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)

U n i t 9 0 7 - 9 0 8 A y a l a L i f e - F G U

C e n t e r , M i n d a n a o A v e . , c o r .

B i l i r a n R o a d , C e b u C i t y

(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

1 2 3 1

Month Day

Fiscal Year

SEC FORM 17-Q

FORM TYPE

0 9 3 0

Month Day

Secondary license Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

1,466

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

S E C

Cebu Extension Office

NOV 16 2015

By:

RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

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, 2015**

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

7. Address of issuer's principal office **6000** 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 4,826,633,454**

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:

SEC
Cebu Extension Office
NOV 16 2015
By:
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

(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 see attached financial statements for the quarter ended September 30, 2015.

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, 2015 compared with the interim period ended September 30, 2014. 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, 2015 versus YTD September 30, 2014

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 2015**	**YTD September 2014**	**YE 2014**
Equity in Net Earnings of Associates	950,203	853,029	
EBITDA	1,409,810	1,971,409	
Cash Flow Generated / (Used)	(455,091)	3,310,921	
Net cash flows from operating activities	201,147	630,514	
Net cash flows from investing activities	(503,623)	172,271	
Net cash flows from (used in) financing activities	(152,614)	2,508,136	
Debt-to-Equity Ratio (x)	0.54	0.57	0.56
Current Ratio (x)	2.87	4.77	3.80

The Company's share in net earnings of associates for the period ended-September 2015 rose to Php 950.2 million (mn) from Php 853.0 mn, representing an 11% year-on-year (YoY) increase. The increase is mainly attributed to the enhanced bottomline performance of an associate arising from a 3% expansion in the volume of electricity sold and an improvement in its operating efficiency. The increase in the Company's ownership interest in an associate from 35% to 50% also contributed to the rise in the equity earnings. In compliance with the International Accounting Standards (IAS) 28[1], the Company did not book its share in the net losses of two associates, which amounted to Php 283.5 mn as of end-September 2015, of which Php 170.0 mn pertained to unrealized forex losses from the dollar denominated portion of an associate's liability arising from its administrator contract with the Power Sector Assets and Liabilities Management Corporation (PSALM). On the other hand, an associate, which was previously covered by IAS 28, fully covered its previously unrecognized net losses by subsequent net earnings during the period in review. In the same period last year, Php 28.1 mn was the Company's share in net losses of an associate and a joint venture that was not recognized due to IAS 28.

The decline in the topline performance of one of the Company's subsidiaries led to a 28% YoY decrease in EBITDA for the period in review, from close to Php 2.0 billion (bn) to Php 1.4 bn, due to lower average selling prices and volume of energy sold.

The Company ended the nine-month period with a net decrease in cash of Php 455.1 mn, which was mainly brought about by the use of cash for investing and financing activities.

---

[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.

Vis-à-vis year-end 2014, the Debt-to-Equity ratio declined to 0.54x as of end-September 2015. The 8% increase in liabilities was cushioned by the 9% YoY expansion in total equity resulting from the Company's income generated during the period.

The expansion in the Company's current liabilities, coupled with the decrease in current assets, resulted to the decline in the Company's current ratio to 2.87x as of end-September 2015 from 3.80x as of end-2014.

Material Changes in Line Items of Registrant's Income Statement
(YTD September 2015 vs. YTD September 2014)

As of end-September 2015, Vivant's total revenues was lower at Php 3.6 bn from approximately Php 4.0 bn as of end-September 2014. This drop is attributed to the following:

1. Energy fees declined by 18% YoY to Php 2.5 bn from nearly Php 3.0 bn due to a subsidiary's reduced top line performance arising from the lower average selling price and volume of energy sold. The decline was, however, mitigated by revenues earned by another subsidiary from the administration of 17 MW of geothermal power, which commenced at the start of the period in review.

2. The Company's share in net earnings of associates for the period ended-September 2015 rose to Php 950.2 mn from Php 853.0 mn, representing an 11% YoY increase. The increase is mainly attributed to the enhanced bottomline performance of an associate arising from a 3% expansion in the volume of electricity sold and an improvement in its operating efficiency. The increase in the Company's ownership interest in an associate from 35% to 50% also contributed to the rise in the equity earnings. In compliance with IAS 28, the Company did not book its share in the net losses of two associates, which amounted to Php 283.5 mn as of end-September 2015, of which Php 170.0 mn pertained to unrealized forex losses from the dollar denominated portion of an associate's liability arising from its administrator contract with PSALM. On the other hand, an associate, which was previously covered by IAS 28, fully covered its previously unrecognized net losses by subsequent net earnings during the period in review. In the same period last year, Php 28.1 mn was the Company's share in net losses of an associate and a joint venture that was not recognized due to IAS 28.

3. Management fees grew by 10% YoY to Php 106.0 mn from Php 96.6 mn as a result of billings to an associate made by the Company and a subsidiary that arose from the new management and service agreements.

4. Interest income was up by 20% YoY to Php 37.9 mn from Php 31.7 mn, mainly on account of higher interest rates during the period in review.

5. The other income account recorded a growth of 23% YoY to Php 8.1 mn from Php 6.6 mn coming from higher earnings from rental and disposal of assets by the Company and a subsidiary's rental revenue during the period in review.

Total operating expenses for the nine-month period of 2015 grew by 7% YoY, from Php 2.0 bn to Php 2.2 bn. Said movement can be accounted for by the following:

1. Generation cost went up by 7% YoY to Php 1.9 bn from Php 1.8 bn, which was due to costs incurred by a subsidiary for the administration of 17 MW of geothermal power at the start of the period in review.

2. Management fees were down by 52% YoY to Php 37.1 mn from Php 77.5 mn due to a downward adjustment in rates.

3. Salaries and employee benefits rose by 67% YoY to Php 99.5 mn from Php 59.5 mn on account of the additional manpower, the upward adjustment in salaries and benefits, and the payment of discretionary bonus which was not made in 2014. The increase was also due to the accrual of 13th month pay and other benefits in the current period while there was none in the first four months of 2014. Salaries and employee benefits would have been Php 61.7 mn as of end-September 2014 if accruals were made.

4. Taxes and licenses declined by 28% YoY to Php 24.3 mn from Php 34.0 mn. In the same period last year, the Company paid taxes relating to the Fixed Rate Corporate Notes (FRCN) issuance, which amounted to Php 15.0 mn. Conversely, documentary stamp tax (DST) is higher this year than in the same period last year because of the issuance of additional shares by two subsidiaries.

5. Additional consultancy fees mainly accounted for the 60% YoY rise in professional fees to Php 44.8 mn from Php 28.0 mn. This included payments to consultants in relation to the set-up of operational systems and new projects.

6. There was a 23% YoY increase in depreciation and amortization bringing it to Php 13.5 mn from Php 10.9 mn. The expansion was a result of the acquisition of additional depreciable assets, mostly relating to the expansion of the Company's office space, increase in manpower headcount, acquisition of vehicles, and construction of a warehouse.

7. Travel expenses rose by 11% to Php 10.1 mn from Php 9.2 mn because of the increased frequency of business trips for new projects, and for local and foreign trainings.

8. Rent and association dues grew by 51% YoY to Php 4.6 mn from Php 3.1 mn given the escalated rental fees for office spaces, and additional office units and parking spaces leased during the period in review.

9. Communication and utilities increased by 12% YoY to Php 3.6 mn from Php 3.2 mn, which mainly resulted from the increase in the manpower headcount. The construction of the Company's warehouse and improvements in additional office spaces accounted for the rise in power and water charges.

10. Representation recorded a YoY growth of 122% to Php 3.5 mn from Php 1.6 mn. This variance is attributed to increased representation costs of the Company and a subsidiary in relation to projects and meetings with business partners.

11. Security and janitorial expenses rose by 39% YoY to Php 2.3 mn from Php 1.6 mn given the rate adjustments on agency fees and the hiring of additional personnel.

12. Other general and administrative expenses posted a 35% YoY rise to Php 43.4 mn from Php 32.2 mn due payment of various fees in relation to the application for the increase in

capitalization by two of the Company's subsidiaries. The Company's expenses for its CSR project and the payment of SBLC fees by the Company and a subsidiary further increased the other general and administrative expenses as of end-September 2015.

Vivant's finance cost of Php 128.4 mn as of end-September 2015 is 37% higher versus last year's Php 93.4 mn. Last year's interest payment and accruals were reckoned from the date of issuance of the FRCN, i.e. Php 1 bn and Php 2 bn on February 3 and March 31, 2014, respectively. In contrast, interest payment and accruals this year covered the entire nine months in review. Adding to this is the finance cost of a subsidiary for its short term loan.

An unrealized foreign exchange gain of Php 3.1 mn was taken up during the nine-month period in review. This pertains to the restatement of the US Dollar and Euro cash balances of the Company and a subsidiary. For the same period last year, the Company booked an unrealized foreign exchange gain of Php 2.3 mn.

The Company incurred losses for the write-off of a service billing to an associate, which mainly accounted for the rise in other charges by 100% to Php 2.9 mn as of end-September 2015.

The Company accrued consolidated tax expenses of Php 109.6 mn as of end-September 2015, recording a 51% YoY dip. The decrease was mainly a result of the decline in the gross margin of a subsidiary.

Taking all of the above into account, Vivant recorded a total net income for the period ending September 30, 2015 of Php 1.1 bn, a reduction of 30% YoY. Meanwhile, net income attributable to parent amounted to Php 990.0 mn, down by 18% YoY. The profit decline was due to the drop in the topline performance of the Company's subsidiary, which was slightly offset by the energy fees earned from the administration by a subsidiary of 17 MW of geothermal power. The rise in operating expenses and finance costs, and the non-accrual of certain expenses (i.e. Php 2.2 mn in salaries) in 2014 likewise contributed to the decline in net income during the period in review.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-September 2015 vs. Year-end 2014)

The Company's total assets expanded by 10%, from end-2014's level of Php 12.5 bn to Php 13.7 bn.

The following are the material movements in the assets of the Company as of end-September 2015.

1. Cash and cash equivalents dipped by 9% to Php 4.4 bn due to payment of dividends, interest on the FRCN and tax remittances by the Company. Three of the Company's subsidiaries also infused additional capital to their respective investees. This decrease is tempered by inflows from cash dividends, collections for management and service billings, and the proceeds from the redemption of shares by a subsidiary.

2. Trade and other current receivables rose by 32% to Php 182.5 mn as of end-September 2015. Said improvement can be attributed to the energy sales of a subsidiary for the administration of 17 MW of geothermal power, which commenced during the beginning of the period in review.

3. Advances to associates and stockholders fell by 24% to Php 31.0 mn as of end-September 2015 from Php 40.9 mn as of end-2014. The decline was brought about by the repayment of advances by an associate.

4. Inventories declined by 24% to Php 81.2 mn from Php 106.8 mn due to the use of plant parts and supplies for the maintenance work of a subsidiary's power plant.

5. Prepayments and other current assets as of period-end were up by 52% at Php 652.1 mn, which was a result of a subsidiary's increase in advances to suppliers.

6. Investment in subsidiaries and associates rose by 21% to Php 7.0 bn from Php 5.8 bn, which was a result of the additional investments in associates made by three of the Company's subsidiaries. This increase was slightly tempered by the redemption of preferred shares of an associate and dividends received from associates as of end-September 2015.

7. Property and equipment was up by 33% to Php 1.0 bn as of end-September 2015, resulting from the purchase of power plant equipment by a subsidiary and the Company's purchase of service vehicles, office furniture and equipment, renovation of offices, purchase of office space and the construction of a warehouse.

8. Payments to land owners in relation to agreements entered into by a subsidiary for the perpetual use of land for use in the development and construction of a renewable energy power plant, and advances to suppliers for projects in the pipeline account for the increase in other non-current assets by 10% at Php 32.3 mn as of end-September 2015.

Total liabilities grew by 8% to Php 4.8 bn as of end-September 2015. The movement was brought about by the expansion of trade and accounts payable mostly arising from the recognition of the generation cost by subsidiaries, payables to suppliers, and legal fees. Accrued income tax and 13^{th} month and other benefits of the Company and a subsidiary also contributed to the increase. Further to the rise in liabilities is the availment of a short term loan by a subsidiary.

As a result of the net income generated during the period in review, total stockholders' equity increased by 11%, from approximately Php 8.0 bn as of year-end 2014 to Php 8.9 bn as of end-September 2015. Meanwhile, equity attributable to parent ended up higher by 9% at Php 8.4 bn as of the end of September 2015.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-September 2015 vs. End-September 2014)

For the period ending September 30, 2015, the net cash generated by the Company's operations was lower at Php 201.1 mn from Php 630.5 mn as of end-September 2014. The reduction could be mainly attributed to the lower topline contribution of a subsidiary. Added to this were notable increases in prepayments to suppliers, payment of interest on the FRCN, and trade and other receivables.

Net cash used in investing activities as of end-September 2015 amounted to Php 503.6 mn, vis-a-vis last year's generation of Php 172.3 mn. The Company registered higher investments and had additional purchases of fixed assets during the period in review.

The Company ended the period in review with net cash used in financing activities at Php 152.6 mn. Dividend payments made mainly accounted for the cash utilization, which was partially offset by proceeds from the short term loan of a subsidiary. For the same period last year, the Company had Php 2.5 bn in net cash from financing activities that was a result of the Php 3.0 bn FRCN issuance.

As of September 30, 2015, cash and cash equivalents decreased by 31%, from Php 6.4 bn as of end-September 2014 to Php 4.4 bn.

Financial Ratios

Vis-à-vis year-end 2014, the Debt-to-Equity ratio declined to 0.54x as of end-September 2015. The 8% increase in liabilities particularly arising from trade payables (up 19% YoY), notes payable (up 547% YoY), and income tax payable (up 21% YoY), was offset by the 9% YoY build up in total equity resulting from the Company's income generated during the period.

The expansion in the Company's current liabilities, coupled with the decrease in current assets, resulted to the decline in the Company's current ratio to 2.87x as of end-September 2015 from 3.80x as of end-2014.

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.

  - Vivant Malogo Hydropower Inc. (VMHI) is a joint venture that will serve as the proponent for the development and implementation of a Greenfield power plant project. 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 currently in the process of finalizing the detailed engineering design of the plant facility. Once done, construction will commence and is estimated to be completed after 24 months. The project will be funded via a combination of debt (70%) and equity (30%). In July 2014, VEC's stake was reduced from 75% to 67%, which was in accordance with the mutual agreement of the shareholders.

- 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 turned over 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%). An agreement between VIGC and Therma Power, Inc. was signed in August 2014, which will involve the investment by VIGC in TVI for a 20% equity stake.

- 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 16, 2015

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of September 30, 2015 (with Comparative Audited Consolidated Figures as of December 31, 2014) and for the Nine Months Ended September 30, 2014

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2015
(With Comparative Figures as of December 31, 2014)
(Amounts in Philippine Pesos)

	Notes	September 30, 2015	December 31, 2014
ASSETS			
Current Assets			
Cash and cash equivalents	1	**₱4,407,530,872**	₱4,859,530,626
Trade and other receivables – net	2	**182,465,039**	138,516,463
Advances to associates and stockholders	2	**30,959,347**	40,930,884
Inventories		**81,238,119**	106,831,729
Prepayments and other current assets	3	**652,060,266**	429,586,090
Total Current Assets		**5,354,253,643**	5,575,395,792
Noncurrent Assets			
Available-for-sale (AFS) investments	4	**4,324,131**	4,324,131
Investments in subsidiaries and associates	7	**6,970,848,828**	5,756,787,415
Property, plant and equipment - net	5	**1,014,817,698**	760,769,518
Investment properties	6	**274,071,000**	274,071,000
Goodwill		**42,559,451**	42,559,451
Deferred tax assets		**14,179,895**	14,179,895
Other non-current assets – net	8	**32,330,728**	29,317,004
Total Noncurrent Assets		**8,353,131,733**	6,882,008,414
TOTAL ASSETS		**₱13,707,385,376**	₱12,457,404,205

LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other current payables		**₱1,547,353,089**	₱1,295,219,670
Advances from related parties		**107,841,893**	115,486,477
Notes payable – current portion		**169,155,546**	26,155,546
Income tax payable		**38,255,664**	31,556,533
Total Current Liabilities		**1,862,606,193**	1,468,418,226
Noncurrent Liabilities			
Notes payable - net of current portion		**2,917,573,704**	2,947,573,704
Pension liability		**18,878,133**	23,209,026
Deferred tax liabilities		**27,575,424**	27,575,424
Total Noncurrent Liabilities		**2,964,027,261**	2,998,358,154
Total Liabilities		**4,826,633,454**	4,466,776,380
Equity Attributable to Shareholders of the Parent			
Capital stock	9	**1,023,456,698**	1,023,456,698
Additional paid-in capital		**8,339,452**	8,339,452
Other components of equity:			
Revaluation reserve		**1,261,492,837**	1,261,492,837
Remeasurement loss on employee benefits		**(69,240,190)**	(69,240,190)
Unrealized valuation gain on AFS		**254,554**	254,554
Retained earnings:			
Appropriated for business expansion		**2,810,784,261**	2,810,784,261
Unappropriated		**3,318,879,025**	2,596,929,852
Equity Attributable to Shareholders of the Parent		**8,353,966,638**	7,632,017,464
Non-controlling Interest		**526,785,284**	358,610,361
Total Equity		**8,880,751,922**	7,990,627,825
TOTAL LIABILITIES AND EQUITY		**₱13,707,385,376**	₱12,457,404,205

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30, 2015
(With Comparative Figures for the same period in 2014)
(Amounts in Philippine Pesos)

	2015	2014
REVENUE		
Energy fees	**₱2,450,359,416**	₱2,990,691,090
Equity in net earnings of associates	**950,202,946**	853,028,671
Management fees	**105,982,968**	96,590,015
Interest income	**37,924,403**	31,725,741
Other income	**8,114,250**	6,589,602
	3,552,583,983	3,978,625,119
GENERATION COSTS	**1,880,816,571**	1,762,587,631
OPERATING EXPENSES		
Salaries and employees' benefits	**99,457,153**	59,499,973
Professional fees	**44,833,202**	28,033,491
Management fees	**37,123,680**	77,527,313
Taxes and licenses	**24,346,249**	33,992,782
Depreciation and amortization	**13,460,307**	10,910,593
Travel	**10,148,104**	9,179,703
Rent and association dues	**4,632,020**	3,059,660
Communication and utilities	**3,563,477**	3,170,027
Representation	**3,517,549**	1,584,631
Security and janitorial	**2,275,407**	1,633,382
Other general and administrative expenses	**43,372,524**	32,227,242
	286,729,674	260,818,797
INCOME FROM OPERATIONS	**1,385,037,738**	1,955,218,691
OTHER INCOME (CHARGES)		
Finance costs	**(128,438,539)**	(93,447,678)
Foreign exchange gains (losses)	**3,091,611**	2,294,656
Others – net	**(2,941,460)**	–
	(128,288,387)	(91,153,022)
INCOME BEFORE INCOME TAX	**1,256,749,351**	1,864,065,669
TAX EXPENSE	**109,574,294**	221,971,988
NET INCOME	**1,147,175,057**	1,642,093,681
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱1,147,175,057**	₱1,642,093,681
NET INCOME ATTRIBUTABLE TO:		
Shareholders of the parent company	**₱989,890,135**	₱1,203,645,634
Non-controlling interests	**157,284,922**	438,448,047
	₱1,147,175,057	₱1,642,093,681
BASIC AND DILUTED EARNINGS PER SHARE	**₱0.967**	₱1.176

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2015
(With Comparative Figures for the same period in 2014)
(Amounts in Philippine Pesos)

	2015	2014
REVENUE		
Energy fees	**₱ 517,184,154**	₱1,038,891,380
Equity in net earnings of associates	**396,685,715**	300,531,006
Management fees	**51,714,640**	36,343,273
Interest income	**12,147,126**	13,257,398
Other income	**4,869,276**	2,300,026
	982,600,911	1,391,323,083
GENERATION COSTS	**477,907,594**	690,759,175
OPERATING EXPENSES		
Salaries and employees' benefits	**30,649,276**	22,453,529
Professional fees	**13,500,489**	5,148,674
Taxes and licenses	**11,824,699**	3,437,081
Management fees	**4,971,941**	13,500,157
Travel	**4,444,650**	4,904,965
Depreciation and amortization	**3,935,430**	3,925,953
Rent and association dues	**1,776,925**	1,042,713
Communication and utilities	**1,330,025**	1,327,811
Security and janitorial	**760,368**	653,450
Representation	**428,750**	1,094,915
Other general and administrative expenses	**5,859,687**	6,162,823
	79,482,241	63,652,071
INCOME FROM OPERATIONS	**425,211,076**	636,911,837
OTHER INCOME (CHARGES)		
Finance costs	**(42,618,733)**	(40,342,457)
Foreign exchange gains (losses)	**2,316,705**	575,359
Others – net	**(2,900,385)**	–
	(43,202,414)	(39,767,098)
INCOME BEFORE INCOME TAX	**382,008,663**	597,144,739
TAX EXPENSE (BENEFIT)	**17,736,645**	196,956,573
NET INCOME	**364,272,018**	400,188,166
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱364,272,018**	₱400,188,166
NET INCOME ATTRIBUTABLE TO:		
Shareholders of the parent company	**₱374,009,508**	₱342,670,220
Non-controlling interests	**(9,737,490)**	57,517,946
	₱364,272,018	₱400,188,166
BASIC AND DILUTED EARNINGS PER SHARE	**₱0.365**	₱0.335

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2015
(With Comparative Figures for the same period in 2014)
(Amounts in Philippine Pesos)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱1,256,749,351**	₱1,864,065,669
Adjustments for:			
Equity in net earnings of associates		**(950,202,946)**	(853,028,671)
Finance costs		**128,438,539**	93,447,678
Interest income		**(37,924,403)**	(31,725,741)
Depreciation and amortization		**24,771,939**	16,190,112
Unrealized foreign exchange gains		**(3,091,611)**	(2,550,306)
Pension expense		**3,731,915**	–
Operating income before working capital changes		**422,472,784**	1,086,398,741
Decrease (increase) in:			
Trade and other current receivables	2	**(44,008,798)**	240,617,165
Inventories		**25,593,609**	(113,076,693)
Prepayments and other current assets	3	**(222,474,175)**	(157,895,897)
Other non-current assets	8	**(4,083,798)**	(1,186,748)
Increase (decrease) in:			
Trade and other current payables		**251,014,425**	(88,779,278)
Non-controlling interest		**10,890,000**	–
Cash generated from operations		**439,404,047**	966,077,290
Interest paid		**(127,319,542)**	(66,871,508)
Income taxes paid		**(102,875,163)**	(263,101,491)
Contribution to the retirement fund		**(8,062,808)**	(5,589,786)
Net cash provided by (used in) operating activities		**201,146,533**	630,514,505

CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends from associates		**711,941,536**	924,563,612
Interest received		**37,984,620**	31,725,741
Additions to property, plant and equipment	5	**(277,750,045)**	(29,245,993)
(Increase) decrease in investments in associates	7	**(975,800,000)**	(712,088,657)
Advances to affiliates		**–**	(42,383,809)
(Increase) decrease in AFS investments		**–**	(300,000)
Net cash flows provided by (used in) investing activities		**(503,623,889)**	172,270,894
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**143,000,000**	3,000,000,000
Payment of loans		**(30,000,000)**	–
Cash dividends paid		**(267,940,963)**	(490,080,545)
Additional deposits for future stock subscriptions of non-controlling interest of a subsidiary		**–**	–
Advances from associates and stockholders		**2,326,953**	(1,783,713)
Net cash provided by (used in) financing activities		**(152,614,010)**	2,508,135,742
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(455,091,365)**	3,310,921,141
EFFECT OF EXCHANGE RATE CHANGES		**3,091,611**	2,550,306
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**4,859,530,626**	3,057,406,413
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**₱4,407,530,872**	₱6,370,877,860

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2015
(With Comparative Figures for the same period in 2014)
(Amounts in Philippine Pesos)

	Notes	2015	2014
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	9	**₱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		**1,261,492,837**	1,292,314,175
Depreciation on the revaluation increment of an associate		–	–
Balance at end of interim period		**1,261,492,837**	1,292,314,175
FAIR VALUE RESERVE			
Balance at beginning of period		**254,554**	191,083
Changes		–	–
Balance at end of interim period		**254,554**	191,083
REMEASUREMENT LOSS ON EMPLOYEE BENEFITS			
Balance at beginning of period		**(69,240,190)**	(67,944,717)
Balance at end of interim period		(69,240,190)	(67,944,717)
RETAINED EARNINGS			
Balance at beginning of period		**5,407,714,113**	4,213,714,011
Dividends declared		**(267,940,960)**	(225,467,512)
Depreciation on the revaluation increment of an associate		–	–
Net income	10	**989,890,135**	1,203,645,634
Balance at end of interim period		**6,129,663,288**	5,191,892,133
		8,353,966,638	7,448,248,824

NON-CONTROLLING INTEREST		
Balance at beginning of period	**358,610,361**	**496,688,804**
Property dividend	**–**	–
Cash dividends	**–**	(264,613,032)
Conversion of deposit for future stock subscription	**10,890,000**	–
Minority income for the period	**157,284,922**	438,448,045
Balance at end of interim period	**526,785,284**	670,523,817
TOTAL EQUITY	**₱8,880,751,922**	₱8,118,772,641

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2015

1. Cash and Cash Equivalents

This account consists of:

	September 30, 2015	December 31, 2014
Cash on Hand and in Banks	₱240,777,625	₱1,647,369,237
Short Term Placements	4,166,753,247	3,212,161,389
	₱4,407,530,872	**₱4,859,530,626**

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

This account consists of:

	September 30, 2015	December 31, 2014
Trade Receivables	163,934,820	₱85,262,479
Accounts Receivable	24,404,851	68,919,357
Accrued interest	2,626,673	2,530,402
Advances to officers and employees	15,785,559	6,287,355
Others	10,171,181	9,974,916
	216,923,085	172,974,509
Less allowance for impairment loss	34,458,046	34,458,046
	₱182,465,039	**₱138,516,463**

Advances to associate and Stockholders	**₱30,959,347**	**₱40,930,884**

2.1 Aging of Trade receivables, advances and other current receivables

	September 30, 2015				December 31, 2014			
	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	₱158,917,329	₱18,095,346	₱37,283,737	₱214,296,411	₱1,512,402	₱60,662,037	₱108,269,663	₱170,444,102
Less: Allowance for impairment loss			34,458,046	34,458,046			34,458,046	34,458,046
	₱158,917,329	**₱18,095,346**	**₱2,825,691**	**₱179,838,365**	**₱1,512,402**	**₱60,662,037**	**₱73,811,617**	**₱135,986,056**

3. Prepayments and other current assets

The composition of this account is shown below:

	September 30, 2015	December 31, 2014
Advances to suppliers and other parties	₱468,740,542	₱325,352,461
Input tax	79,929,922	53,044,665
Creditable withholding taxes	76,290,425	24,319,217
Prepaid insurance	24,930,377	25,638,897
Others	2,169,001	1,230,850
	₱652,060,266	**₱429,586,090**

4. Available-for-sale investments

This account is composed of investments in shares of stock of the following entities:

	September 30, 2015	December 31, 2014
At Fair Value:		
Aboitiz Equity Ventures	₱573,500	₱573,500
PLDT	600	600
Paper Industries of the Phils.	31	31
	574,131	574,131
Add (Less) Fair Value Adjustment	-	-
	574,131	574,131
At Cost:		
VC Exchange Inc.	8,345,118	8,345,118
Cebu Country Club, Inc.	3,400,000	3,400,000
Tower Club, Inc.	300,000	300,000
INCA Plastic Phils., Inc.	50,000	50,000
	12,095,118	12,095,118
Less:		
Impairment loss on AFS	8,345,118	8,345,118
	3,750,000	3,750,000
Total Available for Sale Investments	**₱4,324,131**	**₱4,324,131**

5. Property and Equipment

Property and equipment consists of the following major classifications:

	Land	Condominium Unit, Building and Improvement	Plant Machineries and Equipment	Leasehold and Improvement	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	Tools and Other Assets	Total
Cost									
Beg. Balance, Dec. 31, 2014	₱-	₱25,924,832	₱18,014,045	₱25,157,022	₱27,812,923	₱33,249,958	₱685,455,790	₱505,670	₱816,120,240
Additions	1,000,000	11,330,504	29,000	917,636	6,146,967	6,494,285	250,427,638	367,633	276,713,662
Disposal	-	-	-	-	-	(2,781,250)	-	-	(2,781,250)
End. Balance, Sep. 30, 2015	1,000,000	37,255,336	18,043,045	26,074,657	33,959,890	36,962,993	935,883,429	873,303	1,090,052,652
Less: Accumulated Depreciation									
Beg. Balance, Dec. 31, 2014	-	9,291,210	4,061,256	9,093,582	16,820,517	15,779,531	-	304,626	55,350,723
Depreciation & Amortization	-	1,275,626	8,633,473	1,624,160	5,788,636	4,932,456	-	76,605	22,330,956
Disposal	-	-	-	-	-	(2,446,725)	-	-	(2,446,725)
End. Balance, Sep. 30, 2015	-	10,566,836	12,694,729	10,717,742	22,609,154	18,265,262	-	381,231	75,234,954
Carrying value, September 30, 2015	**₱1,000,000**	**₱26,688,500**	**₱5,348,316**	**P15,356,914**	**P11,350,736**	**P18,697,732**	**P935,883,429**	**P492,072**	**P1,014,817,698**

6. Investment Properties

Investment properties consist of parcels of land, building and improvements held by Hijos De F. Escano, Inc. for capital appreciation, rather than for administrative purposes or sale in the ordinary course of business. Some properties were leased out to outside parties to earn rental income.

Investment properties are valued at fair value based on the valuation carried out by independent appraisers as at February 2012. There was no appraisal made as at September 30, 2015 and year end 2014, and management has assessed that there is no significant change in the fair value of these properties since its valuation date.

Details of investment properties as at September 30, 2015 and December 31, 2014 are as follows:

	September 30, 2015	December 31, 2014
Land		
Cost	₱3,473,986	₱3,473,986
Fair Value Adjustment	266,629,014	266,629,014
	270,103,000	270,103,000
Building		
Cost	₱-	₱-
Fair Value Adjustment	3,968,000	3,968,000
	3,968,000	3,968,000
Total Investment Properties	**₱274,071,000**	**₱274,071,000**

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

The components of the carrying values of investment in an associate are as follows:

	September 30, 2015	December 31, 2014
Investment in VECO:		
Acquisition Cost	₱840,333,112	₱840,333,112
Accumulated Equity Earnings-net	302,894,540	126,995,923
Revaluation Surplus	1,291,291,883	1,291,291,883
Carrying Value	2,434,519,535	2,258,620,918
Investment in Delta P:		
Acquisition Cost	150,117,231	102,117,231
Accumulated Equity Earnings-net	47,543,388	19,983,408
Revaluation Surplus	-	-
Carrying Value	197,660,619	122,100,639
Investment in CPPC:		
Acquisition Cost	305,119,049	305,119,049
RPS Redemption – Cost	(100,693,994)	(100,693,994)
Accumulated Equity Earnings-net	(96,368,050)	(125,446,754)
Revaluation Surplus	-	-
Carrying Value	108,057,005	78,978,301

Investment in ABOVANT:		
Acquisition Cost	976,784,699	1,127,984,699
Accumulated Equity Earnings-net	507,239,608	506,150,986
Revaluation Surplus	-	-
Carrying Value	1,484,024,307	1,634,135,685
Investment in VSNRGC:		
Acquisition Cost	46,000,000	46,000,000
Deposit for future stock subscription	271,520,000	271,520,000
Accumulated Equity Earnings-net	(46,000,000)	(46,000,000)
Revaluation Surplus	-	-
Carrying Value	271,520,000	271,520,000
Investment in AHPC:		
Acquisition Cost	11,500,000	11,500,000
Accumulated Equity Earnings-net	(11,500,000)	(11,500,000)
Revaluation Surplus	-	-
Carrying Value	-	-
Investment in PEI:		
Acquisition Cost	500,000	500,000
Accumulated Equity Earnings-net	9,934	9,934
Revaluation Surplus	-	-
Carrying Value	509,934	509,934
Investment in CIPC:		
Acquisition Cost	3,125,000	3,125,000
Deposit for future stock subscription	98,972,167	98,972,167
Accumulated Equity Earnings-net	1,510,490	(3,125,000)
Revaluation Surplus	-	-
Carrying Value	103,607,657	98,972,167
Investment in TVI:		
Acquisition Cost	231,496,655	231,496,655
Accumulated Equity Earnings-net	(127,934)	(127,934)
Revaluation Surplus	40,603,451	40,603,451
Carrying Value	271,972,172	271,972,172
Investment in MCC:		
Acquisition Cost	1,021,250,000	1,021,250,000
Additional Investment	1,076,000,000	-
Accumulated Equity Earnings-net	(1,272,401)	(1,272,401)
Revaluation Surplus	-	-
Carrying Value	2,095,977,599	1,019,977,599
Investment in SREC:		
Acquisition Cost	3,000,000	-
Accumulated Equity Earnings-net	-	-
Revaluation Surplus	-	-
Carrying Value	3,000,000	-
Total Carrying Value of Investments	**₱ 6,970,848,828**	**₱5,756,787,415**

The Group has unrecognized share in losses from results of operations of its associates and joint venture amounting to P283.5 mn as of September 30, 2015 and P58.0 million as of December 31, 2014.

8. Other Non-Current Assets

The details of this account are shown below:

	September 30, 2015	December 31, 2014
Software cost	₱1,887,760	₱2,957,834
Advances to suppliers	24,845,780	24,019,530
Others	5,597,188	2,339,640
	₱32,330,728	**₱29,317,004**

9. Capital Stock

The details of the capital stock account are as follows:

	September 30, 2015	December 31, 2014
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

10. Earnings Per Share

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

	September 30, 2015	September 30, 2014
Basic Earnings Per Share		
Net income (loss) attributable to Parent shareholders	₱989,890,135	₱1,203,645,634
Less: Preferred shares	-	-
Net income (loss) identified with Common stock	989,890,135	1,203,645,634
Actual number of shares Outstanding	1,023,456,698	1,023,456,698
	0.967	**1.176**

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 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 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 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.

Vivant Corporation declared on May 27, 2015 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 9, 2015. The said cash dividends were paid on July 3, 2015.

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, 2015 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, 2015	
Loan Receivables	USD -	
Trade Receivables	USD -	
Cash	USD	1,430,556
	Euro	546
Gross Exposure	USD	1,430,556
	Euro	546

The average exchange rate for the period ended September 30, 2015 are as follows:

US Dollar-Philippine Peso	US$1 = Php44.95
Euro-Philippine Peso	Eu€1 = Php49.71

The exchange rate applicable as of September 30, 2015 are the following:

US Dollar-Philippine Peso	US$1 = Php46.70
Euro-Philippine Peso	Eu€1 = Php52.56

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of September 30, 2015 would have decreased equity and profit by Php 6.7 million. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of September 30, 2015 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.