

COVER SHEET

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S.E.C. Registration Number

[illegible]

P.S.E. Control Number

[illegible]

(Company's Full Name)

[illegible]

(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

Month Day
Fiscal Year

SEC FORM 17-Q

0	9
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3	0
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Month Day

FORM TYPE

N/A

Secondary license Type, If Applicable

C	F	D
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Dept. Requiring this Doc.

1,420

Total No. of Stockholders

1,023,171,679

Domestic

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Amended Articles Number/Section

285,019

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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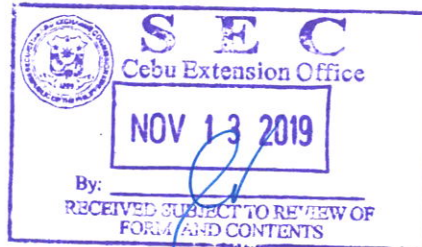
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SECURITIES AND EXCHANGE COMMISSION

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, 2019**
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 5,451,179,086

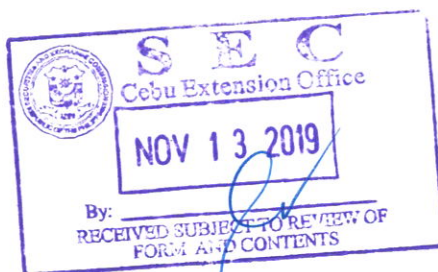
11. Are any or all of the securities listed on a Stock Exchange?

Yes ☒ 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:

(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 ☒ No ☐

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

Yes ☒ 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, 2019 compared with the interim period ended September 30, 2018. 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, 2019 versus YTD September 30, 2018

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

Key Performance Indicators <i>Amounts in Php '000, except for ratios</i>	YTD September 2019	YTD September 2018	YE 2018 Audited
Equity in Net Earnings of Associates and Joint Ventures	1,675,432	1,403,676	
EBITDA	2,618,730	1,339,857	
Cash Flow Generated / (Used)	775,026	(112,463)	
Net cash flows generated from (used in) operating activities	353,250	(273,195)	
Net cash flows generated from (used in) investing activities	1,124,287	501,971	
Net cash flows generated from (used in) financing activities	(702,510)	(341,239)	
Debt-to-Equity Ratio (x)	0.38	0.37	0.37
Current Ratio (x)	7.68	7.62 ^(a)	6.33

(a) Reported as 3.99x in the SEC 17 Q3 FY 2018 report. The adjustment is due to the reclassification of some current assets and liabilities to non-current accounts, to make it comparable to the end-September 2019 classification in accordance with Philippine Accounting Standards 1 (PAS 1), Presentation of Financial Statements.

The Company's share in net earnings of associates and joint ventures as of end-September 2019 amounted to Php 1.7 bn, representing a 19% year-on-year (YoY) increase from Php 1.4 bn. This was a result of the following:

- 40%-owned Minergy Power Corporation (MPC) saw a 49% YoY improvement in its income contribution during the period in review, from Php 324.1 mn to Php 483.3 mn. This can be mainly attributed to the 20% YoY increase in energy sold.
- 40%-owned Abovant Holdings, Inc. (AHI) recorded a 7% YoY improvement in its income contribution during the period in review, from Php 255.1 mn to Php 273.0 mn. This was driven by the enhanced profitability of its associate, Cebu Energy Development Corporation (CEDC). CEDC's favorable earnings performance for the period was mainly on account of the reversal of a non-recurring prior-year accrual.
- 20%-owned Therma Visayas, Inc. (TVI) shored in fresh earnings contribution of Php 86.0 mn during the period in review. Unit one of the 2x170 MW coal-fired power generation facility in Toledo City, Cebu went online in April 2019 and the second unit followed in August 2019. Revenues generated from testing and commissioning initiatives resulted to a positive earnings contribution for the first nine months of 2019.

- 50%-owned Calamian Islands Power Corporation (CIPC) posted a 31% YoY rise in income contribution, from Php 22.8 mn to Php 29.9 mn. This strong showing was mainly on the back of a 15% YoY expansion in total energy sales volume as of end-September 2019.
- 40%-owned Prism Energy, Inc. (Prism Energy) contributed earnings of Php 19.7 mn, a 102% expansion from last year's Php 9.8 mn. The robust performance can be attributed to the 87% YoY increase in energy sales volume, which was on the back of the rise in contracted capacity at 55 MW from 35 MW.

EBITDA for the period significantly rose by 95% YoY to Php 2.6 bn from Php 1.3 bn. This was mainly an outcome of the 82% YoY increase in operating income to Php 2.4 bn, which was on the back of:

- A 64% YoY spike in the sale of power, which mainly resulted from the improvement in energy sales volume of 55%-owned 1590 Energy Corporation (1590 EC). This was on the back of increased energy sales volume from ancillary services (up by 58% YoY), sale of excess capacity in the WESM, and higher volume sales through its bilateral contract. Higher energy sales volume of 100%-owned Vivant Energy Corporation (VEC) for its power supply agreement with Prism Energy, and 100%-owned Corenergy, Inc. (Corenergy), a Retail Electricity Supplier, by 76% YoY, and 16% YoY, respectively, also contributed to the strong revenue showing;
- A 19% YoY increase in the net earnings of associates and joint ventures brought about by the improved contributions of MPC, AHI, TVI, CIPC, and Prism Energy; and
- 82% YoY growth in interest income from short-term cash investments due to higher interest rates and higher cash level as of end-September 2019.

The Company ended the first nine months of 2019 with a net increase in cash, before considering the effect of changes in the foreign exchange rates, of Php 775.0 mn. This resulted from the cash generated from operating and investing activities. The increase in cash generation from operating activities of Php 353.3 mn is accounted for by the increase in trade payables of the Company and VEC. These were offset by the rise of VEC's prepayments and that of 1590 EC, higher trade receivables (mostly coming from 1590 EC) and payments for interest and income taxes. Investing activities contributed the most to cash generation at Php 1.1 bn, which mainly came from dividends received from AHI, CIPC, MPC, 40%-owned Cebu Private Power Corporation (CPPC) and 35%-owned Visayan Electric Company (VECO), the Company's distribution utility. Meanwhile, cash was used in financing activities, which stemmed from the payment of dividends by the Company and 1590 EC, principal amortization of the Company's Fixed Rate Corporate Notes (FRCN) and lease payments. Lease payments are classified under Financing activities in accordance with Philippine Financial Reporting Standards (PFRS) 16¹.

Debt-to-Equity ratio marginally rose to 0.38x as of end-September 2019 vis-à-vis end-December 2018 level of 0.37x. As of September 2019, the 18% expansion in total liabilities, which mainly stemmed from the recognition of finance lease liability in compliance with PFRS 16¹, coupled with higher income tax payable of 1590 EC and accrued pension expense by Parent and VEC, outpaced the 14% increase in total equity.

¹PFRS 16, *Leases*. At initial recognition, Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right of use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. Subsequently, Lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made. The related right-of-use asset is depreciated over the term of the lease. In the Statement of Cash Flows, lease payments are recognized under Financing activities from its previous classification under Operating activities.

The Company's current ratio grew to 7.68x as of end-September 2019 from year-end 2018 level of 6.33x. Current assets increased by 24% (mostly due to higher cash level, prepayments and receivables) while current liabilities marginally grew by 2% (mainly as a result of the recognition of the finance lease liability-current² and higher income tax payable).

Material Changes in Line Items of Registrant's Income Statement
(YTD September 2019 vs. YTD September 2018)

As of end-September 2019, the Company's total revenues amounted to Php 4.7 bn, recording a 44% YoY spike from Php 3.3 bn.

1. Sale of power, which comprise the bulk of revenues at Php 2.8 bn (or 61% of total), significantly rose by 64% YoY. This was attributed to the:
 - Improved topline performance of 1590 EC given higher revenues from ancillary services during the period in review. Revenue enhancements also came from the sale of excess capacity in the WESM and higher volume sales through its bilateral contract;
 - 76% YoY increase in the volume of energy sold by VEC for a power supply agreement with Prism Energy whose contracted capacity rose to 55 MW as of September 2019 from 35 MW during the same period last year; and
 - Corenergy contributed to the revenue spike with a 16% increase in the volume of energy sales against the same period last year.
2. The Company's share in net earnings of associates and joint ventures as of end-September 2019 amounted to Php 1.7 bn, representing a 19% year-on-year (YoY) increase from Php 1.4 bn. This was a result of the following:
 - 40%-owned MPC saw a 49% YoY improvement in its income contribution during the period in review, from Php 324.1 mn to Php 483.3 mn. This can be mainly attributed to the 20% YoY increase in energy sold.
 - 40%-owned AHI recorded a 7% YoY improvement in its income contribution during the period in review, from Php 255.1 mn to Php 273.0 mn. This was driven by the enhanced profitability of its associate, CEDC. CEDC's favorable earnings performance for the period was mainly on account of the reversal of a non-recurring prior-year accrual.
 - 20%-owned TVI shored in fresh earnings contribution of Php 86.0 mn during the period in review. Unit one of the 2x170 MW coal-fired power generation facility in Toledo City, Cebu went online in April 2019 and the second unit followed in August 2019. Revenues generated from testing and commissioning initiatives resulted to a positive earnings contribution for the first nine months of 2019.
 - 50%-owned CIPC posted a 31% YoY rise in income contribution, from Php 22.8 mn to Php 29.9 mn. This strong showing was mainly on the back of a 15% YoY expansion in total energy sales volume as of end-September 2019.
 - 40%-owned Prism Energy contributed earnings of Php 19.7 mn, a 102% expansion from last year's Php 9.8 mn. The robust performance can be attributed to the 87% YoY increase in energy sales volume, which was on the back of the rise in contracted capacity at 55 MW from 35 MW.

² PFRS 16, *Leases*. At initial recognition, Lessees are required to initially recognize a lease liability for the obligation to make lease payments for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term.

3. Management fees dropped by 21% YoY to Php 50.2 mn. The decline was mainly due to the reduced fees for the management contracts with an associate and the termination of a management contract with a joint venture after the Company's shareholdings therein, through two subsidiaries, were entirely sold. Another contributing factor to the drop was the execution of a one-time service level agreement in the same period last year.
4. Interest income significantly grew by 82% YoY to Php 126.0 mn from Php 69.3 mn. This mainly came from the Company's short-term money market placements that earned higher income due to improved rates vis-à-vis last year. Higher cash level as of end-September 2019 also contributed to this positive variance.

Total generation cost and operating expenses as of end-September 2019 expanded by 18% YoY, from Php 2.0 bn to Php 2.3 bn. Said movement can be accounted for by the following:

1. Generation costs went up by 21% to Php 1.9 bn from Php 1.6 bn. The rise in the energy sales of 1590 EC and Corenergy accounted for the increase. This is tempered by the lower depreciation of the right-of-use asset vis-à-vis actual rental payments in 1590 EC, in view of the PFRS 16 implementation which was effective January 1, 2019.
2. Salaries and employee benefits rose by 23% YoY to Php 166.9 mn from Php 135.9 mn. The increase was due to the increase in headcount, upward adjustment in salaries and higher availment of employee benefits.
3. Professional fees rose by 20% YoY from Php 64.2 mn to Php 76.8 mn, which were mainly attributed to consultancy fees involving project development and various corporate initiatives during the period in review.
4. Taxes and licenses were lower by 36% YoY to Php 25.0 mn from Php 38.9 mn. In the same period last year, there were non-recurring tax payments made by subsidiaries, i.e. documentary stamp tax for share issuance and transfer taxes for the sale of real property.
5. Depreciation and amortization grew by 50% YoY to Php 22.2 mn from Php 14.8 mn. The increase was attributable to the depreciation of the right-of-use asset that was recognized as a result of PFRS 16³ and the higher depreciation expense due to purchase of new assets.
6. Outside services increased by 63% YoY from Php 9.2 mn to Php 15.0 mn, which could be attributed to the hosting and support fees incurred for the Company's enterprise resource planning system and accounting services.
7. Travel expenses were 26% lower as of end-September 2019 at Php 13.5 mn from Php 18.3 mn. Delayed billings and lower airfare costs accounted for the cost reduction for the period in review.
8. Communication and utilities declined by 35% YoY to Php 4.9 mn from Php 7.6 mn due to the timing of billings from suppliers.

³ PFRS 16, *Leases*. After initial recognition, Lessees are required to depreciate the right-of-use asset over the term of the lease.

9. Representation was reduced by 64%, from Php 3.9 mn to Php 1.4 mn. This variance is attributed to the decrease in number and amount of sponsorships.
10. Rent and association dues posted a steep decline of 85% YoY to Php 1.1 mn from Php 7.0 mn. This was a result of the implementation of PFRS 16 in 2019. Actual rent and association dues increased to Php 7.6 mn, which was reflective of the escalation of rental rates for office spaces.
11. Other operating expenses went down by 10% YoY from Php 55.5 mn to Php 50.2 mn. In the same period last year, a subsidiary incurred higher costs related to projects.

The Company booked Php 138.7 mn in other charges as of end-September 2019, recording a 31% increase from previous year's other charges of Php 105.9 mn. The following account for the movement:

1. The Company recognized a one-off gain of Php 28.8 mn, which resulted from the collection of additional proceeds from a share sale transaction entered into and executed by its subsidiaries in 2018.

One-off gains in the same period last year amounting to Php 14.1 mn consisted of billings for hourly service fees to affiliates, reimbursement from an associate relating to bank charges, and a one-off collection from the National Grid Corporation of the Philippines (NGCP) for the power consumption of a transmission asset.

2. The Company and two subsidiaries earned revenues from various technical and trading services as of end-September 2019 in the amount of Php 19.4 mn.
3. The Company recognized finance costs of Php 62.6 mn resulting from the amortization of the finance lease liability booked as a result of PFRS 16⁴.
4. An unrealized foreign exchange gain of Php 0.5 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 two subsidiaries. This was against an unrealized foreign exchange gain of Php 6.9 mn recorded for the same period last year.

Accrued consolidated tax expense surged to Php 162.0 mn from Php 5.7 mn on account of higher income tax due in 1590 EC on the back of improved operating profits.

Taking all of the above into account, the Company recorded a total net income of Php 2.1 bn for the period ending September 30, 2019, which is 74% higher than last year's Php 1.2 bn. Net income attributable to parent amounted to Php 1.8 bn, up by 52% YoY.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-September 2019 vs. Year-end 2018)

The Company's total assets grew by 15%, from end-2018's level of Php 17.2 bn to Php 19.7 bn. The following are the material movements in the consolidated assets of the Company as of end-September 2019.

⁴ PFRS 16, *Leases*. After initial recognition, Lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made.

1. Cash and cash equivalents expanded by 20% to Php 4.6 bn as of end-September 2019 from Php 3.8 bn as of end-2018. This was attributed to the net cash generated from operating and investing activities.
2. Trade and other receivables rose by 17% to Php 825.2 mn as of end-September 2019. This increase was mainly on account of the dividend receivable from MPC and 50%-owned Delta P, Inc. (DPI). Further expansion was due to the increase in the trade receivables of 1590 EC on the back of improved energy sales.
3. Inventories dropped by 21% to Php 98.8 mn. This was attributed to the use of spare parts for plant maintenance and fuel consumption on the back of increased energy sales of 1590 EC.
4. Prepayments and other current assets expanded to Php 329.6 mn as of end-September 2019. The prepaid rent of and advances made to a supplier by 1590 EC mainly accounted for the rise.
5. Investments in and advances to associates and joint ventures grew to Php 10.9 bn. The Company's share in the net earnings of its associates and joint ventures mainly accounted for this increase. Additional investments were also made during the period in review.

100%-owned Vivant Hydrocore Holdings, Inc (VHHI) signed a memorandum of agreement with an Israeli-company to incorporate a joint venture company which will be engaged in the design, supply (including detailed design, procurement, and assembly), installation, commissioning, operation, and maintenance of water treatment and waste water treatment plants. The 50% stake in the joint venture company, Watermatic Philippines Corporation (WMP), further contributed to the investment expansion.

6. Right-of-Use asset-net amounting to Php 894.9 mn was recognized under PFRS 16, Leases. Under this accounting standard, the Company and 1590 EC recognized an asset for the right to use the assets being leased over the lease term. This accounting standard took effect on January 1, 2019.

Total consolidated liabilities posted an increase of 18% to Php 5.5 bn as of end-September 2019 from end-2018's Php 4.6 bn. This was mainly brought about by the recognition of finance lease liabilities as a result of PFRS 16. Other factors include:

1. Significant increase in the income tax payable of 1590 EC (up by 127% from end-2018) on the back of improved taxable income;
2. An 18% increase in the accrued pension expense by Parent and VEC; and
3. Deferred tax liabilities were recognized in 1590 EC for remeasurement gains on pension and prepaid rentals.

These were offset by a 9% drop in other payables (mostly coming from the payment of dividends), and 6% decrease in other noncurrent liabilities (mostly attributed to lower output VAT payable).

As a result of net income generated during the period in review, total stockholders' equity increased by 14%, from Php 12.6 bn as of year-end 2018 to Php 14.3 bn as of end-September 2019. Meanwhile, equity attributable to parent ended up higher by 12% at Php 13.6 bn as of end-September 2019.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-September 2019 vs. End-September 2018)

Cash and cash equivalents were marginally higher by 1% YoY, from Php 4.5 bn as of end-September 2018 to Php 4.6 bn as of end-September 2019.

For the period ending September 30, 2019, the net cash generated from the Company's operations amounted to Php 353.3 mn, a reversal of the net cash usage of Php 273.2 mn in the same period last year. The movement was mainly a result of the increase in trade payables of the Company and VEC. The change in the presentation of lease payments from operating to financing cash flows, in view of the PFRS 16 guidelines, also contributed to the net cash inflow during the period in review. This was offset by the rise in trade receivables of 1590 EC, prepayments of 1590 EC and VEC, and payments for interest and income taxes.

Investing activities generated the most cash as of end-September 2019 in the amount of Php 1.1 bn. The dividends received from AHI, CIPC, MPC, CPPC and VECO mainly accounted for the cash inflow. Adding to this was the cash generated from interest income earned during the period in review. In the same period last year, the Company generated cash from investing activities amounting to Php 502.0 mn.

As of end-September 2019, the Company used cash of Php 702.5 mn for financing activities, higher than last year's cash usage of Php 341.2 mn. The use of cash mainly stemmed from the payment of dividends by the Company and 1590 EC. The principal amortization of the Company's FRCN, lease payments and advances to related parties further contributed to the use of cash. Lease payments are reclassified from cashflows from operating activities to cashflows from financing activities in accordance with PFRS 16 guidelines.

Financial Ratios

The Company's current ratio grew to 7.68x as of end-September 2019 from year-end 2018 level of 6.33x. Current assets increased by 24% (mostly due to higher cash level, prepayments and receivables) while current liabilities marginally grew by 2% (mainly as a result of the recognition of the finance lease liability-current and higher income tax payable).

Debt-to-Equity ratio marginally rose to 0.38x as of end-September 2019 vis-à-vis end-December 2018 level of 0.37x. As of September 2019, the 18% expansion in total liabilities, which mainly stemmed from the recognition of finance lease liability in compliance with PFRS 16, coupled with higher income tax payable of 1590 EC and accrued pension expense by Parent and VEC, outpaced the 14% increase in total equity.

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.

The Company does not have material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons entities or other persons created during the period in review.

- 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 project, which will involve the construction and operation of a series of run-of-river hydropower facilities in Barangay Kapitan Ramon in Silay City, Negros Occidental. VMHI will implement the project in phases, where Phase 1 will involve the construction and operation of a 6 MW power plant facility along the Malogo river. The company has finalized the detailed engineering plans of the facility. Vivant, however, has decided to put the project on hold given the prevailing transmission constraint in the Negros grid, which is expected to be resolved by 2020 upon the completion of the Cebu-Negros-Panay 230kV backbone project of NGCP. VEC holds an effective equity stake of 67% in VMHI.
- Therma Visayas, Inc. (TVI) is the project proponent for the construction and operation of a 2x170 MW 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. This project was funded via a combination of debt (75%) and equity (25%). The first unit was connected to the grid in April 2019, while the second unit came online in August 2019. The Company has an effective ownership of 20%.

- Sabang Renewable Energy Corporation (SREC) is the project proponent for the construction and operation of a hybrid power generation facility in Bgy. Cabayugan, Puerto Princesa, which will be composed of a 1.4 MW solar power generation plant, 2.3 MWh storage facility and a 1.28 MW diesel-fired power generation unit. The project broke ground in May 2018 and is expected to be completed within second half of 2019. Funding will be via a combination of debt (75%) and equity (25%). The Company has an effective ownership of 30% in SREC.
- ET Vivant Solar Corporation (ET Vivant) is a company that was set up as a result of the joint venture with ET Energy Pilipinas Holding Corporation. ET Vivant will explore opportunities in the solar rooftop space. The Company will have an effective ownership of 60% in ET Vivant, through wholly owned subsidiaries VEC and Vivant Renewable Energy Corporation. (VREC) Construction works for a 1.35 MW solar rooftop facility for an industrial customer in Visayas were completed in May 2019.
- Global Energy Development Corporation (GLEDC) is a special purpose vehicle that was set up to undertake the construction and operation of a 2x335 MW coal fired power plant in La Union. In December 2017, Vivant, through wholly owned subsidiary Vivant Integrated Generation Corporation (VIGC), and Global Business Power Corporation signed a Pre-Development Agreement to jointly participate in this project. Vivant has an effective ownership of 42.5% in GLEDC.
- 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

None.

- 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

SVP – Corporate and Shared Services;
Chief Finance Officer; Compliance Officer



MARIA VICTORIA E. SEMBRANO

SAVP – Controllership

November 13, 2019

LBC EXPRESS, INC.
NO. 004 G/F, MERCADO BUILDING, GORORDO A
VENUE, LAHUG, CEBU CITY, CEBU
Tel. No. : (63) - 032 2310619
TIN No. : 000-782-148-971

Customer's Copy


1396 1369 0140

Accepted After Cut-off
THIS SERVES AS AN OFFICIAL RECEIPT
MIN : 15090120163320962
Serial No : SGH026R10K
Official Receipt No : CBE0410000040626

SHIPPER: **JP GARCIA AND, ASSOCIATES**
Address: UNIT 1501-1502 15TH FLR AYALA LIFE
FGU CENTER MINDANAO AVE., CEBU CITY, CEBU
Contact No.(s): 2320253 / 9000000000
Card Number: TIN:

CONSIGNEE:
And or/ care of: / **CALLANGAN, ATTY JUSTINA F**
Address: DIR CORP. GOVERNANCE & FINANCE DEPART. SEC
URITIES & EXCHANGE COMMISSION SECRETARIAT BLDG. PICC
PASAY CITY, METRO MANILA
Contact No.(s): 9000000000

Courier N-Pouch XL

Origin	: VIS-CBE04-GORORDO	VATable(Freight)	: 147.32	Track your padala at: www.lbcexpress.com Talk to our Care Representative www.lbcexpress.com Tel. : (632) 8858-5999 1-800-10-8585-999 *Only for PH outside NCR Let us know of your experience: survey.lbcexpress.com
Tran. Date	: 11/13/2019 03:40:58 PM	VAT-Exempt	: 0.00	
Delivery Date	: 11/15/2019	VAT Zero-Rated	: 0.00	
Area Dest.	: METRO MANILA	18AM Pickup Fee	: 0.00	
Tran. Type	: Delivery	Discount	: 0.00	
Cut-Off	: 03:30 PM	Total Sales	: 147.32	
Actual Wt (Kg.)	: 0.00	12% VAT	: 17.68	
		Amount Due	165.00	
		Mode	CASH	

Said to Contain : DOCUMENT

LBC Express values your privacy. For more info on our privacy policy visit www.lbcexpress.com/privacy-policy
SHIPPER WARRANTS THAT THE SHIPMENT HAS NO CASH INSIDE CLAIMS OR CARGO ARE LIMITED UP TO ACTUAL DECLARED VALUE ONLY
I hereby agree to be bound with the terms and conditions written at the back set forth by LBC EXPRESS

SANDE LEZ BERYL
Signature of Associate

JP GARCIA AND, ASSOCIATES
Signature of Shipper

OR Series No : CBE0410000000001 to CBE0409999999999 BIR Final PTUW:FP092015-122-0051706-00971
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. *

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements

As of September 30, 2019 (with Comparative Audited Consolidated Figures as of
December 31, 2018) and for the Nine Months Ended September 30, 2019

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(With Comparative Figures as of December 31, 2018)

(Amounts in Philippine Pesos)

	Notes	September 30, 2019	December 31, 2018
ASSETS			
Current Assets			
Cash and cash equivalents	1	₱4,562,557,041	₱3,787,016,107
Trade and other receivables	2	825,228,550	705,129,504
Advances to associates and stockholders	2	79,976,142	78,792,412
Inventories		98,793,059	125,498,946
Prepayments and other current assets	3	329,566,431	66,557,561
Total Current Assets		5,896,121,223	4,762,994,530
Noncurrent Assets			
Investments in and advances to associates and joint ventures	4	10,870,237,076	10,360,015,772
Right-of-Use		894,927,248	—
Property, plant and equipment	5	611,942,804	609,633,701
Investment properties	6	502,711,090	502,711,090
Deferred income tax assets - net		20,895,450	20,895,450
Pension Asset		5,720,225	5,720,225
Other noncurrent assets	7	939,270,719	935,337,903
Total Noncurrent Assets		13,845,704,612	12,434,314,141
TOTAL ASSETS		₱19,741,825,835	₱17,197,308,671

LIABILITIES AND EQUITY**Current Liabilities**

Trade and other payables	₱ 625,901,821	₱ 684,134,084
Finance lease liability – current	44,902,536	–
Advances from related parties	17,884,379	18,411,063
Refundable deposits	1,791,977	1,791,977
Income tax payable	52,007,474	22,933,075
Current portion of long-term notes payable	25,428,019	25,428,019
Total Current Liabilities	767,916,206	752,698,218

Noncurrent Liabilities

Long-term notes payable - net of current portion	2,814,726,970	2,844,726,970
Finance lease liability – noncurrent	882,434,815	–
Pension liability	40,708,740	34,452,922
Deferred income tax liabilities	114,635,705	109,362,283
Other noncurrent liabilities	830,756,650	885,604,321
Total Noncurrent Liabilities	4,683,262,880	3,874,146,496
Total Liabilities	5,451,179,086	4,626,844,714

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:			
Share in revaluation increment of an associate		1,398,039,947	1,398,039,947
Share in remeasurement losses on employee benefits of associates and a joint venture		(78,172,323)	(78,172,323)
Remeasurement gain on employee benefits		6,999,009	6,999,009
Unrealized valuation gain (loss) on available-for-sale (AFS) investments		1,289,709	1,289,709
Equity reserve		(43,845)	(43,845)
Retained earnings:			
Appropriated for business expansion		3,972,397,789	3,972,397,789
Unappropriated		7,260,413,560	5,802,739,051
Equity Attributable to Equity Holders of the Parent		13,592,719,996	12,135,045,487
Equity Attributable to Non-controlling Interests		697,926,753	435,418,470
Total Equity		14,290,646,749	12,570,463,957
TOTAL LIABILITIES AND EQUITY		₱19,741,825,835	₱17,197,308,671

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30, 2019

(With Comparative Figures for the same period in 2018)

(Amounts in Philippine Pesos)

	2019	2018
REVENUE		
Sale of power	₱2,841,153,417	₱1,728,990,295
Equity in net earnings of associates and joint ventures	1,675,431,639	1,403,676,421
Management fees	50,216,708	63,884,228
Interest income	126,008,192	69,269,268
	4,692,809,956	3,265,820,212
GENERATION COSTS	1,924,325,663	1,583,973,381
OPERATING EXPENSES		
Salaries and employee benefits	166,854,092	135,920,487
Professional fees	76,815,323	64,157,998
Taxes and licenses	24,990,381	38,941,613
Management fees	24,918,974	24,210,666
Depreciation and amortization	22,197,745	14,806,726
Outside services	15,014,254	9,186,962
Travel	13,495,884	18,318,976
Communication and utilities	4,922,551	7,586,646
Representation	1,425,657	3,933,645
Rent and association dues	1,067,785	7,026,269
Other operating expenses	50,227,918	55,546,252
	401,930,564	379,636,240
INCOME FROM OPERATIONS	2,366,553,729	1,302,210,591
OTHER INCOME (CHARGES)		
Finance costs – interest bearing loan	(124,774,516)	(126,810,349)
Finance costs – finance lease liability	(62,627,894)	–
Foreign exchange gains (losses)	514,551	6,851,220
Others – net	48,215,528	14,060,240
	(138,672,331)	(105,898,889)
INCOME BEFORE INCOME TAX	2,227,881,398	1,196,311,702
PROVISION FOR INCOME TAX	161,965,547	5,711,523
NET INCOME	2,065,915,851	1,190,600,179
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	₱2,065,915,851	₱1,190,600,179
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	₱1,803,807,568	₱1,186,115,814
Non-controlling interests	262,108,283	4,484,365
	₱2,065,915,851	₱1,190,600,179
Basic and diluted earnings per share, for net income		
for the year attributable to equity holders of		
the parent (see Note 9)	₱1.762	₱1.159

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

(With Comparative Figures for the same period in 2018)

(Amounts in Philippine Pesos)

	2019	2018
REVENUE		
Sale of power	₱821,229,666	₱701,655,301
Equity in net earnings of associates and joint ventures	635,321,789	611,135,783
Management fees	47,022,125	27,944,488
Interest income	36,264,387	25,731,578
	1,539,837,967	1,366,467,150
GENERATION COSTS	484,316,844	532,498,539
OPERATING EXPENSES		
Salaries and employee benefits	49,501,943	37,379,872
Professional fees	27,328,015	33,715,464
Depreciation and amortization	7,386,703	4,914,611
Travel	6,802,926	8,320,716
Outside services	5,810,972	3,373,209
Management fees	4,792,500	3,541,000
Taxes and licenses	2,993,282	2,385,477
Communication and utilities	2,121,731	3,742,031
Representation	703,166	1,766,565
Rent and association dues	465,745	2,457,982
Other operating expenses	19,875,915	12,287,777
	127,782,898	113,884,704
INCOME FROM OPERATIONS	927,738,225	720,083,907
OTHER INCOME (CHARGES)		
Finance costs – interest bearing loan	(41,543,252)	(41,981,438)
Finance costs – finance lease liability	(19,857,215)	–
Foreign exchange gains (losses)	1,091,739	1,643,218
Others – net	9,829,421	42,848
	(50,479,307)	(40,295,372)
INCOME BEFORE INCOME TAX	877,258,918	679,788,535
PROVISION FOR INCOME TAX	62,122,981	5,300,170
NET INCOME	815,135,937	674,488,365
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	₱815,135,937	₱674,488,365
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	₱715,435,071	₱627,088,007
Non-controlling interests	99,700,866	47,400,358
	₱815,135,937	₱674,488,365
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the parent (see Note 9)	₱0.699	₱0.613

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(With Comparative Figures for the same period in 2018)
(Amounts in Philippine Pesos)

	Attributable to Equity Holders of the Parent											
	Capital Stock	Additional Paid-in Capital	Share in Revaluation Increment of an Associate	Remeasurement Gain (Loss) on Employee Benefits	Share in Remeasurement Losses on Employee Benefits of Associates and a Joint Venture	Unrealized Valuation Gain (Loss) on AFS Investments	Equity Reserve	Retained Earnings		Equity Attributable to Non-Controlling Interests	Total Equity	
								Appropriated	Unappropriated			Total
Balances at January 1, 2019	₱1,023,456,698	₱8,339,452	₱1,398,039,947	₱6,999,009	(₱78,172,323)	₱1,289,709	(₱43,145)	₱3,972,397,789	₱5,802,739,051 (346,133,059)	₱12,135,045,487 (346,133,059)	₱435,418,470	₱12,570,463,957 (346,133,059)
Dividends declared												
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	1,803,807,568	1,803,807,568	262,108,283	2,065,915,851
Additional investments of non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	400,000	400,000
Balances at September 30, 2019	₱1,023,456,698	₱8,339,452	₱1,398,039,947	₱6,999,009	(₱78,172,323)	₱1,289,709	(₱43,145)	₱3,972,397,789	₱7,260,413,560	₱13,592,719,996	₱697,926,753	₱14,290,646,749
Balances at January 1, 2018	₱1,023,456,698	₱8,339,452	₱1,472,399,497	₱51,576	(₱74,564,481)	(₱5,291)	(₱43,145)	₱3,422,808,228	₱4,850,457,874 (285,749,110)	₱10,702,899,708 (285,749,110)	₱582,856,500	₱11,285,756,208
Dividends declared											(62,228,924)	(347,978,034)
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	1,186,115,814	1,186,115,814	4,484,365	1,190,600,179
Interests of a subsidiary											9,442,760	9,442,760
Balances at September 30, 2018	₱1,023,456,698	₱8,339,452	₱1,472,399,497	₱51,576	(₱74,564,481)	(₱5,291)	(₱43,145)	₱3,422,808,228	₱5,750,824,578	₱11,603,266,412	₱534,554,701	₱12,137,821,113

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(With Comparative Figures for the same period in 2018)
(Amounts in Philippine Pesos)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱2,227,881,398	₱1,196,311,706
Adjustments for:			
Equity in net earnings of associates and joint ventures		(1,675,431,639)	(1,403,676,421)
Finance costs – interest bearing loan		124,774,516	126,810,349
Finance costs – finance lease liability		62,627,894	–
Interest income		(126,008,192)	(69,269,268)
Depreciation and amortization		203,446,683	23,586,460
Unrealized foreign exchange (gains) losses		(514,551)	(6,851,220)
Loss on disposal of property and equipment		(150,297)	(28,399)
Pension expense		6,355,818	5,498,737
Operating income before working capital changes		822,881,630	(127,618,056)
Decrease (increase) in:			
Trade and other receivables	2	(1,892,178)	(47,093,041)
Prepayments and other current assets	3	(263,008,870)	(26,592,886)
Inventories		26,705,887	(7,408,285)
Increase (decrease) in:			
Noncurrent liabilities		(54,847,671)	–
Trade and other current payables		77,450,325	82,130,011
Cash generated from (used in) operations		607,289,123	(126,582,257)
Interest paid		(126,421,649)	(127,072,725)
Income taxes paid		(127,617,726)	(19,540,422)
Net cash flows from (used in) operating activities		353,249,748	(273,195,404)

CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in investments in and advances to associates and joint ventures	4	(104,681,114)	(752,750,055)
Dividends received from associates and joint ventures		1,148,891,450	1,257,899,055
Proceeds from the sale of property and equipment		150,297	28,399
Interest received		128,801,324	66,134,628
Additions to property, plant and equipment	5	(44,929,552)	(77,050,199)
(Increase) decrease in other noncurrent assets		(3,945,336)	7,709,387
Net cash flows from (used in) investing activities		1,124,287,069	501,971,215
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payment of loans		(30,000,000)	(30,000,000)
Cash dividends paid		(480,168,515)	(344,890,774)
Finance lease		(191,031,505)	—
Additional investments of non-controlling interest of a subsidiary		400,000	9,442,760
(Increase) decrease in advances to associates and stockholders		(1,710,414)	24,209,165
Net cash flows from (used in) financing activities		(702,510,434)	(341,238,849)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		775,026,383	(112,463,038)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		514,551	6,851,220
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD			
Cash and cash equivalents		3,787,016,107	4,635,082,495
Restricted cash		650,000	650,000
		3,787,666,107	4,635,732,495
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and cash equivalents		4,562,557,041	4,529,470,677
Restricted cash		650,000	650,000
		₱4,563,207,041	₱4,530,120,677

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2019

1. Cash and cash equivalents

This account consists of:

	September 30, 2019	December 31, 2018
Cash on hand and in banks	₱334,794,731	₱131,456,495
Short-term investments	4,227,762,310	3,655,559,612
	₱4,562,557,041	₱3,787,016,107

2. Trade and other receivables, advances to associates and stockholders

This account consists of:

	September 30, 2019	December 31, 2018
Trade receivables	₱641,742,356	₱602,356,443
Dividends receivable	168,500,000	47,500,000
Advances to officers and employees	10,918,427	2,260,639
Accounts receivable	11,436,583	53,606,943
Accrued interest	5,650,431	8,455,867
Advances to shareholders of a joint venture	-	16,173,188
Others	41,381,361	29,177,032
	879,629,158	759,530,112
Less allowance for impairment loss	54,400,608	54,400,608
	₱825,228,550	₱705,129,504
 Advances to associate and stockholders	 ₱79,976,142	 ₱78,792,412

2.1 Aging of Trade and other receivables

	YTD September 30, 2019				YE 2018			
	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	₱306,945,941	₱59,309,418	₱513,373,799	₱879,629,158	₱551,979,932	₱19,225,933	₱188,324,247	₱759,530,112
Less: Allowance for impairment loss			54,400,608	54,400,608			54,400,608	54,400,608
	₱306,945,941	₱59,309,418	₱458,973,191	₱825,228,550	₱551,979,932	₱19,225,933	₱133,923,639	₱705,129,504

3. Prepayments and other current assets

The composition of this account is shown below:

	September 30, 2019	December 31, 2018
Advances to suppliers and other parties	₱169,341,337	₱4,657,714
Creditable withholding taxes - current	7,684,401	4,948,707
Input VAT - current	28,752,669	21,206,727
Prepaid expenses	91,256,747	32,762,283
Others	32,531,277	2,982,130
	₱329,566,431	₱66,557,561

4. 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, 2019	December 31, 2018
Investment in VECO:		
Acquisition Cost	₱882,952,562	₱882,952,562
Accumulated Equity Earnings-net	461,207,544	285,653,357
Revaluation Surplus	1,357,436,495	1,357,436,496
Carrying Value	2,701,596,601	2,526,042,415
Investment in Delta P:		
Acquisition Cost	255,411,833	305,411,833
Redemption of preferred stock	-	(50,000,000)
Accumulated Equity Earnings-net	4,158,337	(2,335,356)
Carrying Value	259,570,170	253,076,477
Investment in CPPC:		
Acquisition Cost	305,119,049	305,119,049
Accumulated Equity Earnings-net	(110,255,912)	(154,473,865)
Carrying Value	194,863,137	150,645,184
Investment in ABOVANT:		
Acquisition Cost	976,784,699	976,784,699
Accumulated Equity Earnings-net	574,723,675	565,741,807
Carrying Value	1,551,508,374	1,542,526,506
Investment in PEI:		
Acquisition Cost	6,900,000	6,900,000
Accumulated Equity Earnings-net	36,108,262	16,398,015
Carrying Value	43,008,262	23,298,015
Investment in CIPC:		
Acquisition Cost	102,097,169	102,097,169
Accumulated Equity Earnings-net	53,709,828	23,849,442
Carrying Value	155,806,997	125,946,611

	September 30, 2019	December 31, 2018
Investment in TVI:		
Acquisition Cost	2,155,304,701	665,754,888
Additional investment	-	1,489,549,813
Accumulated Equity Earnings-net	120,698,412	34,722,577
Revaluation Surplus	40,603,451	40,603,452
Carrying Value	2,316,606,564	2,230,630,730
Investment in MPC:		
Acquisition Cost	2,756,240,000	2,756,240,000
Accumulated Equity Earnings-net	660,592,169	617,341,671
Carrying Value	3,416,832,169	3,373,581,671
Investment in LPCI:		
Acquisition Cost	114,750,000	42,165,993
Additional investment	-	72,584,007
Accumulated Equity Earnings-net	(587,295)	(572,183)
Carrying Value	114,162,705	114,177,817
Investment in GLEDC:		
Acquisition Cost	-	-
Accumulated Equity Earnings-net	(26,933,302)	(20,057,047)
Carrying Value	(26,933,302)	(20,057,047)
Investment in SREC:		
Acquisition Cost	40,200,000	5,100,000
Additional investment	-	35,100,000
Accumulated Equity Earnings-net	(2,829,886)	(1,753,454)
Carrying Value	37,370,114	38,446,546
Investment in CREC:		
Acquisition Cost	2,192,000	2,192,000
Additional investment	1,050,000	-
Accumulated Equity Earnings-net	(503,211)	(491,153)
Carrying Value	2,738,789	1,700,847
Investment in WPC:		
Acquisition Cost	103,631,114	-
Accumulated Equity Earnings-net	(524,618)	-
Carrying Value	103,106,496	-
Total Carrying Value of Investments	₱10,870,237,076	₱10,360,015,772

5. Property, Plant and Equipment

Property, plant and equipment consists of the following major classifications:

	YTD September 2019									
	Land	Plant Machineries and Equipment	Solar Panels	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements	Construction in Progress	Total
Cost										
At January 1	P30,631,600	P591,133,893	–	P45,977,395	P52,331,592	P59,851,063	P10,983,896	P50,041,256	P96,143,611	P937,094,306
Additions	950,000	62,294	–	–	5,165,494	6,329,671	1,042,793	22,500	31,356,800	44,929,552
Reclassification	–	–	62,094,465	–	–	–	–	–	(62,094,465)	–
Disposal	–	–	–	–	(645,873)	–	–	–	–	(645,873)
At September 30	31,581,600	591,196,187	62,094,465	45,977,395	56,851,215	66,180,734	12,026,689	50,063,756	65,405,946	981,377,985
Accumulated Depreciation										
At January 1	–	216,219,412	–	23,451,362	30,591,637	41,011,040	7,298,835	8,888,319	–	327,460,605
Depreciation	–	18,692,429	3,116,779	1,098,353	5,990,315	7,378,778	1,063,115	5,280,680	–	42,620,449
Disposal	–	–	–	–	(645,873)	–	–	–	–	(645,873)
At September 30	–	234,911,841	3,116,779	24,549,715	35,936,075	48,389,818	8,361,950	14,168,999	–	369,435,181
Net Book Value	P31,581,600	P356,284,346	P58,977,686	P21,427,680	P20,915,134	P17,790,916	P3,664,739	P35,894,757	P65,405,946	P611,942,804
	YE 2018									
	Land	Plant Machineries and Equipment	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements	Construction in Progress	Total	
Cost										
At January 1	P30,631,600	P590,052,875	P45,977,395	P47,338,032	P45,982,264	P9,753,477	P18,587,779	P39,874,660	P828,198,082	
Additions	–	1,081,018	–	10,202,583	13,537,638	1,230,419	25,988,516	62,234,715	114,274,889	
Reclassification	–	–	–	–	500,803	–	5,464,961	(5,965,764)	–	
Disposal	–	–	–	(5,209,023)	(169,642)	–	–	–	(5,378,665)	
At December 31	30,631,600	591,133,893	45,977,395	52,331,592	59,851,063	10,983,896	50,041,256	96,143,611	937,094,306	
Accumulated Depreciation										
At January 1	–	206,331,876	21,815,672	25,895,347	33,397,734	5,378,176	7,283,103	–	300,101,908	
Depreciation	–	9,887,536	1,635,690	8,279,547	7,782,948	1,920,659	1,605,216	–	31,111,596	
Disposal	–	–	–	(3,583,257)	(169,642)	–	–	–	(3,752,899)	
At December 31	–	216,219,412	23,451,362	30,591,637	41,011,040	7,298,835	8,888,319	–	327,460,605	
Net Book Value	P30,631,600	P374,914,481	P22,526,033	P21,739,955	P18,840,023	P3,685,061	P41,152,937	P96,143,611	P609,633,701	

6. Investment Properties

	September 30, 2019	December 31, 2018
Land		
Cost	P502,711,090	P-502,711,090
Total Investment Properties	502,711,090	502,711,090

Some of the Company's investment properties were leased out to the Parent company and outside parties to earn rental income. Total rental income amounting to Php 1.4 mn and Php 1.4 mn as of end-September 2019 and end- September 2018, respectively, were recorded as part of "Other income" in the consolidated statements of comprehensive income.

Management assessed that there is no significant change in the fair value of the Group's investment properties from the valuation date until September 30, 2019.

Real property taxes pertaining to the land amounting to Php 0.8 mn and Php 0.8 mn as of end-September 2019 and 2018, 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.

7. Other Non-Current Assets

The details of this account are shown below:

	September 30, 2019	December 31, 2018
Advances to suppliers	P701,135,324	P701,135,323
Creditable withholding taxes - noncurrent	201,882,783	177,422,849
Input VAT - noncurrent	13,812,973	40,692,878
Financial assets at FVOCI	5,600,631	5,550,000
Software cost	–	12,520
Others - net of allowance for impairment loss of Php 48.05 mn	16,839,008	10,524,333
	P939,270,719	P935,337,903

8. Capital Stock

The details of the capital stock account are as follows:

	YTD September 30, 2019	YE 2018
Authorized Capital Stock – 2,000,000; P1.00 par value	P2,000,000,000	P2,000,000,000
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:

	YTD September 30, 2019	YE 2018
Basic Earnings Per Share		
Net income (loss) attributable to shareholders of the parent company	1,803,807,568	1,730,807,717
Weighted average number of outstanding common shares	1,023,456,698	1,023,456,698
	1.762	1.691

10. 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 partial payments on the principal for Php 30 mn in February of each year starting 2015 or a total of Php 150.0 mn as of end-September 2019.

Vivant Corporation declared on May 15, 2019 cash dividends per share of Php 0.3382 for stockholders of record as of May 29, 2019. The said cash dividends were paid on June 24, 2019.

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 2.1 of the Notes to the interim Financial Statements as of September 30, 2019 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, 2019
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 89,965
	Euro 1,021
Trade Payables	USD –
	Euro –
Gross Exposure	USD 89,965
	Euro 1,021

The average exchange rates for the quarter ended September 30, 2019 are as follows:

US Dollar-Philippine Peso	US\$1 = Php 51.73
Euro-Philippine Peso	Eu€1 = Php 57.50

The exchange rates applicable as of September 30, 2019 are the following:

US Dollar-Philippine Peso	US\$1 = Php 51.83
Euro-Philippine Peso	Eu€1 = Php 56.65

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of September 30, 2019 would have decreased equity and profit by Php 0.5 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of September 30, 2019 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.