NOTICE AND AGENDA
OF ANNUAL MEETING OF STOCKHOLDERS

VIVANT CORPORATION
Suites 907-908 Ayala Life-FGU Center
Mindanao Avenue corner Biliran Road
Cebu Business Park, Cebu City

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of VIVANT CORPORATION will be held at the Cebu Country Club, Cebu City, on June 26, 2015 (Friday) at 10:00 in the morning.

The Annual Stockholders' Meeting shall have the following Agenda:

1. Call to Order
2. Proof of Notice and Determination of Quorum
3. Reading and Approval of Minutes of the Annual Stockholders' Meeting held on June 27, 2014
4. Annual Report of Officers
5. Approval of the 2014 Annual Report and Financial Statements
6. Delegation of Authority to Appoint External Auditors for 2015 to the Board of Directors
7. Ratification of all Acts and Resolutions of the Board of Directors and Management Adopted For Fiscal Year 2014
8. Approval of Amendment to the Third Article of the Articles of Incorporation on the Principal Place of Business.
9. Approval of the Amendment to the Article II, Section 1 of By-Laws on the date of the annual meeting of stockholders
10. Election of Directors (including Independent Directors)
11. Other Matters that may properly be brought before the meeting
12. Adjournment

Only stockholders of record at the close of business as of May 26, 2015 are entitled to notice and to vote at this meeting. Registration will start at 8:30 A.M. and will end at 9:30 A.M. Upon registration, presentation of any proof of identification, such as driver's license, passport, company I.D. or SSS/GSIS I.D. will be required. Aside from personal identification, representatives of corporate stockholders and other entities should also present a duly sworn Secretary's Certificate or a similar document showing his or her authority to represent the corporation or entity.

Should you be unable to attend the meeting, we encourage you to vote by executing a proxy form in favor of a representative and by following the instructions on the voting instruction form, both of which are enclosed with this document. In accordance with the Amended By-Laws of the Company, proxies must be submitted for inspection, validation and record at least seven (7) days prior to the opening of the Stockholders' Meeting, or on or before June 19, 2015 to the Office of the Corporate Secretary at Suites 907-908, 9th Floor, Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City.

Cebu City, May 21, 2015.

FOR THE BOARD OF DIRECTORS:

JESS ANTHONY N. GARCIA
Corporate Secretary

Annex “A”

AGENDA
DETAILS AND RATIONALE

1. **Call to Order.** The Chairman of the Board of Directors, Mr. Dennis N. a. Garcia , will call the meeting to order and preside over the same.

2. **Proof of Notice and Determination of Quorum.** The Corporate Secretary, Atty. Jess Anthony N. Garcia, will certify that copies of the Notice and Agenda of the meeting together with the Definitive Information Statement, 2014 Annual Report, and Proxy Form were delivered to Stockholders as of Record Date <insert record date>. The Corporate Secretary will also certify, based on the number of shares owned by Stockholders present or represented by proxy at the meeting, whether quorum exists for the valid transaction of business at the meeting. Finally, the Corporate Secretary will explain the rules for the orderly conduct of the meeting.

3. **Reading and Approval of Minutes of the Annual Stockholders’ Meeting held on June 27, 2014.** Copies of the draft Minutes are available for examination during office hours at the Office of the Corporate Secretary and the website of Vivant Corporation at www.vivant.com.ph. Stockholders will be asked to approve the draft Minutes and acknowledge the completeness and accuracy thereof. The text of the proposed resolution is as follows:

   > *“**WHEREAS**,* that the Stockholders of Vivant Corporation (the “Corporation”) have reviewed the Minutes of the previous Annual Stockholders’ Meeting;
   >
   > ***RESOLVED,*** as it is hereby resolved, that Stockholders of the Corporation approve the Minutes of the Annual Stockholders’ meeting held on June 27, 2015.”

4. **Annual Report of Officers.** The Chief Operating Officer will present the overview of Vivant Corporation’s financial performance in 2014 and the highlights of the Corporation’s performance in the first quarter of 2015.r He will also present the challenges and highlights of 2014, and the outlook for 2015. Finally, he will provide an update on new policies of the Corporation and regulatory matters.

5. **Approval of the 2014 Annual Report and Financial Statements.** The Audited Financial Statement (the “AFS”) of Vivant Corporation for the fiscal year ended December 31, 2014 contained in the Corporation’s 2014 Annual Report and Information Statement, will be presented to the Stockholders for approval. The Chairman, Chief Operating Officer, any member of the Audit Committee, or any representative of the Company’s external auditors, Sycip Gorres Velayo & Co. will respond to questions which may be raised by any stockholder regarding the Corporation’s AFS for the fiscal year December 31, 2014.

6. **Delegation of Authority to Appoint External Auditors for 2015 to the Board of Directors.** Stockholders will be asked to approve the delegation of authority to appoint Vivant Corporation’s external auditors for 2015-2016 to the Board of Directors. The external auditors will be tasked with the preparation of the annual audited statements. The text of the proposed resolution is as follows:

> “***WHEREAS,*** the Stockholders of the Corporation have the right to participate in key corporate governance decisions, such as the right to appoint External Auditors;
>
> ***WHEREAS,*** the Stockholders agreed to delegate the authority to appoint the External Auditors for 2015 to the Board of Directors;
>
> ***RESOLVED,*** as it is hereby resolved, that the Stockholders of the Corporation authorize the Board of Directors to appoint the External Auditors for 2015.”

7. **Ratification of all Acts and Resolutions of the Board of Directors and Management Adopted for Fiscal Year 2014.** The Stockholders will be asked to ratify and confirm all acts, transactions and resolutions of the Board of Directors and Management in connection with the performance and operations of the Corporation.

8. **Approval of Amendment to the Third Article of the Articles of Incorporation on the Principal Place of Business.** The Stockholders will be asked to approve the amendment of the Articles of Incorporation to include the Barangay where the principal office of the corporation is to be established or located. The proposal is to amend the Third Article to read: Suites 907-908, 9th Floor, Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City Philippines 6000.

   The foregoing amendment is in compliance with SEC Memorandum Circular No. 6 dated February 20, 2014, directing all corporations to whose articles of incorporation indicate only a general address as their principal office address, such that it refers only to a city, town or municipality, or “Metro Manila”, are directed to file an amended articles of incorporation in order to specify their complete address, such that, if feasible, it has a street number, street name, barangay, city or municipality, and if applicable, the name of building, number of building, name or number of room or unit.

   The text of the proposed resolution is as follows:

   > “***WHEREAS,*** in compliance with SEC Memorandum Circular No. 6 dated February 20, 2014, the Stockholders agreed to amend the Articles of Incorporation to indicate the complete address of the principal office of the Corporation;
   >
   > ***RESOLVED,*** as it is hereby resolved, that the Stockholders of the Corporation approve the amendment to the third article of the Articles of Incorporation to indicate that the place where the principal office of the corporation is to be established or located is at Suites 907-908, 9th Floor, Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City Philippines 6000.”

9. **Approval of the Amendment to the Article II, Section 1 of By-Laws on the date of the annual meeting of stockholders.** The Stockholders will be asked to approve the amendment of Article II, Section 1 of the Amended By-Laws to amend the date of the Regular Meetings of Stockholders to “every third Thursday of June of each year.”

   The text of the proposed revision is as follows:

   > ***WHEREAS,*** the Stockholders resolved to amend the date of annual meetings of stockholders;

RESOLVED, as It is hereby resolved, that the Stockholders of the Corporation approve the amendment to Article ii, Section 1 of the Amended By-Laws to amend the date of the Regular Meetings of Stockholders to "every third Thursday of June of each year."

10. **Election of Directors (including Independent Directors).** For 2015, the candidates for the Board of Directors are the following:

    Mr. Dennis N. A. Garcia
    Mr. Emil Andre M. Garcia
    Mr. Gil A. Garcia II
    Mr. Charles Sylvestre A. Garcia
    Mr. Elbert M. Zosa
    Mr. Ramontito E. Garcia
    Mr. Efren P. Sarmiento
    Mr. Jose Marko Anton G. Sarmiento
    Mr. Johannes Rudolf Hauri
    Amb. Raul Ch. Rabe (Independent Director)
    Atty. Jesus B. Garcia, Jr. (Independent Director)

    The profiles of the candidates to the Board are found on pages 11 to 13 of this Information Statement. For further reference and examination of the Stockholders, a summary of the business, professional experience for the past five (5) years are also provided in the Information Statement.

    Stockholders will be given the opportunity to elect directors for 2015 individually through the cumulative voting process. Stockholders will be asked to cast their votes.

11. **Other Matters that may properly be brought before the meeting.** Stockholders may raise other relevant matters not included as an item in the Agenda. If such matters may be properly taken up in the meeting, Stockholders may be requested to consider the same.

12. **Adjournment.** After all business to be conducted at the Meeting has been considered, the Chairman will declare the Meeting concluded.

PROXY FORM

The undersigned shareholder of Vivant Corporation ("Corporation") hereby appoints______________________ ("Proxy"), as the nominee to attend and act for the undersigned at the meeting of shareholders of the Corporation to be held on the 26th day of June 2015 and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

DATED this_________ day of June 2015.

Name of shareholder: ____________________________

Signature or Seal of Shareholder (as appropriate): __________________________

Securities & Exchange Commission
SEC Form 20-IS

Information Statement Pursuant to Section 20
of the Securities Regulation Code

1. Check the appropriate box:

Preliminary Information Statement: ( )

Definitive Information Statement: (√)

2. Name of Registrant as specified in its charter: **VIVANT CORPORATION**

3. Province, country or other jurisdiction of Incorporation or organization: **Cebu, Philippines**

4. SEC Registration Number: **17522**

5. BIR Tax Identification Code: **242-603-734-000**

6. Address of Principal Office: **Suites 907-908, 9th Floor Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City, Philippines 6000**

7. Registrant's Telephone Number, including area code: **+63 32 234-2256**
+63 32 234-2285

8. Date, Time and Place of meeting of the security holders

Date: **June 26, 2015 (Friday)**
Time: **10:00 A.M.**
Place **Cebu Country Club,**
Gov. M. Cuenco Avenue,
Banilad, Cebu City

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **June 5, 2015**

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA:

Authorized Capital Stock: **Php 2,000,000,000.00**

Title of Each Class	Par Value	No. of Shares	Authorized Capital Stock
Common	Php 1.00	2,000,000,000	Php 2,000,000,000.00

No. of Shares Outstanding as of December 31, 2015 **Php 1,023,456,698.00**

11. Are any or all of the Registrant's securities listed in a Stock Exchange? Yes (√) No ( )

The common stock of Vivant is listed at the Philippine Stock Exchange.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

Date	:	**June 26, 2015 (Friday)**
Time	:	**10:00 A.M.**
Place	:	**Cebu Country Club** **Gov. M. Cuenco Avenue** **Banilad, Cebu City**
Name, Complete Address and Contact Numbers of Registrant**:**		**VIVANT CORPORATION** **Suites 907-908, 9th Floor, Ayala Life-FGU Center, Mindanao Ave. corner Biliran Road,** Cebu Business Park, Barangay Luz, Cebu City 6000 **+63 32 234-2256** **+63 32 234-2285**
Approximate date when the Information Statement is first to be sent or given to security holders:		**June 5, 2015**

Item 2. Dissenters' Right of Appraisal.

There are no matters or proposed actions included in the Agenda of the Meeting that may give rise to a possible exercise by stockholders of their appraisal rights. Generally, however, the stockholders of Vivant Corporation (hereinafter referred to as "Vivant" or the "Company" or the "Registrant") have the right of appraisal in the following instances: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; (c) in case of merger or consolidation; and (d) investment of corporate funds in another corporation or business or for any purpose other than the primary purpose for which it was organized (Sections 42 and 81 of the Corporation Code).

With respect to any matter to be acted upon at meetings of stockholders of Vivant which may give rise to the right of appraisal, in order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder shall, within thirty (30) days after the date of the stockholders' meeting at which such stockholder voted against a corporate action, make a written demand on Vivant for the value of his shares. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 81 to 86 of the Corporation Code.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, where appraisal rights are applicable, by making a written demand on Vivant within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, Vivant shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and Vivant cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by Vivant and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by Vivant within thirty (30) days after such award is made; *provided*, that no payment shall be made to any dissenting stockholder unless Vivant has unrestricted retained earnings in its books to cover such payment; *provided*, further, that upon payment by Vivant of the agreed or awarded price, the stockholder shall forthwith transfer his shares to Vivant.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

(a) No current director or officer of, or nominee for election as director of Vivant, or any associate of any of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the stockholders' meeting, other than the election of the members of the Board of Directors.

(b) No director has informed Vivant in writing that he intends to oppose any action to be taken by Vivant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Shares as of May 15, 2015:

Class of Voting Shares	No. of Shares Entitled to Vote	
	Filipino	Foreign
Common	1,023,430,961	25,737
TOTAL	1,023,456,698	

Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.

(b) Record Date

All stockholders of record as of May 26, 2015 are entitled to receive notice of and to vote at Vivant's Annual Stockholders' Meeting.

(c) Election of Directors and Cumulative Voting Rights

With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected. He may also cumulate said shares and give one candidate as many votes as the number of directors to be elected, or distribute the shares on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by the stockholder shall not exceed the total number of shares owned by him as shown in the books of Vivant, multiplied by the number of directors to be elected.

Section 7, Article II of the Amended By-Laws of Vivant provides that voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita. Likewise, Section 7 of the same Article states that stockholders may vote at all meetings either in person or by proxy duly given in writing and presented to the Secretary for inspection, validation and record at least seven days prior to the opening of said meeting.

As condition precedent to the exercise of the cumulative voting rights, no delinquent stock shall be allowed to vote. No discretional authority to cumulate votes is solicited.

(d) No proxy solicitation is being made.

Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5%) as of May 15, 2015

Title of class	Name and address of record owner and relationship with issuer	Name of Beneficial Ownership and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Common Shares	MAI-I Resources[1] Corporation 375-G Acacia St., Lahug, Cebu City Stockholder	MAI-I Resources Corporation	Filipino	464,831,568	45.42%
Common Shares	JEG Development Corporation[2] Blue Garden Commercial Complex, Wilson St.,Lahug, Cebu City Stockholder	JEG Development Corporation	Filipino	311,524,642	30.44%
Common Shares	Mirant Global Corporation[3] 5F,CTC Building, 2232 Roxas Blvd., Pasay City Stockholder	Mirant Global Corporation	Filipino	116,555,553	11.39%
Common Shares	PCD Nominee (Filipino) Participants are stockholders of the Company	Various PCD participants	Filipino	68,896,225	6.73%

[1] Either Mr. Dennis N. A. Garcia or Mr. Gil A. Garcia, II or Mr. Charles Sylvestre A. Garcia, Directors of MAI-I Resources Corporation (MRC) will vote for the shares of MRC in Vivant in accordance with the directive of the MRC Board of Directors.

[2]Either Mr. Ramontito E. Garcia or Mr. Jose Marko Anton G. Sarmiento, Chairman and Chief Operating Officer of JEG Development Corporation (JDC), respectively, will vote for the shares of JDC in Vivant in accordance with the directive of the JDC Board of Directors.
[3]Mr. Johannes Hauri will vote for the shares of Mirant Global Corporation (MGC) in Vivant in accordance with the directive of the MGC Board of Directors.

(2) Security Ownership of Management as of May 15, 2015 (Record and Beneficial)

Title of Class	Name of Beneficial Owners and Position	# of Shares and Nature of Ownership		Citizenship	% Own
Common Shares	Dennis N.A. Garcia Chairman of the Board	Direct	1	Filipino	0.0%
		Indirect	1,121,514		0.1%
Common Shares	Emil Andre M. Garcia Director/VP – Operations and Business Devt	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Gil A. Garcia II Director/Treasurer	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Charles Sylvestre A. Garcia Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Elbert M. Zosa Director	Direct	626	Filipino	0.0%
		Indirect	1,121,511		0.0%
Common Shares	Ramontito E. Garcia Director/President	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Efren P. Sarmiento Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Jose Marko Anton G. Sarmiento Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Johannes Rudolf Hauri Director	Direct	100	Swiss	0.0%
		Indirect	0		0.0%
Common Shares	Raul Ch. Rabe Independent Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Jesus B. Garcia, Jr.	Direct	1	Filipino	0.0%
	Independent Director	Indirect	0		0.0%
Common Shares	Arlo A.G. Sarmiento EVP/Chief Operating Officer	Direct	54,900	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Minuel Carmela N. Franco VP - Finance	Direct	0	Filipino	0.0%
		Indirect	20,300		0.0%
Common Shares	Juan Eugenio L. Roxas VP-External Affairs	Direct	0	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Atty. Jess Anthony N. Garcia Corporate Secretary	Direct	7,000	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Maria Victoria E. Sembrano AVP - Finance and Admin	Direct	0	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Atty. Macario C. Padullo, Jr. AVP - Corporate Management Systems	Direct	9,400	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Theo C. Sunico AVP –Trading and Marketing	Direct	0	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Engr. Cris C. Fernandez AVP - Technical Operations	Direct	0	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Atty. Joan A. Giduquio-Baron Assistant Corporate Secretary; Compliance Officer	Direct	0	Filipino	0.0%
		Indirect	0		0.0%

TOTAL	**Direct**	**77,035**		**0.0%**
	Indirect	**2,263,325**		**0.1%**

(3) Voting Trust Holders of 5% or more of Equity

No person holds more than 5% of Vivant's common equity under a voting trust or similar agreement.

(4) Changes in Control

There are no arrangements that had resulted in a change in control of Vivant during the period covered by this report.

Item 5. Directors and Executive Officers

(1) (a) Directors for 20134- 2015

Below is a list of Vivant's directors for 2014 - 2015 with their corresponding ages, citizenship, positions, periods of service and offices held for the past five years. The directors assumed their directorship during Vivant's Annual Stockholders' Meeting in 2014, for a term of one year.

DENNIS N. A. GARCIA Chairman – Board of Directors Member – Executive Committee	65 years old, Filipino, has been the Chairman and a member of the Executive Committee of the Company since 2003. Other positions currently held are as follows: Chairman -Vivant Energy Corporation, Vivant Geo Power Corp., Vivant Integrated Generation Corporation and Vivant-Malogo Hydropower Inc.; Vice-Chairman - Vivant-Sta. Clara Northern Renewables Generation Corporation; Chairman and President - Hijos de F. Escaño, Inc.; Director and Vice President - Abovant Holdings, Inc.; Director - Delta P. Inc., 1590 Energy Corp., VC Ventures Net, Inc. and Cebu Energy Development Corporation, Vics-Bakun Holdings Corporation; Chairman and CEO, JEGVEG Realty, Inc; and Chairman and President of MAI-I Resources Corporation.
RAMONTITO E. GARCIA Director President Member – Executive Committee	58 years old, Filipino, has been the President of the Company since 2003. Mr. Garcia is also a Director and Member of the Executive Committee of the Company since 2003. Other positions currently held are as follows: Chairman – VECO, Vivant Isla Inc., VICS-Bakun Holdings Corporation and 1590 Energy Corporation; Vice Chairman – Vivant Integrated Generation Corporation and Cebu Private Power Corporation; Director - Vivant-Malogo Hydropower Inc., Vivant Energy Corporation, VC Ventures, Net, Inc., Delta P, Inc. and Abovant Holdings, Inc.; Chairman and President - JEG Development Corporation and Vics-Amlan Holdings Corporation; Vice-President and Director - Hijos de F. Escaño, Inc.; and Vice President - JEGVEG Realty, Inc.
GIL A. GARCIA II Director Treasurer Member – Executive Committee	62 years old, Filipino, has been the Treasurer of the Company since 2004. Mr. Garcia has also been a Director the Company and VECO since 2004. Other positions presently held include: Treasurer-VECO and Director, Chief Finance Officer and Treasurer of MAI-I Resources Corporation.
ELBERT M. ZOSA Director Chairman – Finance Committee	67 years old**,** Filipino, has been a Director of the Company since 2003. Mr. Zosa is also the Chairman of the Finance Committee of the Company. He is Chairman of Providence CI Holdings and

	a Senior Consultant. Mr. Zosa's past professional experience includes the following: Executive Vice-President - Rizal Commercial Banking Corporation; Senior Vice President/Head of Strategic Planning, Corporate Communications, Economics, and Investor Relations; International Banking at PCI Bank; Managing Director (ex-officio) – PCI Capital Corporation; Head of Branches-Customer Services – Manila Electric Company; adjunct professor at the De La Salle Graduate School of Business. He obtained his MBA from the Wharton School, University of Pennsylvania.
CHARLES SYLVESTRE A. GARCIA Director Member – Executive Committee	54 years old, Filipino, is a Director of the Company and Member of the Company's Executive Committee since 2004. Mr. Garcia also sits in the board of VECO since 2007.
EFREN P. SARMIENTO Director Member – Executive Committee	63 years old, Filipino, is a Director of the Company and a Member of the Executive Committee since 2003. Mr. Sarmiento is a Vice President of Reunion Holdings, Inc. Other positions held in the past include: President, Mindanao Rattan Corporation; Past Director, Batolini S., Inc., Manila Machineries & Supply, Sarmiento Securities Corporation, Vitarich Corporation and Philippine Fried Chicken, Incorporated.
JOSE MARKO ANTON G. SARMIENTO Director Member – Executive Committee	37 years old, Filipino, has been a Director and Member of the Executive Committee of the Company since 2008. Other positions currently held are as follows: Vice-President - Vivant-Malogo Hydropower, Inc. and Director - VC Ventures Net, Inc. Mr. Sarmiento is also a Director (since 2005) and is the Chief Operating Officer of JEG Development Corporation (since 2009). Prior to this, he was the Treasury Manager of JEG Development Corporation and was the Vice President for Manufacturing at Detalia Aurora.
EMIL ANDRE M. GARCIA Director Vice President – Operations and Business Development	37 years old, Filipino, has been a Director of the Company since 2009. Mr. Garcia is also the Vice President for Operations and Business Development of the Company since January 2012. Prior to this, he held the Assistant Vice President position for Corporate Planning and Development of the Company from February 2011 to December 2011. Other positions currently held are as follows: Director of VECO since 2010; Director - Calamian Islands Power Corporation, Vivant-Sta. Clara Northern Renewables Generation Corporation, Vivant Geo Power Corp., Amlan Hydroelectric Power Corporation and Vics-Amlan Holdings Corporation; Director and Chief Operating Officer - Vivant Energy Corporation; Vice President of Communication Affairs - 1590 Energy Corp.; Chief Operating Officer - Vivant Integrated Generation Corporation and Vics-Bakun Holdings Corporation; Director and President - Vivant-Malogo Hydropower Inc. and Vivant Isla Inc.; Director and Treasurer – Cebu Private Power Corporation; Chief Finance Officer of Emag Resources and Development Corporation; and Director – Hijos de F. Escaño Inc.. He was also the President of Christ Company in 2009 to 2011. Mr. Garcia graduated from Velez College in 1998 with the degree in Bachelor of Science in Medical Technology.
JOHANNES RUDOLF HAURI Director	66 years old, Filipino, has been a Director of the Company since 2014. Mr. Hauri is the President of Bonifacio Landmark Realty and Development Corp. Past positions held include: President - Hotel,

	Resorts and Restaurant Association of Cebu (2010-2013); Vice President - Tourism Congress of the Philippines (Visayas) (2011-2013); Trustee - Cebu Chamber of Commerce and Industry (2012-2014); Director - American Chamber of Commerce Cebu (2007-2011); Area General Manager - Marco Polo Hotels – Philippines (2011-2014); General Manager - Marco Polo Plaza Cebu (2005-2014); Singapore Mandarin Int'l.: Kuala Lumpur. Shanghai (1999-2005); Shangri-la Hotels: Beijing.ChinaWorld & Traders.Dalian (1993-1999); Swissotel Zurich (1989-1993); Hilton International: Jakarta, Petaling Jaya, Colombo, Seoul (1979-1989); and Parmelia Hotel Perth in Western Australia (1978-1979).
JESUS B. GARCIA, JR. Independent Director Chairman – Audit Committee – Nomination and Election Committee	70 years old, Filipino, has been the Independent Director and concurrently, has been the Chairman of the Audit Committee of the Company since 2004. Mr. Garcia was the Secretary of the Department of Transportation and Communications of the Republic of the Philippines for the period 1992 to 1996. Other positions currently held are as follows: Chairman - SunStar Publishing, Inc., Pan Arts Corporation, SunStar Management, Inc.; President, Jesever Realty Corporation, and Madre Realty Corporation.
RAUL Ch. RABE Independent Director	75 years old, Filipino, has been the Independent Director of the Company since 2003. Other positions currently held or held in the past are the following: Director, CEPALCO (Cagayan de Oro), up to present; Director, MINERGY (Cagayan de Oro), up to present; Counsel of the Law Firm of Rodrigo, Berenguer & Guno (Makati City); Corporate Secretary - Manila Economic & Cultural Office (MECO) since 2001; Director - the Bank of Commerce, KGL-Negros Navigation, Pet Plans, Inc. (Makati City); Foreign Service Officer of the Department of Foreign Affairs (1968 to 1999); Third to Second Secretary in London (1972 to 1975); First Secretary in Bucharest (1975 to 1979); Chief Deputy of Protocol of the Department of Foreign Affairs (1979 to 1981); Minister Counselor in Jeddah (1981 to 1982); Minister and later Deputy Chief of Mission in Washington D.C., (1982 to 1984 and 1986 to 1989, respectively); Consul General in Honolulu (1984 to 1986); Assistant Secretary of the American Affairs (1989 to 1992); Ambassador to Seoul (1992 to 1993); Ambassador to the United States (1993 to 1999); Special Envoy of the President of the Philippines for the Americas and OIC Countries in 2001.

Nominees for Election as Directors

The following are nominees for election as Directors for 2015-2016:

1. Dennis N. A. Garcia
2. Emil Andre M. Garcia
3. Gil A. Garcia II
4. Charles Sylvestre A. Garcia
5. Elbert M. Zosa
6. Ramontito E. Garcia
7. Efren P. Sarmiento
8. Jose Marko Anton G. Sarmiento
9. Johannes Rudolf Hauri

10. Amb. Raul Ch. Rabe (Independent Director)
11. Atty. Jesus B. Garcia, Jr. (Independent Director)

Nominations for Independent Directors and Procedure for Nomination

Compliance with SRC Rule 38 (Guidelines on the Nomination and Election of Independent Directors)

The procedure for the nomination and election of the independent directors is in accordance with Rule 38 of the Securities Regulation Code (SRC Rule 38). The Nomination and Election Committee conducted a nomination of independent directors. It has pre-screened the qualifications of all nominated candidates, resulting in the following final list of candidates with their respective nominating stockholders and all pertinent information, who have been nominated by Messrs. Dennis N.A. Garcia and Ramontito E. Garcia. Messrs. Dennis Garcia and Ramontito Garcia have no relationship to their nominees.

No nominations for independent director shall be accepted at the floor during the stockholders' meeting at which such nominee is to be elected. However, independent directors shall be elected in the stockholders' meeting during which other members of the Board are to be elected. Ambassador Raul Ch. Rabe and Atty. Jesus B. Garcia, Jr. are the nominees for Independent Directors of Vivant. They are neither officers nor employees of the Company or any of its affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of an independent director. Attached as Exhibits "A-1" and "A-2" are the sworn Certifications of Qualifications of Atty. Jesus B. Garcia, Jr. and Ambassador Raul Ch. Rabe, respectively.

To the knowledge and/or information of Vivant the above-named nominees have not been involved in criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years up to the latest date that are material to evaluation.

To the knowledge and/or information of Vivant the said persons have not been convicted by final judgment or any offense punishable by the laws of the Republic of the Philippines or of the laws of any other nation/country, including being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities for the past five (5) years up to the latest date.

To the knowledge and/or information of Vivant said persons have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation for the past five (5) years up to the latest date.

The shareholdings of the above-nominees for independent directors of Vivant are merely qualifying shares and, individually or added together, does not exceed five percent (5%) of Vivant's outstanding shares. Vivant does not have any commitment to the nominees with respect to the issuance of the new common shares of Vivant.

Attendance of Directors in Board Meetings in 2014

For the year 2014, Vivant held four (4) meetings of the Board, namely, on February 14, May 23, October 2, and December 19, 2014, with the following record of attendance:

Director	Designation	Board Meetings	Annual Stockholders' Meeting
DENNIS N. A. GARCIA	Chairman – Board of Directors Member – Executive Committee	4 out of 4 meetings	Present
RAMONTITO E. GARCIA	Director President Member – Executive Committee	4 out of 4 meetings	Present
GIL A. GARCIA II	Director Treasurer Member – Executive Committee	3 out of 4 meetings	Present
ELBERT M. ZOSA	Director Chairman – Finance Committee	4 out of 4 meetings	Present
CHARLES SYLVESTRE A. GARCIA	Director Member – Executive Committee	4 out of 4 meetings	Present
EFREN P. SARMIENTO	Director Member – Executive Committee	4 out of 4 meetings	Present
JOSE MARKO ANTON G. SARMIENTO	Director Member – Executive Committee	4 out of 4 meetings	Present
EMIL ANDRE M. GARCIA	Director Vice President – Operations and Business Development	4 out of 4 meetings	Present
JOHANNES RUDOLF HAURI	Director	3 out of 4 meetings	Present
JESUS B. GARCIA, JR.	Independent Director Chairman – Audit Committee Chairman – Nomination and Election Committee	2 out of 4 meetings	Present
RAUL Ch. RABE	Independent Director	3 out of 4 meetings	Present

(1) (b) Officers for 2014-2015

Below is a list of Vivant officers for 2014-2015 with their corresponding positions and offices held for the past five years. Unless otherwise indicated hereunder, the officers assumed their positions during Vivant's annual organizational meeting in 2014 for a term of one year.

DENNIS N. A. GARCIA Chairman – Board of Directors Member – Executive Committee	65 years old, Filipino, has been the Chairman and a member of the Executive Committee of the Company since 2003. Other positions currently held are as follows: Chairman -Vivant Energy Corporation, Vivant Geo Power Corp., Vivant Integrated Generation Corporation and Vivant-Malogo Hydropower Inc.; Vice-Chairman - Vivant-Sta. Clara Northern Renewables Generation Corporation; Chairman and President - Hijos de F. Escaño, Inc.; Director and Vice President - Abovant Holdings, Inc.; Director - Delta P. Inc., 1590 Energy Corp., VC Ventures Net, Inc. and Cebu Energy Development Corporation, Vics-Bakun Holdings Corporation; Chairman and CEO, JEGVEG Realty, Inc; and Chairman and President of MAI-I Resources Corporation.
RAMONTITO E. GARCIA Director President Member – Executive Committee	58 years old, Filipino, has been the President of the Company since 2003. Mr. Garcia is also a Director and Member of the Executive Committee of the Company since 2003. Other positions currently held are as follows: Chairman – VECO, Vivant Isla Inc., VICS-Bakun Holdings Corporation and 1590 Energy Corporation; Vice Chairman – Vivant Integrated Generation Corporation and Cebu Private Power Corporation; Director - Vivant-Malogo Hydropower Inc., Vivant Energy Corporation, VC Ventures, Net, Inc., Delta P, Inc. and Abovant Holdings, Inc.; Chairman and President - JEG Development Corporation and Vics-Amlan Holdings Corporation; Vice-President and Director - Hijos de F. Escaño, Inc.; and Vice President - JEGVEG Realty, Inc.
GIL A. GARCIA II Director Treasurer Member – Executive Committee	62 years old, Filipino, has been the Treasurer of the Company since 2004. Mr. Garcia has also been a Director the Company and VECO since 2004. Other positions presently held include: Treasurer-VECO and Director, Chief Finance Officer and Treasurer of MAI-I Resources Corporation.
ARLO A. G. SARMIENTO Executive Vice President Chief Operating Officer	39 years old, Filipino, has been the Executive Vice President and Chief Operating Officer of the Company since 2003. Mr. Sarmiento concurrently holds the following positions: Director and Executive Vice President of VECO; Director and President - Vivant Energy Corporation, 1590 Energy Corp, Vivant Integrated Generation Corporation, Vivant Geo Power Corp., Vics-Bakun Holdings Corporation, Vivant-Sta. Clara Northern Renewables Generation Corporation; Chairman - Calamian Islands Power Corporation; Director and Treasurer of Abovant Holdings, Inc.; Director and Vice-President - Cebu Private Power Corporation; Director and Member of Executive Committee – Cebu Energy Development Corporation; Director, Chief Executive Officer and Member of Executive Committee - JEG Development Corporation; Director - Delta P, Inc., Vics-Amlan Holdings Corp., Amlan Hydroelectric Power Corporation, Vivant-Malogo Hydropower Inc., Vivant Isla Inc., Therma Visayas, Inc. and Hijos F. Escaño, Inc. Mr. Sarmiento holds a degree in Bachelor of Arts in Social Sciences from the Ateneo de Manila University.

EMIL ANDRE M. GARCIA Director Vice President – Operations and Business Development	37 years old, Filipino, has been a Director of the Company since 2009. Mr. Garcia is also the Vice President for Operations and Business Development of the Company since January 2012. Prior to this, he held the Assistant Vice President position for Corporate Planning and Development of the Company from February 2011 to December 2011. Other positions currently held are as follows: Director of VECO since 2010; Director - Calamian Islands Power Corporation, Vivant-Sta. Clara Northern Renewables Generation Corporation, Vivant Geo Power Corp., Amlan Hydroelectric Power Corporation and Vics-Amlan Holdings Corporation; Director and Chief Operating Officer - Vivant Energy Corporation; Vice President of Communication Affairs - 1590 Energy Corp.; Chief Operating Officer - Vivant Integrated Generation Corporation and Vics-Bakun Holdings Corporation; Director and President - Vivant-Malogo Hydropower Inc. and Vivant Isla Inc.; Director and Treasurer – Cebu Private Power Corporation; Chief Finance Officer of Emag Resources and Development Corporation; and Director – Hijos de F. Escaño Inc. He was also the President of Christ Company in 2009 to 2011. Mr. Garcia graduated from Velez College in 1998 with the degree in Bachelor of Science in Medical Technology.
MINUEL CARMELA N. FRANCO Vice President - Finance	43 years old, Filipino, has been the Vice President for Finance since May 2013. Ms. Franco also currently holds the following positions: Treasurer - Calamian Islands Power Corporation, Vivant-Sta. Clara Northern Renewables Generation Corporation, Vivant-Malogo Hydropower, Inc., Corenergy Inc.; Director and Treasurer - Vivant Isla Inc., Vivant Geo Power Corp., Vics-Amlan Holdings Corporation, Vics-Bakun Holdings Corporation, Vivant Integrated Generation Corporation, Vivant Energy Corporation; and Vice President of Finance and Treasurer - 1590 Energy Corp. Past positions held are as follows: Trader, Associate and Credit Analyst at Multinational Investment Bancorporation and Capital One Equities Corporation from 1992 to 1994; Investment Analyst at Kim Eng Securities Inc. and ING Barings (Phils.), Inc. from 1994 to 1997; Investment Officer at Standard Chartered Bank's Investment Services Group from 1998 to 2000; Project Analyst at Newgate Management, Inc. from 2000 to August 2002, Investor Relations Officer and Senior Project Analyst (Corporate Planning Group) at San Miguel Corporation from September 2002 to June 2007; Head of Investor Relations at Aboitiz Equity Ventures, Inc. and Aboitiz Power Corporation from July 2007 to December 2012. Ms. Franco holds a degree in Bachelor of Science in Business Economics (Cum Laude) from the University of the Philippines.
JUAN EUGENIO L. ROXAS Vice President - External Affairs	44 years old, Filipino, was appointed as the Vice President for External Affairs in 2014. Previous to this, he was AVP for External Affairs of the Company from 2011 to 2014. Concurrently, Mr. Roxas holds the following positions: Director - Corenergy Inc., Vivant–Sta.Clara Northern Renewables Generation Corporation, Vivant Integrated Generation Corporation, Vivant Geo Power Corp., Vivant Isla Inc. and Vics-Amlan Holdings Corporation; Chairman - Amlan Hydroelectric Power Corporation; Vice President for External Affairs - 1590 Energy Corporation; Vice

	President - Amlan Hydro Power Inc.; President - ICS Renewables Inc.; Auditor and Member of the Philippine Independent Power Producer Association's Board of Trustee. His professional experience is characterized by an extensive background in public-private relations having served as a consultant to and held administrative positions in various organizations. Mr. Roxas holds a degree in Bachelor of Science in Business Administration, Major in Management (Presidential and Leadership Awardee) from the St. Paul University (Dumaguete City). He also took a postgraduate course in Finance at the Ateneo de Manila University's Center for Continuing Education.
JESS ANTHONY N. GARCIA Vice President-Legal Corporate Secretary Chief Information Officer	43 years old, Filipino, has been the Corporate Secretary and Corporate Information Officer of the Company since 2003. He is also the Vice President for Legal of the Company. Mr. Garcia concurrently acts us the Corporate Secretary of VECO, Vivant-Sta. Clara Northern Renewables Generation Corporation, 1590 Energy Corp., Vivant-Malogo Hydropower Inc., Amlan Hydroelectric Power Corporation, Vics-Bakun Holdings Corporation, Calamian Islands Power Corporation and SunStar Publishing, Inc. He is the Assistant Corporate Secretary of Abovant Holdings, Inc. and Hijos De F. Escaño. He obtained his *Juris Doctor* degree from the Ateneo de Manila University School of Law and has been a member of the California Bar since 2002 and of the Philippine Bar since 1998.
MARIA VICTORIA E. SEMBRANO Assistant Vice President – Finance and Administration	52 years old, Filipino, is the Assistant Vice President for Finance and Administration of the Company since 2012. Before joining the Company, Ms. Sembrano was the Corporate Services Director of the Marsman Drysdale Agribusiness Group. Prior to this, other positions held in the Marsman Drysdale Agribusiness Group starting 1992 include positions in Finance, Logistics and Administration. Ms. Sembrano holds a degree in Bachelor of Science in Commerce, Major in Accounting (Magna Cum Laude) from the University of San Carlos.

ATTY. MACARIO C. PADULLO, JR. Assistant Vice President - Corporate Management Systems	37 years old, Filipino, has been the Assistant Vice President for Corporate Management Systems of the Company since February 2011. Prior to this, Atty. Padullo held the following positions in the Company: Finance Manager from 2009 to 2011 and Finance Officer from 2003 to 2009. Atty. Padullo, Jr. also holds the following positions: Chairman and President - VC Ventures Net, Inc. and Director - Corenergy Inc. He is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants. Mr. Padullo holds a degree in Bachelor of Science in Accountancy from the University of San Carlos. He obtained his degree in Bachelor of Laws (Class Valedictorian) from the University of Cebu in 2009.
THEO C. SUNICO Assistant Vice President - Trading and Marketing	40 years old, has been the Assistant Vice President since 2014. Prior to this, he served as General Manager for two of its subsidiaries: 1590 EC and NR. Since 2013 Mr. Sunico has been the representative for the Generation Sector in the PEMC Rules Change Committee (RCC) and also serves as a Board Member for the Philippine Association of Small Scale Hydro (PASSHydro) Developers, as nominee of the Company, since 2014. He got his start in the power industry when he joined Southern Energy Corporation (now TeaM Energy Philippines) in 2000, building up his expertise in the fields of Retail Power, Marketing, Business Development and External Affairs.
CRIS C. FERNANDEZ	37 years old, Filipino, has been the Assistant Vice President of Vivant Corp. for Technical Operations since January 2015. He joined the Company on October 2012 as Senior Technical Manager and is a licensed Electrical Engineer. He used to work as an Electrical Engineer in Australia and has been an accredited Professional Engineer of Engineers Australia.
JOAN A. GIDUQUIO-BARON Assistant Corporate Secretary Compliance Officer	44 years old, Filipino, has been the Assistant Corporate Secretary and Compliance Officer of the Company since 2003. Ms. Baron also holds other positions: Acting Corporate Secretary of VECO; Corporate Secretary of Vivant Energy Corporation, Vivant Integrated Generation Corporation, Vivant-Malogo Hydropower, Inc., JEGVEG Realty, Inc., JEG Development Corporation; Assistant Corporate Secretary of SunStar Publishing, Inc. She obtained her *Juris Doctor* from the Ateneo de Manila University School of Law in 1996 and her Master in Management degree from the Asian Institute of Management (AIM) in 2001. Ms. Baron is a member of the Philippine Bar since 1997 and a Director of the Alumni Association of the Asian Institute of Management-Cebu Chapter. She is a Partner at J.P. Garcia and Associates. Prior to this, she was an Associate Attorney at Puno and Puno Law Offices from 1997 until 2001.

Attached as Exhibit “B” is a Certification that none of the above-named directors and officers work in the government.

Period in which the Directors and Executive Officers Should Serve

The directors and executive officers should serve for a period of one year.

Term of Office of a Director

Pursuant to Vivant’s Amended By-laws, the directors are elected at each annual stockholder’s meeting by stockholders entitled to vote. Each director holds office until the next annual election for a term of one year and until his successor is duly elected unless he resigns, dies or is removed prior to such election.

Any vacancy in the Board of Directors other than by removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose, if they still constitute a quorum. The director so chosen shall serve for the unexpired term of his predecessor in office.

(2) Significant Employees

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

(3) Family Relationships

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

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

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

Mr. Emil Andre M. Garcia is the son of Mr. Dennis N. A. Garcia, and is related within the third civil degree by consanguinity to Charles Sylvestre A. Garcia and Gil A. Garcia II.

Mr. Arlo A. G. Sarmiento is the son of Mr. Efren P. Sarmiento, and related within the third civil degree by consanguinity (nephew) to Mr. Ramontito E. Garcia. He is also related within the fifth civil degree by consanguinity to Mssrs. Dennis N. A. Garcia, Charles Sylvestre A. Garcia, and Gil A. Garcia II. He is also related within the sixth civil degree by consanguinity to Emil Andre M. Garcia.

Mr. Jose Marko Anton G. Sarmiento is the son of Mr. Efren P. Sarmiento and brother of Mr. Arlo A. G. Sarmiento, thus, related within the second civil degree by consanguinity to Mr. Arlo A. G. Sarmiento. He is also related within the fifth civil degree by consanguinity to Mssrs. Dennis N. A. Garcia, Charles Sylvestre A. Garcia, and Gil A. Garcia II.

Atty. Jess Anthony N. Garcia is related within the third civil degree by consanguinity (nephew) to Atty. Jesus B. Garcia, Jr.

Other than the foregoing, there are no other family relationships (by consanguinity or affinity) known to Vivant.

(4) Involvement in Certain Legal Proceedings

To the knowledge and/or information of Vivant, none of its nominees for election as directors, its present members of the Board of Directors or its executive officers, is presently or during the last five years, been involved in any legal proceeding or bankruptcy petition or has been convicted by final judgement, or being subject to any order, judgement or decree or violated the securities or commodities law in any court or government agency in the Philippines or elsewhere for the past five years and the preceding years until May 15, 2015 which would put to question their ability and integrity to serve Vivant and its stockholders.

To the knowledge and/or information of Vivant, the above-said persons have not been convicted by final judgment of any offense punishable by the laws of the Republic of the Philippines or by the laws of any other nation or country.

To the knowledge and/or information of Vivant, the said persons have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation for the preceding years until March 31, 2015.

(5) Certain Relationships and Related Transactions

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

In the normal course of business, Vivant transacts with companies who are considered related parties under PAS 24, *Related Party Disclosures*. As parent company, Vivant provides two types of professional services: (1) strategic and technical and (2) corporate center services. These transactions were made on an arm's length basis. Third party rates are used as reference and benchmark to ensure competitive pricing and consistency to current industry standards.

Functions covered would include regulatory, sales and marketing, technical operations, business development, corporate finance, corporate management systems, legal and human resources among others. These services are rendered by Vivant to allow efficient transfer of business and technical expertise, thus improving cost efficiencies and synergies. Vivant houses a pool of highly qualified professionals with business expertise relating to the business of the Vivant Group. Service Level Agreements are in place to ensure the quality of service and competitive pricing.

Aside from the abovementioned, below are other services provided to and/or transactions entered into by Vivant with related parties in 2014.

- Vivant obtained a domestic Standby Letter of Credit (SBLC) to serve as guarantee for the debt servicing of an associate company's peso-denominated term loan.

- Vivant issued a corporate guarantee for the benefit of its subsidiary in connection with its hydropower service contract.

- Vivant has an outstanding lease agreement with a certain associate involving rental of its commercial office space.

Vivant has existing management consultancy contracts with Mai-I Resources Corporation and JEG Development Corporation.

(6) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned or declined to stand for re-election to the board of directors because of a disagreement with Vivant on any matter relating to the Registrant's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

(1) Summary of Compensation of Executive Officers

Information as to the aggregate compensation paid or accrued to Vivant's Chief Executive Officer and other highly compensated executive officers, as well as other officers and directors during the last two completed fiscal years and the ensuing fiscal year, is as follows:

Name and Principal Position	Year	Salary	Bonus	Other Compensation
Top Five Highly Compensated Executives 1. Ramontito E. Garcia - President 2. Arlo A.G. Sarmiento - EVP/COO 3. Emil Andre M. Garcia - VP for Operations & Business Development 4. Minuel Carmela N. Franco - VP for Finance 5. Juan Eugenio L. Roxas - VP for External Affairs				
All above-named officers as a group	2014	Php 19.4 mn	Php 12.2 mn	
	2013	Php 14.9 mn	Php 7.9 mn	
	2015 P	Php 21.5 mn	Php 25.5 mn	
All other directors and officers as a group unnamed	2014	Php 6.9 mn	Php 2.8 mn	Php 9.1 mn
	2013	Php 3.8 mn	Php 2.8 mn	Php 11.4 mn
	2015 P	Php 15.8 mn	Php 8.3 mn	Php 19.8 mn

(2) Compensation of Directors

(i) Standard Arrangements

In 2014, each Director of the Board and members of the Board Committees received a per diem for every Board or Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board or Committee
Board Meeting	Php 10,000.00	Php 10,000.00
Committee Meeting	Php 5,000.00	Php 5,000.00

(ii) Other Arrangements

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

Other than the indirect compensation of two directors via consultancy contracts that were in place during the Company's last fiscal year, there are no arrangements, including consulting contracts, pursuant to which any director of the registrant was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided by such director. Aforementioned consultancy contracts involving indirect compensation of the registrant's two directors will be in place in the ensuing year.

(3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no compensatory plan or arrangement, including payments to be received from Vivant, with respect to a named executive officer where such plan or arrangement results or shall result from the resignation, retirement or any other termination of such executive officer's employment with Vivant and its subsidiaries or from a change-in-control of Vivant or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all period payments or installments.

(4) Warrants and Options Outstanding

There are no outstanding warrants or options held by the named executive officers, and all officers and directors as a group, as identified in Item 5. Moreover, at no time during the last completed fiscal year did Vivant adjust or amend the exercise price of stock warrants or options previously awarded to the aforementioned officers and directors.

Item 7. Independent Public Accountants

For the fiscal year 2014, the accounting firm of Sycip Gorres Velayo & Co (SGV) was the Independent Public Accountant of Vivant. Leovina Mae V. Chu is the audit partner of Vivant for 2014 and the recommended partner-in-charge.

Representatives of SGV will be present during the Annual Stockholders' Meeting and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions if needed.

SGV replaced KPMG Manabat Sanagustin & Co. in 2013. There was no event in the past 3 fiscal years where Vivant and KPMG, or the handling partner, had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

In its regular meeting last June 27, 2014, the Board of Directors of Vivant approved the inclusion in the agenda of the 2014 Annual Stockholders' Meeting, a proposal to delegate to the Board of Directors the authority to appoint Vivant's external auditors for 2014. The proposal is intended to give the Board Audit Committee sufficient time to evaluate the different auditing firms who have submitted engagement proposals to act as Vivant's external auditor for 2014. As a matter of policy, the Board Audit Committee makes recommendation to the Board of Directors concerning the choice of external auditor.

The Board Audit Committee is composed of: Atty. Jesus B. Garcia, Jr., Independent Director (Chairman), Messrs. Ramontito E. Garcia (Member), Elbert M. Zosa (Member), and Gil A. Garcia II (Member).

The Corporation is in compliance with SEC Memorandum Circular No. 08-03 (Rotation of External Auditors) in relation to paragraph 3 (b)(ix) of Rule 68 of the Implementing Rules and Regulations of the Securities Regulation Code, and the two-year cooling-off period was observed in the re-engagement of the same signing partner or individual auditor.

External Audit Fees and Services

Following the Annual Stockholders Meeting last June 27, 2014 where the authority to confirm or appoint the external auditors was delegated to the Board of Directors, the Board of Directors confirmed the appointment of SGV as its external auditor for fiscal year 2014.

The table below sets forth the aggregate fees billed to the Company for professional services rendered by SGV in fiscal year 2014.

Fee Type	2014
Audit Fees	Php 487,600
Tax Fees*	1,315,000
All Other Fees**	1,750,000
Total	PhP 3,552,600

**Tax Consultancy*
*** Enterprise Risk Management/Internal Audit Consultancy*

Both management and the Audit Committee evaluated the audit fee of SGV. This was recommended to and approved by the Board of Directors. The Audit Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved.

Item 8. Compensation Plans

There is no action to be taken by Vivant at the Annual Stockholders' Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There is no action to be taken with respect to the authorization or issuance of any security.

Item 10. Modification or Exchange of Securities

There is no action to be taken with respect to the modification of any class of securities of the Registrant, or the issuance or authorization for issuance of one class of securities of the Registrant in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

There is no action to be taken with respect to the authorization or issuance of any security, or with respect to the modification of any class of securities of the Registrant, or the issuance or authorization for issuance of one class of securities of the Registrant in exchange for outstanding securities of another class.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to any transaction involving any merger, consolidation, acquisition, sale or transfer of all or any substantial part of the assets, or liquidation or dissolution of Vivant.

Item 13. Acquisition or Disposition of Property

No action to be taken during the Annual Stockholders' Meeting with respect to any acquisition or disposition of any property of material significance.

Item 14. Restatement of Accounts

No action to be taken during the Annual Stockholders' Meeting with regard to restatement of accounts.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

(1) Approval of the Minutes of the June 27, 2014 Annual Meeting of Stockholders

The following is a summary of the items in the Agenda of which action was taken during the 2014 Annual Stockholders' Meeting:

i. Approval and adoption of the minutes of the June 15, 2013 Annual Stockholders' Meeting;
ii. Delivery of the Annual Report of the Officers;
iii. Approval of the 2013 Annual Report and Financial Statements
iv. Delegation of authority to appoint External Auditors for 2014 to the Board of Directors
v. Ratification of all acts and resolutions of the Board of Directors and Management adopted for Fiscal Year 2013
vi. Election of the following members of the Board of Directors and Independent Directors for the year 2014 - 2015:

MR. DENNIS A. GARCIA
MR. EMIL ANDRE M. GARCIA
MR. ELBERT M. ZOSA
MR. GIL A. GARCIA II
MR. CHARLES SYLVESTRE A. GARCIA
MR. RAMONTITO E. GARCIA
MR. EFREN P. SARMIENTO
MR. JOSE MARKO G. SARMIENTO
MR. JOHANNES RUDOLF HAURI
AMB. RAUL CH. RABE (Independent Director)
ATTY. JESUS B. GARCIA, JR. (Independent Director)

Other than the foregoing, no matter was submitted to a vote of security holders.
The results of the foregoing meeting were timely disclosed to the PSE and SEC in SEC Form 17-C report.

Item 16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter that is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-laws or Other Documents

The Stockholders will be asked to approve the amendment of the Articles of Incorporation to include the Barangay where the principal office of the corporation is to be established or located. The proposal is to amend the Third Article to read: Suites 907-908, 9th Floor, Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City Philippines 6000.

The foregoing amendment is in compliance with SEC Memorandum Circular No. 6 dated February 20, 2014, directing all corporations to whose articles of incorporation indicate only a general address as their principal office address, such that it refers only to a city, town or municipality, or "Metro Manila", are directed to file an amended articles of incorporation in order to specify their complete address, such that, if feasible, it has a street number, street name, barangay, city or municipality, and if applicable, the name of building, number of building, name or number of room or unit.

The text of the proposed resolution is as follows:

> *"**WHEREAS,*** in compliance with SEC Memorandum Circular No. 6 dated February 20, 2014, the Stockholders agreed to amend the Articles of Incorporation to indicate the complete address of the principal office of the Corporation;
>
> ***RESOLVED,*** as it is hereby resolved, that the Stockholders of the Corporation approve the amendment to the third article of the Articles of Incorporation to indicate that the place where the principal office of the corporation is to be established or located is at Suites 907-908, 9th Floor, Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City Philippines 6000."

In addition, the Stockholders will be asked to approve the amendment of Article II, Section 1 of the Amended By-Laws to amend the date of the Regular Meetings of Stockholders to "every third Thursday of June of each year."

Item 18. Other Proposed Actions

For the 2015 Annual Stockholders' Meeting, a proposal to delegate to the Board of Directors the authority to appoint Vivant's external auditors for 2015 will be submitted for the approval of the shareholders. The proposal is intended to give the Audit Committee sufficient time to evaluate the different auditing firms who have submitted engagement proposals to act as Vivant's external auditor for 2014, before submitting the final list of candidates for external auditor to the Board of Directors.

Item 19. Voting Procedures

Pursuant to the Corporation Code, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, as of the record date, in his own name in the stock and transfer book of Vivant.

Approval and Ratification

The approvals to be obtained, as aforementioned, will require the affirmative vote by stockholders representing at least a majority of the Vivant's outstanding common stock present or represented and entitled to vote at the meeting. Abstentions, with respect to any matter, are treated as shares present and represented and entitled to vote for the purpose of determining whether the stockholders have approved that matter; thus, abstentions have the same effect as negative votes. Shares as to which proxy authority has not been presented are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained.

Items requiring the vote of stockholders will be presented for approval of the stockholders at the meeting. If stockholders or proxies of stockholders owning more than majority of the outstanding capital stock are present and identified in the meeting, voting shall be by raising of hands or *viva voce;* otherwise, voting shall be done in writing by secret ballot and counted thereafter if requested by any voting stockholder. The Corporate Secretary, Atty. Jess Anthony N. Garcia and the Assistant Corporate Secretary, Atty. Joan A. Giduquio-Baron, shall validate and count the votes cast.

Voting for Directors

In the election of directors, the top nine nominees with the most number of votes shall be declared elected. If the number of nominees does not exceed the number of directors to be elected, all the shares present or represented at the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballots.

In the election of directors, the stockholder may choose to do any of the following:

(i) Vote such number of shares for as many person(s) as there are directors to be elected;
(ii) Cumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares; or
(iii) Distribute his shares on the same principle as option (ii) among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

The method of counting the votes shall be in accordance with the general provisions of the Corporation Code of the Philippines. The counting of votes shall be done by representatives of the Office of the Corporate Secretary, who shall serve as members of the Election Committee.

Other than the nominees' election as directors, no director, executive officer, nominee or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise, in any way of the matters to be taken up during the meeting. Vivant has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the Annual Stockholders' Meeting.

This Information Statement in SEC Form 20-IS is given free of charge to the stockholders prior to the Annual Stockholders' Meeting of the Company. Vivant stockholders may likewise request for a copy of the Annual Report in SEC Form 17-A which will be given free of charge upon written request. Please write to:

Office of the Corporate Secretary
Units 907-908, 9th Floor Ayala Life-FGU Center
Mindanao Avenue corner Biliran RoadCebu Business Park
Barangay Luz, Cebu City

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed at the City of Cebu on May 21, 2015.

VIVANT CORPORATION
Issuer
By:

JESS ANTHONY N. GARCIA
Corporate Secretary

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

Vivant Corporation (Vivant or the Company) is a publicly listed holding company that, through its subsidiaries and affiliates, has interests in various companies engaged in the electric power generation (renewable and non-renewable energy), electric power distribution, and retail electricity supply business. The Garcia-Escaño family of Cebu (the Family) collectively owns approximately 76% of the outstanding capital stock of Vivant as of March 31, 2014.

Vivant's origins can be traced back to the rich and humble beginnings of Viuda y Hijos de F. Escaño Incorporada, the successor of the enterprise that Don Fernando Escaño founded in 1879, which came to be known as Hijos de F. Escaño Inc. (HDFE). The entry into the power industry dates back to the early 1900s when the Family diversified its business interests (mainly shipping and trade) to include electricity power distribution when it took over the operations of the Visayas Electric Company (VECO). VECO was the power distribution utility serving the electricity requirements of the City of Cebu and its surrounding municipalities.

The Second World War caused significant damage in the facilities of VECO. It was during the close of the war in 1945 that initiatives of VECO, alongside with the US Army, allowed the resumption of its operations to its pre-war levels. Staff levels were beefed up, while investments in new machineries and equipment poured in. Currently, VECO stands as the second largest privately owned electric power distribution utility in the Philippines in terms of annual gigawatt-hour (GWh) sales. As of end-2014, Vivant has an effective equity interest of approximately 35% in VECO (accounting for both direct and indirect shareholdings).

In 2003, the Family acquired 99% of Philstar.com, a company listed in the Philippine Stock Exchange (PSE). Subsequently, the Family's holdings in HDFE and VECO were infused to this company. Philstar.com was afterward renamed Vivant Corporation.

Starting in 2007, Vivant, through its subsidiaries and affiliates, started its foray into the power generation business via equity investments in the following generation companies:

- Cebu Private Power Corporation, owner and operator of a 70 megawatts (MW) diesel-fired power plant located in the island of Cebu;
- Delta P, Inc., owner and operator of a 16 MW diesel-fired power plant in Palawan; and
- Cebu Energy Development Corporation, a project company that owns and operates a 246 MW coal-fired power plant in Toledo City, Cebu.

The Company likewise participated in the government's privatization efforts conducted by the Power Sector Assets and Liabilities Management (PSALM):

- Acquisition of the 0.8 MW Amlan hydroelectric power plant in Negros island in 2009
- Appointment as the Independent Power Producer (IPP) Administrator of the 70 MW Bakun hydroelectric power plant in Alilem, Ilocos Sur in 2009

In 2010, Vivant, through one of its subsidiaries, entered into an agreement with the Provincial Government of La Union (PGLU) for the management and operation of the 225 MW Bauang diesel-fired power plant.

In April 2013, the Company, through one of its associates, broke ground for the construction of the 8 MW bunker- and 750 kW diesel-fired power plants in the municipalities of Coron and Busuanga, respectively. The plants commenced commercial operations in the last quarter of 2014 and have serviced the power requirements of the local distribution utility via a bilateral agreement. .

In November 2013, Vivant, through wholly owned subsidiary Vivant Energy Corporation (VEC), participated in the public bidding process conducted by PSALM for the selection and appointment of the IPP Administrator for the Strips of Energy of the Unified Leyte Geothermal Power Plants (ULGPP) located at Tongonan, Leyte. On January 29, 2014, PSALM has declared and selected VEC as the Winning Bidder for Seventeen (17) Strips of Energy of the ULGPP. This allowed VEC to sell 17 MW of geothermal power from ULGPP beginning January 1, 2015.

In January 2014, Vivant signed an agreement to issue Php 3 billion (bn) in Fixed Rate Corporate Notes (FRCN). The offering was fully subscribed by a consortium of local banks. Proceeds of the issue, which were in two tranches, were earmarked to partly fund the Company's and its subsidiaries' capital projects.

In February 2014, a Memorandum of Understanding was executed by wholly-owned subsidiary Vivant Integrated Generation Corporation (VIGC) and Mindanao Energy Systems, Inc. (Minergy) that involves the possible equity investments by VIGC in Minergy's future power generation projects. Subsequent to this, a Subscription Agreement between VIGC and Minergy Coal Corporation (MCC) was executed, which allowed VIGC to subscribe to 40% of all issued capital and shares of MCC. MCC is the project company that was set up by Minergy to build, own and operate a 3x55 MW coal-fired power 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.

On August 27, 2014, a shareholders' agreement between VIGC and Therma Power, Inc. (TPI) was signed. This agreement involves the investment by VIGC in Therma Visayas, Inc. (TVI), 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 agreement involves the entry of VIGC into TVI for a 20% equity stake.

Neither Vivant nor any of its subsidiaries and associates has ever been the subject of any bankruptcy, receivership or similar proceedings.

(2) Business of Issuer

Through its equity interests in its subsidiaries and associates, Vivant is in the business of electric power generation, electric power distribution and retail electricity supply in the Philippines, particularly in the islands of Luzon and Visayas (Please see Exhibit "C" for Vivant's Corporate Structure).

<u>(i) Principal Products</u>

POWER GENERATION

As of end-2014, VEC holds all of Vivant's interests in the electric power generation business. To date, the Company has built up a portfolio comprised of both renewable and non-renewable power generation plants with total attributable capacity of 249 MW, up by 9% from year-end 2013's 228 MW. As of December 31, 2014, approximately 67% of Vivant's net income from business segments was accounted for by its power generation business.

The table below summarizes the operating results of the generation companies as of December 31, 2014.

Generation Companies	Energy Sold[1] (in GWh)			Revenue[1] (in Php million)		
	2012	2013	2014	2012	2013	2014
CPPC	174.9	164.5	140.2	2,099.5	1,801.3	1,703.6
Delta P	64.5	62.4	61.1	812.4	738.0	751.8
CEDC	1,492.3	1,477.4	1,493.8	8,719.0	7,698.6	8,037.1
AHPC[2]	--	0.1	0.9	--	0.4	4.3
NR	37.9	241.2	262.6	198.8	943.3	1,331.0
1590 EC	142.2	175.6	213.6	2,638.6	2,593.0	3,207.7
CIPC	--	0.1	6.8	--	1.0	121.8

Notes:

1. *Figures are at 100%*
2. *AHPC ceased operations in 2012 after plant facilities were damaged by Typhoon Sendong in December 2011. Operation of one unit (out of 2) resumed in November 2013.*
3. *CIPC's Busuanga Power Station and Coron Power Station commenced commercial operations in December 2013 and August 2014, respectively.*

Cebu Private Power Corporation (CPPC)

Incorporated on July 13, 1994, CPPC owns and operates one of the largest diesel power plants in the island of Cebu – the 10 Caterpillar-Mak-powered 70MW Bunker C-fired power plant situated on a 1.8 hectare in the old VECO compound at Bgy. Ermita, Cebu City.

Commissioned in 1998, the CPPC plant was constructed pursuant to a build-operate-transfer (BOT) contract to supply 62 MW of power to VECO.

On April 20, 2007, Vivant acquired from East Asia Utilities Corporation 40% of the outstanding common shares of CPPC. The remaining 60% of the outstanding common shares was acquired by Aboitiz Power Corporation (AP).

In December 2010, CPPC started selling its excess capacity to the Wholesale Electricity Spot Market (WESM).

In July 2013, CPPC and VECO filed an application for a new 10-year Power Supply Agreement (PSA) with the ERC. Upon approval and implementation, the new agreement will redound to a slightly lower electricity rate for VECO.

Delta P, Inc. (DPI)

Established in 1997, DPI is an independent power producer in Palawan operating a 16-MW bunker-fired power plant with four (4) units of 4-MW generator sets. In March 2007, Gigawatt Power Inc. (GPI) acquired the 100% interest of Wärtsilä Technology Oy Ab in DPI. In June 2007, GPI divested and sold a 20% equity stake in DPI to Vivant. Through wholly owned subsidiary VEC, Vivant's equity stake increased to 35% in October 2007 through an additional share acquisition from GPI.

The power plant facility of DPI is located on a 25,981 sq.m. parcel of land leased from the City Government of Puerto Princesa at Kilometer 13, North National Highway, Barangay Santa Lourdes, Puerto Princesa, Palawan. Commercial operations started in May 1997 by virtue of a Lease Agreement with the National Power Corporation (NPC), which was scheduled to expire in April 2009. The power generated by the plant served the electricity requirements of the Palawan Electric

Cooperative (PALECO).

On February 6, 2009, DPI and PALECO signed a PSA for DPI to directly supply PALECO'S power requirements for the next 10 years. DPI and PALECO filed a joint petition with the Energy Regulatory Commission (ERC) for the approval of the PSA, which the latter granted on November 9, 2009.

Abovant Holdings, Inc. (Abovant) and Cebu Energy Development Corporation (CEDC)

Abovant was established in 2007 as a joint venture between Vivant and AP. The company's main purpose was to invest in a new power plant to be built in Barangay Daanlungsod, Toledo City, Cebu. Abovant is 40% owned by Vivant (currently through wholly-owned Vivant Integrated Generation Corporation) and 60% owned by AP (currently through 100%-owned Therma Power, Inc.).

Abovant and Global Formosa Holdings, Inc. (Global Formosa), a joint venture between Global Business Power Corporation of the Metrobank Group and Formosa Heavy Industries, Inc., formed CEDC in December 2008 to build, own and operate a $450 million (mn) 3 x 82-MW coal-fired power plant located in Toledo, Cebu utilizing the latest Circulating Fluidized Bed (CFB) technology. Commercial operations commenced in 2011. With Abovant's 44% stake in CEDC (Global Formosa owns the remaining 56%), Vivant's effective interest in CEDC is at 17.6%.

In October 2009, CEDC signed an Energy Power Purchase Agreement (EPPA) with VECO for the supply of 105 MW of electricity for 25 years. The application for approval was filed with the ERC in the same year and was approved in February 2010. To date, CEDC has signed other EPPAs with electric cooperatives and distribution utilities in Cebu. The company's EPPAs will provide contracted minimum energy offtake with fuel cost as a pass through.

Amlan Hydroelectric Power Corporation (AHPC)

AHPC is the owner and operator of a 0.8 MW run-of-river hydroelectric power plant in Amlan in the Province of Negros Oriental, approximately 35 kilometers north of the provincial capital, Dumaguete City. Commissioned in 1962, it was the first power plant to be constructed in the Province of Negros Oriental. An agreement with PSALM was entered into for the purchase of the power plant in 2009. Total purchase price amounted to US$ 230,000.

In 2010, AHPC entered into a bilateral contract with Green Core Geothermal, Inc. (Green Core) that involves the purchase of Green Core of all the net energy output generated by the plant. The bilateral contract is scheduled to expire in December 2015.

In April 2014, AHPC implemented a rehabilitation program, which is expected to improve the plant's generating capacity by 50% to 1.2 MW. Completion is expected by mid-2015.

At present, Vivant has a beneficial ownership of 28.5% in AHPC, through its 60%-owned VICS-Amlan Holdings Corporation that has a 47.5% equity stake in AHPC.

Vivant-Sta. Clara Northern Renewables Generation Corporation (NR)

In 2009, NR submitted the highest offer in the competitive bid conducted by PSALM for the appointment of the IPP Administrator of the contracted capacities of the 70-MW Bakun hydroelectric power plant located in Alilem, Ilocos Sur and the 30-MW Benguet hydroelectric power plants located in Benguet, Cordillera Administrative Region. The offer by NR resulted in a bid price of US$145 mn, as calculated in accordance with the PSALM's bid rules.

Under the IPP Administration Contract, NR will pay a series of monthly payments to PSALM for over a period of 16 years to January 2026 in consideration for the right to trade/market the electricity generated by the plants, either through the WESM or bilateral contracts. After the expiry of said contract, the power stations will be transferred to the company, subject to its acceptance. PSALM exercised the right to divide and segregate the contracted capacities of Bakun and Benguet in the latter part of 2010.

By virtue of the segregation done by PSALM, NR assumed the responsibility of selling only the Bakun plant's contracted capacity. The Bakun plant is located within the 13,213 hectare watershed area of the Bakun river in Ilocos Sur province in Northern Luzon, which taps the flow of the Bakun river to provide the plant with its generating power. The plant was constructed under the government's BOT scheme and is currently owned and being operated by Luzon Hydro Corporation (LHC).

VEC owns 46% of NR through its wholly owned subsidiary, VICS-Bakun Holdings Corporation.

1590 Energy Corporation (1590 EC)

In March 2010, a Memorandum of Agreement (MOA) was entered into between the PGLU, VEC and GPI wherein the parties agreed to enter into a Sale and Purchase Agreement (SPA) giving VEC and GPI exclusive right to purchase the Bauang diesel-fired power plant (Bauang plant) owned by the PGLU until July 25, 2010.

On July 22, 2010, the MOA was amended granting VEC and GPI the right to an interim management and operation of the Bauang diesel-fired power plant and an extension of the SPA for six months or until January 26, 2011. Hence, VEC and GPI incorporated 1590 EC in July 2010 to undertake all the rights, interests and obligations under the Interim Agreement. On September 10, 2010, VEC and GPI with the conformity of PGLU transferred all their rights, interests and obligations under the Interim Agreement to 1590 EC.

In December 2010, 1590 EC formally signified its intent to purchase the diesel power plant, thus, a Contract to Sell (CTS) was executed between 1590 EC and the PGLU, the closing of which was subject to certain conditions.

In May 2012, a Mutual Rescission Agreement (MRA) was entered into by 1590 EC and the PGLU, thus terminating the CTS. Simultaneously, a MOA was executed by both parties giving 1590 EC the right to preserve, maintain and operate, including the right to use and sell the power generated by the Bauang plant. This MOA is scheduled to expire in June 2013. In 2013, 1590 EC and the PGLU entered into an agreement to extend the term of the MOA up to end-2015.

VEC has a 52.7% equity stake in 1590 EC.

Vivant Malogo Hydropower, Inc. (VMHI)

VMHI was incorporated in June 2012 as the project company to implement a Greenfield power plant project, which will involve the construction and operation of a series of run-of-river hydropower facility in Barangay Kapitan Ramon in Silay City, which is located in the northwestern section of the Negros island. 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 is in the process of obtaining necessary permits and contract approvals. Once done, construction will commence and is estimated to be completed after 22-24 months.

As of end-2014, VEC holds an equity stake of 67% in VMHI.

Calamian Islands Power Corporation (CIPC)

CIPC was established in October 2010 as the project company to undertake the construction and operation of the 8 MW bunker- and 750 kW diesel-fired power plants in the municipalities of Coron and Busuanga, respectively. In August 2011, CIPC entered into a 15-year Power Sale Agreement with Busuanga Island Electric Cooperative covering the total capacity of the project. CIPC broke ground in April 2013. In December 2013, the Busuanga Power Station commenced its commercial operations. The completion and start of commercial operations of the Coron Power Station is scheduled within second half of 2014.

VEC has an equity stake of 50% in CIPC.

Minergy Coal Corporation (MCC)

MCC is the project company that was set up by Mindanao Energy Systems, Inc. (Minergy) to build, own and operate a 3x55 MW coal-fired power plant in Balingasag, Misamis Oriental. Construction commenced in the first quarter of 2014. The plant 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.

In May 2014, a Subscription Agreement between Vivant Integrated Generation Corporation (VIGC) and MCC was executed which allows VIGC to subscribe to 40% of all issued capital and shares of MCC.

Therma Visayas, Inc. (TVI)

TVI is the project company that will build, own and operate the 2x150 MW (net) coal-fired power plant in Barangay Bato, 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 May 2014, TVI signed an EPC contract with Hyundai Engineering Co., Ltd. And Galing Power Energy Co., Inc. TVI plans to issue the full Notice to Proceed by March 2015 to ensure guaranteed completion date by the last quarter of 2017.

An agreement was executed in August 2014 between VIGC and Therma Power, Inc. (TPI), which allowed VIGC to acquire a 20% equity stake in TVI. TPI, a wholly owned subsidiary of AP, is the parent company of TVI.

In March 2015, the notice to proceed (NTP) for all EPC activities was issued. The first unit is expected to be turned over by end 2017, with the second following three months thereafter.

Future Projects

The Company 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.

Notwithstanding the review and evaluation process undertaken, the Company cannot give the assurance that a project, if implemented, will be successful. There is no assurance that the Company will eventually develop a particular project in the manner planned or at or below the cost estimated by the Company.

Electric Power Distribution

In addition to investments in the power generation sector, the Company has investments, both direct and indirect, in VECO, the second largest privately owned distribution utility in the Philippines in terms of customers and annual GWh sales. As of end-2014, Vivant has a beneficial ownership in VECO of roughly 35%.

Visayan Electric Company (VECO)

VECO, through its predecessor, has been in the distribution business since the early 1900s. It is an electric distribution utility engaged in the conveyance, distribution and sale of electric power pursuant to its legislative franchise, Republic Act No. 9339, and serves the electrical needs of four cities (Cebu, Mandaue, Talisay and Naga), and four municipalities (Consolacion, Liloan, Minglanilla, and San Fernando), all located in the Province of Cebu. Its franchise was granted by the Congress of the Philippines and is due to expire in 2030. VECO's service coverage is about 672 square kilometers serving close to 367,000 customers with a peak demand of 459 MW and electricity sales of 2,528 GWh in 2014.

The table below summarizes the key operating statistics of VECO for 2014 and the past two years.

	Electricity Sold (MWh)	Peak Demand (MW)	# of Customers
2012	2,300,959	412	341,611
2013	2,417,353	433	366,606
2014	2,527,846	459	380,851

VECO is among the distribution utilities included in the third group (Group C) of private utilities to shift to Performance Based Regulation (PBR). The ERC issued its final determination on VECO's application for approval of its annual revenue requirements and performance incentive scheme under the PBR for the regulatory period July 1, 2010 to June 30, 2014.

VECO was scheduled to undergo the PBR reset process in the first quarter of 2014. However, the company was not able to do so given that the ERC has since put on hold all PBR reset processes. As such, VECO continued to apply the rates approved for the last year of the first regulatory period until such time it is able to undergo the ERC-mandated reset process.

Retail Electricity Supply Business

One of the objectives of the EPIRA law is to ensure the competitive supply of electricity at the retail level. With the implementation of the Open Access and Retail Competition (Open Access), large-scale customers will be allowed to source electricity from Retail Electricity Suppliers (RES) licensed by the ERC.

Vivant has prepared its organization for the Open Access with the establishment of two RES companies.

Prism Energy, Inc. (Prism Energy)

Prism Energy was incorporated in March 2009, as a joint venture between Vivant (40%) and AP (60%). The company obtained its five-year RES license in May 2012. Prism Energy is seen to service the requirements of the contestable customers in the Visayas region.

Corenergy, Inc. (Corenergy)

Corenergy is a wholly owned subsidiary of Vivant that applied for a RES license in March 2013. However, ERC issued a resolution that holds in abeyance the evaluation of the RES license applications and suspend the issuance of such licenses until such time that the amendments to the Rules for the issuance has been made by the ERC to promote competition and protect customers interest. ERC shall conduct a market analysis that should be completed not later than June 25, 2015, which will determine the readiness of the market for the full implementation of the Retail Competition and Open Access.

(ii) Sales

The table below sets forth comparative figures for revenue, profitability and assets.

(in Php mn)	2012	2013	2014
Gross Income	3,804.4	3,617.3	4,519.5
Operating Income	1,605.2	1,551.6	2,006.0
Total Assets	7,086.8	8,733.7	12,457.4

The operations of Vivant, its subsidiaries and associates are based only in the Philippines.

Revenue contribution by business grouping is as follows:

	2012*		2013		2014	
	Php mn	%-tot	Php mn	%-tot	Php mn	%-tot
Power Generation	3,264.1	86	2,927.2	81	3,904.3	87
Power Distribution	485.7	13	650.1	18	553.1	12
Others	54.6	1	40.0	1	62.1	1
Total	3,804.4	100	3,617.3	100	4,519.5	100

**Restated due to impact of remeasurement of pension cost (PAS 19R)*

(iii) Distribution Methods of Products and Services

The generation companies sell their electricity either through the spot market or through bilateral power supply agreements with private distribution utilities, cooperatives and other large end-users.

Most of the generation companies have transmission service agreements with the National Grid Corporation of the Philippines (NGCP) for the transmission of electricity to the designated delivery points of their customers. Some have built their own transmission lines to directly connect to their customers.

The distribution company has an exclusive distribution franchise in the area where it operates. The utility has its own distribution network consisting of an extensive network of predominantly overhead lines and substations. An agreement with NGCP was likewise entered into to facilitate the use of NGCP's transmission facilities to receive power from its IPPs, NPC and/or PSALM for distribution to its respective customers.

(iv) New Products and Services

Neither Vivant, nor its subsidiaries and associates, have any publicly-announced new product or service to date, apart from the ongoing Greenfield and/or rehabilitation projects being undertaken.

(v) Competition

Generation Business

Vivant, through the facilities of its power generation subsidiaries and associates located in Luzon and Visayas, faces competition from other power generation plants that supply electricity to the Luzon and Visayas Grids. Given the privatization of NPC-owned power generation facilities, the Company has to contend with local and multinational IPPs for signing power supply agreements and offering power supply through the WESM.

Another source of competition would be the onset of RES operations as a result of the retail competition brought about by the implementation of Open Access. It is expected that both foreign and Filipino-owned generation companies will set up their respective RES business to tap the contestable large end-users. Further competition can be brought about by entities that can establish RES operations by acting as demand aggregators.

Competition in the development of new power generation facilities, the acquisition of existing power plants and financing these undertakings could also be expected. Given the robust performance of the industry in the last couple of years, coupled with the strong showing of the Philippine economy, many investors have been attracted to participate and explore opportunities in the development of electric power generation projects, both in the renewable and non-renewable energy spectrum.

Distribution Business

VECO has an exclusive franchise to distribute electricity in the area covered by its franchise.

Under Philippine law, the franchise of any distribution utility may be renewed by the Congress of the Philippines, provided that requirements relating to the rendering of public services are met. VECO intends to apply for the extension of its franchise upon its expiry. Competition or opposition from third parties may arise while application for the extension of its franchise is underway. However, under the Philippine law, a party wishing to secure a franchise to distribute electricity must first obtain from the ERC a Certificate of Public Convenience and Necessity and shall prove that such party has the technical and financial capability to operate a distribution franchise. Ultimately, it is the Philippine Congress that has absolute discretion in determining whether to issue new franchises or renew existing franchises.

(vi) Sources of Raw Materials and Supplies

Generation Business

The Company’s hydroelectric power generation plants harness the kinetic energy from the flow of water on rivers to generate electricity. These hydroelectric companies possess water permits issued by the National Water Resources Board (NWRB), which allow them to utilize a certain volume of water from the applicable source of water flow to generate energy.

In the case of the fossil-fired power generation plants, fuel supply contracts with various suppliers have been entered into. Oil-fired plants have existing medium-term (2-3 years) contracts with local large oil companies. The coal plant sources its fuel requirements via a combination of long-term supply contracts with various suppliers and the spot market.

Distribution Business

VECO secured bulk of its electricity requirements by entering into bilateral agreements with various IPPs. These agreements are governed by the ERC regulations. Under current rules, VECO is allowed to purchase up to 90% of its total electricity requirements via bilateral contracts.

Below are the existing power purchase agreements in place for VECO.

- NPC for the maximum monthly supply of 128,397 kW, which expired in December 2014
- CPPC for 61.72 MW of dispatchable capacity for 10 years (starting November 2013)
- CEDC for the supply of 105 MW for 25 years (starting February 2011), an additional 16 MW starting May 2014
- Green Core for the supply of 60 MW at 100% load factor (5 year term starting December 26, 2010), an additional 15 MW at 100% load factor starting December 2011 and an additional 15 MW at 100% load factor starting January 2013

To replace the supply provided by NPC, VECO entered into Power Supply Agreements with Aboitiz Energy Solutions, Inc. and VEC for 40 MW and 17 MW baseload supply, respectively. Another agreement was forged between VECO and 1590 EC, where the latter will supply 30 MW and cover the peaking requirement of the utility for six months starting December 2014.

To meet the future supply requirement of its franchise area, VECO entered into a 15-year power supply contract with TVI. This should be available to service VECO's long-term capacity requirement starting 2018.

(vii) Major Customers

The bulk of the total attributable electricity generated and sold by Vivant, through its subsidiaries and associates, are sold to either private distribution utilities or electric cooperatives covered by long term bilateral agreements. The balance is sold through the spot market. For the year 2014, Vivant had a 75:25 sales mix that was in favor of energy sales covered by sale contracts.

Vivant's distribution business, on the other hand, has a wide and diverse customer base. The distribution utility's customers are categorized as follows:

- **Industrial customers**: consist of large-scale consumers of electricity within a franchise area, such as factories, plantations and shopping malls.

- **Residential customers**: consist of structures utilized for residential purposes

- **Commercial customers**: include service-oriented businesses, universities and hospitals

- **Other customers**: include streetlights

(viii) Transactions With and/or Dependence on Related Parties

Vivant and its subsidiaries and associates, in their regular conduct of business, have entered into related party transactions where Vivant, as parent company, provides two types of professional services: (1) strategic and technical and (2) corporate center services.

Functions covered would include regulatory, sales and marketing, technical operations, business development, corporate finance, corporate management systems, legal and human resources among others. These services are rendered by Vivant to allow efficient transfer of business and technical expertise, thus improving cost efficiencies and synergies. Vivant houses a pool of highly qualified professionals with business expertise relating to the business of the Vivant Group. Service Level Agreements are in place to ensure the quality of service and competitive pricing.

Aside from the abovementioned, below are other services provided to and/or transactions entered into by Vivant with related parties in 2014.

- Vivant obtained a domestic Standby Letter of Credit (SBLC) to serve as guarantee for the debt servicing of an associate company's peso-denominated term loan.

- Vivant issued a corporate guarantee for the benefit of its subsidiary in connection with its hydropower service contract.

- Vivant has an outstanding lease agreement with a certain associate involving rental of its commercial office space.

(ix) Government Approvals, Patents, Copyrights, Franchises

Generation Business

Under the EPIRA, the power generation business is not considered a public utility operation. However, there are standards, requirements and other terms and conditions set by the ERC that each existing and potential generation company should comply with. Once met, the ERC will issue a Certificate of Compliance (COC) that will allow the operation of the power generation facilities. A COC is valid for a period of five years from the date of issuance.

Hydroelectric power generation facilities, on the other hand, are required to obtain water permits from the National Water Regulatory Board. Said permit would indicate the approved water source and allowable volume of water that can be used by these facilities in generating power. The water permits do not have expiry dates and are usually not terminated as long as the holder of the permit is able to meet the terms indicated.

A generation company that operates a facility connected to the Grid must make sure that the technical design and operational criteria of the Philippine Grid Code and Philippine Distribution Code are met.

Power purchase agreements signed with both private distribution utilities and electric cooperatives are required to be evaluated and approved by the ERC.

Vivant and its subsidiaries and associates involved in the generation business have no pending applications for the registration of intellectual property rights for any trademark associated with its and its subsidiaries' and associates' corporate names and logos.

Distribution Business

Electricity distribution is a regulated public utility business under the EPIRA. It requires a franchise that can be granted only by the Congress of the Philippines. A Certificate of Public Convenience and Necessity from the ERC is also needed to operate a public utility.

VECO's franchise is set to expire in 2030.

Given that the cost of purchased power is allowed to be passed on to the end-users, all power purchase agreements signed with power generation companies are required to be evaluated and approved by the ERC.

VECO has no pending application for the registration of intellectual property rights for any trademark associated with its corporate name and logo.

Supply Business

With the implementation of the Open Access, the business of supplying electricity is not considered as a public utility operation under the EPIRA. However, proprietors of this business are required to obtain a license from the ERC in accordance with the ERC's rules and regulations. Vivant has two RES companies:

- Prism Energy, which is 40%-owned by Vivant, was awarded its license in May 2012.

- Corenergy, which is a wholly owned subsidiary, is currently in the process of applying for a license.

(x) Effect of Existing or Probable Governmental Regulations

Given the changing landscape of the power industry brought about by the enactment of the EPIRA law in 2001, the following have had, will have or may have considerable impact on Vivant's businesses:

Wholesale Electricity Spot Market (WESM)

The WESM is a spot market for the buying and selling of electricity. This was established to enable competition to influence the production and consumption of electricity. The mechanism in place allows market forces to determine prices.

The WESM provides another option for power generation companies that have no bilateral contracts on how to sell the energy generated by their power plants. Likewise, the WESM serves as a platform for distribution utilities, suppliers and wholesale consumers to purchase electricity even without a bilateral contract.

In December 2013, an amended Joint Resolution No. 2 was issued by DOE, ERC and PEMC adjusting the WESM Offer Price Cap from Php 62,000 per MWh to Php 32,000 per MWh. This price cap is provisional and shall be subject to public consultations and review by the WESM Tripartite Committee.

In May 2014, ERC issued Resolution No. 8, Series of 2014, to implement an interim secondary price cap of Php 6,245 per MWh, which will be imposed when the rolling average market price over a 72-hour period (3 days) equal to or exceed Php 8,186 per MWh. In December 2014, this was adopted as a permanent pre-emptive mitigating measure where imposition of such will be triggered when the rolling average market price over a 168-hour period (or 7 days) equal to or exceed Php 9,000 per MWh. A petition has been filed by the Philippine Independent Power Producers Association, Inc. with the Regional Trial Court of Pasig for declaratory relief on the ground that the resolutions made by ERC are invalid and void.

Retail Competition and Open Access (RCOA)

Under the EPIRA, a system of open access to transmission and distribution wires will be implemented once conditions for the commencement of such are met. These conditions are as follows:

- Establishment of WESM
- Approval of unbundled transmission and distribution wheeling charges
- Initial implementation of the cross subsidy removal scheme
- Privatization of at least 70% of the total capacity of generating assets owned by NPC in Luzon and Visayas
- Transfer of management and control of at least 70% of the total energy output of power plants under contract with NPC to the IPPAs

Implementation of the Open Access will allow end-users with an average monthly peak demand of one (1) MW for the twelve (12) months preceding to choose their own electricity suppliers.

The implementation of Open Access may result to various contracts entered into by distribution utilities being “stranded.” Stranded contract costs refer to the difference between the contracted costs of electricity and the actual selling price of the contracted energy.

In 2012, the ERC, together with the Department of Energy and the Philippine Electricity Market Corporation (PEMC), formulated the Transitory Rules for the initial implementation of Open Access. Said rules were finalized and issued by the ERC in December 2012, where the following were declared: December 26, 2012 as the Open Access Date; (2) the period December 26, 2012 to June 25, 2013 as the Transition Period during which the required systems and processes to implement the Open Access will be developed and put in place and registration of contestable customers and retail electricity suppliers into the WESM database; and (3) June 26, 2013 to December 25, 2013 as the initial commercial operation of Open Access. Full retail competition is supposed to be implemented starting December 26, 2013. PEMC was tasked to be the Central Registration Body, which will undertake the development and management of the systems and processes and the settlement of transactions in the WESM relating to the Open Access.

The Open Access only relates to the Luzon and Visayas markets. Mindanao has yet to establish a competitive environment before Open Access is implemented. To be able to do, same conditions discussed will apply. However, an Interim Mindanao Electricity Market was established in January 2013 to address the supply shortage in Mindanao. It was implemented in December 2013, albeit, was suspended after three months given the lack of systems and processes to support the operations.

In December 2013, the ERC released the amended licensing regulations for RES. Revisions are as follows:

- Deferment of issuances of licenses to generating companies, IPPA and affiliates of distribution utilities will be made during a transition period or until the ERC deems appropriate in light of market conditions
- Evaluation of application shall consider the grid limitations imposed on the total capacity of any affiliate generation company, including the contracted capacity of the RES

- RES' supply to an affiliate end-user/s shall be limited to up to 50% of the RES' capacity
- Supply by a generation company to an affiliate RES shall be limited to up to 50% of the generation requirements of said RES

A petition has been filed by the Retail Electricity Suppliers Association of the Philippines, Inc. with the Regional Trial Court of Pasig City for declaratory relief with an urgent application for an injunction on the ground that the revised rules are unconstitutional and invalid.

The Renewable Energy Act of 2008 (RE Act / RE Law)

The RE Act was signed into law in December 2008 and became effective in January 2009.

The RE Act was designed to promote and develop the use of renewable energy resources of the country to reduce the country's dependence on fossil fuels and overall cost of energy, and reduce harmful emissions to improve the environment.

The RE Act offers fiscal and non-fiscal incentives to RE developers, subject to a certification issued by the DOE, in consultation with the Board of Investments. These incentives include:

- Income tax holiday for the first seven years of commercial operations
- Duty-free importation of RE machinery, equipment and materials effective within ten years upon issuance of certification, provided said machinery, equipment and materials are directly, exclusively and actually used in RE facilities
- Special realty tax rates on equipment and machinery not exceeding 1.5% of the net book value
- Net operating loss carry over (NOLCO)
- Corporate tax rate of 10% after the 7th year
- Accelerated depreciation
- Zero percent value-added tax on sale of fuel or power generated from emerging energy sources and purchases of local supply of goods, properties and services of RE facilities
- Cash incentives for RE developers for missionary electrification
- Tax exemption on carbon emission credits
- Tax credit on domestic capital requirement and services

All fiscal incentives apply to all RE capacities upon effectivity of the RE Law.

Electricity generated from emerging RE resources such as wind, solar, ocean, run-of-river hydropower and biomass are given priority dispatch.

In a resolution issued in 2012, the ERC adopted the following feed-in-tariff (FIT) for emerging RE resources, namely, wind, solar, run-of-river hydropower and biomass, and corresponding degression rates.

	FIT Rate (Php/kWh)	Degression Rate
Wind	8.53	0.5% after 2nd year of FIT effectivity
Solar	9.68	6% after 1st year of FIT effectivity
Run-of-river hydro	5.90	0.5% after 2nd year of FIT effectivity
Biomass	6.63	0.5% after 2nd year of FIT effectivity

The National Renewable Energy Board is in the process of preparing the Renewable Portfolio Standards, which shall provide electricity suppliers the implementing rules and guidelines on the portion of their electricity requirements to be sourced from eligible RE resources.

The net metering program for RE was issued by the ERC in 2013, which is designed to, among others, encourage end-users to participate in the RE generation. The distribution utilities are required to enter into a net metering agreement with an end-user with installed RE system, subject to technical considerations.

The guidelines for the collection of the FIT-Allowance (FIT-All) and the disbursement of the FIT-All Fund by Transco were issued by the ERC in early 2014. The FIT-All is a uniform charge that will be collected from end-users by distribution utilities and RES entities. This will comprise the FIT-All Fund, whereby Transco serves as Administrator. The FIT-All Fund is for the guaranteed payment of the FIT for actual energy delivered by RE generators. In an order dated October 10, 2014 ERC Case No. 2014-109RC, the commission issued a provisional approval for the applied FIT-All of Php 0.0406 per kWh filed by Transco. Collection from end-users shall commence starting January 2015.

Reduction in Systems Loss

The ERC issued Resolution No. 17, Series of 2008, which involves the reduction in the allowed recoverable systems losses of distribution utilities from 9.5% to 8.5%. This was implemented in January 2010.

Under the new regulations, the actual electricity usage of the distribution company will be treated as an O&M expense in its PBR applications.

(xi) Estimate of Amount Spent for Research and Developmental Activities

Vivant has not allocated any specific amount of funds for research and developmental activities. Research and development activities are done on a per project basis and allocation of funds may vary depending on the nature of the project.

(xii) Costs and Effect of Compliance with Environmental Laws

Vivant's generation and distribution business units are subject to extensive and stringent safety, health and environmental laws and regulations. The Company's subsidiaries and associates have incurred, and expect to incur, operating costs to comply with these laws and regulations. Annual capital expenditures relating to the compliance with safety, health and environmental laws and regulations are expected to be made by Vivant's subsidiaries and associates.

(xiii) Employees

At the parent company level, Vivant has a total of 47 employees as of December 31, 2014, composed of executive, supervisory and rank-and-file staff. The table below provides a breakdown of the total employee headcount.

	Headcount
Executive	9
Supervisors	13
Rank & File	25
Total	**47**

The Company has no existing collective bargaining agreement with its employees.

(xiv) Major Risks Involved in the Business

Below is a brief discussion on the risks that Vivant, through its subsidiaries and associates, might encounter in the businesses in which it is involved. Certain risks, however, are inherent to the nature of the business that are beyond Vivant's or its subsidiary's or associate's control.

Competition Risk

The competition landscape in the power generation business has continually evolved since the government started its privatization efforts under the EPIRA law.

- Over 70% of NPC's generation assets and IPP contracts have been transferred to the private sector.
- The spot market in the Luzon and Visayas Grids are operational, with Mindanao to follow suit in the coming years.
- Investments in Greenfield and Brownfield projects are starting to pour in
- Implementation of the Open Access and Retail Competition

All these have or will have an impact on the availability of and access to power (reliability of plants seen improving, new capacities and new suppliers coming in), which may ultimately influence pricing of electricity.

Regulatory Risk

The continuing scrutiny of both the regulators and the public has led to the growing challenges faced by the power industry. In its effort to manage any potential fundamental changes in the business environment, Vivant has established good working relations with the regulatory agencies. The Company actively participates in the formulation of new rules and policies covering the power industry. In anticipation of possible changes in the regulatory environment, the Company incorporates these in the formulation of its long-term strategy for its businesses.

Trading Risk

Spot market price of electricity is determined by several market forces, which are mostly beyond the control of the Company. Unforeseen plant outages, transmission constraints, and fuel cost increases are among the factors that affect the supply condition in the power industry. Weather conditions and economic activities influence the demand patterns in the electricity market. All these have caused and are expected to cause fluctuations in the spot market price of electricity. Vivant intends to mitigate this risk by maintaining a good balance of contracted and spot capacities for its generation portfolio.

Fuel Supply Risk

Vivant's fossil-fired generation plants have entered into fuel supply contracts to ensure supply. Pricing, however, is subject to market conditions affecting both demand and supply.

Delta P, CPPC, 1590 EC and CIPC have entered into medium term (2-5 years) contracts with large oil companies and fuel distributors in the Philippines. CEDC, in the meantime, has long-term contracts with various coal suppliers.

Delta P, CPPC, CIPC and CEDC have entered into bilateral contracts that employ a tariff formula allowing recovery of fuel cost. 1590 EC has likewise signed short-term power supply agreements with a fuel cost recovery mechanism in place.

Financial Risk

In the course of normal operations, Vivant, together with its subsidiaries and associates, is exposed to financial risks, including, but not limited to, interest rates that may have an impact on outstanding liabilities, counterparty credit risk, valuation of securities and investments, trade and other receivables, liquidity risk in terms of cash management and foreign exchange risk that may have an impact on outstanding foreign currency denominated placements and liabilities.

Business Interruption Risk

Interruption of normal operations brought about by natural calamities, major equipment failures, plant accidents and terrorism are just a few of the serious risks faced by the Company, through its subsidiaries and associates.

For risks that can be mitigated by the Company, particularly those that are plant operations-related, Vivant, through its subsidiaries and associates, implements a regular preventive maintenance program in all of its facilities. The Company, in relation to its risk management process, has procured business interruption insurance to cover the potential loss in gross profits in the event of a major damage to any of the facilities and assets it owns or operates.

Project Risk

Vivant, through its subsidiaries and associates, has projects in the pipeline, involving Greenfield and Brownfield power plant development projects. Inherent to these projects are risks involving the completion of these projects according to specifications, budget and set timelines.

To ensure the successful implementation of these projects, Vivant, through its subsidiaries and associates, is partnering with well-known contractors and suppliers with good track record in the industry. Project monitoring activities are likewise employed to assure adherence to standards, budget and set timelines.

Item 2. Properties

Vivant's head office is located at the 9th Floor of Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City.

On a consolidated basis, the Company's 2014 total Property, Plant and Equipment were valued at Php 760.8 mn as compared to Php 62.6 mn for 2013. The breakdown is as follows:

Property, Plant and Equipment as of December 31, 2014 and 2013

	2013 (Php mn)	2014 (Php mn)
Condominium Units, Building, and Improvements	16.8	16.6
Plant Machineries & Equipment	0.6	14.0
Leasehold & Land Improvements	15.7	16.1
Other Furniture, Fixtures, & Equipment	9.0	11.0
Transportation Equipment	18.7	17.5
Tools & Other Assets	1.8	0.2
Construction in Progress*	1.7	685.4
TOTAL	**62.6**	**760.8**

**Lumped with Tools and Other Assets in the 2013 report*

Item 3. Legal Proceedings

Material Pending Legal Proceedings

I. VECO

VECO vs. Roy Salubre and the Province of Cebu, et al.
CA-G.R. S.P. No. 05752

The Province of Cebu assessed VECO for delinquent real property tax for its electric posts and transformers within the Municipality of Consolacion. A Notice of Sale of Delinquent Property over the electric posts and transformers was subsequently issued by the Province.

To prevent the auction of the electric posts and transformers pursuant to the Notice of Sale of Delinquent Property, VECO filed a case for Injunction and Prohibition against the Province of Cebu on the ground that electric posts and transformers are not real properties and, therefore, not subject to real property tax. On July 27, 2010, the lower court decided in favor of VECO and issued a Writ of Prohibition and Injunction against the Province of Cebu.

The Province appealed to the CA which was dismissed on November 18, 2013. On January 16, 2014, the Province filed a Petition for Review on Certiorari with the SC. On February 24, 2014, the Supreme Court denied the Petition. The Supreme Court decision became final and executory on August 20, 2014.

In The Matter of the Assessed Real Property Tax on Electric Posts
And Transformers Located Within Talisay City
Local Board of Assessment Appeals-Talisay City
December 30, 2003

On October 29, 2003, the Local Board of Assessment Appeals (LBAA) of Talisay City, Cebu issued a Notice of Assessment and Tax Bill (for Tax Declaration Nos. 68006 to 68065) against VECO representing Php 10.50 mn of real property tax on VECO's electrical posts and transformers within Talisay City. In 2004, the assessment was increased to Php 16.90 mn, and Php 17.50 mn in 2005. In 2003, VECO paid under protest the amount of Php 2mn. This matter is currently pending before the LBAA of Talisay City.

In the Matter of The Assessed Real Property Tax on Electric Posts and Transformers Located Within the Municipalities of Minglanilla, Consolacion, and Lilo-an, Province of Cebu Local Board of Assessment Appeals – Province of Cebu

On July 25, 2008, the Provincial Assessor of the Province of Cebu issued a Notice of Assessment for the electric posts and transformers owned by VECO located in the Municipalities of Minglanilla, Consolacion, and Lilo-an. The Provincial Assessor, motu proprio, declared for tax purposes as real properties the electric posts and transformers for the first time under Tax Declaration Nos. 39178 to 39193 (for Minglanilla), 39135 to 39166 (for Consolacion) and 54445 to 54458 (for Lilo-an). VECO received a letter from the Provincial Treasurer on August 27, 2008, which demanded payment of about Php 32 mn as real property tax from 1992 to 2008, including penalties, for the supposed real properties within Minglanilla, Consolacion, and Lilo-an.

On September 23, 2008, VECO filed a Notice of Appeal and Memorandum of Appeal before the LBAA of the Province of Cebu questioning the demand letter and refuting the assessment. To date the Appeal is still pending resolution. The LBAA did not act on the Appeal. Thus, so as not to preclude any waiver of the inaction by the LBAA of the Province of Cebu on the Appeal for several years, on December 16, 2014, VECO elevated the appeal and filed its Notice of Appeal and Memorandum of Appeal with the Central Board of Assessment Appeals (CBAA), Visayas Field Office, Cebu City. The Appeal is still pending resolution.

II. 1590 EC

SC G.R. No. 210245
Bayan Muna Representatives NERIC JAVIER COLMENARES, et al., vs. Energy Regulatory Commission, et al.

SC G.R. No. 201255
National Association of Electricity Consumers for Reforms, et al. vs. Manila Electric Company, et al.

SC G.R. No. 210502
Manila Electric Company vs. Philippine Electricity Market Corporation, et al.

On December 19 and 20, 2013, two (2) separate Petitions were filed by Bayan Muna Representatives and National Association of Electricity Consumers for Reforms (NASECORE) against the Energy Regulatory Commission and Manila Electric Company (MERALCO), et al. to enjoin MERALCO from implementing its power rate increase that was approved by the Energy Regulatory Commission (ERC) and to hold certain provisions of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), as unconstitutional. As a result of the Petitions, the Supreme Court en banc ordered several generation companies to be included as additional parties-respondents to the cases, including 1590 Energy Corp., its power rate increases approved by the ERC. Oral Arguments were conducted and the relevant legal pleadings were submitted to the Supreme Court. The Petitions are pending resolutions by the Supreme Court.

ERC Case No. 2014-021 MC
In The Matter of the Prices in the Wholesale Electricity Spot Market (WESM) For the Supply Months of November and December 2013 and the Exercise By the Commission of its Regulatory Powers to Intervene and Direct the Imposition of Regulated Prices Therein

On March 6, 2014, acting motu proprio (at its own instance), the ERC rendered an Order voiding the Wholesale Electricity Spot Market (WESM) prices for the supply months of November and December 2013 and in lieu thereof, substituting regulated prices. The Order came after the ERC formed an Investigating Unit to investigate the unusual increase in WESM prices and the simultaneous withholding of capacity by electric power generators during the supply months of November and December 2013.

1590 EC filed its Motion for Reconsideration to the Order on March 28, 2014. In an Order dated October 15, 2014, the ERC denied the Motion for Reconsideration.

C.A. G.R. No. 138105
Petition for Review With Application for Injunction and
Temporary Restraining Order
1590 Energy Corporation vs. Energy Regulatory Commission
And Philippine Electricity Market Corporation

As a result of the denial of the Motion for Reconsideration by the ERC in ERC Case No. 2014-021 MC, on December 10, 2014, 1590 EC filed a Petition for Review with Application for Injunction and Temporary Restraining Order with the Court of Appeals requesting for the (a) issuance of a Temporary Restraining Order and Writ of Preliminary Injunction enjoining ERC and PEMC from implementing all orders, decisions, and resolutions in ERC Case No. 2014-021 MC and (b) reversal of the Order of the ERC in ERC Case No. 2014-021 MC and (c) reinstating the November and December 2014 WESM market prices. The Petition is still pending.

ERC Case No. 2014-001 MC
In the Matter of The Investigations On The Allegations of
Anti-Competitive Behavior and Possible Abuse of Market Power
Committed By Some Participants In The Wholesale Electricity
Spot Market (WESM)

The ERC, acting motu proprio, issued a subpoena duces tecum and ad testifacandum dated February 12, 2014, against 1590 EC for its representative to appear before an investigating body of the ERC and submit documents relating to its offers to the WESM. This investigation was in relation to the surge in WESM market prices that is the subject of SC G.R. No. 210245, SC G.R. No. 201255, and SC G.R. No. 210502. 1590 EC complied with the subpoena and appeared before the investigating body. 1590 EC awaits a resolution/decision/order from the ERC.

III. NR

SC G.R. No. 210245
Bayan Muna Representatives NERIC JAVIER COLMENARES,
et al., vs. Energy Regulatory Commission, et al.

SC G.R. No. 201255
National Association of Electricity Consumers for Reforms, et al.
vs. Manila Electric Company, et al.

SC G.R. No. 210502
Manila Electric Company vs. Philippine Electricity Market
Corporation, et al.

On December 19 and 20, 2013, two (2) separate Petitions were filed by Bayan Muna Representatives and National Association of Electricity Consumers for Reforms (NASECORE) against the Energy

Regulatory Commission and Manila Electric Company (MERALCO), et al. to enjoin MERALCO from implementing its power rate increase that was approved by the Energy Regulatory Commission (ERC) and to hold certain provisions of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), as unconstitutional. As a result of the Petitions, the Supreme Court en banc ordered several generation companies to be included as additional parties-respondents to the cases, including NR, its power rate increases approved by the ERC. Oral Arguments were conducted and the relevant legal pleadings were submitted to the Supreme Court. The Petitions are pending resolutions by the Supreme Court. In the meantime, on April 22, 2014 the Supreme Court has issued an indefinite Temporary Restraining Order (TRO) against the implementation of the Meralco power rate increase for the November 2013 billing month.

ERC Case No. 2014-001 MC
In the Matter of The Investigations On The Allegations of
Anti-Competitive Behavior and Possible Abuse of Market Power
Committed By Some Participants In The Wholesale Electricity
Spot Market (WESM)

The ERC, acting motu proprio, issued a subpoena duces tecum and ad testifacandum dated February 12, 2014, against 1590 EC for its representative to appear before an investigating body of the ERC and submit documents relating to its offers to the WESM. This investigation was in relation to the surge in WESM market prices that is the subject of SC G.R. No. 210245, SC G.R. No. 201255, and SC G.R. No. 210502. 1590 EC complied with the subpoena and appeared before the investigating body. 1590 EC awaits a resolution/decision/order from the ERC.

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

During the June 27, 2014 Annual Meeting of Stockholders, the following actions were taken:

i. Approval and adoption of the minutes of the June 13, 2013 Annual Stockholders' Meeting;
ii. Delivery of the Annual Report of the Officers;
iii. Approval of the 2013 Annual Report and Financial Statements
iv. Delegation of the authority to appoint External Auditors for 2014 to the Board of Directors.
v. Ratification of all acts and resolutions of the Board of Directors and Management adopted for Fiscal Year 2013;
vi. Election of the following members of the Board of Directors for the year 2014 - 2015:

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

Other than the foregoing, no matter was submitted to a vote of security holders. The results of the foregoing meeting were timely disclosed to the PSE and SEC in a SEC Form 17-C report.

PART II: OPERATIONAL AND FINANCIAL INFORMATION

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

(1) Market Information

The Company's common shares are listed and traded at the Philippine Stock Exchange. The high and low stock prices of Vivant's common shares for each quarter of 2013 and 2014 and up to the first quarter of 2015 were as follows:

	2013		2014		2015	
	High	Low	High	Low	High	Low
First Quarter	9.90	8.35	12.00	10.00	25.00	19.00
Second Quarter	11.40	9.05	15.20	10.10	N.A.	N.A.
Third Quarter	12.00	8.90	22.00	10.02	N.A.	N.A.
Fourth Quarter	11.04	9.04	22.00	17.52	N.A.	N.A.

As of May 15, 2015, the common shares outstanding were 1,023,456,698 shares. The price of Vivant's common shares as of May 15, 2015 was at Php 20.80 per share.

(2) Security Holders

As of May 15, 2015, Vivant has 1,467 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). The top 20 shareholders with the number of shares respectively held and the percentage of total shares outstanding held by each are as follows:

	NAME	NO. OF SHARES	%
1	Mai-I Resources Corporation	464,831,568	45.42
2	JEG Development Corporation	311,524,642	30.44
3	Mirant Global Corporation	116,555,553	11.39
4	PCD Nominee Corporation (Filipino)	68,896,225	6.73
5	Popsivan Holdings Corporation	31,498,212	3.07
6	Malacapas Holdings, Inc.	27,677,848	2.70
7	Arce, Eulalio C.	343,750	0.03
8	Vibal, Esther A.	79,250	0.01
9	Vibal, Esther &/Or Stella Lawson &/Or Aida Gutierrez	62,500	0.01
10	Cruz, Alfredo A.	34,062	0.00
11	Marietta P. Lavin	27,750	0.00
12	EBC Securities Corporation	20,625	0.00
13	Consortium Industries, Inc.	20,500	0.00
14	Lopez, Rose Marie R.	19,687	0.00
15	PCD Nominee Corporation (Non-Fil)	17,175	0.00
16	Marino Olondriz Y Cia	16,000	0.00
17	Rivera, Rosario Paje	15,625	0.00
18	Rodulfo Sevilla	15,625	0.00
19	Borres, Jun	15,000	0.00
20	Te, Anita &/or Te, Oscar	15,000	0.00
	TOTAL NO. OF SHARES	**1,021,686,597**	

(3) Dividends

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

The cash dividends declared by Vivant to its common shareholders from 2013 to 2014 are shown in the table below.

Year	Cash Dividend Per Share		Total Declared		Record Date
	Regular	Special	Regular	Special	
2014	Php 0.1714	Php 0.0489	Php 175.4 mn	Php 50.0 mn	July 9, 2014
2013	Php 0.1558	Php 0.0489	Php 159.5 mn	Php 50.0 mn	July 4, 2013

(4) Recent Sales of Unregistered Securities

On January 29, 2014, the Company signed an agreement to issue Php 3 billion (bn) in Fixed Rate Corporate Notes, which will be issued in two tranches: Php 1 bn on February 3, 2013 and Php 2 bn on March 31, 2014. The net proceeds of the issue will be used for general corporate purposes, including but not limited to, capital expenditures for existing assets and investments in power generation projects.

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

1. Plan of Operation

For the next twelve (12) months, the Company will continue to oversee its investments in the investee companies.

As a holding company, it shall satisfy its cash requirements through (1) dividends declared and paid by its investee companies and (2) management fees paid by investee companies with management contracts as compensation for ancillary services provided.

Vivant, through its Business Development Group, is continuously on the lookout for opportunities in the power industry, particularly in the power generation business. The Company has several projects that are in various stages of development.

2. Management's Discussion and Analysis

Management uses the following key performance indicators for the Company and its investee companies:

(i) 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.

(ii) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). EBITDA is calculated by taking operating income and adding back to it interest, depreciation, and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the 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.

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

(iv) 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.

(v) Current Ratio. Current ratio is computed by dividing current assets with 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.

For the Quarter Ended March 31, 2015 versus the Quarter Ended March 31, 2014

The table below shows the comparative figures of the top five key performance indicators for the first quarter ended March 31, 2015 and the first quarter ended March 31, 2014.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**YTD March 2015**	**YTD March 2014**	**YE 2014**
Equity in Net Earnings of Associates	239,171	221,849	
EBITDA	396,680	334,544*	
Cash Flow Generated / (Used)	1,338	2,638,790	
Net cash flows from operating activities	48,591	(62,265)	
Net cash flows from investing activities	(41,280)	(292,338)	
Net cash flows from (used in) financing activities	(5,973)	2,993,394	
Debt-to-Equity Ratio (x)	0.57	0.61	0.56
Current Ratio (x)	3.34	5.59	3.80

**Reported as Php 333.6 mn in last year's SEC 17Q*

The Company's share in net earnings of associates for the period ended-March 2015 rose to Php 239.2 million (mn) from Php 221.8 mn representing an 8% year-on-year (YoY) increase. The growth was mainly due to the enhanced bottomline performance of an associate arising mostly from an 8% YoY expansion in volume of electricity sold. In compliance with the International Accounting Standards (IAS) 28[1], the Company did not book its share in the net losses of two associates and a joint venture during the quarter in review, which amounted to Php 100.4 mn. In the same period last year, Php 105.5 mn was the Company's share in net losses of an associate that was not recognized due to IAS 28.

The enhanced topline performance of the Company's subsidiaries coupled with the higher recorded share in equity earnings from its associates, led to a 19% YoY increase in EBITDA for the period in review, from Php 334.5 mn to Php 396.7 mn.

The Company ended the quarter with a net cash generation of Php 1.3 mn, which was mainly brought about by the positive cash generated by operations.

Vis-à-vis year-end 2014, the Debt-to-Equity ratio slightly rose to 0.57x as of end-March 2015. There was an increase in liabilities materially attributed to trade and other current payables but the impact

[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 venture discontinues recognizing its share of further losses. If the associate or joint venture subsequently reports profits, the investor or joint venture resumes recognizing its hare of those profits only after its share of the profits equals the share of losses not recognized.

of which was tempered by the increase in equity resulting from the Company's income generated during the quarter in review.

The expansion in the Company's current liabilities, which was spurred by increases in trade payables and income tax payable, outpaced the increase in current assets. This resulted to the decline in the Company's current ratio to 3.34x as of end-March 2015 from 3.80x as of end-2014.

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

As of end-March 2015, Vivant's total revenues accelerated to Php 974.3 mn from Php 593.7 mn, recording a 64% YoY increase. This significant increase is attributed to the following:

1. Energy fees earned by its subsidiaries accounted for the bulk at 71%, or Php 695.0 mn of total revenues. The increase in energy sold coming from its subsidiary's bilateral contracts and the administration by a subsidiary of 17 MW of geothermal power from the Unified Leyte Geothermal Power Plants mainly accounted for the enhanced performance.

2. The Company's equity share in net earnings of its associates brought in 25% of the revenues (or Php 239.2 mn) and registered an increase of 8% YoY. The growth was mainly due to the enhanced bottomline performance of an associate arising mostly from an 8% YoY expansion in volume of electricity sold. Meanwhile, the application of the IAS 28 resulted to the non-recognition of equity losses from two associates and a joint venture during the quarter in review, which amounted to Php 100.4 mn. In the same period last year, the Company had unrecognized share in losses from results of operations of an associate amounting to Php 105.5 mn. If the Company were allowed to book these, equity share in net earnings during the period in review would have registered a 19% YoY expansion, from Php 116.3 mn as of end-March 2014 to Php 138.8 mn.

3. Management fees rose by 9% YoY to Php 26.8 mn from Php 24.6 mn as a result of the escalation of monthly rates for management and service billings to subsidiaries and associates.

4. Interest income was up 75% YoY to Php 11.8 mn, which was a result of higher cash levels due to the Fixed Rate Corporate Notes (FRCN) issued in 2014 and the accrual of interest income in the current period. Interest income for the quarter end-March 2014 would have been Php 7.0 mn had interest income been accrued.

5. The other income account recorded a drop of 22% YoY to Php 1.4 mn due to reduced service billings to subsidiaries and associates.

Total operating expenses for the first quarter of 2015 grew by 122% YoY, from Php 262.5 mn to Php 583.8 mn. Said movement can be accounted for by the following:

1. Generation cost during the quarter went up by 152% YoY to Php 521.0 mn, which was mainly due to the substantial increase in a subsidiary's net generation and purchased power. The administration over 17 MW of geothermal power by a subsidiary also contributed to the increase in generation cost.

2. Management fees were up by 41% YoY to Php 4.7 mn from Php 3.3 mn due to the change in frequency for a subsidiary's payment of management fees, from annual to quarterly.

3. Salaries and employee benefits rose by 60% YoY to Php 20.8 mn from Php 13.0 mn on account of additional manpower and an upward adjustment in salaries and benefits. The increase was also due to the accrual of 13th month pay and other benefits in the current period. Salaries and employee benefits would have been Php 14.6 mn if accruals were made for the 13th month pay and other benefits in the same period last year.

4. Taxes and licenses dropped by 55% YoY to Php 6.7 mn from Php 14.8 mn. In the same period last year, the Company paid taxes relating to the FRCN issue, which amounted to Php 5.0 mn. Moreover, the lower business taxes of a subsidiary contributed to the account's decline during the period in review.

5. The absence of an FRCN-related one-off fee that was incurred in the same period last year resulted to a 6% YoY reduction in professional fees, from Php 10.8 mn to Php 10.1 mn. Cost items during the quarter in review include legal, financial and other advisory consultants in relation to the set-up of operational systems.

6. There was a 76% YoY increase in depreciation and amortization bringing it to Php 6.0 mn for the quarter in review. This was a factor of the acquisition of additional depreciable assets, mostly relating to the expansion of the Company's office space, increase in manpower headcount and the acquisition of vehicles.

7. Travel expenses grew by 15% YoY to Php 1.8 mn from Php 1.6 mn because of the increased frequency of trips related to business development, plant inspections and meetings with partners and government agencies.

8. Representation recorded a YoY growth of 2435% to Php 1.7 mn from Php 0.07 mn. This variance is attributed to increased representation costs of the Company and a subsidiary.

9. Communication and utilities increased by 46% YoY to Php 1.0 mn from Php 0.7 mn due to the increase in the manpower headcount. Additional office spaces were a factor in the rise in power and water charges.

10. Security and janitorial expenses rose by 48% YoY to Php 0.4 mn given rate adjustments on agency fees and the hiring of additional personnel.

11. Other general and administrative expenses posted a 26% YoY rise to Php 8.6 mn due to the increase in royalty fees of a subsidiary and the Company's corporate communications expense.

Vivant's finance cost of Php 41.6 mn as at end-March 2015 is 4722% higher versus last year's Php 0.9 mn. The increase was due to the Php 3 billion (bn) FRCN issued in the first quarter of 2014, for which interest was paid and accrued during the quarter in review.

An unrealized foreign exchange loss of Php 1.6 mn was taken up during the quarter 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 4.6 mn.

Other charges of Php 1.1 mn was incurred as of end-March 2015, as against other income of Php 0.1 mn booked during the same period last year. The Company wrote off an uncollectible account from an associate during the quarter in review.

The Company posted a tax expense of Php 18.0 mn as of end-March 2015, which was a result of an accrual made by a subsidiary. If accruals were also made in the same period last year, the Company would have recorded an income tax expense of Php 23.7 mn.

Taking all of the above into account, Vivant recorded a total net income for the period ending March 31, 2015 of Php 328.2 mn, recording a marginal reduction of 2% YoY. Meanwhile, net income attributable to parent amounted to Php 274.4 mn, slightly down by 2% YoY. The profit decline is mainly due to the non-accrual of some expenses amounting to Php 27.3 mn during the same period last year. If adjustments were made to reflect this amount, the Company's net income and net income attributable to parent for the quarter in review would have posted YoY increases of 7% and 4%, respectively.

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

The Company's total assets expanded by 5%, from end-2014's level of Php 12.5 bn to Php 13.1 bn.

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

1. Trade and other current receivables recorded an increase of 181% to Php 389.2 mn as of March 31, 2015 largely due to the increase in energy sales of its subsidiaries.

2. Advances to associates and stockholders dipped by 32% to Php 27.7 mn as of end-March 2015 from Php 40.9 mn as of end-2014. The decline was brought about by the repayment of advances by an associate.

3. Prepayments and other current assets as of quarter-end were up by 20% at Php 513.8 mn, which was a result of a subsidiary's increase in advances to suppliers.

4. Property and equipment is up by 5% to Php 801.6 mn as of end-March 2015, which was mainly due to the purchase of power plant equipment by a subsidiary and the Company's purchase of service vehicles, office furniture and equipment, and the construction of a warehouse.

Total liabilities grew by 6% to Php 4.7 bn as of end-March 2015. The movement was brought about by the increase in accrued expenses for generation cost, fuel inventory, plant parts and equipment, legal fees, and accrued taxes for the first quarter of 2015.

As a result of net income generated during the quarter in review, total stockholders' equity increased by 4%, from approximately Php 8.0 bn as of year-end 2014 to Php 8.3 bn as of end-March 2015. Meanwhile, equity attributable to parent ended up higher by 4% at Php 7.9 bn as of the end of March 2015.

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

For the period ending March 31, 2015, the net cash generated by the Company's operations amounted to Php 48.6 mn, recording a reversal from last year's net cash utilized of Php 62.3 mn. The enhanced operating performance of the Company's subsidiaries mainly accounted for the movement.

Net cash used in investing activities as of end-March 2015 amounted to Php 41.3 mn, vis-a-vis last year's utilization of Php 292.3 mn. Lower investments made during the quarter in review, coupled with higher dividends received and interest income, accounted for the quarter's reduced usage.

For the period in review, the Company utilized cash of Php 6.0 mn for financing activities. This was a reversal from last year where cash generated from financing activities amounted to Php 3.0 bn that was a result of the FRCN issue.

As of March 31, 2015, cash and cash equivalents were reduced by 15%, from Php 5.7 bn as of end-March 2014 to Php 4.9 bn.

Financial Ratios

Vis-à-vis year-end 2014, the Debt-to-Equity ratio slightly rose to 0.57x as of end-March 2015. There was an increase in liabilities materially attributed to trade and other current payables but the impact of which was tempered by the increase in equity resulting from the Company's income generated during the quarter in review.

The expansion in the Company's current liabilities, which was spurred by increases in trade payables and income tax payable, outpaced the increase in current assets. This resulted to the decline in the Company's current ratio to 3.34x as of end-March 2015 from 3.80x as of end-2014.

Plan of Operation, Known Trends, Events, Uncertainties

Vivant will continue to oversee its investments in its investee companies. As a holding company, it shall satisfy its cash requirements mainly through (1) dividends declared and paid by its investee companies and (2) management fees paid by investee companies with management contracts as compensation for ancillary services provided. The Company also has existing bank credit facilities that it can tap should the need arise. Moreover, Vivant raised Php 3 bn via a Fixed Rate Corporate Note issue, which was done during the first quarter of 2014. The Company is financially sound and is prepared to take any opportunity that will arise due to developments in the power industry.

Below are some events that the Company believes will have an impact to its earnings performance and financial condition in 2014 and the ensuing years.

- Increase in attributable generation capacity

  Vivant has a number of power generation projects that are in various stages of development. As completed, the Company's attributable power generation capacity is seen to improve from its current level of 249 MW.

  6 MW run-of-river hydropower plant project in Silay. 75%-owned VMHI is currently working on finalizing the permits and contract approvals for the project, which will be located in Barangay Kapitan Ramon in Silay City, Negros Occidental. Once started, construction is expected to be completed after 22-24 months.

  3 x 55 MW coal-fired power plant in Misamis Oriental. In May 2014, a Subscription Agreement between 100%-owned VIGC and Minergy Coal Corporation (Minergy Coal) was executed, which allows VIGC to subscribe to 40% of all issued capital and shares of Mingergy Coal. Minergy Coal is the project company that was set up by Mindanao Energy Systems, Inc. (Minergy) to build, own and operate a 3 x 55 MW coal-fired power plant in Balingasag, Misamis Oriental. The plant is expected to feed into the franchise area of Cagayan de Oro

Electric Power and Light Corporation, which covers the City of Cagayan de Oro and adjoining towns, by 2017.

2 X 150 (net) MW coal-fired power plant in Toledo City, Cebu. This is a Greenfield project of 20%-owned TVI, which involves the construction of a 2x150 MW (net) coal-fired power plant in Barangay Bato, 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. The notice to proceed (NTP) for all EPC activities was issued in March 2015. The first unit is expected to be turned over by end 2017, with the second following three months thereafter.

Other projects in the pipeline. Vivant, through its Business Development Group, is continuously on the lookout for opportunities in the power industry, particularly in the power generation business. Aside from the aforementioned, the Company has several projects that are in various stages of development. These projects will be disclosed by Vivant as their respective plans firm up.

Participation in the privatization program for the government's power assets. Vivant has closely monitored the developments in the privatization efforts of the government. The Company's Business Development group is tasked to evaluate the viability of both asset sale and public auction for the IPP Administrator (IPPA) contracts.

- Market and industry developments

Commencement of Open Access. The implementation of Open Access starting June 26, 2013 has effectively widened the market for Vivant's generated power. The Company's uncontracted capacity could be sold either through RES companies or directly to contestable customers. Vivant has prepared its organization for the Open Access with the establishment of two RES companies.

Issuance of ERC Case No. 2014-021 MC. The ERC rendered and Order voiding the Wholesale Electricity Spot Market (WESM) prices for the supply months of November and December 2013 and in lieu thereof, substituting regulated prices. The Order came after the ERC formed an Investigating Unit to investigate the unusual increase in WESM prices and the simultaneous withholding of capacity by electric power generators during the supply months of November and December 2013.

1590 EC filed its Motion for Reconsideration to the Order on March 28, 2014, which was denied in an Order dated October 15, 2014. As a result of the denial of the Motion for Reconsideration, on December 10, 2014, 1590 EC filed a Petition for Review with Application for Injunction and Temporary Restraining Order with the Court of Appeals requesting for the (a) issuance of a Temporary Restraining Order and Writ of Preliminary Injunction enjoining ERC and PEMC from implementing all orders, decisions, and resolutions in ERC Case No. 2014-021 MC and (b) reversal of the Order of the ERC in ERC Case No. 2014-021 MC and (c) reinstating the November and December 2014 WESM market prices. The Petition, docketed as C.A. G.R. No. 138105 (Petition for Review With Application for Injunction and Temporary Restraining Order) is still pending.

Reserve Market. The trial operations of the Reserve Market commenced on February 26, 2014. This came after the issuance by DOE on December 2, 2013 of the Department Circular No. DC2013-12-0027, "Declaring the Commercial Launch for the Trading of Ancillary Service in Luzon and Visayas under the Philippine Wholesale Electricity Spot Market". Roles and responsibilities of all stakeholders are set in said circular.

PEMC is in the process of reviewing the results of the trial run. The Pricing and Cost Recovery Mechanism of the Reserve Market is still under review by the ERC.

The Reserve Market will involve three reserve categories. These are: Frequency Regulation, Contingency Reserve and Dispatchable Reserve. Launch date has yet to be set.

<u>For the Year Ended December 31, 2014 versus the Year Ended December 31, 2013</u>

The table below shows the comparative figures of the key performance indicators for the year 2014 and 2013.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**2014**	**2013**
Equity in Net Earnings of Associates	1,110,762	817,168
EBITDA	2,027,600	1,565,008
Cash Flow Generated	1,797,447	1,254,242
Net cash flows from operating activities	832,480	1,341,358
Net cash flows from (used in) investing activities	(1,291,869)	1,095,667
Net cash flows from (used in) financing activities	2,256,835	(1,182,782)
Debt-to-Equity Ratio (x)	0.56	0.25
Current Ratio (x)	3.80	2.51

The Company's share in net earnings of associates for the year 2014 soared to Php 1.1 bn, representing a 36% YoY increase from Php 817.2 mn. The equity earnings in 2014 was propped up by the combined effect of enhanced energy demand and improved average selling prices.

The mandated compliance with the IAS 28 required the non-booking of the Company's share in the net losses of an associate and a joint venture, resulting in the non-recognition of Php 58.0 mn in net loss during the period in review. At end-2013, the Company should have booked Php 400.9 mn as its share in net losses of an associate and joint venture. Due to IAS 28, only Php 188.1 mn of said amount was recognized in 2013.

The improvement of a subsidiary's bottomline performance and the growth in the equity earnings of its associates mainly accounted for the 30% YoY increase in the Company's EBITDA, from Php 1.6 bn in 2013 to Php 2.0 bn in 2014.

The Company generated cash flows of Php 1.8 bn in 2014, up by 43% YoY. This can be attributed mainly to the proceeds from the issuance of the Fixed Rate Corporate Notes (FRCN) in 2014, with a total principal amount of Php 3.0 bn.

Debt-to-Equity ratio went up from 0.25x in 2013 to 0.56x in 2014. This developed mainly as a result of the Company's FRCN issuance to fund its projects.

The increase in cash and cash equivalents, coupled with a decline in some of the Company's current liabilities, accounted for the improvement in its current ratio, to 3.80x as of end-2014 from 2.51x as of end-2013.

<u>Material Changes in Line Items of Registrant's Income Statement</u>

At the end of 2014, the Company had a consolidated revenue of Php 4.5 bn, which was a 25% YoY improvement from the previous year's consolidated revenue of Php 3.6 bn. The topline performance was due to the following:

1. Energy sales, which comprise the bulk of revenues at Php 3.2 bn (or 71% of total), rose by 24% YoY. This enhanced revenue performance was due to a subsidiary's higher energy sales and the improvement in the weighted average selling price of power sold. Through bilateral power supply contracts, the Company's subsidiary recorded a 22% YoY expansion in kWh sales during the year in review.

2. Equity in net earnings of associates and joint ventures rose by 36% YoY to Php 1.1 bn from Php 817.2 mn. The improved bottomline performances of some of its associates were a result of enhanced topline brought about by recorded expansion in energy sales and improved average selling prices.

   The application of IAS 28 resulted in the non-recognition of Php 58.0 mn, which is the Company's share in the net losses of an associate and a joint venture during the period in review. Adjusting for this, the Company's equity in net earnings of associates and joint ventures would be reduced to Php 1.05 bn, still up by 29% YoY. For the same period last year, the Company recognized its share in the losses from the associate and joint venture, amounting to Php 188.1 mn, while losses of Php 212.8 mn were not recognized in compliance with IAS 28 guidelines.

3. Management fees in 2014 declined by 17% YoY to Php 138.9 mn from Php 167.1 mn. There were downward rate adjustments in the negotiated contract rates for 2014.

4. Interest income was significantly higher by 51% YoY at Php 50.7 mn. This was on account of higher money market placements due to the cash build up brought about by the FRCN proceeds.

5. Other income grew by 77% YoY to Php 11.4 mn from Php 6.4 mn. This increase was mainly due to the improved performance of a subsidiary engaged in information technology services.

Consolidated operating expenses for the year 2014 rose by 22% YoY from Php 2.1 bn to Php 2.5 bn. The increase was primarily due to the 27% YoY rise in Generation Cost incurred by the Company's subsidiary from Php 1.6 bn in 2013 to Php 2.1 bn in 2014), which was fueled by higher energy generation and purchased power during the period in review. The Company's operating expenses on the other hand went up by 3% YoY to Php 445.8 mn on account of the following:

1. Salaries and employee benefits grew 13% YoY from Php 74.4 mn to Php 83.8 mn resulting from additional manpower headcount and the upward adjustment in salaries and benefits.

2. Management fees were up 290% YoY, from Php 15.8 mn to Php 61.6 mn. The increase came from a subsidiary's payment of higher management fee rates for services received during the period in review.

3. Travel expenses rose by 20% YoY from Php 14.5 mn to Php 17.3 mn. The rise can be attributed to the increased frequency of business- and project-related trips, power plant inspections, technical trainings, and meetings with partners and government agencies.

4. Depreciation and amortization for the year grew by 31% YoY from Php 13.3 mn to Php 17.4 mn. This resulted from the acquisition of additional depreciable assets relating to the purchase of power plant equipment, the expansion of the Company's office space, and the purchase of vehicles.

5. Communication and utilities expense for the year 2014 increased by 34% YoY from Php 3.4 mn to Php 4.6 mn, which was a factor of the increase in the Company's manpower headcount and the installation of additional communication facilities to enhance communication between offices.

6. There was a 10% YoY decline in rent and association dues from Php 6.0 mn to Php 5.4 mn. In 2013, the Company had to extend the lease of an office space due to the delay in the completion of the improvement works being done in its replacement unit.

7. Representation expenses went down by 13% YoY from Php 3.7 mn to Php 3.3 mn on account of the lower cost of representation items during the year in review.

8. Professional fees declined by 29% YoY, from Php 237.4 mn to approximately Php 169.0 mn, on account of lower consultancy fees incurred.

9. Taxes and licenses dropped by 9% YoY from Php 28.6 mn to Php 25.9 mn. This was in view of a one-off tax payment in 2013 pertaining to the Company's gain on the redemption of redeemable preferred shares of an associate.

10. In view of the uncertainty of receivables collection relating to energy sales, a provision in the amount of Php 34.1 mn was booked by the Company's subsidiary as of end-2014.

11. An impairment loss of Php 5.0 mn was taken up at end-2013 relating to the fair valuation of a subsidiary's investment. There was no such impairment at end-2014.

12. Other operating expenses were lower by 22% from Php 29.3 mn to Php 22.9 mn. The costs incurred in the prior year were related to the compliance with the minimum public offering and developmental fees related to various project studies.

Vivant booked Php 83.7 mn in other charges in 2014, a 733% surge from previous year's other charges of Php 25.7 mn. This was an outcome of the following account movements:

1. Interest charges incurred in 2014 amounted to Php 140.5 mn, bringing up interest expense by 717% YoY. The hike was mainly due to the issuance of the FRCN, with the first tranche amounting to Php 1.0 bn being issued on February 3, 2014 at an interest rate of 5.7271% p.a., and the second tranche worth Php 2.0 bn being issued on March 31, 2014 at an interest rate of 5.4450% p.a.

2. Unrealized foreign exchange gain was up 45% YoY at Php 4.3 mn. The restatement of the US Dollar and Euro cash balances of the Company and a subsidiary accounted for this movement.

3. Other Income for the year amounted to Php 52.5 mn, which was mainly due to the reversal of an unclaimed liability booked by the Company's subsidiary that was taken up during its takeover of plant operations in 2010. This compares to an expense of Php 21.6 mn incurred by the Company in the previous year.

The combined effect of the above account movements resulted to a 49% YoY growth in Vivant's net income to Php 1.7 bn. Consequently, net income attributable to equity holders of the parent advanced by 34% YoY to Php1.3 bn.

Total comprehensive income, on the other hand, dropped by 20% YoY, from Php 2.2 bn to Php 1.7 bn. The total comprehensive income attributable to equity holders of the parent was at Php 1.4 bn, down by 26% YoY. The items below account for the movements:

1. In compliance with Philippine Accounting Standards (PAS) 19R, which requires the remeasurement of pension assets, Vivant booked an other comprehensive loss of Php 2.8 mn in 2014 and Php 8.7 mn in 2013.

2. In 2014, the Company booked Php 40.6 mn as other comprehensive income (net of tax), which represents its share in the revaluation increment of an associate. This amount is significantly lower than the Php 884.6 mn revaluation increment (net of tax) of another associate recognized in 2013.

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

The Company's consolidated total assets expanded by 43% to Php 12.5 bn in 2014 from Php 8.7 bn in 2013. The significant movements in the assets of the Company are discussed below.

1. Cash and cash equivalents as of end-2014 increased by 59% YoY to Php 4.9 bn, mainly due to the cash build up resulting from the FRCN proceeds.

2. Receivables was lower by 81% YoY at Php 138.5 mn. The decline resulted from the collection of a subsidiary's trade accounts during the year.

3. Advances to associates and stockholders dipped by 65% from Php 115.5 mn as of end-2013 to Php 40.9 mn as of end-2014. The drop was due to the reclassification of capital calls paid to a joint venture as investments and advances to associates and joint ventures account.

4. Inventories went up by 8% YoY to Php 106.8 mn. The upswing was due to the rise in fuel prices and the purchase of spare parts by a subsidiary for its power plant.

5. Prepayments and other current assets grew by 46%, from Php 294.8 mn as of end-2013 to Php 429.6 mn as of end-2014. This was mainly due to the booking by the Company's subsidiary of higher advances to supplier during the year in review.

6. Investments and advances to subsidiaries and associates grew by 44% to Php 5.8 bn as of end-2014 from approximately Php 4.0 bn as of end-2013. The growth is substantially attributed to a subsidiary's investment in power generation companies involved in the construction of coal-fired power generation facilities in Visayas and Mindanao.

7. Property, plant and equipment went up by 1,114% YoY to Php 760.8 mn. The increase is a factor of a subsidiary's acquisition of power plant equipment, the expansion of the Company's office space, and the acquisition of vehicles.

8. The 12% YoY increase in available-for-sale investments to Php 4.3 mn is mainly due to the purchase of a club proprietary share by the Company.

9. Deferred tax assets was 34% lower at Php 14.2 mn due to the deferred tax adjustment recognized in relation to the unamortized portion of the FRCN transaction costs.

Total liabilities posted a significant increase of 153% to Php 4.5 bn as of end-2014. During the period in review, Vivant 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.

Partly mitigating the effect of the FRCN issue on the Company's liability accounts is the 9% YoY decline in trade and other payables from Php 1.4 bn to Php 1.3 bn, substantially on account of a subsidiary's settlement of its accrued expenses. In addition, net payments made during the period in review brought down the income tax payable account to Php 31.6 mn at end-2014 from Php 162.1 mn as of end-2013. Likewise, the partial settlement of the accounts of some subsidiaries to its related parties brought down advances from related party account by 19%, from Php 142.7 mn at end-2013 to Php 115.5 mn at end-2014. Meanwhile, pension liability increased by 24% YoY to Php 23.2 mn as a factor of its annual re-measurement.

As a result of net income generated during the period in review, total stockholders' equity increased by 15%, to approximately Php 8.0 bn as of year-end 2014 from about Php 7.0 bn as of end-2013. Meanwhile, equity attributable to parent ended higher by 18% at Php 7.6 bn as of end-2014.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash and cash equivalents grew by 59% YoY from Php 3.1 bn as of end-2013 to Php 4.9 bn as of end-2014. The FRCN proceeds mainly accounted for the cash build up.

Cash generated from operating activities for the year 2014 amounted to Php 832.5 mn, recording a 38% YoY decline. This mainly arose from higher income tax payments and the interest payments for the FRCN during the year. Lower net cash generated from operations, which was a result of increased prepaid expenses and a reduction in trade and other payables, further brought down the net cash from operations for the year in review.

As of year-end 2014, the Company and its subsidiaries booked investment outlays of Php 1.6 bn for power projects and Php 718.7 mn for fixed assets. These mainly resulted to the Php 1.3 bn cash used for investing during the year in review, a reversal from previous year's positive cash generated from investing activities of Php 1.1 bn.

Cash from financing activities as of end-2014 was at Php 2.3 bn, which was a turnaround from 2013 when the Company ended the year with Php 1.2 bn being used up for financing activities. The accumulation during the year in review was a result of the FRCN proceeds, albeit, tempered by the issuance of dividends by the Company and its subsidiaries.

Financial Ratios

Consolidated current assets grew by 29% YoY, which was mainly due to the cash build up coming from the FRCN proceeds. This, coupled with the 15% YoY decline in the Company's consolidated current liabilities, led to an improved current ratio, from 2.51x as of end-2013 to 3.8x as of end-2014.

Debt-to-Equity ratio as of end-2014 was higher at 0.56x vis-a-vis end-2013 level of 0.25x. The higher liabilities arising from the FRCN issuance mainly accounted for this increase.

For the Year Ended December 31, 2013 versus the Year Ended December 31, 2012

The table below shows the comparative figures of the key performance indicators for the year 2013 and 2012.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**2013**	**2012**
Equity in Net Earnings of Associates	817,168	962,679
EBITDA	1,565,008	1,723,139
Cash Flow Generated	1,254,242	1,207,905
Net cash flows from operating activities	1,341,358	1,004,021
Net cash flows from (used in) investing activities	1,095,667	1,066,346
Net cash flows from (used in) financing activities	(1,182,782)	(862,462)
Debt-to-Equity Ratio (x)	0.25	0.24
Current Ratio (x)	2.51	2.24

The Company's share in net earnings of associates for the year 2013 amounted to Php 817.2 mn, representing a 15% YoY decline from Php 962.7 mn. The equity earnings in 2012 included one-off gains from the partial extinguishment of an associate's liabilities.

The lower average spot market price in 2013, coupled with the one-off gain in 2012 from the partial extinguishment of an associate's liabilities, resulted in a 9% YoY drop in the Company's EBITDA, from Php 1.7 bn to Php 1.6 bn.

The Company generated cash flows of Php 1.3 bn in 2013, up by 4% YoY. This can be attributed to improvements in the cash generated from operations and cash provided by investing activities.

Debt-to-Equity ratio slightly increased from 0.24x in 2012 to 0.25x in 2013. This resulted from the increase in the payable accounts of a subsidiary mostly arising from trade and dividends payable.

The increase in cash and cash equivalents during the period in review, mostly accounted for the improvement in the Company's current ratio, to 2.51x as of end-2013 from 2.24x as of end-2012.

Material Changes in Line Items of Registrant's Income Statement

At the end of 2013, the Company had a consolidated revenue of Php 3.6 bn, recording a 5% YoY decline from previous year's consolidated revenue of Php 3.8 bn. The topline performance was due to the following:

1. Revenue from sale of power, which comprised the bulk of revenues at Php 2.6 bn, was marginally lower by 2% YoY. The Company's subsidiary recorded a 23% YoY increase in net generation. This, however, was offset by the lower average selling price brought about by the lower spot market prices that prevailed during the year (especially during the months of November and December where most of the energy sales occurred).

2. Equity in net earnings of associates and joint ventures in 2013 decreased by 15% YoY to Php 817.2 mn from Php 962.7 mn. This is largely attributed to the non-recurrence of a gain booked in 2012 that resulted from the partial settlement of an associate's liability.

3. Management fees in 2013 rose by 12% YoY to Php 167.1 mn from Php 148.5 mn. The upward adjustment in rates, as stipulated in the contracts, as well as newly negotiated rates accounted for the increase.

4. Interest income was lower by 29% YoY at Php 33.6 mn, which was mainly attributed to lower interest rates during the period in review.

5. Other income decreased by 8% YoY to Php 6.4 mn. The drop was due to a reduction in the disposal of waste materials by a subsidiary.

Consolidated operating expenses for the year 2013 was reduced by 6% YoY from Php 2.2 bn to Php 2.1 bn. The drop was primarily due to the lower Generation Cost incurred by the Company's subsidiary, which was down 12% YoY to Php 1.6 bn. The decline was due to the non-recurrence of cost items relating to significant spare parts replacements that the power plant required in 2012. Vivant's operating expenses recorded a 23% YoY rise to Php 432.1 mn given the following:

1. Professional fees increased by 15% YoY, from Php 207.3 mn to Php 237.4 mn. This significant increase was due to consultancy and advisory services incurred in relation to business development, technical reviews, and project development studies.

2. Management fees were lower by 58% YoY, from Php 37.6 mn to Php 15.8 mn. The drop was due to the non-renewal of a contract involving the management of a subsidiary's power plant in 2013.

3. Salaries and employee benefits increased to Php 74.4 mn in 2013, or by 91% YoY. The increase is a result of the combined effect of an increase in manpower headcount to address the growing needs of operations and the adjustments in salaries and benefits.

4. Taxes and licenses increased by 24% YoY to Php 28.6 mn from Php 23.0 mn. The increase was brought about by higher local taxes booked by a subsidiary in view of its higher revenue base.

5. Travel expenses increased by 37% YoY to Php 14.5 mn from Php 10.6 mn. This can be attributed to the rise in business- and project-related trips.

6. Depreciation and amortization for the year grew by 33% YoY from Php 10.0 mn to Php 13.3 mn. The increase was mainly attributable to the acquisition of fixed assets (relating to the expansion of the Company's office space) in 2013.

7. Rent and association dues increased by 52% YoY to Php 6.0 mn. This was a result of the combined effect of higher rental fees (as provided for in the lease contracts) and leased office space.

8. Communication and utilities expense for the year 2013 increased by 20% YoY to Php 3.4 mn from Php 2.9 mn, which was a factor of the increase in the Company's manpower headcount.

9. Impairment loss on Available For Sale (AFS) investments was up by 83% YoY from Php 2.7 mn to Php 5.0 mn. The rise was due to the full recognition of an impairment of a subsidiary's AFS investment in a company that already ceased operations. The amount booked in 2012 was a partial impairment for the same AFS investment.

10. Representation expenses was higher by 167% YoY to Php 3.7 mn from Php 1.4 mn. The increase was due to the rise in business- and project-related activities.

11. Security and janitorial expense was at Php 0.6 mn , up by 192% YoY. This was due to the need to tighten security in a subsidiary's facility and the requirement for additional janitorial and utility services in both Vivant and its subsidiary.

12. Other operating expenses went up by 136% to Php 29.3 mn from Php 12.4 mn due to increased spending in community relations, participation in typhoon relief operations, training and development, and customs brokerage, among others.

Vivant booked Php 25.7 mn in other charges in 2013, a reversal from previous year's other income of Php 605.4 mn. Said movement can primarily be accounted for by the following:

1. Prepayment of the Company's short term loans, coupled with the derecognition of the subsidiary's long term debt that resulted from the rescission of the contract involving the acquisition of the plant facilities, resulted in a 72% YoY drop in the Company's finance cost, from Php 61.1 mn to Php 17.2 mn.

2. Vivant's subsidiary booked a Php 643.8 mn gain in 2012, which was a result of the rescission of the contract involving the purchase of the Bauang power plant facility. Said gain was the difference of the derecognition of the property, plant and equipment and long-term debt, and the return of the cash from the escrow account.

3. Other Charges – net of Php 21.6 mn in 2013 pertain to a one-off adjustment that relates to previously booked gains from the redemption of an associate's redeemable preferred shares, which were inadvertently overstated.

The combined effect of the above account movements resulted in a 36% YoY decline in Vivant's net income to Php 1.3 bn. Consequently, net income attributable to equity holders of the parent declined by 31% YoY to Php1.0 bn.

Total comprehensive income, on the other hand, rose by 7% YoY to Php 2.2 bn from P2.0 bn. The total comprehensive income attributable to equity holders of the parent was at Php 1.9 bn, up by 29% YoY. Items below account for the movements:

1. In compliance with Philippine Accounting Standards (PAS) 19R, which requires the remeasurement of pension assets, Vivant booked an other comprehensive loss of Php 8.7 mn in 2013 and Php 0.7 mn in 2012, thereby restating its 2012 Consolidated Statement of Comprehensive Income.

2. The Company booked as other comprehensive income its share in the revaluation increment of an associate that amounted to Php 884.6 mn (net of tax).

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

The Company's consolidated total assets increased by 23% to Php 8.7bn in 2013 from Php 7.1 bn in 2012. The significant movements in the assets of the Company are discussed below.

1. Cash and cash equivalents as of end-2013 increased by 70% YoY to Php 3.1 bn. This was brought about by higher dividends received from the Company's investee companies and its subsidiary's increased trade payables (See Item 3. Legal Proceedings II 1590 EC ERC Case No. 2014-021 MC).

2. Receivables was higher by 20% YoY at Php 746.1 mn. This was largely due to the increase in trade receivables from higher energy sales in the last month of the year.

3. Advances to associates and stockholders was up by 302%, from Php 28.8 mn as of end-2012 to Php 115.5 mn as of end-2013. The increase came from advances made by a subsidiary to its stockholders for future dividends.

4. Inventories declined by 4% YoY to Php 99.2 mn. The drop was due to the rise in inventory usage during the period in view of higher energy generation.

5. Prepayments and other current assets was down by 35%, from Php 453.5 mn as of end-2012 to Php 294.8 mn as of end-2013, which was due to the reclassification of advances made by a subsidiary to its supplier of power plant parts and supplies to the proper asset and expense accounts upon receipt of the orders.

6. Investment in associates rose by 9% to Php 4.0 bn as of end-2013 from Php 3.7 bn as of end-2012. The increase is largely attributed to the take up of the Company's share in the revaluation of an associate in 2013, which was partly offset by the impact of cash and property dividend declaration during the year in review.

7. Property, plant and equipment went up by 32% YoY to Php 62.6 mn. The increase is largely attributed to the acquisition of more office space to accommodate additional manpower and other space requirements.

8. Available-for-sale investments was down by 57% YoY to Php 3.8 bn due to the recognition of an impairment on a subsidiary's AFS investment in a company that already ceased operations.

9. Other non-current assets increased by 9% to Php 72.0 mn as of end-2013 from Php 66.0 mn as of end-2012. This is attributable to advances made to contractors and project partners that will be used to finance the cost of project studies, site development, and plant rehabilitation, among others.

Vivant's total consolidated liabilities as of end-2013 was higher by 27% YoY, from Php 1.4 bn to Php 1.8 bn. Below is a brief discussion on the movements of the Company's liability accounts.

1. Trade and other payables increased by 107% YoY to Php 1.4 bn as of end-2013. This was due to a significant increase in trade payables from a subsidiary's purchases for inventories and the group's collection of energy fees in excess of the amounts determined by PEMC in the adjustment bills for the supply months of November and December 2013. (See Item 3. Legal Proceedings ll 1590 EC ERC Case No. 2014-021 MC)

2. Advances from related parties dropped by 28% YoY to Php 142.7 mn from Php 197.5 mn given the settlement of some of the advances.

3. Income tax payable recorded a 65% YoY increase to Php 162.1 mn as of end-2013. The significant increase was brought about by a subsidiary's higher net earnings during the year in review.

4. Short term loans of Php 365.0 mn in 2012 were fully settled in 2013.

5. Pension Liability of Php 18.7 mn in 2013 and Php 15.7 mn were established as a result of an actuarial study done, which is in compliance with PAS 19R on the remeasurement of pension assets.

6. Deferred tax liabilities was lower by 8% YoY at P27.5 mn as of end-2013. The decline was brought about by the realization of foreign exchange gains and the recognition of its corresponding income tax payable.

The favorable results of the Company's operations and the recognition of its share in the revaluation increment of an associate led to YoY increases of 22% and 35% in Vivant's total equity and equity attributable to equity holders of the Parent at Php 7.0 bn and Php 6.5 bn, respectively.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash and cash equivalents grew by 70% YoY from Php 1.8 bn as of end-2012 to Php 3.1 bn as of end-2013. Improvements in both the Company's cash generated from operations and cash provided by investing activities accounted for the rise in cash levels at the end of 2013.

Cash generated from operating activities for the year 2013 amounted to Php 1.3 bn, recording a 34% YoY improvement. This mainly arose from the rise in a subsidiary's trade and other payables.

Cash provided by investing activities during the year was slightly higher by 3% YoY at P1.1 bn. This was due to a 10% YoY increase in cash dividends received by Vivant, from Php 894.8 mn in 2012 to Php 979.9 mn in 2013. This was partly offset by the additions to property and equipment and other noncurrent assets.

Cash used in financing activities increased by 37% YoY to Php 1.2 bn. The 121% YoY rise in cash dividends paid (at Php 687.3 mn) during the year mainly accounted for the increase.

Financial Ratios

Debt-to-Equity ratio as of end-2013 was slightly up at 0.25x from 0.24x as or end-2012. This was mostly a result of the increase in the payable accounts of a subsidiary arising from higher dividends payable, output taxes payable, and trade payables. (See Item 3. Legal Proceedings ll 1590 EC ERC Case No. 2014-021 MC)

Increase in cash and cash equivalents during the period in review mainly accounted for the improvement in the Company's current ratio to 2.51x as of end-2013 from 2.24x as of end-2012.

For the Year Ended December 31, 2012 versus the Year Ended December 31, 2011

The succeeding management discussion and analysis of the Company's financial results as at year-end (YE) 2012 as compared to YE 2011 has been amended to reflect the restated figures in the 2012 and 2011 audited financial statements (AFS) presented in the comparative columns of the 2013 AFS report. The amended portions are underscored for easy reference.

The main factor behind the restatement is the compliance with the guidelines of the revised Philippine Accounting Standards (PAS) 19R, on the remeasurement of pension assets. In general, this revised standard removed the "corridor approach" in booking past service costs which previously allowed the staggered recognition thereof, and instead requires that past service costs be recognized immediately.

The table below shows the comparative figures of the key performance indicators for the year 2012 and 2011.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**2012**	**2011**
Equity in Net Earnings of Associates	962,679	690,796
EBITDA	1,723,139	1,257,168
Cash Flow Generated	1,207,905	(13,727)
Net cash flows from operating activities	1,004,021	265,982
Net cash flows from (used in) investing activities	1,066,346	449,476
Net cash flows from (used in) financing activities	(862,462)	(729,184)
Debt-to-Equity Ratio (x)	0.24	0.99
Current Ratio (x)	2.24	0.59

The Company's share in net earnings of associates for the year 2012 amounted to Php 962.7 mn, representing a 39% YoY increase from Php 690.8 mn in 2011. The rise in equity earnings in 2012 was driven by the combined effect of higher energy demand and improved average selling prices.

The improved bottomline performance of a subsidiary mainly arising from its gain on the rescission of a contract for the purchase of its power plant, coupled with higher average spot market price and quantity sold in 2012, and the increase in the Company's share in equity earnings, resulted in a 37% YoY increase in the Company's EBITDA, from Php 1.3 bn to Php 1.7 bn.

The Company generated cash flows of Php 1.2 bn in 2012, which was an 8,934% turnaround from the net cash utilization in 2011. This can be attributed to improvements in the cash generated from operations and cash provided by investing activities.

Debt-to-Equity ratio decreased from 0.99x in 2011 to 0.24x in 2012. This was on account of the drop in liabilities due to the prepayment of Notes Payable and de-recognition of the long term liability as a result of the Mutual Rescission Agreement (MRA).

The increase in cash and cash equivalents coupled with the de-recognition of the current portion of the long-term liability during the period in review, mostly accounted for the improvement in the Company's current ratio, to 2.24x as of end-2012 from 0.59x as of end-2011.

Material Changes in Line Items of Registrant's Income Statement

At the end of 2012 the Company had consolidated revenues of Php 3.8 bn compared to the consolidated revenue of Php 2.1 bn in 2011, representing an 80% increase. The topline performance was due to the following:

1. The increase was primarily due to a 103% increase in Energy Fees of a subsidiary brought about by a combined increase in sold capacity as well as an increase in prices by WESM.

2. Equity in Net Earnings of Associates increased 44% YOY to Php 962.7 mn in 2012 from Php 690.8 mn in 2011, attributed to the combined effect of higher energy sold and improved average selling prices.

3. Management Fees increased 21% to Php 148.5 mn from Php 122.9 mn in 2011. The increase was the result of the upward adjustment in contract rates as stipulated in the contracts as well as newly negotiated rates.

4. Interest income increased to Php 47.6 mn or by 185% in 2012 from Php 16.7 mn in 2011. The increase is attributed to an increase in free cash that allowed for higher earnings on short term placements and the interest income on payments on escrow for a subsidiary's power plant purchase that was rescinded during the year.

5. Other income decreased to Php 7.0 mn in 2012 from Php 9.3 mn in 2011. The decrease was mainly due to extraordinary income that a subsidiary realized in 2011 that did not recur in 2012.

Consolidated operating expenses increased by 82% to Php 2.2 bn in 2012 from Php 1.2 bn in 2011. The increase was primarily due to an increase in Generation Costs by 75% to Php 1.8 bn in view of the increase in capacity sold. Vivant's operating expenses recorded a 130% rise to Php 351.0 mn given the following:

1. Taxes and Licenses decreased by 15% to Php 23.0 mn from Php 26.9 mn in 2011. The decrease was brought about by the absence of Customs Duties paid by a subsidiary in 2011.

2. Professional Fees increased 516% from Php 33.6 mn in 2011 to Php 207.2 mn in 2012. This significant increase was due to consultancy and advisory services incurred by a subsidiary during the rescission of the CTS and technical services incurred for the maintenance of power plant equipment.

3. Management Fees increased by 29% to Php 37.6 mn in 2012 from Php 29.1 mn in 2011. This was due to a new management contract entered into by a subsidiary for the management of its power plant.

4. Salaries and employee benefits increased to Php 39.0 mn in 2012 or by 45% compared to Php 26.9 mn in 2011. The increase is the combined effect of an increase in manpower to address the growing needs of operations and adjustments in salaries and benefits.

5. Travel expenses increased by 29% to Php 10.5 mn in 2012 from Php 8.2 mn in 2011 due to more business activity and site visits for potential projects.

6. Communication and utilities expense increased 22% to Php 2.9 mn in 2012 from Php 2.4 mn in 2011, due to the increase in manpower.

7. Rent and association dues increased 80% to Php 4.0 mn in 2012 from Php 2.2 mn in 2011. In addition to the escalation in rent as provided in the lease contracts, the 2011 cost did not reflect the full annual impact of the new office space that year, whereas the 2012 cost now takes this up in full.

8. Representation expenses decreased 17% to Php 1.4 mn from Php 1.7 mn. There were fewer occasions for representation in 2012.

9. Security and janitorial expense decreased 73% to Php 0.2 mn in 2012 from Php 0.7 mn in 2011 due to the reclassification of a portion of the account to Generation Cost during the year.

10. Other operating expenses decreased slightly by 2% to Php 12.4 mn in 2012 from Php 12.7 mn in 2011.

Vivant booked Php 605.4 mn in other income in 2012, a reversal from previous year's other charges of Php 75.4 mn. Said movement can primarily be accounted for by the following:

1. Finance cost decreased by 68% in 2012 to Php 61.1 mn from Php 189.8 mn in 2011. The decrease was due to the prepayment of Notes Payable and the derecognition of the Long Term Debt of a subsidiary due to the MRA on the purchase of its power plant.

2. Vivant's subsidiary booked a Php 643.8 mn gain in 2012, which was a result of the rescission of the contract involving the purchase of its power plant facility. Said gain was the difference of the derecognition of the property, plant and equipment and long-term debt, and the return of the cash from the escrow account.

The combined effect of the above account movements resulted in a 152% YoY increase in Vivant's net income to Php 2.0 bn. Consequently, net income attributable to equity holders of the parent increased by 118% YoY to Php 1.5 bn.

Total comprehensive income, on the other hand, rose by 162% YoY to Php 2.0 bn from Php 774.4 mn. The total comprehensive income attributable to equity holders of the parent was at Php 1.5 bn, up by 129% YoY. Items below account for the movements:

1. In compliance with Philippine Accounting Standards (PAS) 19R, which requires the remeasurement of pension assets, Vivant booked an other comprehensive loss of Php 0.7 mn in 2012 and Php 33.7 mn in 2011.

2. Unrealized valuation gain on AFS investments amounting to Php 0.4 mn in 2011.

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

The Company's consolidated total assets decreased 16% to Php 7.1 bn in 2012 from Php 8.4 bn in 2011. The significant movements in the assets of the Company are discussed below.

1. Receivables increased by 52% to Php 620.6 mn in 2012 from Php 408.5 mn in 2011 largely due to increase in trade receivables from higher energy sales and the grant of one-year interest bearing cash advances by a subsidiary to its stockholders.

2. Inventories decreased by 37% to Php 103.2 mn in 2012 from Php 163.1 mn in 2011. The decrease was due to the shift to a consignment arrangement with the fuel supplier thereby increasing efficiency in inventory management.

3. Prepayments and other current assets increased by 79% to Php 453.5 mn in 2012 from Php 253.0 mn in 2011 due to advances made by a subsidiary to its supplier of power plant parts and supplies for use in the succeeding year.

4. Investment in associates decreased 7% to Php 3.7 bn in 2012 from Php 3.9 bn in 2011 due to the declaration of cash and property dividends during the year.

5. Other non-current assets decreased by 29% to Php 66.0 mn in 2012 from Php 92.6 mn in 2011, due to the reclassification of project advances previously lodged in this account to the particular Advances to Related Parties account.

6. Cash and cash equivalents increased by 206% to Php 1.8 bn in 2012 from Php 587.6 mn in 2011 due to increase in revenues and the refund of payments related to the rescinded power plant purchase of a subsidiary.

7. Advances to associates and stockholders decreased 70% to Php 28.7 mn in 2012 from Php 94.8 mn in 2011. The decrease was due to the settlement of advances by a subsidiary.

8. Property and equipment decreased by 98% to Php 47.3 mn in 2012 from Php 2.6 bn in 2011 as a result of the MRA entered into by a subsidiary where the power plant, buildings,

machineries, improvements, equipment and other facilities included were derecognized.

9. Deferred tax assets dropped 10% YoY to Php 21.2 mn in 2012 from Php 19.3 mn in 2011 arising from the adjustment of pension assets in compliance with PAS 19R.

Consolidated total liabilities decreased by 67% to Php 1.4 bn in 2012 from Php 4.2 bn in 2011. Below is a brief discussion on the movements of the Company's liability accounts.

1. Current and non-current notes payable decreased 54% from its year-end (YE) 2011 balance of Php 796.3 mn to Php 365.0 mn at YE 2012 as a result of its prepayment during the period in review.

2. Long term debt on the other hand decreased a 100% in 2012 from Php 2.5 bn in 2011 as a result of the MRA.

3. Trade and other payables increased by 20% to Php 683.5 mn in 2012 from Php 569.2 mn in 2011 due to an outstanding payable for advisory and consultation fees related to the rescission.

4. Advances from related parties decreased by 13% to Php 197.5 mn in 2012 from Php 225.8 mn in 2011 due to the payments made on some of the advances.

5. Pension Liability of Php 15.7 mn in 2012 and Php 9.0 mn were established as a result of an actuarial study done, which is in compliance with PAS 19R on the remeasurement of pension assets.

Stockholders' Equity increased by 35% to Php 5.7 bn from Php 4.2 bn in 2011 due to favorable results of operations and the extraordinary gain on the rescission of the CTS in a subsidiary, net of the remeasurement loss of pension assets.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash generated from operating activities increased by 277% to net cash provided by operating activities of Php 1.0 bn in 2012 from Php 266.0 mn in 2011 due to higher revenues and the cash received from the contract rescission of Php 664.6 mn.

Net cash provided by investing activities increased by 137 % to Php 1.1 bn from Php 449.5 mn in 2011 due to a significant increase in cash dividends. Dividends received from associates of Php 894.8 mn in 2012 were 84% more than the Php 485.3 mn received in 2011.

Net cash used in financing activities increased by 18% to Php 862.5 mn from net cash used of Php 729.2 mn in 2011 due to the increase in cash dividends and the settlement of loans. Cash dividends paid to shareholders increased by 13% to Php 311.0 mn in 2012 from Php 276.3 mn in 2011.

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

Financial Ratios

Debt-to-Equity ratio as of end-2012 decreased to 0.24x from 0.99x as of end-2011. This resulted from the prepayment of Notes Payable and de-recognition of the long term liability as a result of the MRA.

The increase in cash and cash equivalents coupled with the de-recognition of the current portion of the long-term liability during the period in review, mostly accounted for the improvement in the Company's current ratio, to 2.24x as of end-2012 from 0.59x as of end-2011.

Item 7: Financial Statements

Attached are the (1) audited financial statements for the fiscal year 2014 (Exhibit "D") and (2) interim financial statements for the first quarter of 2015 (Exhibit "E").

PART III – CORPORATE GOVERNANCE

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

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

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

Continuing Education for the Board

In its pursuit to keep abreast with the best practices in Corporate Governance, on August 9, 2014, all Members of the Board of Directors (including Independent Directors) and its key executive officers attended a seminar on Corporate Governance conducted by SGV & Co. exclusively for Vivant Corporation. On August 26, 2014, **Vivant**'s Assistant Vice President for Trading and Marketing, Mr. Theo C. Sunico, attended a Corporate Governance Seminar conducted by the Philippine Securities Consultancy Corporation.

Compliance with The Minimum Public Ownership Requirement

Vivant complies with the Rule on Minimum Public Ownership, as amended. Based on information that is publicly available to the Company and within the knowledge of its directors it has 11.5398% public float as of March 31, 2015.

(Attachments follow)