1.92	Other operating income	19	**(3,525,726)**	(5,636,837)	(4,262,264)
PAS 1.92	Selling and distribution costs	20	**25,940,962**	23,829,851	20,545,136
PAS 1.92	Administrative expenses	20	**17,197,678**	15,086,567	13,367,132
PAS 1.92	Other operating expenses	19, 20	**4,716,466**	2,605,355	2,858,746
			44,329,380	35,884,936	32,508,750
PAS 1.83	**OPERATING PROFIT**		**46,402,304**	54,846,748	60,201,791
	OTHER INCOME (CHARGES)				
PAS 1.81 (b)	Finance costs	21	**(8,999,019)**	(11,110,130)	(10,929,530)
	Other gains (losses) - net	21	**579,851**	(1,531,260)	1,378,911
			(8,419,168)	(12,641,390)	(9,550,619)
PAS 1.83	**INCOME BEFORE TAX**		**37,983,136**	42,205,358	50,651,172
PAS 1.81 (e)	**TAX EXPENSE**	23	**17,914,441**	13,257,942	16,318,782
PAS 1.81 (f)	**NET INCOME**	2	**P 20,068,695**	P 28,947,416	P 34,332,390
	Attributable to:				
	Parent company's shareholders		**P 19,265,947**	P 27,500,045	P 32,959,094
	Minority interest		**802,748**	1,447,371	1,373,296
			P 20,068,695	P 28,947,416	P 34,332,390
	Basic Earnings per Share	25	**P 13**	P 20	P 26

See Notes to Consolidated Financial Statements.

[1] This format for statements of income illustrates an example of the "function of expense" or "cost of sales" method. See Appendix 1.1 for the format illustrating the "nature of expense" method.

[2] Indicate only the main note. Reference to other accounts or disclosures should be done within the notes to FS.

PAS 1.46 (a)
PAS 1.44
PAS 1.46 (c)
PAS 1.46 (d)

GRANTHOR HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY[1]
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Amounts in Philippine Pesos)

		Notes[2]	2006	2005	2004
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
	CAPITAL STOCK[3]	25			
	Balance at beginning of year		**P 125,250,000**	P 125,250,000	P 125,250,000
	Additional issuance during the year		**24,750,000**	24,750,000	-
	Balance at end of year		**150,000,000**	150,000,000	125,250,000
	ADDITIONAL PAID-IN CAPITAL		**7,005,000**	7,005,000	7,005,000
	TREASURY SHARES - At Cost		**(1,000,000)**	(1,000,000)	(1,000,000)
	REVALUATION RESERVES	25			
PAS 1.97 (b)	Balance at beginning of year				
	As previously reported		**23,912,538**	23,995,117	20,347,478
PAS 1.96 (d)	Effects of transition to PFRS, net of taxes	2	**-**	-	(358,914)
	As restated		**23,912,538**	23,995,117	19,988,564
PAS 1.96 (b)	Depreciation transfer for building improvements - net of tax		**(770,752)**	(770,752)	(806,326)
PAS 1.96 (b)	Fair value gains, net of taxes		**737,750**	688,173	4,812,879
PAS 1.97 (b)	Balance at end of year		**23,879,536**	23,912,538	23,995,117
	RETAINED EARNINGS	25			
PAS 1.97 (b)	Balance at beginning of year				
	As previously reported		**148,559,816**	158,726,230	253,296,224
PAS 1.96 (d)	Effects of transition to PFRS, net of taxes	2	**-**	-	(114,780,815)
	As restated		**148,559,816**	158,726,230	138,515,409
PAS 1.97 (a)	Cash dividends	25	**(32,537,516)**	(38,437,211)	(13,554,600)
PAS 1.96 (b)	Depreciation transfer for building improvements - net of tax		**770,752**	770,752	806,326
PAS 1.96 (a)	Net income		**19,265,947**	27,500,045	32,959,094
PAS 1.97 (b)	Balance at end of year		**136,059,000**	148,559,816	158,726,230
	Total Equity Attributable to Shareholders of the Parent		**315,943,535**	328,477,354	313,976,346
	MINORITY INTEREST				
	Balance at beginning of year		**16,457,211**	15,009,841	12,536,545
	Additions		**-**	-	1,100,000
	Share in net income		**802,748**	1,447,371	1,373,296
	Balance at end of year		**17,259,959**	16,457,211	15,009,841
PAS 1.97 (b)	**TOTAL EQUITY**	2	**P 333,203,495**	P 344,934,565	P 328,986,187
	Net Gain (Loss) Recognized Directly in Equity		**P 737,750**	P 688,173	P 4,812,879

See Notes to Consolidated Financial Statements.

[1] Refer to Appendix 1.2 for proposed format when there are several equity items to be presented in the Statement of Changes in Equity.

[2] Indicate only the main note. Reference to other accounts or disclosures should be done within the notes to FS.

[3] If there are only few details, show on the face of the statement the number of authorized, issued, and subscribed shares and par value.

PAS 1.46 (a)
IAS 1.44
IAS 1.46 (c)
IAS 1.46 (d)

GRANTHOR HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Amounts in Philippine Pesos)

		2006	2005	2004
IAS 7.10	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Income before tax	**P 37,983,136**	P 42,205,358	P 50,651,172
	Adjustments for:			
	Depreciation and amortization	**17,759,397**	15,648,286	13,523,806
	Impairment losses	**13,518,501**	11,407,390	7,856,842
	Interest expense	**13,221,241**	11,110,130	10,929,530
	Interest income	**(3,426,762)**	(5,537,873)	(4,545,194)
	Changes in fair values	**6,264,375**	4,153,264	3,883,310
	Amortization of intangible assets	**4,639,111**	2,528,000	1,850,000
	Unrealized foreign currency losses	**4,514,397**	2,403,286	1,230,125
	Dividend income	**661,111**	(1,450,000)	(1,450,000)
	Gains on disposals of property and equipment	**1,904,827**	(206,284)	-
	Operating income before working capital changes	**97,039,334**	82,261,557	83,929,591
	Increase in trade and other receivables	**(2,520,882)**	(2,520,882)	(6,069,149)
	Decrease (increase) in inventories	**10,810,579**	8,699,468	(7,020,652)
	Decrease (increase) in prepayments	**(1,387,212)**	(3,498,323)	211,596
	Decrease in trade and other payables	**(10,249,501)**	(12,360,612)	(2,085,833)
	Increase (decrease) in other non-current liabilities	**3,198,322**	1,087,211	(3,875,290)
	Increase in retirement benefit obligations	**2,223,051**	111,940	8,996
	Decrease in provisions	**449,712**	(1,661,399)	(1,917,206)
	Cash generated from operations	**99,563,403**	72,118,960	63,182,053
IAS 7.31	Interest paid	**810,361**	(1,300,750)	(3,930,013)
IAS 7.35	Cash paid for income taxes	**(13,371,957)**	(15,483,068)	(18,000,303)
	Net Cash From Operating Activities	**87,001,807**	55,335,142	41,251,737
IAS 7.10	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Acquisitions of property, plant and equipment	**(25,410,309)**	(27,521,420)	(18,537,820)
	Increase in financial assets at fair value through profit or loss	**17,487,283**	15,376,172	(4,356,098)
	Additions to intangible assets	**(8,568,889)**	(10,680,000)	-
	Additions to investments in an associate	**(2,888,889)**	(5,000,000)	-
	Acquisition of investment property	**1,091,795**	(1,019,316)	-
	Proceeds from sale of property, plant and equipment	**5,198,455**	3,087,344	-
	Dividends received from subsidiaries and associate	**3,561,111**	1,450,000	1,450,000
	Interest received	**3,565,228**	1,454,117	572,150
IAS 7.31	Acquisitions of available-for-sale financial assets	**910,466**	(1,200,645)	-
	Collections of receivable from a finance lease	**3,274,120**	1,163,009	1,500,689
	Net Cash Used in Investing Activities	**(1,779,629)**	(22,890,739)	(19,371,079)

Forward

		2006	2005	2004
IAS 7.10	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Borrowing repayments	**(52,517,717)**	(24,647,090)	(16,533,025)
	Repayment of amounts due to related parties	**(26,965,005)**	(29,076,116)	(30,538,892)
	Proceeds from issuance of shares of stock	**-**	24,750,000	-
	Cash dividends paid	**(19,868,212)**	(21,980,000)	(13,554,600)
	Proceeds from additional borrowings		-	14,569,812
	Additional borrowings from related parties	**16,250,060**	14,138,949	25,265,885
	Net Cash Used in Financing Activities	**(83,100,874)**	(36,814,257)	(20,790,820)
IAS 7.45	**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**	**2,121,304**	(4,369,854)	1,089,838
	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**16,642,248**	21,012,102	19,922,264
	CASH AND CASH EQUIVALENTS AT END OF YEAR	**P 18,763,552**	P 16,642,248	P 21,012,102

Supplemental Information on Noncash Investing Activity

Certain transportation equipment with carrying amounts of P1.4 million and P1.6 million as of December 31, 2005 and 2004, respectively, are carried under finance leases (see Notes 11 and 27).

See Notes to Consolidated Financial Statements.