



**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  
30-Jun-16
2. SEC Identification Number  
7199
3. BIR Tax Identification No.  
002-856-627
4. Exact name of issuer as specified in its charter  
ACESITE (PHILS.) HOTEL CORPORATION
5. Province, country or other jurisdiction of incorporation or organization  
Manila, Philippines
6. Industry Classification Code (SEC Use Only)  
[ ]
7. Address of principal office  
7<sup>th</sup> Floor, Manila Pavillion Hotel, UN Ave. corner Ma. Orosa St., Ermita, Manila Postal Code 1000
8. Issuer's telephone number, including area code  
632-526-12-12 extension 2287
9. Former name or former address, and former fiscal year, if changed since last report  
[ ]
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	344,747,520

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes

No

If yes, state the name of such stock exchange and the classes of securities listed therein:

PSE

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC 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 that the registrant was required to file such reports)

Yes

No

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

Yes

No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

# ACESITE (PHILS) HOTEL CORP

PSE Disclosure Form 17-2 - Quarterly Report *References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules*

For the period ended 30-Jun-16.

Currency (indicate units, if applicable) PhP

## Balance Sheet

	Period Ended	Fiscal Year Ended
	30-Jun-16	(Audited) 31-Dec-15
Current Assets	407,249,874	476,044,833
Total Assets	2,199,930,488	2,331,982,860
Current Liabilities	306,228,047	487,384,226
Total Liabilities	796,461,066	977,304,652
Retained Earnings/(Deficit)	419,464,872	370,673,658
Stockholders' Equity	1,403,469,422	1,354,678,208
Stockholders' Equity - Parent		
Book Value per Share	4.07	3.93

## Income Statement

	Current Year	Previous Year	Current Year	Previous Year
	(3 Months)	(3 Months)	to Date	to Date
Operating Revenue	63,445,919	61,141,980	127,433,000	123,168,334
Other Revenue	86,885,573	87,513,266	173,696,994	173,618,521
Gross Revenue	150,331,492	148,655,246	301,129,994	296,786,855
Operating Expense	79,265,434	82,823,937	156,290,053	153,820,250
Other Expense	44,183,759	52,553,256	94,021,444	116,631,077
Gross Expense	123,449,192	135,377,193	250,311,497	270,451,327
Net Income/(Loss) Before Tax	26,882,300	13,278,053	50,818,497	26,335,528
Income Tax Expense				
Net Income/(Loss) After Tax	26,882,300	13,278,053	50,818,497	26,335,528
Net Income Attributable to Parent Equity Holder				
Earnings/(Loss) Per Share (Basic)	0.08	0.04	0.15	0.08
Earnings/(Loss) Per Share (Diluted)	0.08	0.04	0.15	0.08

## Other Relevant Information

--	--	--	--	--

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 30 June 2016
2. Commission Identification Number 7199
3. BIR Tax Identification Code 002-856-627
4. ACESITE (PHILS.) HOTEL CORPORATION  
Exact Name of issuer as specified in its charter
5. Manila, Philippines  
Province, country of incorporation
6. [REDACTED] (SEC Use Only)  
Industry Classification Code
7. 7<sup>th</sup> Floor, Manila Pavilion Hotel, UN Ave. corner M. Orosa St., Ermita, Manila, 1000  
Address of Principal Office and Postal Code
8. Issuer's telephone number (632) 526-1212 extension 2287
9. No changes from last report  
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class		Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	- Authorized	1,200,000,000
	- Issued	344,747,520
	- Treasury	1,353,000
Preferred	- Authorized	20,000
	- Issued	None

11. Are any or all of registrant's securities listed on a Stock Exchange?  
Yes [  ] No [  ]  
346,100,520 of issued common shares of Acesite (Phils.) Hotel Corporation are listed in the Philippine Stock Exchange, of which 1,353,000 shares are treasury shares.
12. Indicate by check mark whether the registrant:
- (a) Has filed reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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 that the registrant was required to file such reports);  
Yes [  ] No [  ]
- (b) Has been subjected to such filing requirements for the past ninety (90) days.  
Yes [  ] No [  ]

## NOTES TO INTERIM FINANCIAL STATEMENTS

### Item 1. Reporting Entity

Acesite (Phils.) Hotel Corporation (the "Company") is a 55.49%-owned subsidiary of Waterfront Philippines, Incorporated (WPI) and its ultimate parent is The Wellex Group, Inc. It was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1952 primarily to engage in the business of operating a hotel, or other accommodations, for the general public and to construct such facilities as may be reasonably necessary or useful in connection with the same.

The Company is the owner of Manila Pavilion Hotel (the "Hotel"). The Corporate life of the Company has been extended up to 2052. The Company's shares have been listed in the Philippine Stock Exchange (PSE) since December 5, 1986.

#### Office Address

The Company's registered office address is 7<sup>th</sup> Floor, Manila Pavilion Hotel, United Nations Avenue, Ermita, Manila.

### Item 1. Basis of Preparation

#### Basis of Measurement

The interim financial statements are prepared on the historical cost basis except for hotel building and equipment and furniture, fixtures and equipment, which are measured at revalued amounts less accumulated depreciation and impairment losses, and AFS investment, which is measured at fair value.

#### Functional and Presentation Currency

The interim financial statements are presented in Philippine peso, which is the Company's functional currency. All financial information presented in Philippine peso has been rounded off to the nearest peso, except when otherwise stated.

#### Use of Estimates and Judgments

The preparation of interim financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

### Item 2. Accounting Estimates and Judgment

The same accounting estimates and judgment have been applied consistently for interim reporting as applied in the entity's annual financial.

**Item 3. Cash and Cash Equivalents**

Included in cash and cash equivalents as of June 30, 2016 are composed mainly of cash deposited at various banks.

**Item 4. Receivables**

This account consists:

	June 2016	December 2015
Trade - Net	26,277,404	28,751,782
Others	10,146,662	551,522
Total	36,424,066	29,303,304

**Item 5. Inventories**

This account consists:

	June 2016	December 2015
Food and Beverage	2,201,869	2,738,223
Operating Supplies	2,871,708	3,075,136
Others	1,029,934	505,327
Total	6,103,511	6,318,686

**Item 6. Trade and Other Current Payables**

This account consists:

	June 2016	December 2015
Accrued Expenses	19,026,187	18,182,238
Trade Payables	99,606,433	118,437,192
Others	24,197,313	16,957,920
Total	142,829,933	153,577,350

**Item 7. Related Party Transactions**

The Company's related party transactions include transactions with WPI (the Company's parent), stockholders, its fellow subsidiaries and key management personnel.

In the ordinary course of business, companies within the group extend/obtain non interest bearing, collateral free cash advances to/from one another and other related parties to finance working capital requirements, as well as to finance the construction of certain hotel projects.

## Item 8. Loan Payable

The Company had committed an event of default with respect to the payment of its US\$15 million loan with the ICBC – Singapore Branch, which matured on 31 March 1998. On 03 June 2003, the loan was restructured by ICBC which stipulated six semi-annual installments payment of principal and interest until April 2006. In July 2004, the new management of the Company requested for a reprieve on loan principal payments due for the period, which the Company suggested to be placed at the end of the term of the Amended Agreement. The loan was paid in full on March 10, 2016.

## Item 9. The earnings (loss) per share for the 2<sup>nd</sup> quarter is computed as follows:

	June 2016	June 2015
Net Income (Loss)	26,882,300	13,278,052
Weighted Average Number of Shares Outstanding	344,747,520	344,747,520
Earnings (Loss) per share	0.08	0.04

- i. The Company is involved in a number of legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves.

Aside from the above-mentioned items, management does not know of trends and events that would have a material impact on the Company's liquidity

- ii. Aside from the above-mentioned items, the company does not know of other material events that will trigger direct or material contingent financial obligation to the company.
- iii. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated or other persons created during the reporting period.
- iv. The business for 2nd quarter of 2016 is slightly higher.
- v. For the second quarter of 2016, there are no material or significant elements of income or loss that did not arise from the Company's continuing operations.
- vi. Causes of material changes in the items in the financial statements from 2015 to 2016 have been discussed under management discussion and analysis above.
- vii. Causes of material changes in the items in the income statements for the 2nd quarter of 2015 and 2016 and the balance sheets as of 30 June 2016 and 31 December 2015 have been discussed under management discussion and analysis above.
- viii. The company does not know of any seasonal aspects that had a material effect on the financial condition or results of operations.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Below are the results of operations of the Company for the period ending June 30, 2016 and 2015 together with its financial conditions as of the same period.

### RESULTS OF OPERATIONS

#### Quarter Ended 30 June 2016 and Quarter Ended 30 June 2015

Gross revenues registered an increase of ₱1.67 million from ₱148.66 million in the 2nd quarter of 2015 to ₱150.33 million during the same comparative period in 2016. Room sales went down by 2.58% from ₱38.73 million in 2Q2015 to ₱37.73 million in 2Q2016. Occupancy rate in 2Q2016 was 55.00% from a total of 29,321 available rooms as compared to the 57.43% in 2Q2015 from a total of 28,881 available rooms. Room revenue represents 25.10% of gross revenues for 2Q2016 compared to 26.05% in 2Q2015. Average room rate of 2Q2016 is ₱2,339.21, ₱3.66 or 0.16% higher than ₱2,335.55 of the same period in 2015.

Food and Beverage revenue for 2Q2016 amounted to ₱25.25 million, an increase of 16.04% from ₱21.76 million. Food and beverages sales contributed 16.04% to gross revenues. Revenues generated by other operating departments including Telephone department went down by 50.37% from ₱0.949 million in 2Q2015 to ₱0.471 million in 2Q2016. Rent and other income has decreased by 0.71% from ₱87.51 million in 2Q2015 to ₱86.89 million in 2Q2016.

Cost of sales of food and beverage increased from ₱6.93 million in 2Q2015 to ₱8.43 million in 2Q2016 representing an increase of 21.64%; this is due to the increase in revenue. The food and beverage cost ratio to revenue has increased from 31.85% in 2Q2015 to 33.39% in 2Q2016. Payroll expenses increased by 4.61% from ₱17.77 million in 2Q2015 to ₱18.59 million in 2Q2016. Other expenses went up from ₱5.77 million in 2Q2015 to ₱5.82 million in 2Q2016. The Energy cost went down by 10.41% from ₱30.15 million in 2Q2015 to ₱27.01 million in 2Q2016.

The Company posted a gross operating profit of ₱71.07 million in 2Q2016, representing an increase of ₱5.24 million or 7.96% from that recorded in 2Q2015 of ₱65.83 million. Gross operating profit ratio in 2Q2016 and 2Q2015 stood at 47.28% and 44.28%, respectively.

Fixed financial, operating and other expenses decreased from ₱37.15 million in 2Q2015 to ₱28.78 million in 2Q2016 with the major decrease coming general and administrative expense. The general and administrative expenses have a material decrease from ₱22.38 million in 2Q2015 to ₱15.16 million in 2Q2016 due to the recording of provision for office equipment in 2Q2015. Marketing and guest entertainment decreased by ₱0.21 million from ₱1.81 million in 2Q2015 to ₱1.60 million in 2Q2016. Corporate Expenses increased from ₱5.00 million in 2Q2015 to ₱6.86 million in 2Q2016. Real estate tax went up by 0.48% from ₱4.14 million in 2Q2015 to ₱4.16 million in 2Q2016. Fire insurance decreased from ₱1.86 million in 2Q2015 to ₱1.84 million in 2Q2016. For 2Q2016, the Company posted a net income of ₱26.88 million representing an increase of 102% from ₱13.28 million in 2Q2015.

### FINANCIAL CONDITION

#### As of 30 June 2016 and Year Ended 31 December 2015

Total assets decreased to ₱2.20 billion in 30 June 2016 from ₱2.33 billion as of 31 December 2015. Current assets decreased from ₱476.04 million as of 31 December 2015 to ₱407.25 million as of end of 2Q2016. Cash ending balance as of 30 June 2016 of ₱21.30 million posted an increase of ₱9.69 million. Trade receivables of ₱26.28 million decreased by ₱2.47 million as of 30 June 2016 from ₱28.75 million as of 31 December 2015. Inventories decreased to ₱6.10 million from ₱6.32 million as of 31 December 2015. Net amounts owed by related parties decreased from ₱370.41 million as of 31 December 2015 to ₱277.58 million as of 30 June 2016. Prepayments and other current assets

increased to ₱65.84 million as of 30 June 2016 from ₱58.40 million as of 31 December 2015 due to unused input VAT, unused creditable withholding tax certificates, and prepaid medical premium.

Property and equipment account decreased by 2.75% from ₱1.82 billion as of 31 December 2015 to ₱1.77 billion as of 30 June 2016. No changes have been noted from the Available for Sale investment account from 31 December 2015 to the 2Q2016. Other non-current assets of ₱6.48 million as of end of 2Q2016 decreased by ₱11.03 million from ₱17.51 million as of 31 December 2015 due to the reversal of deposits on purchase contracts accounts for items already delivered.

Total liabilities decreased from ₱977.30 million as of 31 December 2015 to ₱796.46 million as of 30 June 2016. Trade and other current payables decreased from ₱153.58 million as of 31 December 2015 to ₱142.83 million as of 30 June 2016. Loan payable to Industrial and Commercial Bank of China (ICBC) was fully paid on March 10, 2016.

The Company and PAGCOR have entered into a contract known as the Omnibus Amended Lease Contract (OALC) which requires advance rental. Advanced decreased from ₱136.54 million as of 31 December 2015 to ₱105.60 million 2Q2016. Net retirement benefits liability slightly increased from ₱118.10 million 31 December 2015 to ₱118.42 million as of end of 2Q2016. No changes have been noted from deferred tax liabilities from 31 December 2015 to 2Q2016 at ₱371.81 million.

#### TOP FIVE (5) PERFORMANCE INDICATORS

The top five (5) key performance indicators, as discussed herein, are presented on comparable basis and compared with figures attained from prior years operation, and are more fully explained as follows:

	June 2016	June 2015
Occupancy Rate	55.00%	57.43%
Average Room Rate	2,339.21	2,335.55
Revenues	150,331,492	148,655,246
Gross Operating Profit	71,066,058	65,831,309
Gross Operating Profit Ratio	47.28%	44.28%

- 1) Occupancy rate is the number of hotel room-nights sold for the period divided by the number of room-nights available for the period; in 2Q2016 the total available room nights were 29,391 while 28,881 were available in 2Q2015; 2) Average room rate is the room revenue for the period divided by the number of hotel room-nights sold for the period; 3) Revenues are broken down on a departmental basis; 4) Gross operating profit ratio is computed as a percentage of revenues; and 5) Total Fixed, Financial and Other Charges are presented in the comparative.

#### FINANCIAL RISK MANAGEMENT

##### Risk Management Structure

##### BOD

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group. It also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

#### Risk Management Committee

Risk management committee is responsible for the comprehensive monitoring, evaluation and analysis of the Group's risks in line with the policies and limits set by the BOD.

#### Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash, trade receivables, AFS investment, trade payables and loan payable. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial instruments such as other current receivables, other current payables, and concessionaires' and deposits which arise directly from operations.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group's management reviews and approves policies for managing each of these risks, and these are summarized below.

#### Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and nontrade receivables. There has been no change to the Group's exposure to credit risk or the manner in which it manages and measures the risk since prior financial year.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group grants advances to its affiliates after the BOD reassesses the Group's strategies for managing credits and views that they remain appropriate for the Group's circumstances.

The amounts presented in the statements of financial position are net of allowances for impairment losses on receivables, estimated by the Group's management based on prior experience and its assessment of the current economic environment.

At the reporting date, other than the trade and other receivables, there were no significant concentrations of credit risk.

#### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due because of an inability to liquidate assets or obtain adequate funding. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and financial liabilities. There has been no change to the Group's exposure to liquidity risk or the manner in which it manages and measures the risk since prior financial year.

The Group monitors and maintains a level of cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained from related party advances and short-term bank loans, when necessary.

Ultimate responsibility for liquidity risk management rests with the BOD, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

For the Group's short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

### Market Risks

Market risk is the risk that the fair value or cash flows of a financial instrument of the Group will fluctuate due to change in market prices. Market risk reflects interest rate risk, foreign currency risk, and other price risks.

The Group is primarily exposed to the financial risks of changes in interest rates, foreign currency exchange rates and equity prices of its AFS investment. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk since prior financial year.

### Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flow of the financial instruments will fluctuate because of the changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings.

### Foreign Currency Risk

Foreign currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency.

The Group monitors and assesses cash flows from anticipated transactions and financing agreements denominated in US Dollar. The Group manages its foreign currency risk by measuring the mismatch of the foreign currency sensitivity gap of assets and liabilities.

### Equity Price Risk

Equity price risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market

The Group is exposed to equity price risk because of its investment in shares of stock of WII held by the Group which is classified in the statements of financial position as AFS investment. These securities are listed in the PSE. The Group has an outstanding investment in these securities equivalent to 86,710,000 shares as of June 30, 2016.

The Group is not exposed to commodity price risk.

The Group monitors the changes in the price of the shares of stock of WII. In managing its price risk, the Group disposes of existing or acquires additional shares based on the economic conditions.

## **Financial Instruments**

### Fair Value of Financial Assets and Liabilities

The carrying amount of cash, trade and other current receivables, amounts owed by related parties, loan payable, and trade and other current payables approximate their fair values due to the short-term maturity of these instruments.

The fair values of concessionaires and deposits approximate their carrying amount as these are carried at present values discounted using discount rates approximating average market rates as of reporting periods.

### Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value by valuation levels. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly

- (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The approximation of the fair value of the Company's AFS investment is based on Level 1.

#### **Determination of Fair Value**

Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using another valuation technique. Where applicable, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable input and minimizing the use of unobservable inputs.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible.

The Group's investment is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

### **PART II – OTHER INFORMATION**

The registrant is not aware of any other information that should be reported under this item and which was not discussed on any SEC Form 17-C.

The following were the disclosures outside of SEC Form 17-C

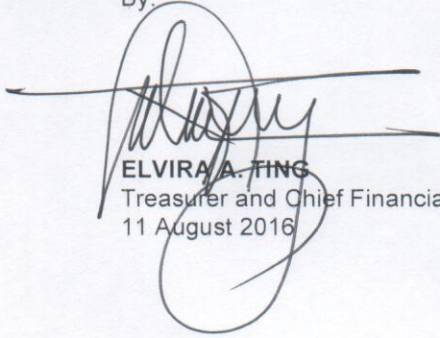
January 17, 2014	-	Change in number of Issued and/or Outstanding Shares
May 28, 2014	-	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
June 3, 2014	-	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
July 14, 2014	-	Stock Rights Offering
September 8, 2014	-	Results of Annual or Special Stockholders' Meeting
September 8, 2014	-	Results of Organizational Meeting of Board of Directors
December 16, 2014	-	(Amended-1) Stock Rights Offering
January 29, 2015	-	Certification of Directors Attendance
February 23, 2015	-	(Amended-2) Stock Rights Offering
June 1, 2015	-	Filing of Legal proceedings with RTC Manila

**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.

**ACESITE (PHILS.) HOTEL CORPORATION**

By:

A handwritten signature in black ink, appearing to read 'Elvira A. Ting', is written over a horizontal line. The signature is stylized and somewhat cursive.

**ELVIRA A. TING**

Treasurer and Chief Financial Officer/Authorized Representative

11 August 2016

**ADDITIONAL REQUIREMENT (SRC Rule 68)**

A schedule showing financial soundness indicators in two comparative period:

**CURRENT / LIQUIDITY RATIO**

<b>Current Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Current Assets	407,249,874	476,044,833
Current Liabilities	306,228,047	487,384,226
Ratio	1.3299	0.9767

<b>Quick Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Cash+AR+ST Mkt Securities	57,722,443	40,910,321
Current Liabilities	306,228,047	487,384,226
Ratio	0.1885	0.0839

<b>Cash Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Cash+ST Mkt Securities	21,298,377	11,607,017
Current Liabilities	306,228,047	487,384,226
Ratio	0.0696	0.0238

**SOLVENCY RATIO**

<b>Current Liabilities to Equity Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Current Liabilities	306,228,047	487,384,226
Total Equity	1,403,469,422	1,354,678,208
Ratio	0.2182	0.3598

<b>Total Liabilities to Equity Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Total Liabilities	796,461,066	977,304,652
Total Equity	1,403,469,422	1,354,678,208
Ratio	0.5675	0.7214

<b>Fixed Assets to Equity Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
-------------------------------------	----------------------	--------------------------

Fixed Assets	1,767,994,442	1,820,220,029
Total Equity	1,403,469,422	1,354,678,208
Ratio	1.2597	1.3437

<b>Assets to Equity Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Total Assets	2,199,930,488	2,331,982,860
Total Equity	1,403,469,422	1,354,678,208
Ratio	1.5675	1.7214

#### INTEREST COVERAGE RATIO

<b>Interest Coverage Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Net Income Before Tax + Interest Exp	51,584,826	96,702,477
Interest Expense	766,329	6,763,721
Ratio	67.3142	14.2972

#### PROFITABILITY RATIO

<b>Interest Coverage Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Net Income After Tax	50,818,497	74,579,134
Net Sales	301,129,994	625,646,666
Ratio	0.1688	0.1192

<b>Return on Assets (ROA) Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Net Income After Tax	50,818,497	74,579,134
Total Assets	2,199,930,488	2,331,982,860
Ratio	0.0231	0.0320

<b>Return on Equity Ratio</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Net Income After Tax	50,818,497	74,579,134
Total Equity	1,403,469,422	1,354,678,208
Ratio	0.0362	0.0551

ACESITE (PHILS.) HOTEL CORPORATION  
[Owner of Manila Pavilion Hotel]  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2016	December 31, 2015
	Consolidated	Consolidated
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	21,298,377	11,607,017
Trade and other current receivables - net	36,424,066	29,303,304
Inventories	6,103,511	6,318,686
Due from a related party - net	277,584,092	370,414,381
Prepayments and other current assets	65,839,828	58,401,445
<b>Total Current Assets</b>	<b>407,249,874</b>	<b>476,044,833</b>
<b>Noncurrent Assets</b>		
Property and equipment - net	1,767,994,442	1,820,220,029
Available-for-sale (AFS) investment	18,209,100	18,209,100
Investment in subsidiary	-	-
Investment property	-	-
Other noncurrent assets	6,477,072	17,508,898
<b>Total Noncurrent Assets</b>	<b>1,792,680,613</b>	<b>1,855,938,027</b>
<b>Total Assets</b>	<b>2,199,930,488</b>	<b>2,331,982,860</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other current payables	142,829,933	153,577,350
Concessionaires' Deposit	57,798,531	122,311,429
Rental received in advance	105,599,584	136,544,377
Current portion of loan payable	-	74,735,932
Income tax payable	-	215,138
<b>Total Current Liabilities</b>	<b>306,228,047</b>	<b>487,384,226</b>
<b>Noncurrent Liabilities</b>		
Loan payable - net of current portion	-	-
Concessionaire's deposits	-	-
Net retirement benefits liability	118,418,525	118,105,931
Deferred tax liabilities - net	371,814,494	371,814,495
<b>Total Noncurrent Liabilities</b>	<b>490,233,019</b>	<b>489,920,426</b>
<b>Total Liabilities</b>	<b>796,461,066</b>	<b>977,304,652</b>
<b>Equity</b>		
Capital stock	346,100,520	346,100,520
Retirement benefits reserve	23,671,574	23,671,575
Revaluation surplus in property and equipment	620,315,525	620,315,525
Unrealized valuation gain (loss) on AFS investment	5,958,630	5,958,630
Retained earnings	419,464,872	370,673,658
Treasury stock at cost	(12,041,700)	(12,041,700)
<b>Total Equity</b>	<b>1,403,469,422</b>	<b>1,354,678,208</b>
<b>Total Liabilities and Equity</b>	<b>2,199,930,488</b>	<b>2,331,982,860</b>

ACESITE (PHILS.) HOTEL CORPORATION  
 COMPARATIVE STATEMENTS OF INCOME  
 FOR THE QUARTER ENDING June 30, 2016  
 (With Comparative Figures for June 30, 2015)

	QUARTER ENDED 30-Jun-16	YEAR TO DATE 30-Jun-16	QUARTER ENDED 30-Jun-15	YEAR TO DATE 30-Jun-15
<b>INCOME</b>				
Rooms	37,726,805	77,418,136	38,735,058	75,284,621
Food and Beverage	25,247,890	49,066,181	21,758,615	46,635,207
Telephone Exchange	51,650	87,185	91,685	184,322
Other Operated Departments	419,574	861,499	556,622	1,064,183
Rent and Other Income	86,885,573	173,696,994	87,513,266	173,618,521
	150,331,492	301,129,994	148,655,246	296,786,855
<b>COST OF SALES AND SERVICES</b>				
Cost of Sales:				
Food and Beverage	8,434,914	16,710,514	6,933,382	13,987,537
Telephone Exchange	2,102,134	4,211,769	2,476,772	3,376,908
Other Operated Departments	31,037	59,738	36,863	59,719
Rental and Other Income				
	10,568,085	20,982,021	9,447,017	17,424,163
Payroll and Related Expenses	18,587,803	36,157,534	17,774,842	35,140,271
Other Expenses	5,819,987	11,560,325	5,771,132	11,484,913
	34,975,875	68,699,879	32,992,991	64,049,347
Energy Cost	27,010,721	51,406,681	30,152,668	52,709,583
Property operations and maintenance	5,016,248	9,944,012	5,529,949	10,491,810
Depreciation on cost	11,448,634	24,611,570	13,373,134	25,019,119
Land rental	813,955	1,627,910	775,195	1,550,391
	79,265,434	156,290,053	82,823,937	153,820,250
<b>GROSS OPERATING PROFIT</b>	71,066,058	144,839,941	65,831,309	142,966,605
<b>FIXED, FINANCIAL, OPERATING AND OTHER EXPENSES</b>				
General and Administrative Expenses	15,163,518	40,396,768	22,376,131	52,850,631
Marketing and Guest Entertainment	1,596,920	3,573,167	1,806,918	3,590,088
Foreign Exchange (Gain) Loss	(9,234)	1,092,286	596,514	770,453
Interest Expense	0	766,329	1,865,055	3,963,071
Corporate Expenses	6,863,575	7,274,065	4,995,108	13,201,999
Real Estate Tax	4,161,875	8,362,891	4,142,304	8,343,821
Fire Insurance	1,845,223	3,695,220	1,861,426	3,722,852
Interest and Other Charges/(Income)-Net	(840,896)	(1,944,836)	(492,978)	(617,392)
	28,780,981	63,215,889	37,150,478	85,825,521
<b>INCOME (LOSS) BEFORE DEPRECIATION ON REVALUATION INCREMENT AND INCOME TAX</b>	42,285,078	81,624,053	28,680,831	57,141,083
DEPRECIATION - REVALUATION INCREMENT	15,402,778	30,805,556	15,402,778	30,805,556
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	26,882,300	50,818,497	13,278,053	26,335,528
PROVISION FOR INCOME TAX	0	0	0	0
<b>NET INCOME (LOSS)</b>	26,882,300	50,818,497	13,278,053	26,335,528
Net Income(Loss)	26,882,300	50,818,497	13,278,053	26,335,528
no. of shares issued	344,747,520	344,747,520	344,747,520	344,747,520
<b>INCOME(LOSS) PER SHARE</b>	P0.08	P0.15	P0.04	P0.08

ACESITE (PHILLS) HOTEL CORPORATION  
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
 FOR SIX MONTH ENDING June 30, 2016

	CAPITAL STOCK COMMON	TREASURY SHARES	REVALUATION INCREMENT IN PROPERTY AND EQUIPMENT	RETIREMENT BENEFITS RESERVE	UNREALIZED VALUATION LOSS ON AFS INVESTMENTS	RETAINED EARNINGS	TOTAL
Balance at December 31, 2015	346,100,520	(12,041,700)	620,315,525	23,671,575	5,958,630	370,673,658	1,354,678,208
Transfer of revaluation increment deducted from operations through additional depreciation charges	-	-	(30,805,556)	-	-	30,805,556	-
Net income (loss) for the six months	-	-	-	-	-	50,818,497	50,818,497
Balance at June 30, 2016	346,100,520	(12,041,700)	589,509,969	23,671,575	5,958,630	452,297,711	1,405,496,705

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
 FOR THE THREE MONTH ENDING June 30, 2015

Balance at December 31, 2014	346,100,520	(12,041,700)	658,864,521	19,254,568	10,727,680	257,545,528	1,280,451,117
Transfer of revaluation increment deducted from operations through additional depreciation charges	-	-	(30,805,556)	-	-	30,805,556	-
Net income (loss) for the six months	-	-	-	-	-	26,335,528	26,335,528
Balance at June 30, 2015	346,100,520	(12,041,700)	628,058,966	19,254,569	10,727,681	314,686,612	1,306,786,645

ACESITE (PHILS.) HOTEL CORPORATION  
 STATEMENT OF CASH FLOWS  
 FOR THE QUARTER ENDING June 30, 2016  
 (With Comparative Figures for June 30, 2015)

	QUARTER ENDED 30-Jun-16	YEAR TO DATE 30-Jun-16	QUARTER ENDED 30-Jun-15	YEAR TO DATE 30-Jun-15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Income(Loss) before income tax	26,882,300	50,818,497	13,278,052	26,335,528
Adjustments for:	-	-	0	-
Depreciation	25,346,787	40,749,567	27,738,460	53,876,850
Interest Expense	-	766,329	1,591,989	3,419,848
Unrealized foreign exchange loss	(9,234)	1,092,286	596,514	770,453
Amortization of operating equipment	0	1,134,921	1,037,452	1,947,826
Provision for doubtful accounts	(0)	(7,229,701)	(155,410)	(8,391,085)
Operating income before working capital changes	52,219,853	87,331,899	44,087,058	77,959,420
Decrease (increase) in:				
Receivables	17,502,904	25,587,150	(423,068)	7,588,150
Inventories	(109,705)	215,175	(580,509)	(617,168)
Prepaid expenses	(6,550,312)	(7,438,383)	(187,953)	(7,077,881)
Increase (decrease) in:				
Accounts payable and accrued expenses	19,276,961	(10,747,417)	14,170,586	12,990,480
Advances from subsidiary	-	0	-	0
Retirement benefit plan obligation	(6,581,987)	312,594	2,183,712	2,448,327
Advance rental	(95,457,692)	(95,457,692)	0	0
Net cash generated from operations	(19,699,979)	(196,674)	59,249,826	93,291,329
Income taxes paid	-	(2,235,235)	0	(2,235,235)
Net cash from operating activities	(19,699,979)	(2,431,909)	59,249,826	91,056,094
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (increase) in receivable from affiliates	33,315,926	92,830,289	(12,680,131)	21,470,936
Acquisition of property and equipment	(2,730,368)	(3,191,539)	(12,711,531)	(33,113,533)
Decrease (increase) in other assets	-	(2,013,220)	2,999,720	230,151
Net cash from (used) in investing activities	30,586,058	87,625,530	(22,391,942)	(11,412,446)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of loan	-	(74,735,932)	(37,875,990)	(75,662,060)
Interest paid	(276,640)	(766,329)	(1,591,989)	(3,419,848)
Cash used in financing activities	(276,640)	(75,502,261)	(39,467,979)	(79,081,908)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>				
	-	0	0	0
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	10,609,438	9,691,360	(2,610,095)	561,739
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	10,688,939	11,607,017	12,087,211	8,915,377
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	21,298,377	21,298,377	9,477,116	9,477,116

**ACESITE (Philippines) Hotel Corporation**  
**Accounts Receivable Aging Summary**  
As of June 30, 2016

Classifications	Current	31-60	61-90	91-120	121 - Over	Total
CREDIT CARDS	200,247.35	-	-	-	-	200,247.35
CORPORATE	1,273,231.19	293,787.04	111,821.01	72,533.67	13,341,785.28	15,093,158.19
T/A LOCAL&Overseas	1,907,665.77	727,882.17	187,115.16	7,985.72	(7,385.72)	2,823,263.10
INDIVIDUAL	-	-	(2,000.00)	-	-	(2,000.00)
AIRLINES	-	117,860.05	27,400.01	-	-	145,260.06
EMPLOYEES LEDGER	-	-	-	-	-	-
DELINQUENT	-	-	-	-	-	-
GOVERNMENT	6,442,983.33	642,639.39	85,735.70	49,800.00	173,689.66	7,394,848.08
TENANTS	(40,725.90)	89,925.80	(47,684.74)	48,665.54	643,148.03	693,328.73
TOTAL	9,783,401.74	1,872,094.45	362,387.14	178,984.93	14,151,237.25	26,348,105.51