COVER SHEET

			1	7	5	2	2	2			

S.E.C. Registration Number

P.S.E. Control Number

VIVANT CORPORATION

(Company's Full Name)

Unit 907-908, Ayala Life-FGU Center, Mindanao Avenue Corner Biliran Road, Cebu Business Park Barangay Luz, Cebu City, Philippines 6000

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

Joan A. Giduquio-Baron
Contact Persons

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

12	31	**SEC FORM 17-Q**	09	30
Month	Day	FORM TYPE	Month	Day
Fiscal Year				

N/A
Secondary license Type, If Applicable

CFD
Dept. Requiring this Doc.

Amended Articles Number/Section

1,446	1,022,965,255	491,443
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number LCU

Document I.D. Cashier

Remarks = Pls. Use black ink for scanning purposes

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, 2016**

2. Commission identification number: **175222** 3. BIR Tax Identification No.: **242-603-734-000**

Vivant Corporation
4. Exact name of issuer as specified in its charter

Mandaluyong City
5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

Unit 907-908, Ayala Life-FGU Center, Mindanao Avenue Corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City, Philippines **6000**
7. Address of issuer's principal office Postal Code

(032) 234-2256; (032) 234-2285
8. Issuer's telephone number, including area code

NA
9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the SRC

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares at Php 1.00 per share	**Php 1,023,456,698**
Amount of debt outstanding	**Php 4,667,613,326**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange **Common Stock**

12. Indicate by check mark whether the registrant:

NOV 1 4 2016

(a) has filed all reports required to be filed by Section 17 of the Code 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 Company Code of the Philippines, during the preceding twelve (12) months (or for such shorter period 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 [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached financial statements and schedules.

Item 2. Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the Company's consolidated financial condition and results of operations for the interim period ended September 30, 2016 compared with the interim period ended September 30, 2015. This report should be read in conjunction with the consolidated financial statements and the notes thereto.

KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Company and its investee companies:

1. **Equity in Net Earnings (or Loss) of Associates.** Equity in net earnings (or loss) of associates is the Company's share in the income or loss of associates, or investee companies accounted for under the equity method. It indicates the profitability of the associates and measures their contribution to the profitability of the parent.

2. **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).** EBITDA is calculated by taking operating income and adding back to it the 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 Company with other players in the industry. It also provides a good measure of the Company's ability to generate cash from operations to cover financial charges and income taxes.

3. **Cash Flow Generated.** Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing and financing activities.

4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Company's leverage position and is computed by dividing total liabilities with total stockholders' equity.

5. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

Year-to-Date (YTD) September 30, 2016 versus YTD September 30, 2015

The table below shows the comparative figures of the key performance indicators for the period in review.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**YTD September 2016**	**YTD September 2015**	**YE 2015**
Equity in Net Earnings of Associates	1,016,175	950,203	
EBITDA	1,525,271	1,401,695[(a)]	
Cash Flow Generated / (Used)	696,672	(455,091)	
Net cash flows (used in) from operating activities	(112,838)	194,340[(b)]	
Net cash flows from (used in) investing activities	1,062,317	(507,708)[(c)]	
Net cash flows (used in) from financing activities	(252,807)	(141,724)[(d)]	
Debt-to-Equity Ratio (x)	0.47	0.54	0.53
Current Ratio (x)	3.72	2.87	3.05

[(a)] *A reduction of Php 8.1 mn vis-à-vis last year's reported figure was reflected as Other Income that was previously classified under Revenues was reclassified as a non-revenue item, booked specifically as Other Income (Charges). This was implemented to be consistent with the 2015 audited consolidated financial statements.*
[(b)]*Reported as Php 201.1 mn in last year's SEC 17Q. To be consistent with the 2015 audited consolidated financial statements, the following changes were made: (i) reclassification of the increase in noncurrent assets that are not related to the Company's main revenue-generating activity from operating activities to investing activities; (ii) reclassification of additional investments from non-controlling interest from operating activities to financing activities; and (iii) reclassification of the depreciation expense charged to the generation cost of a subsidiary from investing activities to operating activities.*
[(c)] *An increase of Php 4.1 mn vis-à-vis last year's reported figure (or Php 503.6 mn was reflected given the reclassification of the increase in non-current assets and depreciation expense charged to generation cost, as noted above.*
[(d)] *A reduction of Php 10.9 mn vis-à-vis last year's reported figure (or Php 152.6 mn) was effected due to the reclassification of the additional investments from non-controlling interest, as noted above.*

The Company's share in net earnings of associates as of end-September 2016 amounted to Php 1.0 bn, representing a 7% year-on-year (YoY) increase from Php 950.2 mn. This was a result of the following:

- Improved bottomline contribution (up 8% YoY) of the Company's distribution utility;
- Improved income contribution (up 9% YoY) from an associate, which arose from its investee company's enhanced gross margin brought about by a drop in the cost of energy sold and lower maintenance cost as a factor of higher plant availability; and
- Recognition of the share in net earnings of a joint venture for the period in review. Improved income contribution from this joint venture also came from the increase in the volume of its energy sales (up 22% YoY). In the same period last year, there was a partial recognition of the joint venture's net earnings after recoupment of the unrecognized losses from prior years in compliance with the International Accounting Standards (IAS) 28[1].

[1] IAS 28 *Losses in Excess of Investments.* If an investor's or joint venturer's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the investor or joint venturer discontinues recognising its share of further losses. If the associate or joint venture subsequently reports profits, the investor or joint venturer resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Below is a table showing the impact of IAS 28 to the Company's financial performance for the period in review.

Name of Company	YTD September 2016			YTD September 2015		
	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)
NR	266.2	--	266.2 [a]	281.7	--	281.7[b]
CIPC	(12.7)	(12.7)	--	(9.0)	(4.6)	(4.4)[c]
AHPC	1.6	--	1.6	1.9	--	1.9
Total	255.1	(12.7)	267.8	274.6	(4.6)	279.2

(a) Php 122.8 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

(b) Php 170.0 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

(c) CIPC was able to recover its previous period's unrecognized losses under the IAS 28 starting May 2015.

The improved bottomline contribution (up 56% YoY) of a subsidiary due to higher energy sales resulting from its administration of 17MW of geothermal power, the increase in the Company's management fees and equity share in net earnings, and the decline in its operating expenses, accounted for the 9% YoY increase in the Company's EBITDA, from Php 1.4 bn to Php 1.5 bn.

The Company ended the period with a net increase in cash of Php 696.7 mn, which was mainly brought about by the cash generated from investing activities. The collection of dividends from two associates and a joint venture, and the proceeds from the sale of an equipment by a subsidiary were the sources of cash from investments for the period in review.

As of end-September 2016, the Debt-to-Equity ratio dropped to 0.47x vis-à-vis end-2015's 0.53x. This was a result of the 10% expansion in total equity that stemmed from the income generated by the Company. Moreover, the Company recorded a 2% decrease in liabilities during the period in review.

The expansion in the Company's current assets, coupled with the decrease in current liabilities, resulted to an improvement in the Company's current ratio to 3.72x as of end-September 2016 from 3.05x as of end-December 2015.

Material Changes in Line Items of Registrant's Income Statement
(YTD September 2016 vs. YTD September 2015)

As of end-September 2016, the Company's total revenues amounted to Php 3.1 bn, recording a 13% YoY decline from Php 3.5 bn.

1. Sale of power, which comprise the bulk of revenues at Php 1.9 bn (or 62% of total), declined by 21% YoY. The reduced topline performance of a subsidiary, which resulted from the lower volume of energy sold, mainly accounted for the drop. This was partly mitigated by the improved topline performance of another subsidiary (up 5% YoY) resulting from its administration of 17MW of geothermal power.

2. The Company's share in net earnings of associates as of end-September 2016 brought revenues of Php 1.0 bn, representing a 7% YoY increase from Php 950.2 mn, which arose from:

- Improved bottomline contribution (up 8% YoY) of the Company's distribution utility;
- Improved income contribution (up 9% YoY) from an associate, which arose from its investee company's enhanced gross margin brought about by a drop in the cost of energy sold and lower maintenance cost as a factor of higher plant availability; and
- Recognition of the share in net earnings of a joint venture for the period in review. Improved income contribution from this joint venture also came from the increase in the volume of its energy sales (up 22% YoY). In the same period last year, there was a partial recognition of the joint venture's net earnings after recoupment of the unrecognized losses from prior years in compliance with the IAS 28.

Below is a table showing the impact of IAS 28 to the Company's financial performance for the period in review.

Name of Company	YTD September 2016			YTD September 2015		
	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)
NR	266.2	--	266.2 [a]	281.7	--	281.7 [b]
CIPC	(12.7)	(12.7)	--	(9.0)	(4.6)	(4.4) [c]
AHPC	1.6	--	1.6	1.9	--	1.9
Total	255.1	(12.7)	267.8	274.6	(4.6)	279.2

(a) Php 122.8 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.
(b) Php 170.0 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.
(c) CIPC was able to recover its previous period's unrecognized losses under the IAS 28 starting May 2015.

3. Management fees rose by 4% YoY to Php 109.9 mn from Php 106.0 mn as a result of the upward adjustment of the fees to a joint venture and an associate, and new management and service billings to two subsidiaries and a joint venture.

Total generation cost and operating expenses for the period end-September 2016 contracted by 24% YoY, from Php 2.2 bn to Php 1.7 bn. Said movement can be accounted for by the following:

1. Generation cost fell by 27% YoY to Php 1.4 mn from Php 1.9 mn, which was mainly due to the decline in a subsidiary's net generated power and lower fuel prices. This was partly offset by the increase in the generation cost of another subsidiary brought about by the higher energy sales resulting from its administration of 17 MW of geothermal power.

2. Management fees plunged by 34% YoY to Php 24.6 mn from Php 37.1 mn. The decline was due to reduced rates of management contracts.

3. Salaries and employee benefits rose by 11% YoY to Php 110.0 mn from Php 99.5 mn on account of additional manpower and an upward adjustment in salaries and benefits.

4. Professional fees were lower by 6% YoY, from Php 44.8 mn to Php 42.3 mn. There were costs for consultancy services on business development, systems development and improvement in 2015 that were not incurred during the period in review.

5. Travel expenses grew by 32% YoY to Php 13.4 mn from Php 10.1 mn, which was a result of the increased frequency of trips related to business development, plant inspections, site visits, meetings with partners and government agencies, and trainings.

6. Depreciation and amortization was at Php 15.5 mn for the period in review, posting an increase of 15% from last year's Php 13.5 mn. This was a factor of the acquisition of additional depreciable assets, mostly relating to the purchase of technical equipment, machineries, and office furniture and fixtures.

7. Rent and association dues was up by 24% YoY at Php 5.8 mn. This increase is largely attributed to new operating leases entered into for additional office spaces and a warehouse.

8. Communication and utilities were higher by 19% YoY to Php 4.3 mn from Php 3.6 mn as a result of the installation of new communication facilities and the increase in the Company's manpower headcount. Additional office spaces and the operation of the warehouse were a factor in the rise of power and water charges incurred during the period in review.

9. Outside services[2] rose significantly by 79% YoY to Php 4.1 mn given the engagement of additional services and the adjustment in rates to comply with the new minimum wage order.

10. Representation dipped by 60% YoY to Php 1.4 mn from Php 3.5 mn. This variance is attributed to sponsorships made by the Company and higher representation expense incurred by the Company and a subsidiary involving business partners and other stakeholders during the period ending September 2015.

11. Other general and administrative expenses posted a 15% YoY drop to Php 37.0 mn due to the reduction in royalty fees of a subsidiary. Moreover, there were payments made for various fees in relation to the application for the increase in capitalization by two subsidiaries in the same period last year.

Vivant booked Php 136.4 mn in other charges as of end-September 2016, a 13% increase from previous year's other charges of Php 120.2 mn. This was an outcome of the following account movements:

1. An unrealized foreign exchange gain of approximately Php 2.0 mn was taken up during the period in review. This pertains to the restatement of the US Dollar and Euro cash balances of the Company and a subsidiary. This was against an unrealized foreign exchange gain of Php 3.1 mn recorded for the same period last year.

2. Other charges of Php 8.4 mn incurred as of end-September 2016 were mainly attributed to the loss from the sale of a subsidiary's equipment. This was partially offset by the rental income from the operating leases of the Company and a subsidiary, and the Company's service billings to two associates and two joint ventures. Meanwhile, the Company booked

[2] Formerly "Contracted services" in the SEC 17 3Q 2015 report.

Php 5.2 mn in other income in the same period last year, which came from the billings for the Company's operating lease with an associate that was partially offset by the write off of an uncollectible account from a joint venture.

The higher taxable income of three subsidiaries mainly resulted in a 20% YoY increase in accrued consolidated tax expense, from Php 109.6 mn to Php 131.8 mn. This upturn was, however, moderated by the decrease in the accrued tax expense of another subsidiary that posted lower taxable income during the period in review.

Taking all of the above into account, the Company recorded a total net income for the period ending September 30, 2016 of Php 1.2 bn, registering a growth of 3% YoY. Meanwhile, net income attributable to parent amounted to Php 1.0 bn, up by 5% YoY. The profit growth is mainly due the increase in the Company's equity in net earnings of its associates and joint ventures, higher management fees and lower operating expenses.

<u>Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity</u>
(End-September 2016 vs. Year-end 2015)

The Company's consolidated total assets showed an increase of 6%, from end-2015's level of Php 13.7 bn to Php 14.5 bn.

The following are the material movements in the assets of the Company as of end-September 2016.

1. Cash and cash equivalents rose by 17% to Php 4.8 bn as of September 30, 2016. The increase was due to (i) the collection of dividends from three associates and a joint venture, (ii) the proceeds from the short term loan availed by and disposal of equipment by a subsidiary, and (iii) the collection of receivables by the Company and a subsidiary. These inflows were partly offset by the Parent's capital infusions to an associate and a joint venture, payment of cash dividends and settlement of trade payables by a subsidiary.

2. Trade and other current receivables dropped by 5% to Php 326.7 mn as of end-September 2016, which was largely due to the receipt of cash dividends by a subsidiary and collection of trade receivables by the Company and two subsidiaries.

3. Advances to associates and stockholders was up by 121% to Php 69.0 mn. This was mainly a result of a subsidiary's advances to a joint venture.

4. Prepayments and other current assets grew by 29%, from Php 707.2 mn as of end-2015 to Php 913.0 mn as of end-September 2016. This was mainly due to the booking by the Company's subsidiary of higher advances to supplier during the period in review.

5. The 32% dip in property, plant and equipment to Php 625.0 mn was a result of the disposal of an equipment by a subsidiary.

6. Other noncurrent assets was higher by 32% from Php 93.8 mn to Php 124.2 mn. This was mainly due to the advance payments made by two subsidiaries to technical consultants relating to their power generation plant projects, the purchase of shares of stock in a start-up generation company by another subsidiary and the additional software costs incurred by another subsidiary. This is mitigated by the amortization of the software costs incurred by a subsidiary for the period in review.

Total consolidated liabilities dropped by 2% to Php 4.7 bn as of end-September 2016 brought about by the settlement of trade payables outstanding as of end-2015. This is partially negated by the increase in accrued income tax of three subsidiaries, the availment of a short-term loan by a subsidiary and the accrual of pension expense by the Company.

As a result of net income generated during the period in review, total stockholders' equity increased by 10%, from Php 8.9 bn as of year-end 2015 to Php 9.9 bn as of end-September 2016. Meanwhile, equity attributable to parent ended up higher by 9% at Php 9.2 bn as of the end of September 2016.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-September 2016 vs. End-September 2015)

Cash and cash equivalents were higher by 8% YoY, from Php 4.4 bn as of end-September 2015 to Php 4.8 bn as of end-September 2016.

For the period ending September 30, 2016, the net cash used in the Company's operations amounted to Php 112.8 mn, recording a reversal from last year's net cash generation of Php 193.3 mn. The increased prepayments, coupled with the increase in trade and other receivables and settlement of trade and other payables, mainly accounted for the net cash outflow in operations. Payment of interest for the FRCN and taxes also contributed to the usage of cash.

Net cash generated from investing activities as of end-September 2016 amounted to Php 1.1 bn, vis-a-vis last year's utilization of Php 507.7 mn. Dividends earned and the proceeds from the disposal of a subsidiary's equipment more than offset the additional investments made by the Company during the period in review. Also, interest income earned contributed to the cash generation for the period.

For the period in review, the Company used cash of Php 252.8 mn for financing activities, 78% higher than last year's usage of Php 141.7 mn. Cash usage stemmed from the Company's payment of dividends, the principal amortization of the Company's FRCN and advances to a joint venture made by a subsidiary. These were partially offset by the proceeds of a short term loan availed by a subsidiary and additional investments from the non-controlling stockholder of another subsidiary.

Financial Ratios

As of end-September 2016, the Debt-to-Equity ratio dropped to 0.47x vis-à-vis end-2015's 0.53x. This was a result of the 10% expansion in total equity that stemmed from the income generated by the Company. Moreover, the Company recorded a 2% decrease in liabilities during the period in review.

The expansion in the Company's current assets, coupled with the decrease in current liabilities, resulted to an improvement in the Company's current ratio to 3.72x as of end-September 2016 from 3.05x as of end-December 2015.

Material Events and Uncertainties

- Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The following conditions shall be indicated: whether or not the registrant is having or anticipates having within the next twelve (12) months any cash flow or liquidity problems; whether or not the registrant is in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; whether or not a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

  The Company does not expect any liquidity problems and is not in default of any financial obligations.

- Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

  None.

- Any 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.

  None.

- Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

  The Company has projects in the pipeline, at varying degrees of development. These projects are being undertaken through wholly owned subsidiary, Vivant Energy Corporation (VEC).

  - Vivant Malogo Hydropower Inc. (VMHI) is a joint venture that will serve as the project proponent for the development and implementation of a Greenfield power plant. The project will involve the construction and operation of a series of run-of-river hydropower facilities that will be located in Barangay Kapitan Ramon in Silay City, Negros Occidental. The project will be designed to feed off the Malogo River and will consist of three (3) phases. The first phase of the project will have a total capacity of 6 MW. VMHI is looking at a 22 to 24 months construction period. VEC holds an equity stake of 67% in VMHI.

  - Minergy Power Corporation (MPC), formerly known as Minergy Coal Corporation, is the project proponent for a new 3x55 MW coal-fired power generation plant in Balingasag, Misamis Oriental. Construction commenced in the first quarter of 2014. The power generation facility is expected to feed into the franchise area of Cagayan de Oro Electric Power and Light Corporation (CEPALCO), which covers the City of Cagayan de Oro and adjoining towns, by 2017. This project will be funded via a combination of debt (70%) and equity (30%). Through wholly-owned Vivant Integrated Generation Corporation (VIGC), the Company has an equity ownership of 40% in MPC.

- Therma Visayas, Inc. (TVI) is the project proponent for the construction and operation of a 300-MW (net) coal-fired power generation facility on a site in Toledo City, Cebu. The project is intended to address the increasing power demand of the Visayas grid. The plant design includes provisions for the addition of a third generating unit. In March 2015, the notice to proceed for all EPC activities was issued. The first unit is expected to be connected to the grid by end 2017, with the second unit following three months thereafter. This project will be funded via a combination of debt (75%) and equity (25%). The Company has an effective ownership of 20%.

- Delta P, Inc. (DPI) was declared as the winning proponent and awardee of the fifteen (15)-year Power Supply Agreement for a 26.65 MW Gross Dependable Capacity by the Palawan Electric Cooperative in December 2015. This entails the construction of a 30-MW bunker-fired power plant, which will be located within the current facilities of the company. The EPC contract was signed in January 2016. This project will be funded via a combination of debt (75%) and equity (25%). VEC has a 50% equity stake in DPI.

- The Company, through its Business Development Group, continuously looks for opportunities in the power generation business, whether it be via greenfield, brownfield or acquisition. The Company conducts an extensive evaluation process before any proposed project is undertaken. Several factors are assessed and considered, which include but not limited to, the project's land use requirements, access to the grid, fuel supply availability and arrangements, permits and licenses, competitiveness of the plant and presence of potential offtakers. The Company intends to bankroll these projects via a combination of equity (30%) and debt (70%), where debt will be booked at the project company.

• Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.

The overall economic performance of the Philippines is a key factor in the sale of electricity. Thus, the performance of the Company, including its subsidiaries and associates, is affected by the economic state of the country.

Given the uncontracted portion of the Company's attributable generation capacity, any movement in the spot market price of electricity could have a significant impact on the Company's overall financial performance. Spot price of electricity is mostly determined by the supply and demand situation prevailing in the market.

• Any significant elements of income or loss that did not arise from the registrant's continuing operations

None.

• Any material changes in estimates of amounts reported in prior interim period of the current financial year and interim period of the prior financial year, respectively.

None.

- Any seasonal aspects that had a material effect on the financial condition or results of operations

  The Company currently has two run-of-river hydropower plant facilities in its power generation portfolio. In the absence of any storage capability, the plants' operations are dependent on water availability in the form of river water flow. These plants are at minimal operating levels during the dry months, or the first half, of the year. These are reversed in the second semester, or at the onset of the rainy season, which result to high generation capability given the increased river water flow.

- Any material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period

  None.

PART II--OTHER INFORMATION

Other than what has been reported, no event has since occurred.

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.

VIVANT COMPANY

By:

MINUEL CARMELA N. FRANCO
VP - Finance

MARIA VICTORIA E. SEMBRANO
AVP - Finance
November 11, 2016

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of September 30, 2016 (with Comparative Audited Consolidated Figures as of December 31, 2015) and for the Nine Months Ended September 30, 2015

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2016
(With Comparative Figures as of December 31, 2015)
(Amounts in Philippine Pesos)

	Notes	September 30, 2016	December 31, 2015
ASSETS			
Current Assets			
Cash and cash equivalents	1	**₱4,766,910,332**	₱4,068,285,801
Trade and other receivables	2	**326,658,656**	342,691,120
Advances to associates and stockholders	2	**68,968,774**	31,167,018
Inventories		**89,845,220**	89,095,939
Prepayments and other current assets	3	**913,004,552**	707,243,179
Total Current Assets		**6,165,387,534**	5,238,483,057
Noncurrent Assets			
Investments in subsidiaries and associates	6	**7,084,706,399**	6,913,791,619
Property, plant and equipment	5	**624,958,616**	916,497,160
Investment properties	4	**514,801,557**	514,801,557
Other noncurrent assets	7	**124,213,474**	93,781,925
Deferred income tax assets - net		**12,581,733**	12,581,733
Total Noncurrent Assets		**8,361,261,779**	8,451,453,994
TOTAL ASSETS		**₱14,526,649,313**	₱13,689,937,051

LIABILITIES AND EQUITY			
Current Liabilities			
Short-term note payable		**₱ 103,500,000**	₱33,000,000
Trade and other current payables		**1,357,056,627**	1,546,394,312
Advances from related parties		**110,438,076**	110,212,802
Notes payable – current portion		**25,989,025**	25,989,025
Income tax payable		**60,623,873**	154,009
Total Current Liabilities		**1,657,607,601**	1,715,750,148
Noncurrent Liabilities			
Notes payable - net of current portion		**2,891,584,679**	2,921,584,679
Pension liability		**18,654,037**	14,770,643
Deferred tax liabilities		**99,767,007**	99,767,008
Total Noncurrent Liabilities		**3,010,005,723**	3,036,122,330
Total Liabilities		**4,667,613,324**	4,751,872,478
Equity Attributable to Shareholders of the Parent			
Capital stock	8	**1,023,456,698**	1,023,456,698
Additional paid-in capital		**8,339,452**	8,339,452
Other components of equity:			
Revaluation reserve		**1,234,371,697**	1,234,371,697
Remeasurement loss on employee benefits		**(55,547,607)**	(55,547,607)
Unrealized valuation gain on AFS		**191,083**	191,083
Retained earnings:			
Appropriated for business expansion		**2,493,584,261**	2,493,584,261
Unappropriated		**4,500,684,839**	3,726,045,896
Equity Attributable to Shareholders of the Parent		**9,205,080,423**	8,430,441,480
Non-controlling Interest		**653,955,566**	507,623,093
Total Equity		**9,859,035,989**	8,938,064,573
TOTAL LIABILITIES AND EQUITY		**₱14,526,649,313**	₱13,689,937,051

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30, 2016
(With Comparative Figures for the same period in 2015)
(Amounts in Philippine Pesos)

	2016	2015
REVENUE		
Energy fees	₱1,937,951,539	₱2,450,359,416
Equity in net earnings of associates	1,016,174,912	950,202,946
Management fees	109,890,372	105,982,968
Interest income	36,312,066	37,924,403
	3,100,328,889	3,544,469,733
GENERATION COSTS	1,371,974,957	1,880,816,571
OPERATING EXPENSES		
Salaries and employees' benefits	110,012,640	99,457,153
Professional fees	42,270,732	44,833,202
Taxes and licenses	25,129,744	24,346,249
Management fees	24,634,906	37,123,680
Depreciation and amortization	15,518,202	13,460,307
Travel	13,396,552	10,148,104
Rent and association dues	5,766,794	4,632,020
Communication and utilities	4,257,822	3,563,477
Outside services	4,065,680	2,275,407
Representation	1,421,653	3,517,549
Other general and administrative expenses	36,970,389	43,372,524
	283,445,114	286,729,672
INCOME FROM OPERATIONS	1,444,908,818	1,376,923,490
OTHER INCOME (CHARGES)		
Finance costs	(129,946,868)	(128,438,539)
Foreign exchange gains (losses)	1,952,478	3,091,611
Others – net	(8,389,197)	5,172,790
	(136,383,587)	(120,174,138)
INCOME BEFORE INCOME TAX	1,308,525,231	1,256,749,351
TAX EXPENSE	131,822,858	109,574,294
NET INCOME	1,176,702,373	1,147,175,057
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	₱1,176,702,373	₱1,147,175,057
NET INCOME ATTRIBUTABLE TO:		
Shareholders of the parent company	₱1,042,579,900	₱989,890,135
Non-controlling interests	134,122,473	157,284,922
	₱1,176,702,373	₱1,147,175,057
BASIC AND DILUTED EARNINGS PER SHARE	₱1.019	₱0.967

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2016
(With Comparative Figures for the same period in 2015)
(Amounts in Philippine Pesos)

	2016	2015
REVENUE		
Energy fees	**₱750,875,244**	₱517,184,154
Equity in net earnings of associates	**361,895,664**	396,685,715
Management fees	**31,781,150**	51,714,640
Interest income	**11,555,716**	12,147,126
	1,156,107,774	977,731,635
GENERATION COSTS	**556,350,837**	477,907,594
OPERATING EXPENSES		
Salaries and employees' benefits	**32,459,084**	30,649,276
Professional fees	**12,736,539**	13,500,489
Management fees	**11,117,885**	4,971,941
Travel	**5,404,437**	4,444,650
Depreciation and amortization	**5,294,107**	3,935,430
Taxes and licenses	**3,657,157**	11,824,699
Outside services	**1,872,177**	760,368
Rent and association dues	**1,818,035**	1,776,925
Communication and utilities	**1,463,254**	1,330,025
Representation	**484,726**	428,750
Other general and administrative expenses	**16,770,575**	5,859,687
	93,077,976	79,482,241
INCOME FROM OPERATIONS	**506,678,961**	420,341,800
OTHER INCOME (CHARGES)		
Finance costs	**(43,623,335)**	(42,618,733)
Foreign exchange gains (losses)	**(551,129)**	2,316,705
Others – net	**4,244,177**	1,968,891
	(39,930,287)	(38,333,137)
INCOME BEFORE INCOME TAX	**466,748,674**	382,008,663
TAX EXPENSE (BENEFIT)	**47,644,859**	17,736,645
NET INCOME	**419,103,815**	364,272,018
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱419,103,815**	₱364,272,018
NET INCOME ATTRIBUTABLE TO:		
Shareholders of the parent company	**₱371,532,813**	₱374,009,508
Non-controlling interests	**47,571,002**	(9,737,490)
	₱419,103,815	₱364,272,018
BASIC AND DILUTED EARNINGS PER SHARE	**₱0.363**	₱0.365

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2016
(With Comparative Figures for the same period in 2015)
(Amounts in Philippine Pesos)

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱1,308,525,230**	₱1,256,749,351
Adjustments for:			
Equity in net earnings of associates		**(1,016,174,912)**	(950,202,946)
Finance costs		**129,946,868**	128,438,539
Interest income		**(36,312,066)**	(37,924,403)
Depreciation and amortization		**80,362,161**	24,771,939
Pension expense		**3,883,394**	3,731,915
Unrealized foreign exchange gains		**(1,952,478)**	(3,091,611)
Operating income before working capital changes		**468,278,197**	422,472,784
Decrease (increase) in:			
Trade and other current receivables	2	**16,032,464**	(44,008,798)
Inventories		**(749,281)**	25,593,609
Prepayments and other current assets	3	**(205,761,373)**	(222,474,175)
Increase (decrease) in:			
Trade and other current payables		**(189,337,687)**	251,014,425
Cash generated from operations		**88,462,322**	432,597,845
Interest paid		**(129,946,868)**	(127,319,542)
Income tax paid		**(71,352,992)**	(102,875,163)
Contribution to the retirement fund		–	(8,062,808)
Net cash provided by (used in) operating activities		**(112,837,538)**	194,340,331

CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends from associates		**1,249,760,133**	711,941,536
Interest received		**36,312,066**	37,984,620
Proceeds from the sale of (additions to) property, plant and equipment	5	**213,119,846**	(277,750,045)
Decrease (increase) in:			
Intangible assets		**(1,383,452)**	–
Other noncurrent assets		**(30,991,559)**	(4,083,798)
(Increase) decrease in investments in associates	6	**(404,500,000)**	(975,800,000)
Net cash flows provided by (used in) investing activities		**1,062,317,034**	(507,707,687)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from fixed rate corporate notes		**70,500,000**	143,000,000
Cash dividends paid		**(267,940,960)**	(267,940,960)
Payment of loans		**(30,000,000)**	(30,000,000)
Additional deposits for future stock subscriptions of non-controlling interest of a subsidiary		**12,210,000**	10,890,000
Advances (to) from associates and stockholders		**(37,576,482)**	2,326,953
Net cash provided by (used in) financing activities		**(252,807,442)**	(141,724,010)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**696,672,054**	(455,091,365)
EFFECT OF EXCHANGE RATE CHANGES		**1,952,478**	3,091,611
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**4,068,285,801**	4,859,530,626
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**₱4,766,910,332**	₱4,407,530,872

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2016
(With Comparative Figures for the same period in 2015)
(Amounts in Philippine Pesos)

	Notes	2016	2015
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT			
CAPITAL STOCK - ₱1 par value			
Authorized – 2,000,000,000 shares			
Issued and outstanding – 1,023,456,698 shares	8	**₱1,023,456,698**	₱1,023,456,698
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of period		**8,339,452**	8,339,452
Balance at end of interim period		**8,339,452**	8,339,452
REVALUATION RESERVE			
Balance at beginning of period		**1,234,371,697**	1,261,492,837
Depreciation on the revaluation increment of an associate		–	–
Balance at end of interim period		**1,234,371,697**	1,261,492,837
FAIR VALUE RESERVE			
Balance at beginning of period		**191,083**	254,554
Changes		–	–
Balance at end of interim period		**191,083**	254,554
REMEASUREMENT LOSS ON EMPLOYEE BENEFITS			
Balance at beginning of period		**(55,547,607)**	(69,240,190)
Balance at end of interim period		**(55,547,607)**	(69,240,190)
RETAINED EARNINGS			
Balance at beginning of period		**6,219,630,157**	5,407,714,113
Dividends declared		**(267,940,960)**	(267,940,960)
Net income	9	**1,042,579,900**	989,890,135
Balance at end of interim period		**6,994,269,100**	6,129,663,288
		9,205,080,423	8,353,966,639

NON-CONTROLLING INTEREST		
Balance at beginning of period	**507,623,093**	358,610,361
Additional investments	**12,210,000**	10,890,000
Minority income for the period	**134,122,473**	157,284,922
Balance at end of interim period	**653,955,566**	526,785,283
TOTAL EQUITY	**₱9,859,035,989**	₱8,880,751,922

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2016

1. Cash and Cash Equivalents

This account consists of:

	September 30, 2016	December 31, 2015
Cash on hand and in banks	₱403,753,751	₱301,636,865
Short-term investments	4,363,156,581	3,766,648,936
	₱4,766,910,332	**₱4,068,285,801**

2. Trade and other receivables, advances and other current receivables

This account consists of:

	September 30, 2016	December 31, 2015
Trade receivables	₱316,857,730	₱208,599,589
Accounts receivable	23,865,972	14,352,182
Advances to officers and employees	11,841,175	8,755,973
Accrued interest	2,518,892	4,228,650
Dividends receivable	-	132,572,000
Others	6,032,933	8,640,772
	361,116,702	377,149,166
Less allowance for impairment loss	34,458,046	34,458,046
	₱326,658,656	**₱342,691,120**

Advances to associate and stockholders	**₱68,968,774**	**₱31,167,018**

2.1 Aging of Trade receivables, advances and other current receivables

	September 30, 2016				December 31, 2015			
	0-30 DAYS	31-60 DAYS	OVER 60 DAYS	TOTAL	0-30 DAYS	31-60 DAYS	OVER 60 DAYS	TOTAL
Trade receivables, advances and other current receivables	₱241,502,575	₱1,246,927	₱118,367,200	₱361,116,702	₱206,525,089	₱78,133,944	₱92,490,133	₱377,149,166
Less: Allowance for impairment loss			34,458,046	34,458,046			34,458,046	34,458,046
	₱241,502,575	**₱1,246,927**	**₱83,909,154**	**₱326,658,656**	**₱206,525,089**	**₱78,133,944**	**₱58,032,087**	**₱342,691,120**

3. Prepayments and other current assets

The composition of this account is shown below:

	September 30, 2016	December 31, 2015
Advances to suppliers and other parties	₱708,031,786	₱556,309,228
Input tax	86,638,048	43,972,814
Creditable withholding taxes	52,827,162	72,525,345
Prepaid insurance	31,066,681	19,759,835
Others	34,440,877	14,675,957
	₱913,004,554	**₱707,243,179**

4. Investment Properties

	September 30, 2016	December 31, 2015
Land		
Cost	₱3,473,986	₱3,473,986
Fair Value Adjustment	507,949,571	507,949,571
	511,423,557	511,423,557
Building		
Cost	₱-	₱-
Fair Value Adjustment	3,378,000	3,378,000
	3,378,000	3,378,000
Total Investment Properties	**₱514,801,557**	**₱514,801,557**

Some of the Company's investment properties were leased out to outside parties to earn rental income. Total rental income amounting to Php 1.8 mn and Php 1.6 mn as of end-September 2016 and end-September 2015, respectively, were recorded as part of "Other income" in the consolidated statements of comprehensive income.

In 2015, an appraisal was carried out on the Company's investment properties resulting to a fair value change amounting to Php 240.7 mn.

Real property taxes pertaining to the land amounting to Php 0.8 mn and Php 0.8 mn as of end-September 2016 and 2015, respectively, are included under "Taxes and licenses" account in the consolidated statements of comprehensive income.

The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct, or develop investment properties.

5. **Property and Equipment**

Property and equipment consists of the following major classifications:

	Condominium Units, Building and Improvements	Plant Machineries and Equipment	Leasehold and Land Improvement	Office Furniture, Fixtures and Equipment	Transportation Equipment	Tools and Other Assets	Total
Cost							
Beg. Balance, Dec. 31, 2015	₱45,672,763	₱878,394,764	₱16,878,412	₱32,699,427	₱37,051,538	₱3,658,731	₱1,014,355,635
Additions	246,025	4,854,087	1,029,762	5,784,153	8,618,525	157,381	20,689,933
Retirement / Disposal	-	(235,251,293)	-	(79,326)	-	-	(235,330,619)
End. Balance, September 30, 2016	45,918,788	647,997,558	17,908,174	38,404,254	45,670,063	3,816,112	799,714,949
Less: Accumulated Depreciation							
Beg. Balance, Dec. 31, 2015	16,227,789	35,589,565	5,428,236	20,473,716	18,659,987	1,479,182	97,858,475
Depreciation	1,062,539	63,717,208	1,807,165	6,162,753	4,092,658	134,861	76,977,184
Retirement / Disposal	-	-	-	(79,326)	-	-	(79,326)
End. Balance, September 30, 2016	17,290,328	99,306,773	7,235,401	26,557,143	22,752,645	1,614,043	174,756,333
Carrying value, September 30, 2016	**28,628,460**	**548,690,785**	**10,672,773**	**11,847,111**	**22,917,418**	**2,202,069**	**624,958,616**

6. Investment in and advances to associates and joint ventures:

The components of the carrying values of investments in associates and joint ventures are as follows:

	September 30, 2016	December 31, 2015
Investment in VECO:		
Acquisition Cost	840,333,111	₱840,333,111
Accumulated Equity Earnings-net	26,809,452	195,557,150
Revaluation Surplus	1,193,768,246	1,193,768,246
Carrying Value	2,060,910,809	2,229,658,507
Investment in Delta P:		
Acquisition Cost	150,117,231	150,117,231
Additional investment	120,500,000	-
Accumulated Equity Earnings-net	9,923,090	(14,051,909)
Revaluation Surplus	-	-
Carrying Value	280,540,321	136,065,322
Investment in CPPC:		
Acquisition Cost	305,119,049	305,119,049
Accumulated Equity Earnings-net	(155,148,053)	(262,573,945)
Revaluation Surplus	-	-
Carrying Value	149,970,996	42,545,104
Investment in ABOVANT:		
Acquisition Cost	976,784,699	976,784,699
Accumulated Equity Earnings-net	430,212,924	630,651,138
Revaluation Surplus	-	-
Carrying Value	1,406,997,623	1,607,435,837
Investment in VSNRGC:		
Acquisition Cost	311,040,001	311,040,001
Accumulated Equity Earnings-net	(311,040,001)	(311,040,001)
Revaluation Surplus	-	-
Carrying Value	-	-
Investment in AHPC:		
Acquisition Cost	11,500,000	11,500,000
Deposit for future stock subscription	2,968,700	2,968,700
Accumulated Equity Earnings-net	(11,500,000)	(11,500,000)
Revaluation Surplus	-	-
Carrying Value	2,968,700	2,968,700
Investment in PEI:		
Acquisition Cost	500,000	500,000
Accumulated Equity Earnings-net	16,782	16,956
Revaluation Surplus	-	-
Carrying Value	516,782	516,956
Investment in CIPC:		
Acquisition Cost	102,097,169	102,097,169
Accumulated Equity Earnings-net	5,427,287	1,227,312
Revaluation Surplus	-	-
Carrying Value	107,524,456	103,324,481
Investment in TVI:		
Acquisition Cost	231,496,655	231,496,655
Accumulated Equity Earnings-net	47,484,350	47,484,350

	September 30, 2016	December 31, 2015
Revaluation Surplus	40,603,451	40,603,451
Carrying Value	319,584,456	319,584,456
Investment in MPC:		
Acquisition Cost	2,413,250,000	2,413,250,000
Additional investment	284,000,000	
Accumulated Equity Earnings-net	58,442,256	58,442,256
Revaluation Surplus	-	-
Carrying Value	2,755,692,256	2,471,692,256
Total Carrying Value of Investments	**₱7,084,706,399**	**₱6,913,791,619**

The Group has unrecognized share in losses from results of operations of its investments in an associate and a joint venture amounting to Php 267.8 mn as of September 30, 2016. Meanwhile, as of September 30, 2015, the Group had unrecognized share in losses from the results of operations of the same associate and joint venture amounting to Php 283.6 mn. This is exclusive of the unrecognized gain from one joint venture amounting to P4.4 mn after recouping its losses from prior years.

Total cumulative unrecognized losses amounted to Php 639.6 mn as of the period in review and Php 371.8 mn as of yearend-2015.

7. Other Non-Current Assets

The details of this account are shown below:

	September 30, 2016	December 31, 2015
Due from RFM Corporation	₱ 46,078,063	46,078,063
Goodwill	42,559,451	42,559,451
Advances to suppliers	56,657,695	36,412,810
Available-for-Sale (AFS) investments	3,750,631	3,750,631
Software cost	1,413,997	1,974,007
Others	19,831,700	9,085,026
	170,291,537	139,859,988
Less allowance for impairment loss	46,078,063	46,078,063
	₱124,213,474	**₱93,781,925**

8. Capital Stock

The details of the capital stock account are as follows:

	September 30, 2016	December 31, 2015
Authorized Capital Stock – P1.00 par value	₱2,000,000,000	₱2,000,000,000
Issued – 1,023,456,698 shares	1,023,456,698	1,023,456,698

9. Earnings Per Share

The financial information pertinent to the derivation of earnings per share follows:

Basic Earnings Per Share	September 30, 2016	September 30, 2015
Net income (loss) attributable to Parent shareholders	1,042,579,900	989,890,135
Less: Preferred shares	-	-
Net income (loss) identified with Common stock	1,042,579,900	989,890,135
Actual number of shares Outstanding	1,023,456,698	1,023,456,698
	1.019	**0.967**

11. OTHER DISCLOSURES

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

The principal accounting policies and methods of computation used in the annual financial statements were also followed in the preparation of the interim financial statements.

There are no significant changes in estimates in amounts reported in prior financial years that have a material effect in the current interim period.

There are no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period.

There are no material contingencies, events or transactions that are material to an understanding of the current interim period.

Vivant Corporation issued 7-year fixed rate notes with a total principal amount of Php 3.0 bn. The issue was fully subscribed by a consortium of local banks composed of Metropolitan Bank and Trust Company, China Banking Corporation, Development Bank of the Philippines, Philippine Savings Bank, Rizal Commercial Banking Corporation and Robinsons Savings Bank.

The FRCN issue was done in two tranches. The first tranche of notes worth Php 1.0 bn were issued on February 3, 2014 at an interest rate of 5.7271% p.a. Meanwhile, the second tranche of notes worth Php 2.0 bn were issued on March 31, 2014 at an interest rate of 5.4450% p.a.

Vivant Corporation made a partial payment on the principal for Php 30 mn each in February 2016 and February 2015.

Vivant Corporation declared on May 12, 2016 combined cash dividends per share of P0.2618 (regular cash dividend of P0.1885 and special cash dividend of P0.0733) for stockholders of record as of June 3, 2016. The said cash dividends were paid on June 29, 2016.

The Company is not required to disclose segment information in its annual financial statements.

There have been no changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

There are no contingent liabilities or contingent assets since the last annual balance sheet date.

Financial Instruments and Financial Risk Management

The Company and its subsidiaries (the "Group") are exposed to a variety of financial risks which resulted from its operating and investing activities. The Group focuses on actively securing its short-to-medium term cash flows by minimizing the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below.

Credit Risk

Credit Risk represents the risk of loss the Group would incur if counterparties fail to perform their contractual obligations. The Group's credit risk arises principally from its receivables.

Generally, the maximum credit risk exposure of financial assets is their carrying amount as shown in the balance sheets. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount. The Group's receivables are actively monitored to avoid significant concentrations of credit risk. Please refer to the Note 2 of the Notes to the interim Financial Statements as of September 30, 2016 for the aging analysis of the Group's receivables.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

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

Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Philippine Peso (PHP), which are United States Dollar (USD) and European Euro (€).

The Group's exposure to foreign currency risk based on amounts is as follows:

	September 30, 2016
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 47,512
	Euro 503
Trade Payables	USD –
	Euro –
Gross Exposure	USD 47,512
	Euro 503

The average exchange rate for the quarter ended September 30, 2016 are as follows:

US Dollar-Philippine Peso	US$1 = Php47.13
Euro-Philippine Peso	Eu€1 = Php52.91

The exchange rate applicable as of September 30, 2016 are the following:

US Dollar-Philippine Peso	US$1 = Php48.50
Euro-Philippine Peso	Eu€1 = Php54.17

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of September 30, 2016 would have decreased equity and profit by Php 0.2 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of September 30, 2016 would have an equal but opposite effect, on the basis that all other variables remain constant.

The Group absorbs the risk and favorable and unfavorable exchange rate movement as they arise.

The Company neither issues nor invests in complex securities, particularly on derivatives.

The Company does not have investments in foreign securities.

The carrying values of cash and cash equivalents, receivables, trade, and other payables approximate their fair values due to short-term maturity of these instruments.

The Company has minimal financial instruments in the form of available for sale shares of stock which are traded in the market. These financial instruments are however not traded actively.

139520862129

THIS SERVES AS AN OFFICIAL RECEIPT

MIN : 15082811430019908
Serial No SGH231PLNS
Official Receipt No : ACC0710000013611
Customer's Copy

LBC EXPRESS, INC.
Unit 4 G/F The North Atrium MC Briones St., Highway, Mandaue City, Cebu
Tel No.(s) : 032 4223151;+639178020906 VAT Reg. TIN #000-782-140-00032

CONSIGNEE:
ATTY.CALLANGAN, JUSTINA F
And or/Care Of: /
DIRECTOR -CORPORATE GOVERNANCE AND FINANCE DEPT
SECURITIES AND EXCHANGE COMMISSION 11TH/F SEC BLDG EDSA GREENHILLS

MANDALUYONG CITY
METRO MANILA
METRO MANILA

Courier N-Pouch XL

Origin VNC-ACC07-NORTH ATRIUM MANDAUE
Tran Date 11/11/2016 3:32:26 PM
Tran Type DELIVERY
Cut-Off 11:59:00 PM

VATable(Freight)	133.93
VAT-Exempt	0.00
VAT Zero-Rated	0.00
Discount	0.00
Total Sales	133.93
12% VAT	16.07
Amount Due	: 150.00
Mode	CASH

J.P GARCIA AND ASSOCIATES, . .
UNIT 1501-1502 15TH/F
AYALA LIFE-FGU CENTER
MINDANAO AVENUE CEBU BUSINESS PARK 6000
CEBU CITY
CEBU
Mobile# 0322320253;
Card Number: 2 TIN:

Contents: DOCUMENTS
SHIPPER WARRANTS THAT THE SHIPMENT HAS NO CASH or CHECK INSIDE
Let us hear of your experience. Log in to http://survey.lbcexpress.com/
Customer Care: 8585-999

KRISTINE ARIAS
Signature of Associate

Signature of Shipper

O.R. Series No. ACC0710000000001 to ACC0789999999999 BIR Final PTU #:FP082015-122-0051065-00032
BIR Accreditation No.: 1220007821402015060318 Date Issued: 06/26/2015 Valid Until 06/25/2020
*THIS INVOICE/RECEIPT SHALL BE VALID FOR FIVE(5) YEARS FROM THE DATE OF THE PERMIT TO USE *