

COVER SHEET

1 7 5 2 2 2

S.E.C. Registration Number

P.S.E. Control Number

V I V A N T C O R P O R A T I O N

(Company's Full Name)

S u i t e 9 0 7 A y a L a L i f e F G U

C e n t e r , C e b u B u s I n e s s P a r k ,

C e b u C i t y

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

Atty. Joan A. Giduquio-Baron
Contact Persons

(032) 232-0283, 234-2256 and 234-2285
Telephone Number of the Contact Person

1 2 3 1
Month Day
Fiscal Year

SEC FORM 17-A
FORM TYPE

0 6 1 9
Month Day

Secondary license Type, If Applicable

C F D
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

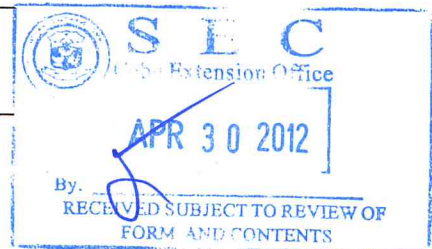
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

- 1. For the fiscal year ended **2011**
- 2. SEC Identification Number **175222**
- 3. BIR Tax Identification No.
242-603-734-000
- 4. **VIVANT CORPORATION**
Exact name of issuer as specified in its charter
- 5. **City of Mandaluyong** (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization Industry Classification Code:

- 7. **VIVANT CORPORATION**
Suite 907-908 Ayala Life-FGU Center,
Cebu Business Park, Cebu City
Address of principal office **6000**
Postal Code

- 8. **(6332) 234-2256; 234-2285**
Issuer's telephone number, including area code
- 9. There has been no change since 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 Stock	1,023,456,698

- 11. Are any or all of these securities listed on a Stock Exchange.
Yes [x] No []
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Stock**

- 12. Check whether the issuer:
(a) has filed all 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 [x] No []

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

Yes [x] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

159,324,604 x Php 14.52 = Php2,313,393,250

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

1. Business Development

Vivant Corporation is a holding company, with investments in various projects in the power generation and distribution sectors.

Through its wholly-owned subsidiary Vivant Energy Corporation (VEC), the Company has 35% equity in Delta P, Inc., an independent power producer based in the island of Palawan. VEC also owns 40% of Cebu Private Power Corporation, another independent power producer located in Cebu City. VEC also owns 40% of Abovant Holdings, Inc., which, in turn, owns 44% of the Cebu Energy Development Corporation, a consortium with Global Business Power Corporation and Formosa Heavy Industries of Taiwan. Cebu Energy Development Corporation owns and operates a 3 x 82 MW coal-fired plant in Toledo City, Cebu.

Moreover, VEC has 60% equity in VICS-Amlan Holdings Corp., which, in turn, has invested 47.50% equity in ICS Renewables, Inc. (ICS). ICS won the bid to own and operate the 0.8 MW Amlan Hydro Electric Power Plant in Amlan, Negros Oriental conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM) in 2009. VEC also owns 46% of Vivant Sta. Clara Northern Renewables Generation Corporation (VSNRGC), formerly Amlan Hydro Power, Inc., through its wholly owned subsidiary Vics-Bakun Holdings Corp. VSNRGC is the Independent Power Producer Administrator (IPPA) for the Contracted Capacity of the Bakun Hydroelectric Power Plant in Alilem, Ilocos Sur with an Installed Capacity of 70 mW.

VEC likewise owns 52.7% of 1590 Energy Corp., which has signed a Contract to Sell with the Provincial Government of La Union for the purchase of the 225 MW Bauang Diesel Power Plant in Bauang, La Union. It also owns 50% of Calamian Islands Power Corporation (CIPC). CIPC has not started operations as of December 31, 2011.

In addition to the above, the Company owns 40% of Prism Energy, Inc. (PEI). As of December 31, 2011, PEI has not started operations yet.

In addition to investments in the power generation sector, the Company directly owns 22% of the second largest electric distribution utility of the country, the Visayan Electric Company, Inc. (VECO). The Company also controls Hijos de F. Escaño, Inc. (HDFE), a holding company which, in turn, owns 25% of VECO.

The Company wholly owns VC Ventures Net, Inc., another holding company.

There is no bankruptcy, receivership or similar proceeding initiated against the Company, HDFE, VECO, VEC, VICS-Amlan Holdings, Inc., ICS Renewables, Inc., VICS-Bakun Holdings, Inc., VSNRGC, 1590 Energy Corp., Prism Energy, Inc., Calamian Islands Power Corporation, VC Ventures Net, Inc., Cebu Private Power Corporation, Delta P, Inc. or Abovant Holdings, Inc.

There has been no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

VECO

VECO is a corporation duly organized and existing under the laws of the Republic of the Philippines since its incorporation in 1961. It is an electric distribution utility engaged in the conveyance, distribution and sale of electric power pursuant to its legislative franchise, Republic Act 9339, and serves the electrical needs of four cities (Cebu, Mandaue, Talisay and Naga), and four municipalities (Consolacion, Liloan, Minglanilla, and San Fernando), all located in the Province of Cebu. VECO's service coverage is about 672 square kilometers with an estimated population of 1,728,148 as of 2007 census with a peak demand of 378,104 kW and kWh sales 1,994,237,342 kwh in 2010. VECO has assets worth Php 10,877,036,997 as of 2011 Audited Financial Statements.

HDFE

HDFE is a corporation duly organized and existing under the laws of the Republic of the Philippines since its incorporation in 1926. HDFE is a holding company.

VEC

VEC is a domestic corporation wholly owned by the Company. It owns 35% equity in Delta P, Inc., an independent power producer based in the island of Palawan, and 40% of Cebu Private Power Corporation, another independent power producer located in Cebu City. VEC owns 40% of Abovant Holdings, Inc., which, in turn, owns 44% of the Cebu Energy Development Corporation. Cebu Energy Development Corporation owns and operates the 3 x 82 mW coal-fired plant in Toledo City, Cebu.

Moreover, VEC has 60% equity in VICS-Amlan Holdings Corp., which, in turn, has invested 47.50% equity in ICS Renewables, Inc. (ICS). ICS won the bid to own and operate the 0.8 mW Amlan Hydro Electric Power Plant in Amlan, Negros Oriental conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM) in 2009. VEC also owns 46% of Vivant Sta. Clara Northern Renewables Generation Corporation (VSNRGC), formerly Amlan Hydro Power, Inc. (AHPI), through its wholly owned subsidiary Vics-Bakun Holdings Corp. VSNRGC is the Independent Power Producer Administrator (IPPA) for the Contracted Capacity of the Bakun Hydroelectric Power Plant in Alilem, Ilocos Sur with an Installed Capacity of 70 mW.

VEC also owns 52.7% of 1590 Energy Corp., which has signed a Contract to Sell with the Provincial Government of La Union for the purchase of the 225 mW Bauang Diesel Power Plant in Bauang, La Union. In addition, VEC owns 50% of Calamian Islands Power Corporation (CIPC) which was incorporated on October 19, 2010 as a power generation company. As of December 31, 2011, CIPC has not yet started operations..

Delta P, Inc.

Delta P, Inc. is a Philippine corporation that owns a 16 mW HFO-fired generating power plant and related facilities and supplies electric power to the National Power Corporation in the island of Palawan.

Cebu Private Power Corporation

Cebu Private Power Corporation is an independent power producer which owns and operates a 70 mW bunker "C" diesel-fired power generating plant located in Cebu City. It supplied about 9.71% of the power requirement of VECO in 2011.

Abovant Holdings, Inc.

Abovant Holdings, Inc. is a holding company, 40% of which is owned by the Company. In turn, Abovant Holdings owns 44% of the Cebu Energy Development Corporation which owns and operates the 3 x 82 mW coal-fired plant in Toledo City, Cebu.

VC Ventures Net, Inc.

VC Ventures Net, Inc. is a domestic holding company wholly-owned by the Company.

VICS-Amlan Holdings Corp.

VICS-Amlan Holdings Corp. is 46% owned by VEC. VICS-Amlan owns **47.5%** of ICS Renewables, Inc. (ICS). ICS owns and operates the 0.8 mW Amlan Hydro Electric Power Plant in Amlan, Negros Oriental.

VICS-Bakun Holdings Corp.

VICS-Bakun Holdings Corp. is a wholly owned subsidiary of VEC which owns 46% of Vivant Sta. Clara Northern Renewables Generation Corporation (VSNRGC), formerly Amlan Hydro Power, Inc. (AHPI). VSNRGC is the Independent Power Producer Administrator (IPPA) for the Contracted Capacity of the 70 mW Bakun Hydroelectric Power Plant in Alilem, Ilocos Sur.

1590 Energy Corp.

VEC has 52.7% equity in 1590 Energy Corp. which signed a Contract to Sell with the Provincial Government of Bauang over the the 225 MW Bauang Diesel Power Plant in Bauang, La Union.

Prism Energy, Inc.

The Company has 40% equity in Prism Energy, Inc. which was incorporated on March 24, 2009 as a power generation company. It has not yet started operations as of December 31, 2011.

2. Business of the Company

(a) Description of Registrant

As a holding company, the Company's main business has been direct and indirect investments in VEC, VC Ventures Net, Inc., Delta P, Inc., 1590 Energy Corp., VSNRGC , ICS Renewables, Inc., VICS-Amlan Holdings Corporation, VICS-Bakun Holdings

Corporation, Cebu Private Power Corporation, Abovant Holdings, Inc., Cebu Energy Development Corporation, VECO and HDFE.

As a holding company with no actual operations as a source of income, the sole business risk of the Company lies in the financial performance of its investee companies.

VECO

It is a distribution utility engaged in the conveyance, distribution and sale of electric power pursuant to its legislative franchise, Republic Act 9339, and serves the electrical needs of four cities (Cebu, Mandaue, Talisay, and Naga), and four municipalities of the greater part of Metro Cebu (Consolacion, Liloan, Minglanilla, and San Fernando). VECO's service coverage is about 674 square kilometers serving 327,587 customers with a peak demand of 378,104 kW and kWh sales 1,994,237,342 kwh in 2011. VECO has assets wPhp10,877,036,997 as of 2011 Audited Financial Statements.

The following are the major risks involved in the business of VECO:

1. Power Supply (Bilateral Contract vs. Wholesale Electricity Spot Market)

Since December 26, 2010 the Philippine Wholesale Electricity Spot Market (WESM) started in the Visayas. Under the Electric Power Industry Reform Act (EPIRA), distribution utilities are required to source at least 10% of its total demand from the WESM, and a maximum of 90% from bilateral contracts with Independent Power Producers. There are risks from either source involved in terms of pricing and security of supply. One of the risks is when the utility's power supply comes predominantly from bilateral contracts while price in the WESM is lower. Another risk is when the utility buys much of its power from the WESM but due to market forces, prices in the WESM may increase higher than its authorized selling rates.

2. Competition and Open Access

Republic Act 9136 mandates that large customers beginning with demands of at least 1 MW shall be opened up for competition and allowed open access to the transmission and distribution lines. The risk of losing these customers depends on the electricity pricing. Thus, these large customers may shift to other suppliers with lower prices. As of the date of this Report, Open Access has not been implemented in the Visayas.

3. Regulatory Risk

Utilities are exposed to the risk of the effects of changes in regulatory policies and decisions. Regulators are under constant political and social pressure to favor the consumers at the cost of utilities' operational viability.

4. Exchange Rate (CERA)

VECO's OECF loan is denominated in yen. VECO may have to pay more than the expected amortization if the yen strengthens against the peso.

VECO applied for a currency exchange rate adjustment in its rate schedule and was approved by the then Energy Regulatory Board (now: Energy Regulatory Commission). However, this rate adjustment clause is only applicable to the principal portion of the loan.

To manage these risks, VECO is engaged in a program to improve efficiency and service to its customers and at the same time to reduce cost with focus on reducing system loss (both technical and non-technical). Further, VECO continues to source and look for cheaper and more reliable source of power to improve reliability and competitiveness. Aside from offering

competitive rates, large customers who can shift to other suppliers are also offered value-added services.

HDFE

As a holding company, HDFE's main business and source of income has been its ownership of VECO shares. It has no actual operations as a source of income. Hence, the sole business risk of HDFE lies in the financial performance of VECO.

Vivant Energy Corporation (as investor in Delta P, Inc., AHPI, ICS and 1590 Energy Corp.); Abovant Holdings Corporation; Cebu Private Power Corporation

1. Regulatory Risk

As independent power producers, these investee companies are not directly covered by the regulatory power of the Energy Regulatory Commission (ERC). Nonetheless, its power supply contracts with distribution utilities or electric cooperatives are subject to the approval of the ERC. Moreover, with the commercial operation of WESM in Luzon and Visayas, their prices have to be competitive with other power producers.

2. Fluctuations in Fuel Prices

Delta P, Inc., and Cebu Private Power Corporation operate HFO-fired and bunker "C" diesel-fired power generating plants, respectively. 1590 Energy Corp. also operates Bauang Diesel Power Plant which utilizes diesel-fired engines. Hence, fluctuations in fuel prices may impact its operating income. Cebu Energy Development Corporation's coal-fired power generating plant will be affected by the availability and price of coal.

Percentage of sales or revenues and net income contributed by foreign sales

The source of any earning of the Company will be limited to domestic transactions.

Patents, Government Approvals, Research and Development, and Environmental Laws.

The Company does not have any patent, trademark, copyright, license, franchise, concessions and royalty agreements.

No fund has been or is allocated to research and development.

The Company is not directly required to comply with any environmental law.

Number of employees

Other than its President and Chief Operating Officer, the Company has 16 employees. No collective bargaining agreement is under negotiation or is in force with such employees.

Item 2. Properties

In addition to its direct shares of stock in VEC, VECO, HDFE, PEI, and VC Ventures Net, Inc. the Company owns an office space of approximately 227.5 sq.m. at the Ayala Life-FGU Center, Cebu Business Park, Cebu City which serves as its principal place of business.

As of 2011 Audited Financial Statements, VECO has total assets of Php10,877,036,997, which includes, among others, utility plant, property and equipment.

The bulk of HDFE's properties is composed of shares in VECO, representing approximately 25% of VECO's total issued and outstanding shares and Investment Properties mostly composed of land

Item 3. Legal Proceedings

None of the Company, VEC, VECO, HDFE, PEI, or VC Ventures Net, Inc. is involved in any material pending legal proceeding.

Item 4. Submission of Matters to a Vote of Security Holders

During the June 23, 2011 Annual Meeting of the Stockholders, the following actions were taken:

- (1) Approval and adoption of the minutes of the June 24, 2010 Annual Stockholders' Meeting;
- (2) Annual Report of the Officers;
- (3) Ratification of all acts and resolutions of the Board of Directors and Management in the ordinary course of business for the fiscal year 2010;
- (4) Election of the following members of the Board of Directors for the year 2011 - 2012:
 1. Dennis N. A. Garcia
 2. Emil Andre' M. Garcia
 3. Gil A. Garcia, II
 4. Charles Sylvestre A. Garcia
 5. Elbert M. Zosa
 6. Ramontito E. Garcia
 7. Efren P. Sarmiento
 8. Jose Marko Anton G. Sarmiento
 9. Alfred V. Ty
 10. Amb. Raul Ch. Rabe (Independent Director)
 11. Atty. Jesus B. Garcia, Jr. (Independent Director)
- (5) Delegation of the appointment of the external auditor to the Board of Directors.

Other than the foregoing, no matter was submitted to a vote of security holders.

The results of the foregoing meeting were disclosed in a SEC Form 17-C report.

PART II

OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

- (1) Market Information.

The Company has 1,023,456,698 shares listed with the Philippine Stock Exchange. They are not listed and traded in any foreign exchange. These are the high and low sales prices for each quarter within the last two fiscal years:

	High	Low
2010		
Quarter 1	4.50	4.50
Quarter 2	5.70	5.70
Quarter 3	4.50	4.50
Quarter 4	4.68	4.68
2011		
Quarter 1	4.70	4.70
Quarter 2	4.58	4.58
Quarter 3	5.50	5.50
Quarter 4	3.81	3.24

As of the last practicable trading date on March 30, 2012 the shares of the Company traded at Php14.52 per share.

(2) Security Holders

As of March 31, 2012 which is the most recent tabulation by the Company's stock agent, there are 1,574 shareholders, and the following are the top 20 shareholders with the number of shares respectively held and the percentage of total shares outstanding held by each:

	NAME	NO. OF SHARES	%
1	Mai-I Resources Corporation	522,468,973	51.05
2	JEG Development Corporation	341,662,121	33.38
3	Mirant Global Corporation	116,555,553	11.39
4	Garcia De Escano, Antonio V.A. &/Or Lucia &/Or Kristalle Marie F. Garcia	10,499,404	1.03
5	Garcia De Escano, Antonio V.A. &/Or Lucia &/Or Maria Teresa	10,499,404	1.03
6	Garcia De Escano, Antonio V.A. &/Or Lucia F. Garcia &/Or Sari Jeanne G. Malixi	10,499,404	1.03
7	PCD Nominee Corporation	6,164,018	0.60
8	Arce, Aurelia C.	1,375,000	0.13
9	Arce, Zenaida D.	859,375	0.08
10	Arce, Eulalio C.	343,750	0.03
11	Arce, Erlinda D.	93,750	0.01
12	Vibal, Esther A.	79,250	0.01
13	Vibal, Esther &/Or Stella Lawson &/Or Aida Gutierrez	62,500	0.01
14	Arce, Ofelia De Guzman	46,562	0.00
15	Chua, Linda &/Or Alberto Chua	35,625	0.00
16	Cruz, Alfredo A.	34,062	0.00
17	Arce, Ofelia de Guzman	31,250	0.00
18	Tio Ong, Alberto	31,250	0.00
19	Lavin, Marietta P.	27,750	0.00
20	EBC Securities Corporation	20,625	0.00
TOTAL NO. OF SHARES		1,021,389,626	

(3) Dividends

The Company's By-laws permit dividends to be declared and paid out of unrestricted retained earnings, which may be payable in cash, property or stock to all stockholders on the basis of the outstanding stock held by the stockholder, as often and at such times as the Company's Board of Directors may determine and in accordance with the requirements of the Corporation Code and applicable laws.

On June 23, 2011, the Board approved the declaration and payment of the annual cash dividend of Php0.1287 per share and special cash dividend in the amount of Php0.0489 to all stockholders-of-record as of July 7, 2011. The dividend was paid on August 2, 2011.

On June 24, 2010 the Board approved the declaration and payment of cash dividend of Php 0.1170 per share to all stockholders-of-record as of July 12, 2010. The dividend was paid on August 5, 2010.

On June 19, 2009, the Board approved the declaration and payment of cash dividend of Php 0.09673 per share to all stockholders-of-record as of July 3, 2009. The dividend was paid on July 29, 2009.

(4) Recent Sales of Unregistered Securities

There were no recent sales within the past three (3) years which were not registered under the Securities Regulation Code.

Item 6: Management's Discussion and Analysis or Plan of Operation.

(1) Plan of Operation

For the next twelve (12) months, the Corporation will continue to pursue its primary purpose as a holding company for shares of stock in its investee companies – VEC, VECO, HDFE, PEI, and VC Ventures Net, Inc.

As a holding company, it shall satisfy its cash requirements through dividends declared by these investee companies.

The Corporation does not anticipate undertaking any product research and development for its operation, nor does it expect any purchase or sale of plant and significant equipment nor any significant change in the number of employees.

(2) Management's Discussion and Analysis

Management uses the following key performance indicators for the Corporation and its investee companies: (a) equity earnings, (b) Earnings before Interest, taxes, Depreciation and Amortization (EBITDA), (c) debt-to-equity ratio, (d) current ratio, and (e) cash flow generated.

(a) Equity Earnings or (Loss)

Equity earnings or (loss) is the Corporation's share in the income or loss of subsidiaries accounted for under the equity method. It indicates the profitability of the subsidiaries and measures their contribution to the profitability of the parent. Equity in net earnings of associated companies increased by 25.76% to Php 669,824,646 in 2011 from Php532,602,880 in 2010.

(b) EBITDA

Earnings before interest, taxes, depreciation, and amortizations (EBITDA) is calculated by taking operating income and adding back to it interest, depreciation, and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Corporation with other players in the industry. EBITDA increased by 49% to Php1,245,179,031 in 2011 from Php837,910,344 in 2010.

(c) Debt to Equity Ratio

Debt to Equity ratio is computed by dividing total liabilities with total stockholders' equity. As of December 31, 2011, the Corporation is bound by a loan covenant which requires the debt to equity ratio not to exceed Php2:Php1. Debt to Equity ratio decreased to Php0.97:Php1 in 2011 from Php1.18:Php1 in 2010.

(d) Current Ratio

Current ratio is computed by dividing current assets with current liabilities. This indicates the liquidity of the Corporation in the short term and measures the peso amount of current asset available to cover a peso amount of current liability. Current Ratio decreased to Php0.59:Php1 in 2011 from Php1.12:Php1 in 2010.

(e) Cash Flow Generated

Cash flow generated indicates the ability of the Corporation to generate enough cash for operating, investing, and financing activities. Net Cash Flow Generated decreased to Php-13,727,286 in 2011 from Php443,400,790 in 2010.

Consolidated Financial Statement for the Full Fiscal Year ended December 31, 2011

At the end of 2011 the Corporation had consolidated revenues of Php2,117,227,798 compared to revenues in 2010 in the amount of Php1,497,255,883, representing a 41.41% increase. Equity in Net Earnings of Associates increased by 25.76% to Php669,824,646 in 2011 from Php532,602,880 in 2010. The increase was due to higher income contributions from its subsidiaries and associates. Management Fees increased by 17.78% to Php122,921,596 in 2011 from Php104,368,231 in 2010. The increase was due to an upward adjustment in in management fee rates. Interest income increased by 0.5% to Php16,726,245 in 2011 from Php16,631,382 in 2010. The increase was due to higher interest rates in 2011. Other income increased to Php9,300,323 in 2011 from Php8,232,618 in 2010. The increase was primarily due to a favorable adjustment in rental rates.

Consolidated operating expenses increased by 30.41% to Php1,199,986,521 in 2011 from Php920,178,592 in 2010. The increase was primarily due to increases in taxes and licenses, management fees, salaries and employee benefits, travel expenses, depreciation and amortization, impairment loss on receivables, communication and utilities, rent and association dues, security and janitorial, and other operating expenses. Taxes and Licenses increased by 119.55% to Php26,951,546 in 2011 from Php12,275,702 in 2010. The increase was brought about by the full annual operations of a subsidiary that operated only starting July 30, 2010. Management Fees increased by 182.42% to Php36,150,000 in 2011 from Php12,800,000 in 2010. The upward movement was due to the overall increase in the rates of management fees during the year. Salaries and employee benefits increased by 109.84% to Php17,893,034 in 2011 from Php8,527,159 in 2010. The increase was due to additional manpower put in place in 2011 in order to effectively adapt to the growing needs of the company. Travel expenses increased by 151.89% to Php8,201,247 in 2011 from Php3,255,902 in 2010 due to increased business activity. Communication and utilities

expense increased by 121.50% to Php2,371,843 in 2011 from Php1,070,801 in 2010, also due to increased business activity. Rent and association dues increased by 331.85% to Php2,204,269 in 2011 from Php510,430 in 2010. The escalation was due to the lease of an additional office space to accommodate manpower added during the year. Security and janitorial expense increase by 565.69% to Php731,664 in 2011 from Php109,911 in 2010, due to the full operations of a subsidiary that operated only on July 30, 2010. Other operating expenses increased by 103.71% to Php12,710,268 in 2011 from Php6,239,493. The increase was due to increased business activities.

These increases were partly offset by decreases in professional fees, representation and royalty fees. Professional Fees decreased by 86.96% to Php26,579,325 in 2011 from Php203,762,231 in 2010. The decrease was due to absence of the one time fee in 2010 for the consultancy services on the feasibility of operating a power plant. Representatoin expenses decreased by 66.34% to Php1,701,685 in 2011 to Php5,055,143 in 2010 due to lesser representation requirements. Royalty fee decreased 100% to Php0.00 from Php5,925,533 in 2010. This was a one time transaction that arose only in 2010.. Finance cost increased by 12.34% in 2011 to Php189,845,403 from Php51,656,740 in 2010. The increase was due to management of loans and a drop in interest rates for short term loan accounts.

In 2011, total comprehensive net income increased by 48.38% to Php793,445,965 from Php534,726,374 in 2010.

Changes in Registrant's Resources, Liabilities, and Shareholders Equity

The Company's consolidated total assets increased by 3.13% to Php8,425,216,019 in 2011 from Php8,152,307,664 in 2010, primarily due to the increases in receivables, inventories, prepayments and other current assets, investment properties and other non-current assets. Receivables increased by 26.16% to Php408,550,594 in 2011 from Php323,823,502 in 2010 primarily due to a subsidiary's upsurge in energy fees. Inventories increased by 124.81% to Php163,115,366 from Php72,556,533. The increase was in anticipation of higher electricity generation in view of high demand. Prepayments and other current assets increased by 83.95% to Php253,002,105 in 2011 from Php137,540,489 in 2010 due to higher prepaid taxes.. Investment in associates increased by 39.02% to Php3,963,911,741 in 2011 from Php2,851,219,900 in 2010, mainly due to the reclassification of advances to a subsidiary to equity. Investment properties increased by 48.68% to Php279,275,738 in 2011 from Php187,831,963. The increase was due to a fair value adjustment on properties owned by a subsidiary. Other non-current assets increased by 103.13% to Php50,003,189 in 2011 from Php24,616,152 in 2010, due to increase in advances for various projects.

The above increases were partly offset by the decreases in cash and cash equivalents, advances to associate and stockholders, property and equipment and deferred tax assets. Cash and cash equivalents decreased by 2.28% to Php587,560,911 in 2011 from Php601,288,197 in 2010 due to needs in financing activities. Advances to associate and stockholders decrease by 90.66% to Php94,817,571 in 2011 from Php1,015,698,006 in 2010. The decrease was due to the payment of advances. Property and equipment decreased by 10.68% to Php2,557,060,491 from Php2,862,659,235 due to recognition of depreciation. Deferred tax assets decreased by 31.31% to Php16,567,613 from Php24,118,127 due to expired NOLCO.

Consolidated total liabilities decreased by 5.54% to Php4,166,684,569 in 2011 from Php4,410,927,770 in 2010 primarily due to decreases in notes payable and long term-debt. Current and non-current notes payable decreased by 12.30% to Php796,285,714 in 2011 from Php908,000,000 in 2010 due to payment of loans. Long term debt decreased by 16.43% to Php2,546,691,652 from Php3,047,327,685 due to payment of loans.

The above decreases were partly offsetted by the increase in trade and other payables, advances from related parties. Trade and other payables increased by 55.03% to Php569,180,990 in 2011 from Php367,142,279 in 2010 due to the booking of deferred output tax during the year. .. Advances from related parties increased by 159.84% to Php225,769,631 in 2011 from Php86,886,390 in 2010 due to operational needs of subsidiary..

Stockholders' Equity increased by 13.82% to Php4,258,531,450 in 2011 from Php3,741,379,894 in 2010 due mainly to the current year's earnings.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash generated from operating activities increased by 265.62% to a net cash provided by operating activities of Php265,981,578 in 2011 from a net cash provided by operating activities of Php72,747,714 in 2010, mainly due to revenue growth and a corresponding increase in revenue collections.

Net cash provided by investing activities increased by 39.88% to Php449,475,581 in 2011 from Php321,322,968 in 2010. Dividends received from associates is higher by by 54.38% at Php485,276,344 in 2011 from Php314,348,964 in 2010.

Net cash used in financing activities increased by 1,578% to Php729,184,445 in 2011 from net cash provided of Php49,330,108 in 2010. Cash dividends paid to shareholders increased by 58.91% to Php276,294,409 in 2011 from Php173,872,239 in 2010.

Cash inflows are expected to be sufficient for the Corporation's projected outflows in the foreseeable future, and its cash reserves are more than adequate for any given year's average cash requirements.

Material Events and Uncertainties

The Corporation is committed to invest in 1590 Energy Corporation through VEC, that may result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7. Financial Statements

The audited financial statements for the years ended December 31, 2011, December 31, 2010, and December 31, 2009 of the Company are attached hereto as Annexes "A", "B" and "C", respectively.

Item 8. Information on Independent Accountant and other Related Matters

(1) External Audit Fees and Services

Audit and Audit-Related Fees

Total fees billed by the external auditor for services normally provided in connection with statutory and regulatory filings or engagements amount to Php400,000 in 2011 from Php362,670 in 2010.

The external auditor has not billed for any other assurance and related services reasonably related to the performance of the audit or review of the Company's financial statements.

Tax Fees

The external auditor has not billed the Company in 2011 for professional fees for tax accounting, compliance, advice, planning and any other form of tax services.

The external auditor has not rendered professional services to the Company for tax accounting, compliance, advice, planning and other form of tax services for the fiscal year 2011.

All Other Fees

The external auditor has not billed the Company in 2011 for other fees.

Audit Fees Approval

The management and the Compensation Committee evaluated and approved the audit fees.

(2) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Following the Annual Stockholders Meeting last June 23, 2011 where the authority to confirm the external auditors was delegated to the Board of Directors, the Board of Directors confirmed the re-appointment of KPMG MANABAT SANAGUSTIN & CO. as its external auditor.

PART III

CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(1) Directors, Independent Directors and Executive Officers

The following are the directors who have held offices as such since their election last June 23, 2011:

1. Dennis N. A. Garcia
2. Emil Andre' M. Garcia
3. Gil A. Garcia, II
4. Charles Sylvestre A. Garcia
5. Elbert M. Zosa
6. Ramontito E. Garcia
7. Efren P. Sarmiento

8. Jose Marko Anton G. Sarmiento
9. Alfred V. Ty
10. Amb. Raul Ch. Rabe (Independent Director)
11. Atty. Jesus B. Garcia, Jr. (Independent Director)

They shall serve as directors for a term of one (1) year and until their successors are duly elected and qualified.

After the election of the Board of Directors, the following persons were elected as officers:

<u>Name</u>	<u>Position</u>
Mr. Dennis N. A. Garcia	- Chairman of the Board
Mr. Ramontito E. Garcia	- President
Mr. Gil A. Garcia II	- Treasurer
Mr. Arlo A.G. Sarmiento	- Chief Operating Officer
Atty. Jess Anthony N. Garcia	- Corporate Secretary & Chief Information Officer
Atty. Joan A. Giduquio-Baron	- Assistant Corporate Secretary & Compliance Officer
Emil Andre' M. Garcia	- AVP – Corporate Planning and Development
Juan Eugenio L. Roxas	- AVP – External Affairs & Administration
Atty. Macario C. Padullo	- AVP-Corporate Management Systems

The term of office of all officers shall be for one (1) year and until their successors are duly elected and qualified. The above officers of the Issuer shall serve only for the unexpired term of their predecessors and until their successors are duly elected/appointed.

Information on Directors and Officers

Dennis N. A. Garcia, 62 years old, Filipino; Chairman and member of the Executive Committee of the Company since 2003; Chairman – AHPI; President and Co-Chairman - Executive Committee of VECO; Vice Chairman - Cebu Private Power Corporation; President - VEC and Hijos de F. Escaño, Inc.; Director - Abovant Holdings, Inc., MAI-I Resources Corporation, VICS-Amlan Holdings Corp., Delta P. Inc., 1590 Energy Corp., Director and Member of the Executive Committee - Cebu Energy Development Corporation; President, JEGVEG Realty, Inc.

Ramontito E. Garcia, 55 years old, Filipino; President of the Company; Director and Member of the Executive Committee of the Company since 2003; Vice-Chairman – VECO; Vice President - Cebu Private Power Corporation; Director - Delta P, Inc., 1590 Energy Corp., AHPI, VICS-Amlan Holdings Corp., Hijos de F. Escaño, Inc., Cebu Energy Development Corporation; CEO - JEG Development Corporation; Vice President - JEGVEG Realty, Inc.

Gil A. Garcia, II, 60 years old, Filipino; Director and Treasurer of the Company; Director and Treasurer - VECO; Director - Vivant Energy Corporation and MAI-I Resources Corporation.

Elbert M. Zosa, 64 years old, Filipino; Director of the Company since 2003; Chairman of the Finance Committee of the Company; Executive Vice President - Rizal Commercial Banking Corporation; formerly Senior Vice President/Strategic Planning Head - Equitable PCI Bank; Managing Director (ex-officio) – PCI Capital Corporation; General Manager of the PCI Bank Foundation. He obtained his MBA from the Wharton School, University of Pennsylvania.

Charles Sylvestre A. Garcia, 51 years old, Filipino; Director of the Company and Member of Executive Committee since 2003; Director – VECO.

Efren P. Sarmiento, 60 years old, Filipino; Director of the Company and Member of the Executive Committee since 2003; Chairman - Detalia Aurora, Inc.; Director - Reunion Holdings, Inc.; past President, Mindanao Rattan Corporation; Past Director, Batolini S., Inc., Manila Machineries & Supply, Sarmiento Securities Corporation, Vitarich Corporation and Philippine Fried Chicken, Incorporated.

Jose Marko G. Sarmiento, 34 years old, Filipino; Director and Member of the Executive Committee of the Company since 2008; Director and Chief Operating Officer - JEG Development Corporation since 2009; Director and Treasury Manager - JEG Development Corporation (2005 to 2009); Former Assistant Vice President of Detalia Aurora for Manufacturing.

Alfred Vy Ty, 45 years old, Filipino; Independent Director of the Company; Vice Chairman - Toyota Motor Philippines Corporation; Chairman - Lexus Manila Inc.; President - Federalland, Inc.; Chairman, Asia Pacific Top Mgt.(Marco Polo Plaza, Cebu); Director - Philippine Long Distance Telephone Company and Global Business Power Corporation; Corporate Secretary, Metropolitan Bank & Trust Corporation and Metrobank Foundation, Inc.

Raul Ch. Rabe, 72 years old, Filipino; Independent Director of the Company since 2003; Chairman, ACK Freight Express, Inc. since 1999; Of Counsel of the Law Firm of Rodrigo, Berenguer & Guno (Makati City); Corporate Secretary - Manila Economic & Cultural Office (MECO) since 2001; Director - the Bank of Commerce, KGL-Negros Navigation, Pet Plans, Inc. (Makati City); Foreign Service Officer of the Department of Foreign Affairs (1968 to 1999); Third to Second Secretary in London (1972 to 1975); First Secretary in Bucharest (1975 to 1979); Chief Deputy of Protocol of the Department of Foreign Affairs (1979 to 1981); Minister Counselor in Jeddah (1981 to 1982); Minister and later Deputy Chief of Mission in Washington D.C., (1982 to 1984 and 1986 to 1989, respectively); Consul General in Honolulu (1984 to 1986); Assistant Secretary of the American Affairs (1989 to 1992); Ambassador to Seoul (1992 to 1993); Ambassador to Washington (1993 to 1999); Special Envoy of the President of the Philippines for the America and OIC Countries in 2001.

Jesus B. Garcia, Jr., 67 years old, Filipino; Independent Director of the Company; Chairman of the Audit and Nomination and Election Committee of the Company; Secretary - Department of Transportation and Communications (1992–1996); Chairman - SunStar Publishing, Inc., Pan Arts Corporation, SunStar Management, Inc.; President, Jesever Realty Corporation, Madre Realty Corporation; Director, Eupen Cable Asia, Inc. and Eupen Marketing Asia, Inc.

Arlo A. G. Sarmiento, 36 years old, Filipino, Executive Vice President-Chief Operating Officer of the Company since 2003; Vice President for Utility Economics – VECO; Director and Chief Financial Officer - VEC; Director and Treasurer - Cebu Private Power Corporation; Director - Delta P, Inc., AHPI, 1590 Energy Corp., VICS-Amlan Holdings Corp.; Director and Chief Operating Officer - Hijos de F. Escaño, Inc.; Chief Financial Officer - JEG Development Corporation.

Jess Anthony N. Garcia, 41 years old, Filipino, Corporate Secretary and Corporate Information Officer of the Company; Assistant Corporate Secretary - VECO; Corporate Secretary – VEC, AHPI, 1590 Energy Corp, SunStar Publishing, Inc.. He obtained his *Juris Doctor* degree from the Ateneo de Manila University School of Law; a member of the California Bar since 2002; a professor of law at the University of Cebu; Managing Partner of J.P. Garcia and Associates.

Joan A. Giduquio-Baron, 42 years old, Filipino, is the Assistant Corporate Secretary and Compliance Officer of the Company; Assistant Corporate Secretary of VECO; Corporate Secretary of JEGVEG Realty, Inc., JEG Development Corporation. She obtained her *Juris Doctor* from the Ateneo de Manila University School of Law in 1996 and her Master in Management degree from the Asian Institute of Management (AIM) in 2001; Partner at J.P. Garcia and Associates; Associate Attorney at Puno and Puno Law Offices from 1997 until 2001.

Nominees for Election as Members of the Board of Directors

The following are currently serving as members of the Board of Directors for 2011 until 2012:

1. Dennis N. A. Garcia
2. Emil Andre' M. Garcia
3. Gil A. Garcia, II
4. Charles Sylvestre A. Garcia
5. Elbert M. Zosa
6. Ramontito E. Garcia
7. Efren P. Sarmiento
8. Jose Marko Anton G. Sarmiento
9. Alfred V. Ty
10. Amb. Raul Ch. Rabe (Independent Director)
11. Atty. Jesus B. Garcia, Jr. (Independent Director)

Procedure for Nomination

In accordance with the Manual on Corporate Governance, the Nomination Committee had pre-screened the list of candidates nominated to become a member of the Board of Directors in accordance with the procedures, qualifications, disqualifications and guidelines specified in the said Manual.

In consonance with SEC Memorandum Circular No. 16, Series of 2002, no nominations for independent director shall be accepted at the floor during the stockholders' meeting during which such nominee is to be elected. However, independent directors shall be elected in the stockholders' meeting during which other members of the Board are to be elected.

Term of Office of a Director

Pursuant to the Company By-laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and until his successor is duly elected unless he resigns, dies or removed prior to such election.

The eleven (11) directors, who should be stockholders of the Company, shall be elected annually by the stockholders during the annual stockholders' meeting, where at least a majority of the outstanding capital stock should be present in person or by proxy. The Directors shall serve for a term of one (1) year and until the election and qualification of their successors.

Any vacancy occurring in the Board of Directors may be filled by the remaining members of the Board, if they still constitute a quorum, by a majority vote; and the director so chosen shall serve for the unexpired term or until his successor is duly elected and qualified.

(2) Significant Employees

The Corporation considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the Corporation's goals and objectives.

Family Relationships

Messrs. Dennis N. A. Garcia, Charles Sylvestre A. Garcia and Gil A. Garcia, II are brothers, or relatives within the second civil degree by consanguinity.

Mr. Ramontito E. Garcia is a relative of the fourth civil degree by consanguinity (cousin) of Messrs. Dennis N. A. Garcia, Charles Sylvestre A. Garcia and Gil A. Garcia, II and a relative of the second civil degree by affinity (brother-in-law) of Mr. Efren P. Sarmiento.

Mr. Elbert M. Zosa is a brother-in-law of Messrs. Dennis N. A. Garcia, Charles Sylvestre A. Garcia and Gil A. Garcia, II - or a relative within the second civil degree by affinity.

Messrs. Arlo A. G. Sarmiento and Jose Marko Anton G. Sarmiento are sons of Mr. Efren Sarmiento, and relatives within the third civil degree by consanguinity (nephew) of Mr. Ramontito E. Garcia.

Mr. Emil Andre M. Garcia is the son of Dennis N. A. Garcia, and the nephew of Messrs. Charles Sylvestre A. Garcia and Gil A. Garcia (third civil degree by consanguinity).

Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Company, the above-named Directors and Executive Officers are not, or have not, during the last five (5) years, been involved in criminal, bankruptcy or insolvency investigations or proceedings. There is also no bankruptcy petition filed by or against any business of which they were general partners or executive officers at the time of the bankruptcy or within two years prior to that time.

To the knowledge and/or information of the Issuer, the said persons have not been convicted by final judgment or any offense punishable by the laws of the Republic of the Philippines or of the laws of any other nation/country, including being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities.

To the knowledge and/or information of the Company, the said persons have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation,

The Company believes that in addition to the aforementioned officers, the entire workforce will contribute to its success.

Item 10. Executive Compensation

Compensation of top (4) executive officers

Information as to the aggregate compensation paid and accrued during the last two calendar years to the Company's President and the four (4) most highly compensated executive officers are as follows:

SUMMARY COMPENSATION TABLE
Annual Compensation

(a) Name & Principal Position	(b) Year	(c) Salary (P)	(d) Bonus	(e) Other Annual Compensation
Dennis N. A. Garcia, Chairman	2010			
Ramontito E. Garcia, President	2010			
Arlo A. G. Sarmiento, EVP-COO	2010			
Ramontito E. Garcia, Chairman	2011			
Dennis N. A. Garcia, President	2011			
Arlo A. G. Sarmiento, COO	2011			
All above-named officers and directors as a Group	2010	3,735,119.00	1,222,222.21	
	2011	4,287,654.00	1,958,359.00	

Compensation of Directors

Other than honoraria for meetings attended, there are no standard arrangements pursuant to which directors of the Issuer are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including any additional amounts payable for committee participation or special assignments for the last completed fiscal year and the ensuing year.

There are no arrangements, including consulting contracts, pursuant to which any director of the registrant was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as such director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The EVP-COO, Mr. Arlo A. G. Sarmiento has an employment contract with the Company. There are no compensatory plan or arrangement, including payments to be received from the Company, with respect to a named executive officer where such plan or arrangement results or shall result from the resignation, retirement or any other termination of such executive officer's employment with the Corporation and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all period payments or installments, which exceeds P2,500,000.

Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the named executive officers, and all officers and directors as a group, as identified in Part III, Item 9. Moreover, at no time during the last completed fiscal year did the Company adjust or amend the exercise price of stock warrants or options previously awarded to the aforementioned officers and directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of the date of preparation of this report, the following are the persons known to the Company to be the direct or indirect record or beneficial owner of more than 5% of any class of the Issuer's voting securities:

(1) Title of class	(2) Name and address of record owner and relationship with issuer	3) Name of Beneficial Owner and Relationship with Record Owner	(4)Citizenship	(5) No. of Shares Held	(6) Percent Held
Common	JEG Development Corporation Advent Business Center Lahug, Cebu City /Stockholder	JEG Development Corporation*	Filipino	341,662,121	33.38%
Common	MAI-I Resources Corporation 375-G Acacia St., Lahug, Cebu City /Stockholder	MAI-Resources Corporation**	Filipino	522,468,973	51.05%
Common	Mirant Global Corporation /Stockholder	Mirant Global Corporation***	Filipino	116,555,553	11.39%
Common	All directors (as a group)	All directors	Filipinos	636	0.00%

*Mr. Ramontito E. Garcia has the power to decide how JDC Shares are to be voted.

**Mr. Dennis N. A. Garcia has the power to decide how MRC Shares are to be voted.

***Mr. Alfred V. Ty has the power to decide how Mirant Global Corporation Shares are to be voted.

Security Ownership of Management

The following are the amount and nature of ownership of each member of the Board of Directors:

(1) Title of class	(2) Name of Beneficial Owner	(3)Amount and nature of beneficial ownership	(4) Citizenship	(5)Percent of Class
Common	Dennis N.A. Garcia	1(Record)	Filipino	0.00%
Common	Ramontito E. Garcia	1(Record)	Filipino	0.00%
Common	Jose Marko Anton G. Sarmiento	1(Record)	Filipino	0.00%
Common	Gil A. Garcia, II	1(Record)	Filipino	0.00%
Common	Efren P. Sarmiento	1(Record)	Filipino	0.00%
Common	Charles Sylvestre A. Garcia	1(Record)	Filipino	0.00%
Common	Elbert M. Zosa	626(Record)	Filipino	0.00%
Common	Emil Andre M. Garcia	1 (Record)	Filipino	0.00%

Common	Alfred Vy Ty	1(Record)	Filipino	0.00%
Common	Raul Ch. Rabe	1(Record)	Filipino	0.00%
Common	Jesus B. Garcia, Jr.	1(Record)	Filipino	0.00%
Common	All directors	636(Record)	Filipino	0.00%

Item 12. Certain Relationships and Related Transactions

During the last two (2) years there was no transaction with or involving the Company or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

PART IV – CORPORATE GOVERNANCE

The Corporation has adopted the Corporate Governance Self-Rating Form of the Commission, the criteria and the rating system therein as a means of measurement or determination of the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance. To ensure compliance with leading practices on good corporate governance, members of the board of directors and top-level management are encouraged to attend seminars on good corporate governance. The Corporation has substantially complied with the provisions of its Revised Manual on Corporate Governance, and the same has been disclosed to the Commission. It has plans to improve corporate governance by adopting good corporate practice recognized in more progressive corporations and incorporating the same in its Manual.

In compliance with the full disclosure rules on the Code of Corporate Governance, the Revised Manual on Corporate Governance (the “Manual”), and the reportorial requirement of the Commission on the extent of compliance by the company with its Manual, the undersigned hereby certifies that the company has substantially complied with the provisions thereof.

As of the date of this Report, there are no changes in the corporate governance structure and practice.

PART V - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

Index of Exhibits

Audited Financial Statements as of December 31, 2011 – Exhibit “A”

Audited Financial Statements as of December 31, 2010 – Exhibit “B”

Audited Financial Statements as of December 31, 2009 – Exhibit “C”

(b) Reports on SEC Form 17-C

During the past six (6) months, several reports to the Commission in SEC Form 17-C were filed in connection with the following matters:

- (1) Disclosure on the Compliance with the Manual on Corporate Governance on January 2, 2012;

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Cebu on 27 day of April 2012.

By:


DENNIS N. A. GARCIA
Chairman


RAMONTITO E. GARCIA
President


ARLO A. G. SARMIENTO
Principal Operating Officer


MARIA VICTORIA SEMBRANO
Principal Finance Officer

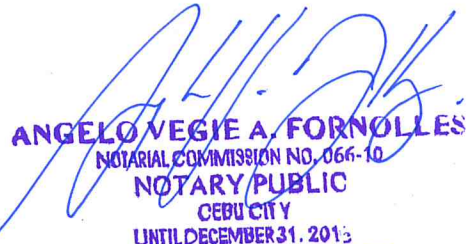

JESS ANTHONY N. GARCIA
Corporate Secretary

Republic of the Philippines) *
City/Province of Cebu)S.S.

SUBSCRIBED AND SWORN to before me this APR 27 2012 affiants exhibiting to me their Drivers' License or Passport details as follows:

Names	Driver's License/Passport No.	Date of Issue/Expiry Date	Place of Issue
Ramontito E. Garcia	VV0203894	2012-05-04	Cebu City
Dennis N. A. Garcia	G01-79-039669	2013-09-10	Cebu City
Arlo A.G. Sarmiento	G06-93-015481	2014-12-18	Cebu City
Maria Victoria Sembrano	G01-82-019604	2012-09-09	Dayao City
Jess Anthony N. Garcia	G01- 69 - 273 191	06-01-12	Urban City

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Book No. III;
Series of 2012.


ANGELO VEGIE A. FORNOLLES
NOTARIAL COMMISSION NO. 066-10
NOTARY PUBLIC
CEBU CITY
UNTIL DECEMBER 31, 2013
SUITE 902 AYALA LIFE-FGU CENTER
CEBU BUSINESS PARK, CEBU CITY
ROLL NO. 57644
PTR NO. 2156315; CEBU CITY: 01/09/12
BP NO. 872159; CEBU CITY: 01/03/12