

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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E	r	m	i	t	a	,	M	a	n	i	l	a														

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

ARTHUR R. PONSARAN

Contact Person

526-1212 extension 2287

Company Telephone Number

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Annual Meeting

Not Applicable

Secondary License Type, If Applicable

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<table border="1" style="width: 100px; height: 20px; margin: 0 auto;"> <tr><td style="text-align: center;">199</td></tr> </table> <p style="text-align: center; font-size: small;">Total No. of Stockholders</p>	199
199	

Total Amount of Borrowings			
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To be accomplished by SEC Personnel concerned

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STAMPS

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 2017
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. 7th 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

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
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

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
 June 30, 2017
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
 7th 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
 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 June 30, 2017

Currency (indicate units, if applicable) PhP

Balance Sheet

	Period Ended	Fiscal Year Ended
	June 30, 2017	(Audited) December 31, 2016
Current Assets	380,744,932	306,381,253
Total Assets	2,356,955,063	2,316,168,881
Current Liabilities	107,709,180	110,700,837
Total Liabilities	695,795,335	699,021,668
Retained		
Earnings/(Deficit)	523,705,611	479,693,096
Stockholders' Equity	1,661,159,728	1,617,147,213
Stockholders' Equity - Parent	1,653,069,067	1,609,115,607
Book Value per Share	4.82	4.69

Income Statement

	Current Year-To-	Previous Year-To-	Current Year	Previous Year
	Date	Date	(3 Months)	(3 Months)
Operating Revenue	127,455,598	126,484,317	63,731,808	62,974,695
Other Revenue	149,515,474	174,645,677	60,109,481	87,356,797
Gross Revenue	276,971,073	301,129,993.9	123,841,290	150,331,492
Operating Expense	149,846,359	156,290,053	75,552,323	79,265,434
Other Expense	83,112,199	94,021,444	41,896,120	44,183,759
Gross Expense	232,958,557.9	250,311,497	117,448,443	123,449,192
Net Income/(Loss) Before Tax	44,012,514.65	50,818,496.94	6,392,846	26,882,300
Income Tax Expense				
Net Income/(Loss) After Tax	44,012,515	50,818,497	6,392,846	26,882,300
Net Income Attributable to				
Parent Equity Holder				
Earnings/(Loss) Per Share				
(Basic)	0.13	0.15	0.02	0.08
Earnings/(Loss) Per Share				
(Diluted)	0.13	0.15	0.02	0.08

Other Relevant Information

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 7th Floor, Manila Pavilion Hotel, United Nations Avenue, Ermita, Manila.

Item 2. Basis of Preparation

Statement of Compliance

The interim financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The financial statements of the Company as of and for the period ended June 30, 2017 were approved and authorized for issue by the Board of Directors (BOD) on August 10, 2017.

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 3. Summary of Significant Accounting Policies

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

Adoption of Amendments to Standards

Effective January 1, 2016

- *Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to PAS 16 and PAS 38)*. The amendments to *PAS 38 Intangible Assets* introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

The amendments to PAS 16, *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. This is because such methods reflect factors other than the consumption of economic benefits embodied in the asset – e.g. changes in sales volumes and prices.

To be Adopted on January 1, 2017

- *Disclosure initiative (Amendments to PAS 7)*. The amendments address financial statements users' requests for improved disclosures about an entity's net debt relevant to understanding an entity's cash flows. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes arising from cash flows and non-cash changes – e.g. by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.
- *Recognition of Deferred tax Assets for Unrealized Losses (Amendments to PAS 12)*. The amendments clarify that:
 - The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset;
 - The calculation of future taxable profit in evaluating whether sufficient taxable profit will be available in the future periods excludes tax deductions resulting from the reversal of the deductible temporary differences;
 - The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
 - An entity assesses a deductible temporary difference related to unrealized losses in combination with all of its other deductible temporary differences, unless a tax law restricts the utilization of losses to deduction against income of a specific type.

Effective January 1, 2018

- *PFRS 9, Financial Instruments (2014)*. PFRS 9 (2014) replaces PAS 39, *Financial Instruments: Recognition and Measurement* and supersedes the previously published versions of PFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). PFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities

measured at fair value and supplements the new general hedge accounting requirements published in 2013. PFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

Certain comparative amounts in the consolidated statements of financial position and consolidated statements of comprehensive income have been reclassified to better reflect the nature of accounts as disclosed in Note 1 to the consolidated financial statements.

Item 4. Cash and Cash Equivalents

Included in cash and cash equivalents as of June 30, 2017 are composed mainly of cash deposited at various banks.

Item 5. Receivables

This account consists:

	June 2017	December 2016
Trade - Net	32,072,925	40,039,899
Others	2,557,998	543,668
Total	34,630,923	40,583,567

Item 6. Inventories

This account consists:

	June 2017	December 2016
Food and Beverage	2,970,267	3,075,698
Operating Supplies	2,173,915	348,709
Others	913,769	2,937,943
Total	6,057,951	6,362,350

Item 7. Accounts Payable and Accrued Expenses

This account consists:

	June 2017	December 2016
Accrued Expenses	22,480,034	11,678,975
Trade Payables	65,534,700	76,793,419
Others	19,694,446	22,170,942
Total	107,709,180	110,643,337

Item 8. 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 9. Loan Payable

There is no currently existing loan.

Item 10. The earnings (loss) per share is computed as follows:

	June 2017	June 2016
Net Income (Loss)	6,392,846	26,882,300
Weighted Average Number of Shares Outstanding	344,747,520	344,747,520
Earnings (Loss) per share	0.02	0.08

- 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 operation in the 2nd quarter of 2017 has no significant changes except for the joining of the new General Manager, Jean Francois Asimus.
- v. For the second quarter of 2017, the material or significant elements of income or loss did not arise from the Company's continuing operations, however, there was a significant decrease on rental income due to PAGCOR's reduction of space.
- vi. Causes of material changes in the items in the financial statements from 2016 to 2017 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 2016 and 2017, and the balance sheets as of 30 June 2017 and 31 December 2016 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, 2017 and 2016 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS

Quarter Ended 30 June 2017 and Quarter Ended 30 June 2016

Gross revenues registered a decrease of ₱26.49 million from ₱150.33 million in the 2nd quarter of 2016 to ₱123.84 million during the same comparative period in 2017. Room sales went up by 4.77% from ₱37.73 million in 2Q2016 to ₱39.53 million in 2Q2017. Occupancy rate in 2Q2017 was 57.98% from a total of 30,002 available rooms as compared to the 55.00% in 2Q2016 from a total of 29,321 available rooms. Room revenue represents 31.92% of gross revenues for 2Q2017 compared to 25.10% in 2Q2016. Average room rate of 2Q2017 is ₱2,255.50, ₱83.71 or 3.57% lower than ₱2,339.21 of the same period in 2016.

Food and Beverage revenue for 2Q2017 amounted to ₱24.20 million, an decrease of 4.13% from ₱25.25 million. Food and beverages sales contributed 19.54% to gross revenues. Revenues generated by other operating departments including Telephone department went down by 13.76% from ₱0.471 million in 2Q2016 to ₱0.406 million in 2Q2017. Rent and other income has decreased by 31.79% from ₱86.89 million in 2Q2016 to ₱59.70 million in 2Q2017.

Cost of sales of food and beverage increased from ₱8.43 million in 2Q2016 to ₱8.49 million in 2Q2017 representing an increase of 0.52%. The food and beverage cost ratio to revenue has increased from 33.39% in 2Q2016 to 35.03% in 2Q2017. Payroll expenses decreased by 15.26% from ₱18.59 million in 2Q2016 to ₱15.75 million in 2Q2017. Other expenses went up from ₱5.82 million in 2Q2016 to ₱8.79 million in 2Q2017. The Energy cost went down by 3.82% from ₱27.01 million in 2Q2016 to ₱25.98 million in 2Q2017.

The Company posted a gross operating profit of ₱48.29 million in 2Q2017, representing a decrease of ₱32.05 million or 71.07% from that recorded in 2Q2016 of ₱71.07 million. Gross operating profit ratio in 2Q2017 and 2Q2016 stood at 38.99% and 47.28%, respectively.

Fixed financial, operating and other expenses decreased from ₱28.78 million in 2Q2016 to ₱26.49 million in 2Q2017 with the major decrease coming corporate expense. The general and administrative expenses have a material increase from ₱15.16 million in 2Q2016 to ₱17.71 million in 2Q2017 due to the various reasons like recruitment expense and labor-related expense in 2Q2017. Marketing and guest entertainment increased by ₱0.54 million from ₱1.60 million in 2Q2016 to ₱2.14 million in 2Q2017. Corporate Expenses decreased from ₱6.86 million in 2Q2016 to ₱4.90 million in 2Q2017. Real estate tax went down by 1.02% from ₱4.16 million in 2Q2016 to ₱4.12 million in 2Q2017. Fire insurance increased from ₱1.84 million in 2Q2016 to ₱2.04 million in 2Q2017. For 2Q2017, the Company posted a net income of ₱6.39 million representing a decrease of 76.22% from ₱26.88 million in 2Q2016.

FINANCIAL CONDITION

As of 30 June 2017 and Year Ended 31 December 2016

Total assets increased to ₱2.36 billion in 30 June 2017 from ₱2.32 billion as of 31 December 2016. Current assets increased from ₱306.4 million as of 31 December 2016 to ₱380.74 million as of end of 2Q2017. Cash ending balance as of 30 June 2017 of ₱ 100.74 million posted an increase of ₱74.39 million. Trade receivables of ₱34.63 million decreased by ₱5.95 million as of 30 June 2017 from ₱40.58 million as of 31 December 2016. Inventories decreased to ₱.304 million compared to ₱6.36 million as of 31 December 2016. Net amounts owed by related parties decreased from ₱173.45 million as of 31 December 2016 to ₱163.24 million as of 30 June 2017. Prepayments and other

current assets increased to ₱76.08 million as of 30 June 2017 from ₱59.64 million as of 31 December 2016 due to creditable withholding taxes.

Property and equipment account decreased by 1.73% from ₱1.98 billion as of 31 December 2016 to ₱1.95 billion as of 30 June 2017. No changes have been noted from the Available for Sale investment account from 31 December 2016 to the 2Q2017. Other non-current assets of ₱12.05 million as of end of 2Q2017 increased by ₱.779 million from ₱11.27 million as of 31 December 2016 due to increase deposits on purchase contracts.

Total liabilities decreased from ₱699.02 million as of 31 December 2016 to ₱695.80 million as of 30 June 2017. Trade and other current payables decreased from ₱110.64 million as of 31 December 2016 to ₱107.71 million as of 30 June 2017. Non-current liabilities decreased by ₱.234 million from ₱588.32 million as of 31 December 2016 to ₱588.07 million as of 30 June 2017.

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 2017	June 2016
Occupancy Rate	57.98%	55.00%
Average Room Rate	2,255.50	2,339.21
Revenues	123,841,290	150,331,492
Gross Operating Profit	48,288,967	71,066,058
Gross Operating Profit Ratio	39%	47.28%

- 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; 2) Average room rate is the total room revenue for the period divided by the total 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.

With respect to credit risk from other financial assets of the Group, which comprise mainly of cash, amounts owed by related parties and receivables from Acesite Limited (BVI), the exposure of the Group to credit risk arises from the default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

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 o 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.

As a result of the loan payable from ICBC which is denominated in US dollar, the Group's consolidated statements of financial position can be affected by movements in this currency. Aside from this, the Group does not have any material transactions denominated in foreign currency as its revenues and costs are substantially denominated in Philippine peso.

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 March 31, 2015.

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. Discount rates used ranged from 5.8% to 7.71% in 2011

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

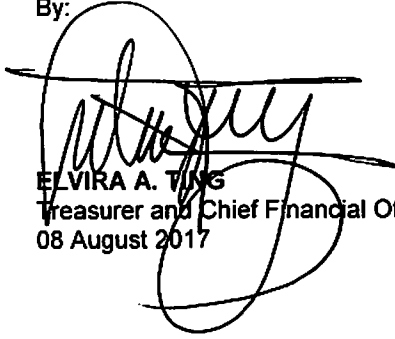
January 17, 2014	-	Change in number of Issued and/or Outstanding Shares
May 28, 2014	-	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
June 3, 2014	-	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
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
February 23, 2015	-	(Amended-2) Stock Rights Offering

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 cursive.

ELVIRA A. TING
Treasurer and Chief Financial Officer/Authorized Representative
08 August 2017

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period:

CURRENT / LIQUIDITY RATIO

Current Ratio	June 30, 2017	December 31, 2016
Current Assets	380,744,932	306,381,253
Current Liabilities	107,709,180	110,700,837
Ratio	3.5349	2.7677

Quick Ratio	June 30, 2017	December 31, 2016
Cash+AR+ST Mkt Securities	135,369,381	66,933,335
Current Liabilities	107,709,180	110,700,837
Ratio	1.2568	0.6046

Cash Ratio	June 30, 2017	December 31, 2016
Cash+ST Mkt Securities	100,738,459	26,349,768
Current Liabilities	107,709,180	110,700,837
Ratio	0.9353	0.2380

SOLVENCY RATIO

Current Liabilities to Equity Ratio	June 30, 2017	December 31, 2016
Current Liabilities	107,709,180	110,700,837
Total Equity	1,661,159,728	1,617,147,213
Ratio	0.0648	0.0685

Total Liabilities to Equity Ratio	June 30, 2017	December 31, 2016
Total Liabilities	695,795,335	699,021,668
Total Equity	1,661,159,728	1,617,147,213
Ratio	0.4189	0.4323

Fixed Assets to Equity Ratio	June 30, 2017	December 31, 2016
Fixed Assets	1,947,337,038	1,981,693,201
Total Equity	1,661,159,728	1,617,147,213
Ratio	1.1723	1.2254

Assets to Equity Ratio	June 30, 2017	December 31, 2016
Total Assets	2,356,955,063	2,316,168,881
Total Equity	1,661,159,728	1,617,147,213
Ratio	1.4189	1.4323

INTEREST COVERAGE RATIO

Interest Coverage Ratio	June 30, 2017	December 31, 2016
Net Income Before Tax + Interest Exp	6,392,846	115,693,423
Interest Expense	-	1,090,630
Ratio	-	106.0794

PROFITABILITY RATIO

Interest Coverage Ratio	June 30, 2017	December 31, 2016
Net Income After Tax	6,392,846	70,470,443
Net Sales	123,841,290	589,237,597
Ratio	0.0516	0.1196

Return on Assets (ROA) Ratio	June 30, 2017	December 31, 2016
Net Income After Tax	6,392,846	70,470,443
Total Assets	2,356,955,063	2,316,168,881
Ratio	0.0027	0.0304

Return on Equity Ratio	June 30, 2017	December 31, 2016
Net Income After Tax	6,392,846	70,470,443
Total Equity	1,661,159,728	1,617,147,213
Ratio	0.0038	0.0436

ACESITE (PHILS.) HOTEL CORPORATION
(Owner of Manila Pavilion Hotel)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash	100,738,459	26,349,768
Trade and other current receivables - net	34,630,923	40,583,567
Inventories	6,057,951	6,362,350
Due from a related party - net	163,237,522	173,447,317
Prepayments and other current assets	76,080,077	59,638,251
Total Current Assets	380,744,932	306,381,253
Noncurrent Assets		
Property and equipment - net	1,947,337,038	1,981,693,201
Available-for-sale (AFS) investment	16,821,740	16,821,740
Other noncurrent assets	12,051,353	11,272,687
Total Noncurrent Assets	1,976,210,131	2,009,787,628
Total Assets	2,356,955,063	2,316,168,881
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other current payables	107,709,180	110,643,337
Other Liabilities	-	57,500
Total Current Liabilities	107,709,180	110,700,837
Noncurrent Liabilities		
Retirement liability	106,299,567	106,520,793
Deferred tax liabilities - net	481,786,588	481,800,038
Total Noncurrent Liabilities	588,086,155	588,320,831
Total Liabilities	695,795,335	699,021,668
Equity		
Capital stock	346,100,520	346,100,520
Revaluation surplus in property and equipment - net	764,146,466	764,146,466
Actuarial losses on defined benefit plan, net of deferred tax	34,677,561	34,677,561
Unrealized valuation gain (loss) on AFS investment	4,571,270	4,571,270
Retained earnings	523,705,611	479,693,096
Treasury stock at cost	(12,041,700)	(12,041,700)
Total Equity	1,661,159,728	1,617,147,213
	2,356,955,063	2,316,168,881

ACESITE (PHILS.) HOTEL CORPORATION
COMPARATIVE STATEMENTS OF INCOME
FOR THE QUARTER ENDING June 30, 2017
(With Comparative Figures for June 30, 2016)

	QUARTER ENDED 30-Jun-17	YEAR TO DATE 30-Jun-17	QUARTER ENDED 30-Jun-16	YEAR TO DATE 30-Jun-16
INCOME				
Rooms	39,527,355	78,403,658	37,726,805	77,418,136
Food and Beverage	24,204,454	49,051,941	25,247,890	49,066,181
Telephone Exchange	15,929	44,888	51,650	87,185
Other Operated Departments	390,444	803,269	419,574	861,499
Rent and Other Income	59,703,108	148,667,317	86,885,573	173,696,994
	123,841,290	276,971,073	150,331,492	301,129,994
COST OF SALES AND SERVICES				
Cost of Sales:				
Food and Beverage	8,478,563	16,833,988	8,434,914	16,710,514
Telephone Exchange	256,441	508,532	2,102,134	4,211,769
Other Operated Departments	23,107	50,765	31,037	59,738
	8,758,112	8,635,173	10,568,085	20,982,021
Payroll and Related Expenses	15,751,759	33,284,090	18,587,803	36,157,534
Other Expenses	8,787,153	15,365,597	5,819,987	11,560,325
	24,538,912	24,110,775	24,407,790	47,717,858
Energy Cost	25,979,427	51,551,130	27,010,721	51,406,681
Property operations and maintenance	4,982,817	9,859,555	5,016,248	9,944,012
Depreciation on cost	11,293,056	22,392,703	11,448,634	24,611,570
Land rental	-	-	813,955	1,627,910.16
	42,255,300	83,803,388	44,289,559	87,590,173
	75,552,323	149,846,359	79,265,434	156,290,053
GROSS OPERATING PROFIT	48,288,967	127,124,714	71,066,058	144,839,941
FIXED, FINANCIAL, OPERATING AND OTHER EXPENSES		0		
General and Administrative Expenses	17,711,186	35,255,495	15,163,518	40,396,768
Marketing and Guest Entertainment	2,138,503	3,859,471	1,596,920	3,573,167
Foreign Exchange (Gain) Loss	(9,782)	(17,923)	(9,234)	1,092,286
Interest Expense	0	0	0	766,329
Corporate Expenses	489,581	851,540	6,863,575	7,274,065
Real Estate Tax	4,119,516	8,261,821	4,161,875	8,362,891
Fire Insurance	2,044,339	4,096,240	1,845,223	3,695,220
Interest and Other Charges/(Income)-Net	0	0	(840,896)	(1,944,836)
	26,493,343	52,306,643	28,780,981	63,215,889
INCOME (LOSS) BEFORE DEPRECIATION ON REVALUATION INCREMENT AND INCOME TAX		0		
	21,795,624	74,818,070	42,285,078	81,624,053
DEPRECIATION - REVALUATION INCREMENT	15,402,778	30,805,556	15,402,778	30,805,556
INCOME (LOSS) BEFORE INCOME TAX	6,392,846	44,012,515	26,882,300	50,818,497
PROVISION FOR INCOME TAX	0	0	0	0
NET INCOME (LOSS)	6,392,846	44,012,515	26,882,300	50,818,497
OTHER COMPREHENSIVE INCOME (LOSS)				
Appraisal increase in property and equipment for the year	0	0	0	0
Unrealized Loss on AFS investment recognized for the year	0	0	0	0
Income tax on other comprehensive income	0	0	0	0
	0	0	0	0
TOTAL COMPREHENSIVE INCOME (LOSS)	6,392,846	44,012,515	26,882,300	50,818,497
Net Income(Loss)	6,392,846	44,012,515	26,882,300	50,818,497
no. of shares issued	344,747,520	344,747,520	344,747,520	344,747,520
INCOME(LOSS) PER SHARE	P0.02	P0.13	P0.08	P0.15

ACESITE (PHILS.) HOTEL CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR SIX- MONTH ENDING June 30, 2017

	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, 2016	346,100,520	(12,041,700)	764,146,466	34,677,561	4,571,270	479,693,096	1,617,147,213
Transfer of revaluation increment deducted from operations through additional depreciation charges	-		(15,402,778)			15,402,778	
Net income (loss) for the six months						44,012,515	44,012,515
Balance at June 30, 2017	346,100,520	(12,041,700)	748,743,688	34,677,561	4,571,270	539,108,389	1,661,159,728
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

ACESITE (PHILS.) HOTEL CORPORATION
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDING June 30, 2017
(With Comparative Figures for June 30, 2016)

	QUARTER ENDED 30-Jun-17	YEAR TO DATE 30-Jun-17	QUARTER ENDED 30-Jun-16	YEAR TO DATE 30-Jun-16
CASH FLOW FROM OPERATING ACTIVITIES				
Income(Loss) before income tax	6,392,846	44,012,515	26,882,300	50,818,497
Adjustments for:	-	-	-	-
Depreciation	25,710,502	51,444,462	25,346,787	40,749,567
Interest Expense	-	-	-	766,329
Unrealized foreign exchange loss	(9,782)	(17,923)	(9,234)	1,092,286
Amortization of operating equipment	985,332	1,753,797	0	1,134,921
Provision for doubtful accounts	165,067	(7,717,830)	(0)	(7,229,701)
Operating income before working capital changes	33,243,965	89,475,019	52,219,853	87,331,899
Decrease (increase) in:				
Receivables	(2,925,776)	13,670,475	17,502,904	25,587,150
Inventories	62,037	304,399	(109,705)	215,175
Prepaid expenses	(10,013,578)	(16,441,826)	(6,550,312)	(7,438,383)
Increase (decrease) in:				
Accounts payable and accrued expenses	10,290,103	(2,991,656)	19,276,961	#####
Retirement benefit plan obligation	3,795,087	(221,226)	(6,581,987)	312,594
Rental paid in advance	-	-	(95,457,692)	#####
Net cash generated from operations	34,451,837	83,795,185	(19,699,979)	(196,674)
Interest received	-	-	-	-
Income taxes paid	-	-	-	(2,235,235)
Net cash from operating activities	34,451,837	83,795,185	(19,699,979)	(2,431,909)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in receivable from affiliates	1,227,344	10,209,795	33,315,926	92,830,289
Acquisition of property and equipment	(3,534,271)	(4,275,496)	(2,730,368)	(3,191,539)
Decrease (increase) in other assets	(10,384,140)	(15,340,793)	-	(2,013,220)
Net cash from (used) in investing activities	(12,691,066)	(9,406,494)	30,586,058	87,625,530
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loan	-	-	-	#####
Interest paid	-	-	(276,640)	(766,329)
Cash used in financing activities	-	-	(276,640)	#####
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,760,771	74,388,691	10,609,438	9,691,360
CASH AND CASH EQUIVALENTS, BEGINNING	78,977,687	26,349,768	10,688,939	11,607,017
CASH AND CASH EQUIVALENTS AT END OF PERIOD	100,738,458	100,738,458	21,298,377	21,298,377

ACESITE (Philippines) Hotel Corporation
Accounts Receivable Aging Summary
As of June 2017

Classifications	Current	31-60	61-90	91-120	121 - Over	Total
CREDIT CARDS	(36,984.43)	-	-	-	-	(36,984.43)
CORPORATE	2,744,839.78	655,733.82	63,956.17	141,896.41	14,069,344.64	17,675,770.82
T/A LOCAL&Overseas	1,936,764.40	880,006.94	47,198.14	110,400.00	(38,800.00)	2,935,569.48
INDIVIDUAL	-	-	-	-	-	-
AIRLINES	480,070.12	84,940.08	-	-	-	565,010.20
EMPLOYEES LEDGER	-	-	-	-	-	-
DELINQUENT	-	-	-	-	-	-
GOVERNMENT	2,163,368.55	4,716,953.97	1,378,239.30	1,474,297.87	1,200,699.18	10,933,558.87
TENANTS	2,557,997.64	-	-	-	-	2,557,997.64
TOTAL	9,846,056.06	6,337,634.81	1,489,393.61	1,726,594.28	15,231,243.82	34,630,922.58