

COVER SHEET

7 1 9 9

SEC Registration Number

A C E S I T E (P H I L S .) H O T E L C O R P O R A T I O N

(Company's Full Name)

7 t h F l o o r M a n i l a P a v i l i o n H o t e l

U N A v e n u e c o r n e r M . O r o s a S t r e e t

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

1 2 3 1

Month Day

1 7 - Q 3

FORM TYPE

0 9 1 5

Month Day

Annual Meeting

Not Applicable

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

198

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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 September 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

September 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 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 September 30, 2017

Currency (indicate units, if applicable)

Php

Balance Sheet

	Period Ended	Fiscal Year Ended
	September 30, 2017	(Audited) December 31, 2016
Current Assets	231,876,594	306,381,253
Total Assets	2,325,369,977	2,316,168,881
Current Liabilities	112,263,733	110,700,837
Total Liabilities	704,133,986	699,021,668
Retained		
Earnings/(Deficit)	483,781,873	479,693,096
Stockholders' Equity	1,621,235,990	1,617,147,213
Stockholders' Equity - Parent	1,613,035,614	1,609,115,607
Book Value per Share	4.70	4.69

Income Statement

	Current Year-To- Date	Previous Year-To- Date	Current Year (3 Months)	Previous Year (3 Months)
Operating Revenue	180,019,947.49	183,611,317.08	52,564,349.09	57,127,000.40
Other Revenue	173,350,200.95	261,942,601.83	23,834,726.81	87,296,924.58
Gross Revenue	353,370,148.44	445,553,918.91	76,399,075.90	144,423,924.98
Operating Expense	221,891,395.48	223,217,417.80	72,045,036.60	77,070,317.24
Other Expense	127,389,975.54	134,995,821.73	44,277,776.53	40,974,377.35
Gross Expense	349,281,371.02	358,213,239.53	116,322,813.13	118,044,694.59
Net Income/(Loss) Before Tax	4,088,777.42	87,340,679.38	(39,923,737.23)	26,379,230.39
Income Tax Expense				
Net Income/(Loss) After Tax	4,088,777.42	87,340,679.38	(39,923,737.23)	26,379,230.39
Net Income Attributable to Parent Equity Holder				
Earnings/(Loss) Per Share				
(Basic)	0.01	0.25	(0.12)	0.08
Earnings/(Loss) Per Share				
(Diluted)	0.01	0.25	(0.12)	0.08

Other Relevant Information

	CURRENT YEAR (Trailing 12 months)	Previous Year (Trailing 12 months)
Earning/(Loss) Per Share (Basic)	0.52	0.37
Earning/(Loss) Per Share (Diluted)	0.52	0.37

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 September 30, 2017 are composed mainly of cash deposited at various banks.

Item 5. Receivables

This account consists:

	September 2017	December 2016
Trade - Net	24,387,887	40,039,899
Others	2,503,485	543,668
Total	26,891,371	40,583,567

Item 6. Inventories

This account consists:

	September 2017	December 2016
Food and Beverage	2,667,943	3,075,698
Operating Supplies	2,270,881	348,709
Others	961,404	2,937,943
Total	5,900,228	6,362,350

Item 7. Accounts Payable and Accrued Expenses

This account consists:

	September 2017	December 2016
Accrued Expenses	19,364,831	11,678,975
Trade Payables	65,534,700	76,793,419
Others	27,364,202	22,170,942
Total	112,263,733	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:

	September 2017	September 2016
Net Income (Loss)	(39,923,737.23)	26,379,230
Weighted Average Number of Shares Outstanding	344,747,520	344,747,520
Earnings (Loss) per share	(0.12)	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 during the 3rd quarter of 2017 has been consistent with a gradual increase compared to previous quarter.
- v. For the third quarter of 2017, the material or significant elements of income or loss did not arise from the Company's continuing operations, however, contributable to the surrender of majority of the leased area by PAGCOR, in which the rental fees have also been decreased.
- 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 September 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 September 30, 2017 and 2016 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS

Quarter Ended 30 September 2017 and Quarter Ended 30 September 2016

Gross revenues registered a decrease of ₱68.02 million from ₱144.42 million in the 3rd quarter of 2016 to ₱76.40 million during the same comparative period in 2017. Room sales went down by 1.40% from ₱32.67 million in 3Q2016 to ₱32.22 million in 3Q2017. Occupancy rate in 3Q2017 was 54.83% from a total of 49,861 available rooms as compared to the 48.03% in 3Q2016 from a total of 31,125 available rooms. Room revenue represents 42.17% of gross revenues for 3Q2017 compared to 22.62% in 3Q2016. Average room rate of 3Q2017 is ₱ 2,218.60, ₱20.49 or 0.93% higher than ₱2,198.11 of the same period in 2016.

Food and Beverage revenue for 3Q2017 amounted to ₱20.35 million, a decrease of 16.79% from ₱24.45 million. Food and beverages sales contributed 26.63% to gross revenues. Revenues generated by other operating departments including Telephone department went down by 23.35% from ₱0.446 million in 3Q2016 to ₱0.342 million in 3Q2017. Rent and other income has decreased by 72.95% from ₱86.85 million in 3Q2016 to ₱23.49 million in 3Q2017.

Cost of sales of food and beverage increased from ₱8.72 million in 3Q2016 to ₱7.61 million in 3Q2017 representing an decrease of 12.72%. The food and beverage cost ratio to revenue has increased from 35.65% in 3Q2016 to 37.40% in 3Q2017. Payroll expenses increase by 33.45% from ₱14.01 million in 3Q2016 to ₱18.70 million in 3Q2017. Other expenses went down from ₱9.57 million in 3Q2016 to ₱4.95 million in 3Q2017. The Energy cost went down by 9.43% from ₱25.91 million in 3Q2016 to ₱23.47 million in 3Q2017.

The Company posted a gross operating profit of ₱4.35 million in 3Q2017, representing an decrease of ₱63.00 million or 93.54% from that recorded in 3Q2016 of ₱67.35 million. Gross operating profit ratio in 3Q2016 and 3Q2015 stood at 5.70% and 46.64%, respectively.

Fixed financial, operating and other expenses increased from ₱25.57 million in 3Q2016 to ₱28.87 million in 3Q2017 with the major increase coming from general and administrative expense. The general and administrative expenses have a material increase from ₱16.73 million in 3Q2016 to ₱20.18 million in 3Q2017. Marketing and guest entertainment increased by ₱0.362 million from ₱1.55 million in 3Q2016 to ₱1.91 million in 3Q2017. Corporate Expenses increased from ₱0.018 million in 3Q2016 to ₱1.20 million in 3Q2017. Real estate tax went down by 6.04% from ₱4.12 million in 3Q2016 to ₱3.87 million in 3Q2017. Fire insurance increased from ₱1.90 million in 3Q2016 to ₱2.04 million in 3Q2017. For 3Q2017, the Company posted a net loss of ₱39.92 million representing an decrease of ₱ 66.30 million from net income of ₱26.38 million in 3Q2016

FINANCIAL CONDITION

As of 30 September 2017 and Year Ended 31 December 2016

Total assets increased to ₱2.32 billion in 30 September 2017 from ₱2.32 billion as of 31 December 2016. Current assets increased from ₱306.4 million as of 31 December 2016 to ₱231.88 million as of end of 3Q2017. Cash ending balance as of 30 September 2017 of ₱ 85.89 million posted an decrease of ₱.46 million. Trade receivables of ₱26.89 million decreased by ₱13.69 million as of 30 September 2017 from ₱40.58 million as of 31 December 2016. Inventories decreased to ₱.46 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 ₱102.26 million as of 30 September 2017. Prepayments and other current assets increased to ₱70.93 million as of 30 September 2017 from ₱59.64 million as of 31 December 2016 due to creditable withholding taxes.

Property and equipment account increased by 3.94% from ₱1.98 billion as of 31 December 2016 to ₱2.06 billion as of 30 September 2017. No changes have been noted from the Available for Sale investment account from 31 December 2016 to the 3Q2017. Other non-current assets of ₱16.95 million as of end of 3Q2017 increased by ₱5.68 million from ₱11.27 million as of 31 December 2016 due to increase deposits on purchase contracts.

Total liabilities increased from ₱699.02 million as of 31 December 2016 to ₱704.13 million as of 30 September 2017. Trade and other current payables increased from ₱110.64 million as of 31 December 2016 to ₱112.26 million as of 30 September 2017. Non-current liabilities decreased by ₱3.55 million from ₱588.32 million as of 31 December 2016 to ₱591.87 million as of 30 September 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:

	September 2017	September 2016
Occupancy Rate	54.83%	48.03%
Average Room Rate	2,218.60	2,198.11
Revenues	353,370,148	144,423,925
Gross Operating Profit	104,033,118	67,353,608
Gross Operating Profit Ratio	29%	47%

- 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:



ELVIRA A. TING

Treasurer and Chief Financial Officer/Authorized Representative
08 September 2017

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period:

CURRENT / LIQUIDITY RATIO

Current Ratio	September 30, 2017	December 31, 2016
Current Assets	231,876,594	306,381,253
Current Liabilities	112,263,733	110,700,837
Ratio	2.0655	2.7677

Quick Ratio	September 30, 2017	December 31, 2016
Cash+AR+ST Mkt Securities	52,784,544	66,933,335
Current Liabilities	112,263,733	110,700,837
Ratio	0.4702	0.6046

Cash Ratio	September 30, 2017	December 31, 2016
Cash+ST Mkt Securities	25,893,173	26,349,768
Current Liabilities	112,263,733	110,700,837
Ratio	0.2306	0.2380

SOLVENCY RATIO

Current Liabilities to Equity Ratio	September 30, 2017	December 31, 2016
Current Liabilities	112,263,733	110,700,837
Total Equity	1,621,235,990	1,617,147,213
Ratio	0.0692	0.0685

Total Liabilities to Equity Ratio	September 30, 2017	December 31, 2016
Total Liabilities	704,133,986	699,021,668
Total Equity	1,621,235,990	1,617,147,213
Ratio	0.4343	0.4323

Fixed Assets to Equity Ratio	September 30, 2017	December 31, 2016
Fixed Assets	2,059,723,306	1,981,693,201
Total Equity	1,621,235,990	1,617,147,213
Ratio	1.2705	1.2254

Assets to Equity Ratio	September 30, 2017	December 31, 2016
Total Assets	2,325,369,977	2,316,168,881
Total Equity	1,621,235,990	1,617,147,213
Ratio	1.4343	1.4323

INTEREST COVERAGE RATIO

Interest Coverage Ratio	September 30, 2017	December 31, 2016
Net Income Before Tax + Interest Exp	(39,923,737)	115,693,423
Interest Expense	-	1,090,630
Ratio	-	106.0794

PROFITABILITY RATIO

Interest Coverage Ratio	September 30, 2017	December 31, 2016
Net Income After Tax	(39,923,737)	70,470,443
Net Sales	76,399,076	589,237,597
Ratio	(0.5226)	0.1196

Return on Assets (ROA) Ratio	September 30, 2017	December 31, 2016
Net Income After Tax	(39,923,737)	70,470,443
Total Assets	2,325,369,977	2,316,168,881
Ratio	(0.0172)	0.0304

Return on Equity Ratio	September 30, 2017	December 31, 2016
Net Income After Tax	(39,923,737)	70,470,443
Total Equity	1,621,235,990	1,617,147,213
Ratio	(0.0246)	0.0436

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2017 December 31, 2016

ASSETS		
Current Assets		
Cash	25,893,173	26,349,768
Trade and other current receivables - net	26,891,371	40,583,567
Inventories	5,900,228	6,362,350
Due from a related party - net	102,264,993	173,447,317
Prepayments and other current assets	70,926,829	59,638,251
Total Current Assets	231,876,594	306,381,253
Noncurrent Assets		
Property and equipment - net	2,059,723,306	1,981,693,201
Available-for-sale (AFS) investment	16,821,740	16,821,740
Other noncurrent assets	16,948,336	11,272,687
Total Noncurrent Assets	2,093,493,382	2,009,787,628
Total Assets	2,325,369,977	2,316,168,881
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other current payables	112,263,733	110,643,337
Other Liabilities	-	57,500
Total Current Liabilities	112,263,733	110,700,837
Noncurrent Liabilities		
Retirement liability	110,094,654	106,520,793
Deferred tax liabilities - net	481,775,600	481,800,038
Total Noncurrent Liabilities	591,870,253	588,320,831
Total Liabilities	704,133,986	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	483,781,873	479,693,096
Treasury stock at cost	(12,041,700)	(12,041,700)
Total Equity	1,621,235,990	1,617,147,213
	2,325,369,977	2,316,168,881
	(0)	0

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

	QUARTER ENDED 30-Sep-17	YEAR TO DATE 30-Sep-17	QUARTER ENDED 30-Sep-16	YEAR TO DATE 30-Sep-16
INCOME				
Rooms	32,218,460	110,622,118	32,674,844	110,092,979
Food and Beverage	20,345,889	69,397,830	24,452,157	73,518,338
Telephone Exchange	10,422	55,310	24,254	111,439
Other Operated Departments	332,083	1,135,352	422,593	1,284,092
Rent and Other Income	23,492,222	172,159,539	86,850,077	260,547,070
	76,399,076	353,370,148	144,423,925	445,553,919
COST OF SALES AND SERVICES				
Cost of Sales:				
Food and Beverage	7,609,330	24,443,318	8,718,191	25,428,705
Telephone Exchange	206,471	715,003	1,395,592	5,607,361
Other Operated Departments	30,076	80,841	29,170	88,908
	7,845,877	25,239,162	10,142,952	20,982,021
Payroll and Related Expenses	18,702,905	51,986,995	14,014,560	50,172,094
Other Expenses	4,945,978	20,311,574	9,567,476	21,127,800
	23,648,883	72,298,569	23,582,036	71,299,894
Energy Cost	23,468,943	75,020,073	25,912,852	77,319,534
Property operations and maintenance	5,789,608	15,649,164	5,062,802	15,006,813
Depreciation on cost	11,291,725	33,684,428	11,555,720	36,167,290
Land rental	-	-	813,955	2,441,865.24
	40,550,276	124,353,664	43,345,329	130,935,502
	72,045,037	221,891,395	77,070,317	223,217,418
GROSS OPERATING PROFIT	4,354,039	131,478,753	67,353,608	222,336,501
FIXED, FINANCIAL, OPERATING AND OTHER EXPENSES		0		
General and Administrative Expenses	20,182,582	55,438,077	16,747,274	57,144,041
Marketing and Guest Entertainment	1,916,731	5,776,202	1,554,681	5,127,848
Foreign Exchange (Gain) Loss	(343,932)	(361,855)	(8,714)	1,083,572
Interest Expense	0	0	0	766,329
Corporate Expenses	1,203,975	2,055,515	17,707	7,291,772
Real Estate Tax	3,874,154	12,135,975	4,123,234	12,486,125
Fire Insurance	2,041,487	6,137,727	1,898,756	5,593,976
Interest and Other Charges/(Income)-Net	0	0	1,238,662	(706,174)
	28,874,999	81,181,642	25,571,599	88,787,488
INCOME (LOSS) BEFORE DEPRECIATION ON REVALUATION INCREMENT AND INCOME TAX		0		
	(24,520,959)	50,297,111	41,782,008	133,549,013
DEPRECIATION - REVALUATION INCREMENT	15,402,778	46,208,334	15,402,778	46,208,334
INCOME (LOSS) BEFORE INCOME TAX	(39,923,737)	4,088,777	26,379,230	87,340,679
PROVISION FOR INCOME TAX	0	0	0	0
NET INCOME (LOSS)	(39,923,737)	4,088,777	26,379,230	87,340,679
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)	(39,923,737)	4,088,777	26,379,230	87,340,679
		0		
Net Income(Loss)	(39,923,737)	4,088,777	26,379,230	87,340,679
no. of shares issued	344,747,520	344,747,520	344,747,520	344,747,520
INCOME(LOSS) PER SHARE	(P0.12)	P0.01	P0.08	P0.25

ACESITE (PHILS.) HOTEL CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR NINE - MONTH ENDING September 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 nine months						4,088,777	4,088,777
Balance at September 30, 2017	346,100,520	(12,041,700)	748,743,688	34,677,561	4,571,270	499,184,651	1,621,235,990
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	-		(46,208,334)			46,208,334	
Net income (loss) for the nine months						77,197,727	77,197,727
Balance at September 30, 2016	346,100,520	(12,041,700)	574,107,191	23,671,575	5,958,630	494,079,719	1,431,875,935

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

	QUARTER ENDED 30-Sep-17	YEAR TO DATE 30-Sep-17	QUARTER ENDED 30-Sep-16	YEAR TO DATE 30-Sep-16
CASH FLOW FROM OPERATING ACTIVITIES				
Income(Loss) before income tax	(39,923,737)	4,088,777	26,379,230	77,197,727
Adjustments for:			-	
Depreciation	25,698,077	77,142,539	20,465,581	61,215,147
Interest Expense	-	-	-	766,329
Unrealized foreign exchange loss	(343,932)	(361,855)	(8,714)	1,083,572
Amortization of operating equipment	996,426	2,750,223	-	1,134,921
Provision for doubtful accounts	(165,067)	(7,882,898)	-	(7,229,701)
Operating income before working capital changes	(13,738,233)	75,736,786	47,112,737	134,167,995
Decrease (increase) in:			-	
Receivables	7,904,618	21,575,093	1,361,601	26,948,751
Inventories	157,723	462,122	325,772	540,947
Prepaid expenses	5,153,248	(11,288,578)	(3,092,306)	(10,530,689)
Increase (decrease) in:			-	
Accounts payable and accrued expenses	4,554,553	1,562,897	7,835,120	(2,635,656)
Retirement benefit plan obligation	3,795,087	3,573,861	2,778,360	3,090,955
Rental paid in advance	-	-	(88,120,461)	(183,578,153)
Net cash generated from operations	7,826,996	91,622,181	(31,799,176)	(31,995,850)
Interest received	-	-	-	-
Income taxes paid	-	-	-	(2,235,235)
Net cash from operating activities	7,826,996	91,622,181	(31,799,176)	(34,231,085)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in receivable from affiliates	60,972,529	71,182,324	25,908,217	118,738,506
Acquisition of property and equipment	(98,620,458)	(102,895,955)	(118,828)	(3,310,367)
Decrease (increase) in other assets	(45,024,353)	(60,365,146)	-	(2,013,220)
Net cash from (used) in investing activities	(82,672,282)	(92,078,776)	25,789,388	113,414,919
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loan	-	-	-	(74,735,932)
Interest paid	-	-	-	(766,329)
Cash used in financing activities	-	-	(0)	(75,502,261)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
	-	-	-	-
NET INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS)	(74,845,286)	(456,595)	(6,009,788)	3,681,572
CASH AND CASH EQUIVALENTS, BEGINNING	100,738,458	26,349,768	21,298,377	11,607,017
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,893,173	25,893,173	15,288,589	15,288,589

0.00

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

Classifications	Current	31-60	61-90	91-120	121 - Over	Total
CREDIT CARDS	511,408.31	48,000.00	3,400.00	-	-	562,808.31
CORPORATE	963,152.07	251,323.84	77,156.76	80,941.14	14,198,113.13	15,570,686.94
T/A LOCAL&Overseas	985,316.64	755,174.44	-	534,386.55	451,533.20	2,382,027.57
INDIVIDUAL	-	3,745.00	-	-	-	3,745.00
AIRLINES	-	-	-	-	-	-
EMPLOYEES LEDGER	-	-	-	-	-	-
DELINQUENT	-	-	-	-	-	-
GOVERNMENT	2,323,759.42	1,050,709.40	47,746.14	-	2,446,403.91	5,868,618.87
TENANTS	2,503,484.67	-	-	-	-	2,503,484.67
TOTAL	7,287,121.11	2,108,952.68	128,302.90	615,327.69	17,096,050.24	26,891,371.36