COVER SHEET

1	7	5	2	2	2

S.E.C. Registration Number

P.S.E. Control Number

VIVANT CORPORATION

(Company's Full Name)

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

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

Joan A. Giduquio-Baron	(032) 232-0283, 234-2256 and 234-2285
Contact Persons	Telephone Number of the Contact Person

03	31	**SEC FORM 17-Q**	03	31
Month	Day	FORM TYPE	Month	Day
Fiscal Year				

N/A

Secondary license Type, If Applicable

CFD	
Dept. Requiring this Doc.	Amended Articles Number/Section

1,431	1,022,952,004	504,694
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. Use black ink for scanning purposes

SEC
Cebu Extension Office
MAY 11 2018
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2018**

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

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

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

6. Industry Classification Code: (SEC Use Only)

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

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

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares at Php 1.00 per share	**Php 1,023,456,698**
Amount of debt outstanding	**Php 4,629,742,975**

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

Yes [x] No [ ]

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

Philippine Stock Exchange **Common Stock**

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12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Company Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

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

Yes [x] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached financial statements and schedules.

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

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

The following is a discussion and analysis of the Company's consolidated financial condition and results of operations for the interim period ended March 31, 2018 compared with the interim period ended March 31, 2017. This report should be read in conjunction with the consolidated financial statements and the notes thereto.

KEY PERFORMANCE INDICATORS

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

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

2. **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).** EBITDA is calculated by taking operating income and adding back to it the interest, depreciation and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. It also provides a good measure of the Company's ability to generate cash from operations to cover financial charges and income taxes.

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

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

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

Year-to-Date (YTD) March 31, 2018 versus YTD March 31, 2017

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

Key Performance Indicators *Amounts in Php '000, except for ratios*	YTD March 2018	YTD March 2017	YE 2017
Equity in Net Earnings of Associates and Joint Ventures	374,634	299,465	
EBITDA	292,040	312,481	
Cash Flow Generated / (Used)	(308,741)	152,309	
Net cash flows (used in) from operating activities	(127,819)	(62,790)	
Net cash flows from (used in) investing activities	(242,726)	366,279	
Net cash flows (used in) from financing activities	61,804	(151,180)	
Debt-to-Equity Ratio (x)	0.40	0.45	0.40
Current Ratio (x)	3.64	3.89	4.31

The Company's share in net earnings of associates and joint ventures as of end-March 2018 amounted to Php 374.6 mn, representing a 25% year-on-year (YoY) increase from Php 299.5 mn. This was a result of the following:

- Fresh bottomline contribution from 40%-owned Minergy Power Corporation (MPC) with the completion of its coal-fired power plant in 2017, which commenced commercial operations in September 2017;
- Improved bottomline contribution (up 21% YoY) from 40%-owned Abovant Holdings, Inc. (AHI), which arose from the improved profitability of its associate, Cebu Energy Development Corporation (CEDC). This was on the back of a 23% YoY expansion in CEDC's energy sales during the quarter in review. Coupled with lower operating expenses, the marked improvements in the plant's availability also led to reduced maintenance expenses, which ultimately resulted to enhanced financial performance.
- Higher income contribution (up 83% YoY) from 50%-owned Calamian Island Power, Inc. (CIPC), arising from a 28% YoY increase in energy sales volume; and
- Enhanced income contribution (up 425% YoY) from 50%-owned, Delta P, Inc. (DPI), which was brought about by the increased net generation (up 21% YoY) due to the commercial operations of the company's new 30-MW oil-fired power generation facility in May 2017.

The above enhancements in earnings contributions were tempered by the following:

- Lower bottomline contribution (down 18% YoY) of the Company's distribution utility, Visayan Electric Company (VECO). The quarter in review recorded underrecoveries in the generation component of revenues, which were materially the result of a timing difference in the booking of a cost adjustment and the recognition of purchased power cost related to an expired power supply contract.

- Reduced income contribution (down 8% YoY) from 40%-owned Cebu Private Power Corporation (CPPC), on account of fuel cost underrecovery and higher general and administrative expenses incurred arising from systems licenses, support, and maintenance. This was despite the 9% YoY increase in energy sales volume.

Below is a table showing the impact of International Accounting Standards (IAS) 28[1] to the Company's financial performance for the period in review.

Name of Company	YTD March 2018			YTD March 2017		
	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)
NR	299.9	--	299.9[a]	146.6	--	146.6[b]
AHPC[c]	0.0	--	0.0	0.2	--	0.2
Total	299.9	--	299.9	146.8	--	146.8

(a) Php 184.3 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.
(b) Php 36.7 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.
(c) In December 2017, the Company, through its subsidiary, Vivant Energy Corporation (VEC), divested its outstanding shares and subscription rights in AHPC and effectively transferred its ownership to ICS Renewables Holdings, Inc. (ICS) by year-end.

EBITDA for the period recorded a 7% YoY drop, from Php 312.5 mn to Php 292.0 mn. This was mainly a consequence of the 27% expansion in the Company's operating expenses for the quarter. Expenses incurred for taxes and licenses grew as a result of the shares issuance of two subsidiaries, and the rise in local business and property taxes. Moreover, the Company's other general and administrative expenses recorded a significant increase that was brought about by a subsidiary's project-related expenses and the Company's CSR initiative during the period.

The Company ended the quarter in review with a net decrease in cash of Php 308.7 mn, which was mainly brought about by the Company's investing activities. Investments in 20%-owned TVI accounted for the usage of cash as of end-March 2018.

Debt-to-Equity ratio was steady at 0.4x as of end-March 2018 vis-à-vis end-December 2017. The 2% expansion in total equity that stemmed from the income generated by the Company during the quarter was partially offset by the 4% increase in total liabilities.

The Company's current ratio dropped to 3.64x as of end-March 2018 from year-end 2017 level of 4.31x. Current assets posted a 5% decline (mostly due to lower cash and cash equivalents), while current liabilities grew by 13% (as a result of increased trade payables and the availment of a short term loan by a subsidiary).

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

Material Changes in Line Items of Registrant's Income Statement
(YTD March 2018 vs. YTD March 2017)

As of end-March 2018, the Company's total revenues amounted to Php 927.9 mn, recording a 2% YoY decline from Php 948.6 mn.

1. Sale of power, which comprise the bulk of revenues at Php 529.7 mn (or 57% of total), dipped by 13% YoY. This is primarily attributable to the reduced topline performance of 55.7% owned 1590 Energy Corporation (1590 EC), which mainly resulted from the drop in volume of energy sold (down 28% YoY) during the quarter in review. This was partially offset by the increased energy sales of 100%-owned subsidiary, Vivant Energy Corporation (VEC), the administrator of 17 MW of geothermal power and the fresh contribution of Corenergy, Inc. (Corenergy), a Retail Electricity Supplier that commenced commercial operations on December 26, 2017.

2. The Company's share in net earnings of associates and joint ventures as of end-March 2018 brought revenues of Php 374.6 mn, representing a 25% YoY increase from Php 299.5 mn. This arose from the following:

   - Fresh bottomline contribution from 40%-owned MPC with the completion of its coal-fired power plant in 2017, which commenced commercial operations in September 2017;
   - Improved bottomline contribution (up 21% YoY) from 40%-owned AHI, which arose from the improved profitability of its associate, CEDC. This was on the back of a 23% YoY expansion in CEDC's energy sales during the quarter in review. Coupled with lower operating expenses, the marked improvements in the plant's availability also led to reduced maintenance expensesm which ultimately resulted to enhanced financial performance.
   - Higher income contribution (up 83% YoY) from 50%-owned CIPC, arising from a 28% YoY increase in energy sales volume; and
   - Enhanced income contribution (up 425% YoY) from 50%-owned DPI, which was brought about by the increased net generation (up 21% YoY) due to the commercial operation of the company's new 30-MW oil-fired power generation facility in May 2017.

The above enhancements in earnings contributions were tempered by the following:

- Lower bottomline contribution (down 18% YoY) of the Company's distribution utility, VECO. The quarter in review recorded underrecoveries in the generation component of revenues, which were materially the result of a timing difference in the booking of a cost adjustment and the recognition of purchased power cost related to an expired power supply contract.
- Reduced income contribution (down 8% YoY) from 40%-owned CPPC, on account of fuel cost underrecovery and higher general and administrative expenses incurred arising from systems licenses, support, and maintenance. This was despite the 9% YoY increase in energy sales volume.

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

Name of Company	YTD March 2018			YTD March 2017		
	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)	Actual Share in Losses (Gains) (Php)	Recognized Share in Losses (Gains) (Php)	Unrecognized Share in Losses (Gains) due to IAS 28 (Php)
NR	299.9	--	299.9[a]	146.6	--	146.6[b]
AHPC[c]	0.0	--	0.0	0.2	--	0.2
Total	299.9	--	299.9	146.8	--	146.8

(a) Php 184.3 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

(b) Php 36.7 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

(c) In December 2017, the Company, through its subsidiary, Vivant Energy Corporation (VEC), divested its outstanding shares and subscription rights in AHPC and effectively transferred its ownership to ICS Renewables Holdings, Inc. (ICS) by year-end.

3. Management fees dropped by 85% YoY to Php 3.5 mn from Php 23.4 mn, which was materially due to a timing issue. A number of management contracts and service level agreements are still pending for finalization and approval. Another contributing factor to the decline for the quarter in review is the one-time service level agreement with a joint venture in the same period last year.

4. Interest income grew by 48% YoY to Php 20.1 mn from Php 13.5 mn. This mainly came from the Company's short term money market placements.

Total generation cost and operating expenses for the first quarter of 2018 contracted by 3% YoY, from Php 663.3 mn to Php 644.4 mn. Said movement can be accounted for by the following:

1. Generation cost was down by 8% YoY to Php 512.7 mn from Php 559.8 mn. This was due to the 6% YoY decline in a subsidiary's energy sales volume. Moreover, the subsidiary's depreciation expense was also reduced significantly as the life of depreciable assets was extended to match the new term of its power plant's lease contract.

2. Salaries and employee benefits rose by 14% YoY to Php 36.8 mn from Php 32.3 mn on account of additional manpower and an upward adjustment in salaries.

3. Professional fees were reduced significantly from Php 27.9 mn to Php 8.5 mn. In the same period last year, a subsidiary entered into a one-off engagement with a technical consultant.

4. Taxes and licenses shot up by 175% to Php 34.4 mn from Php 12.5 mn as a result of the shares issuance of two subsidiaries and higher local business taxes and real property taxes.

5. Travel expenses were 19% higher as of end-March 2018 at Php 4.3 mn. This was due to the increased frequency in travel for business and project meetings, company events and trainings. The increase in fuel price and consumption also contributed to this variance.

6. Management fees rose by 48% from Php 2.4 mn to Php 3.5 mn as a result of the rise in the directors' per diem.

7. Depreciation and amortization decreased by 6% YoY to Php 4.8 mn given the full depreciation of some fixed assets.

8. Representation was reduced by 11%, from nearly Php 1.0 mn to Php 0.9 mn. This variance is attributed to the decrease in sponsorship amounts and number of sponsorships.

9. Communication and utilities were higher by 15% YoY at Php 1.7 mn. The increase in the Company's manpower headcount, and receipt of delayed phone billings during the period in review accounted for the hike in communication expenses. Meanwhile, other than the delay in electricity billings, additional office space and the escalation of rates were a factor in the rise of power and water charges incurred as of end-March 2018.

10. Outside services dropped by 15% YoY to Php 1.8 mn from Php 2.1 mn. The movement could be attributed to the timing of the payment of a subsidiary's annual renewal fees for a software, which was done in the same quarter last year. The delayed billing for the office manpower services for the quarter in review, and the decrease in the number of contractual employees also accounted for the reduction in cost.

11. Other general and administrative expenses surged 156% YoY from Php 12.8 mn to Php 32.6 mn. This resulted substantially from:

    (i) donations made to Vivant Foundation, Inc. (VFI);
    (ii) project bidding costs incurred by a subsidiary;
    (iii) higher cost of supplies, and repairs and maintenance; and
    (iv) insurance coverage for directors and officers incurred only this quarter.

Vivant booked Php 39.5 mn in other charges as of end-March 2018, recording a 5% decrease from previous year's other charges of Php 41.4 mn. The following account for the movement:

1. An unrealized foreign exchange gain of Php 2.2 mn was taken up during the period in review. This pertains to the restatement of the US Dollar and Euro cash balances of the Company and a subsidiary. This was against an unrealized foreign exchange loss of Php 0.01 mn recorded for the same period last year.

2. Other income of Php 0.9 mn was booked as of end-March 2018, which was 54% lower than last year's Php 1.9 mn. There were billings for hourly service fees to affiliates as of end-March 2017 while there was none during the period in review.

The 128% YoY rise in accrued consolidated tax expense, from Php 0.1 mn to Php 0.3 mn, is from the taxes incurred by the newly operational RES subsidiary of the Company.

Taking all of the above into account, the Company recorded a total net income of Php 243.6 mn for the period ending March 31, 2018, which is marginally lower than last year's Php 243.8 mn. Net income attributable to parent amounted to Php 256.6 mn, up by 7% YoY.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-March 2018 vs. Year-end 2017)

The Company's total assets grew by 3%, from end-2017's level of Php 15.8 bn to Php 16.2 bn. The following are the material movements in the consolidated assets of the Company as of end-March 2018.

1. Cash and cash equivalents contracted by 7% to Php 4.3 bn as of end-March 2018 materially on account of equity investments in 20%-owned TVI and the principal amortization of the Company's 7-year Fixed Rate Corporate Note (FRCN).

2. Investments in and Advances to associates and joint ventures went up by 8% to Php 9.1 bn. This movement is attributed to the investment in TVI. The dividends declared by VECO and MPC offset the recorded equity share in net earnings from associates and joint ventures.

Total consolidated liabilities rose to Php 4.6 bn as of end-March 2018 from end-2017's Php 4.5 bn. This was brought about by the increase the Company's consolidated current liabilities, which was mainly driven by the higher trade payables of two subsidiaries, a subsidiary's availment of a short term loan, and the advances from related parties. These were partially offset by the principal amortization for the Company's FRCN.

As a result of net income generated during the period in review, total stockholders' equity increased by 2%, from Php 11.3 bn as of year-end 2017 to Php 11.5 bn as of end-March 2018. Meanwhile, equity attributable to parent ended up higher by 2% at approximately Php 11.0 bn as of end-March 2018.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-March 2018 vs. End-March 2017)

Cash and cash equivalents were lower by 6% YoY, from Php 4.6 bn as of end-March 2017 to Php 4.3 bn as of end-March 2018.

For the period ending March 31, 2018, the net cash used in the Company's operations amounted to Php 127.8 mn, recording a rise of 104% from last year's net cash usage of Php 62.8 mn. Increases in the Company's trade and other receivables, inventories, and prepayments during the quarter in review mainly accounted for the usage of cash from operations. This was partially offset by the rise in trade and other payables.

Net cash used for investing activities as of end-March 2018 amounted to Php 242.7 mn, which was a reversal of last year's cash generation of Php 366.3 mn. The dividends received and the cash generated from interest income earned during the period were outweighed by the additional investments in TVI.

As of end-March 2018, the Company generated cash of Php 61.8 mn for financing activities, recording a turnaround from last year's net cash utilization of Php 151.2 mn. Cash generation stemmed substantially from a short term loan borrowing of a subsidiary.

Financial Ratios

Debt-to-Equity ratio was steady at 0.4x as of end-March 2018 vis-à-vis end-December 2017. The 2% expansion in total equity that stemmed from the income generated by the Company during the quarter was partially offset by the 4% increase in total liabilities.

The Company's current ratio dropped to 3.64x as of end-March 2018 from year-end 2017 level of 4.31x. Current assets posted a 5% decline (mostly due to lower cash and cash equivalents), while current liabilities grew by 13% (as a result of increased trade payables and the availment of a short term loan by a subsidiary).

Material Events and Uncertainties

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

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

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

  None.

- Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

  On May 26, 2017, a Stay Order was issued in favour of Vivant Sta Clara Northern Renewables Generation Corporation (NR) pursuant to a Petition for Corporate Rehabilitation. The Company does not consolidate NR given its effective ownership of 48%. There is no contingent obligation arising from the case.

  Other than the matter disclosed above, no material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons entities or other persons were created during the period in review.

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

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

  - Vivant Malogo Hydropower Inc. (VMHI) is a joint venture that will serve as the project proponent for the development and implementation of a Greenfield power plant. The project will involve the construction and operation of a series of run-of-river hydropower facilities that will be located in Barangay Kapitan Ramon in Silay City, Negros Occidental. The project will be designed to feed off the Malogo River and will consist of three (3) phases. The first phase of the project will have a total capacity of 6 MW. VMHI is looking at a 22 to 24 months construction period. The company, however, has decided to put the project on hold given the prevailing transmission constraint in the Negros grid, which is expected to be resolved by 2020 upon the completion of the Cebu-Negros-Panay 230 kV backbone project of NGCP. VEC holds an equity stake of 67% in VMHI.

- Therma Visayas, Inc. (TVI) is the project proponent for the construction and operation of a 2x170 MW coal-fired power generation facility on a site in Toledo City, Cebu. The project is intended to address the increasing power demand of the Visayas grid. The plant design includes provisions for the addition of a third generating unit. In March 2015, the notice to proceed for all EPC activities was issued. Project completion is expected by 2018. This project is funded via a combination of debt (75%) and equity (25%). The Company has an effective ownership of 20%.

- Sabang Renewable Energy Corporation (SREC) is the project proponent for the construction and operation of a hybrid power generation facility in Bgy. Cabayugan, Puerto Princesa, which will be composed of a 1.4 MW solar power generation plant, 2.3 MWh storage facility and a 1.2 MW diesel-fired power generation unit. The project broke ground in May 2018 and is expected to be completed by January 2019. Funding will be via a combination of debt (75%) and equity (25%). The Company has an effective ownership of 30% in SREC.

- ET Vivant Solar Corporation (ET Vivant) is a company that was set up as a result of the joint venture with ET Energy Pilipinas Holding Corporation. ET Vivant will explore opportunities in the solar rooftop space. The Company will have an effective ownership of 60% in ET Vivant, through wholly owned subsidiaries VEC and Vivant Renewable Energy Corporation.

- Global Energy Development Corporation (GLEDC) is a special purpose vehicle that was set up to undertake the construction and operation of a 2x335 MW coal fired power plant in La Union. In December 2017, Vivant, through wholly owned subsidiary Vivant Integrated Generation Corporation (VIGC), and Global Business Power Corporation signed a Pre-Development Agreement to jointly participate in this project. Vivant has an effective ownership of 42.5% in GLEDC.

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

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

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

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

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

  None.

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

  None.

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

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

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

  None.

PART II--OTHER INFORMATION

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

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VIVANT COMPANY

By:

MINUEL CARMELA N. FRANCO
VP - Finance

MARIA VICTORIA E. SEMBRANO
SAVP – Finance

May 11, 2018

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of March 31, 2018 (with Comparative Audited Consolidated Figures as of December 31, 2017) and for the Three Months Ended March 31, 2018

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(With Comparative Figures as of December 31, 2017)
(Amounts in Philippine Pesos)

	Notes	March 31, 2018	December 31, 2017
ASSETS			
Current Assets			
Cash and cash equivalents	1	**₱4,328,587,698**	₱4,635,082,495
Trade and other receivables	2	**534,158,429**	532,943,339
Advances to associates and stockholders	2	**82,309,048**	83,736,329
Inventories		**128,062,176**	122,863,321
Prepayments and other current assets	3	**929,929,734**	913,386,427
Total Current Assets		**6,003,047,085**	6,288,011,911
Noncurrent Assets			
Investments in and advances to associates and joint ventures	4	**9,079,461,684**	8,385,408,898
Property, plant and equipment	5	**524,492,984**	528,096,174
Investment properties	6	**502,711,090**	502,711,090
Deferred income tax assets - net		**15,974,331**	15,974,331
Other noncurrent assets	7	**33,460,973**	33,335,299
Total Noncurrent Assets		**10,156,101,062**	9,465,525,792
TOTAL ASSETS		**₱16,159,148,147**	₱15,753,537,703

LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		**₱1,450,123,579**	₱1,350,518,998
Short-term note payable		**85,000,000**	–
Advances from related parties		**77,783,059**	72,406,345
Income tax payable		**10,260,435**	10,083,687
Current portion of long-term notes payable		**25,616,946**	25,616,946
Total Current Liabilities		**1,648,784,019**	1,458,625,976
Noncurrent Liabilities			
Long-term notes payable - net of current portion		**2,840,154,989**	2,870,154,989
Pension liability		**33,629,417**	31,825,980
Deferred income tax liabilities		**107,174,550**	107,174,550
Total Noncurrent Liabilities		**2,980,958,956**	3,009,155,519
Total Liabilities		**4,629,742,975**	4,467,781,495
Equity Attributable to Shareholders of the Parent			
Capital stock	8	**1,023,456,698**	1,023,456,698
Additional paid-in capital		**8,339,452**	8,339,452
Other components of equity:			
Share in revaluation increment of an associate		**1,472,399,497**	1,472,399,497
Share in remeasurement losses on employee benefits of associates and a joint venture		**(74,564,481)**	(74,564,481)
Remeasurement gain on employee benefits		**51,576**	51,576
Unrealized valuation gain (loss) on available-for-sale (AFS) investments		**(5,291)**	(5,291)
Equity reserve		**(43,845)**	(43,845)
Retained earnings:			
Appropriated for business expansion		**3,422,808,228**	3,422,808,228
Unappropriated		**5,107,072,276**	4,850,457,874
Equity Attributable to Equity Holders of the Parent		**10,959,514,110**	10,702,899,708
Equity Attributable to Non-controlling Interests		**569,891,062**	582,856,500
Total Equity		**11,529,405,172**	11,285,756,208
TOTAL LIABILITIES AND EQUITY		**₱16,159,148,147**	₱15,753,537,703

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2018
(With Comparative Figures for the same period in 2017)
(Amounts in Philippine Pesos)

	2018	2017
REVENUE		
Sale of power	₱529,740,264	₱612,194,043
Equity in net earnings of associates and joint ventures	374,633,722	299,464,525
Management fees	3,461,998	23,410,549
Interest income	20,088,033	13,541,931
	927,924,017	948,611,048
GENERATION COSTS	512,682,716	559,772,926
OPERATING EXPENSES		
Salaries and employee benefits	36,848,732	32,258,097
Taxes and licenses	34,362,134	12,482,080
Professional fees	8,526,958	27,896,815
Travel	4,344,279	3,663,673
Depreciation and amortization	4,819,003	5,126,177
Management fees	3,488,500	2,362,500
Rent and association dues	2,277,529	2,272,763
Outside services	1,827,086	2,148,415
Communication and utilities	1,746,329	1,523,324
Representation	881,790	994,666
Other operating expenses	32,631,389	12,763,749
	131,753,729	103,492,259
INCOME FROM OPERATIONS	283,487,572	285,345,863
OTHER INCOME (CHARGES)		
Finance costs	(42,607,472)	(43,266,258)
Foreign exchange gains (losses)	2,246,026	9,896
Others – net	859,015	1,862,338
	(39,502,431)	(41,394,024)
INCOME BEFORE INCOME TAX	243,985,141	243,951,839
PROVISION FOR INCOME TAX	336,177	147,666
NET INCOME	243,648,964	243,804,173
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	₱243,648,964	₱243,804,174
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	₱256,614,402	₱238,793,645
Non-controlling interests	(12,965,438)	5,010,528
	₱243,648,964	₱243,804,173
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the parent	₱0.251	₱0.233

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2018
(With Comparative Figures for the same period in 2017)
(Amounts in Philippine Pesos)

	2018	2017
REVENUE		
Sale of power	**₱529,740,264**	₱612,194,043
Equity in net earnings of associates and joint ventures	**374,633,722**	299,464,525
Management fees	**3,461,998**	23,410,549
Interest income	**20,088,033**	13,541,931
	927,924,017	948,611,048
GENERATION COSTS	**512,682,716**	559,772,926
OPERATING EXPENSES		
Salaries and employee benefits	**36,848,732**	32,258,097
Taxes and licenses	**34,362,134**	12,482,080
Professional fees	**8,526,958**	2,362,500
Depreciation and amortization	**4,819,003**	3,663,673
Travel	**4,344,279**	27,896,815
Management fees	**3,488,500**	5,126,177
Rent and association dues	**2,277,529**	2,272,763
Outside services	**1,827,086**	2,148,415
Communication and utilities	**1,746,329**	994,666
Representation	**881,790**	1,523,324
Other operating expenses	**32,631,389**	12,763,749
	131,753,729	103,492,259
INCOME FROM OPERATIONS	**283,487,572**	285,345,863
OTHER INCOME (CHARGES)		
Finance costs	**(42,607,472)**	(43,266,258)
Foreign exchange gains (losses)	**2,246,026**	9,896
Others – net	**859,015**	1,862338
	(39,502,431)	(41,394,024)
INCOME BEFORE INCOME TAX	**243,985,141**	243,951,839
PROVISION FOR INCOME TAX	**336,177**	147,666
NET INCOME	**243,648,964**	243,804,173
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱243,648,964**	₱243,804,174
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	**₱256,614,402**	₱238,793,645
Non-controlling interests	**(12,965,438)**	5,010,528
	₱243,648,964	₱243,804,173
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the parent	**₱0.251**	**₱0.233**

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2018
(With Comparative Figures for the same period in 2017)
(Amounts in Philippine Pesos)

	Attributable to Equity Holders of the Parent											
								Retained Earnings				
	Capital Stock	Additional Paid-in Capital	Share in Revaluation Increment of an Associate	Remeasurement Gain (Loss) on Employee Benefits	Share in Remeasurement Losses on Employee Benefits of Associates and a Joint Venture	Unrealized Valuation Gain (Loss) on AFS Investments	Equity Reserve	Appropriated	Unappropriated	Total	Equity Attributable to Non-Controlling Interests	Total Equity
Balances at January 1, 2018	**₱1,023,456,698**	**₱8,339,452**	**₱1,472,399,497**	**₱51,576**	**(₱74,564,481)**	**(₱5,291)**	**(₱43,845)**	**₱3,422,808,228**	**₱4,850,457,874**	**₱10,702,899,708**	**₱582,856,500**	**₱11,285,756,208**
Dividends declared	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income (loss)	–	–	–	–	–	–	–	–	**256,614,402**	**256,614,402**	**(12,965,438)**	**243,648,964**
Additional investments of non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–
Balances at March 31, 2018	**₱1,023,456,698**	**₱8,339,452**	**₱1,472,399,497**	**₱51,576**	**(₱74,564,481)**	**(₱5,291)**	**(₱43,845)**	**₱3,422,808,228**	**₱5,107,072,276**	**₱10,959,514,110**	**₱569,891,062**	**₱11,529,405,172**
Balances at January 1, 2017	₱1,023,456,698	₱8,339,452	₱1,207,387,400	₱4,652,158	(₱58,895,444)	(₱5,291)	–	2,778,783,261	4,493,321,226	₱9,457,039,460	₱570,305,733	₱10,027,345,193
Dividends declared	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income (loss)	–	–	–	–	–	–	–	–	238,793,645	238,793,645	5,010,528	243,804,173
Additional investments of non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–
Balances at March 31, 2017	₱1,023,456,698	₱8,339,452	₱1,207,387,400	₱4,652,158	(₱58,895,444)	(₱5,291)	₱–	₱2,778,783,261	4,732,114,871	₱9,695,833,105	₱575,316,261	₱10,271,149,366

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2018
(With Comparative Figures for the same period in 2017)
(Amounts in Philippine Pesos)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱244,055,265**	₱243,951,839
Adjustments for:			
Equity in net earnings of associates and joint ventures		**(374,633,722)**	(299,464,525)
Finance costs		**42,607,472**	43,266,258
Interest income		**(20,088,033)**	(13,541,931)
Depreciation and amortization		**7,693,161**	27,135,443
Unrealized foreign exchange (gains) losses		**(2,246,026)**	(9,896)
Pension expense		**1,803,437**	1,543,721
Operating income before working capital changes		**(100,808,446)**	2,880,909
Decrease (increase) in:			
Trade and other receivables	2	**(62,105,769)**	(127,947,533)
Prepayments and other current assets	3	**(16,543,308)**	16,070,100
Inventories		**(5,198,855)**	1,070,571
Increase (decrease) in trade and other current payables		**99,866,958**	100,431,407
Cash generated from (used in) operations		**(84,789,420)**	(7,494,546)
Interest paid		**(42,869,847)**	(54,694,158)
Income taxes paid		**(159,429)**	(601,526)
Net cash flows from (used in) operating activities		**(127,818,696)**	(62,790,230)

CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in investments in associates and advances to associates and joint ventures	4	**(717,600,056)**	(52,754,474)
Dividends received from associates and joint ventures		**458,180,992**	411,974,641
Interest received		**20,908,588**	13,429,572
Additions to property, plant and equipment	5	**(3,914,752)**	(2,925,097)
Decrease (increase) in:			
Other noncurrent assets		**(300,894)**	(3,445,453)
Net cash flows from (used in) investing activities		**(242,726,122)**	366,279,189
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of notes payable		**85,000,000**	–
Principal payment of loans		**(30,000,000)**	(30,000,000)
Decrease in advances to associates and stockholders		**6,803,995**	(121,179,647)
Net cash flows from (used in) financing activities		**61,803,995**	(151,179,647)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(308,740,823)**	152,309,312
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**2,246,026**	9,896
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD			
Cash and cash equivalents		**4,635,082,495**	4,437,776,262
Restricted cash		**650,000**	650,000
		4,635,732,495	4,438,426,262
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and cash equivalents		**4,328,587,698**	4,590,095,470
Restricted cash		**650,000**	650,000
		₱4,329,237,698	₱4,590,745,470

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
March 31, 2018

1. Cash and cash equivalents

This account consists of:

	March 31, 2018	December 31, 2017
Cash on hand and in banks	**₱124,179,871**	₱284,111,486
Short-term investments	**4,204,407,827**	4,350,971,009
	₱4,328,587,698	₱4,635,082,495

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

This account consists of:

	March 31, 2018	December 31, 2017
Trade receivables	**₱426,073,400**	₱292,631,396
Dividends receivable	**44,200,000**	104,200,000
Accounts receivable	**42,558,478**	28,858,278
Accrued interest	**6,765,452**	6,736,241
Advances to officers and employees	**3,226,781**	3,097,115
Receivable from an associate	-	-
Advances to shareholders of a joint venture	-	17,792,000
Insurance claims receivable	-	87,080,666
Others	**45,792,364**	27,005,689
	568,616,475	567,401,385
Less allowance for impairment loss	**34,458,046**	34,458,046
	₱534,158,429	₱532,943,339

Advances to associate and stockholders	**₱82,309,048**	₱83,736,329

2.1 Aging of Trade and other receivables, advances to associates and stockholders

	YTD March 31, 2018				YE 2017			
	0-30 DAYS	**31-60 DAYS**	**OVER 60 DAYS**	**TOTAL**	0-30 DAYS	31-60 DAYS	OVER 60 DAYS	TOTAL
Trade receivables, advances and other current receivables	**₱327,271,673**	**₱9,722,853**	**₱231,621,949**	**₱568,616,475**	₱369,624,472	₱66,056,273	₱131,720,640	₱567,401,385
Less: Allowance for impairment loss			**34,458,046**	**34,458,046**			34,458,046	34,458,046
	₱327,271,673	**₱9,722,853**	**₱197,163,903**	**₱534,158,429**	₱369,624,472	₱66,056,273	₱97,262,594	₱532,943,339

3. Prepayments and other current assets

The composition of this account is shown below:

	March 31, 2018	December 31, 2017
Advances to suppliers and other parties	**₱705,195,316**	₱704,534,409
Creditable withholding taxes	**139,261,604**	135,586,280
Input tax	**57,941,561**	39,660,979
Prepaid expenses	**20,867,748**	28,267,386
Prepaid taxes	**1,128,421**	-
Others	**5,535,084**	5,337,373
	₱929,929,734	₱913,386,427

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

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

	March 31, 2018	December 31, 2017
Investment in VECO:		
Acquisition Cost	**₱882,892,562**	₱882,892,562[(a)]
Accumulated Equity Earnings-net	**6,733,728**	257,665,843
Revaluation Surplus	**1,431,796,045**	1,431,796,045
Carrying Value	**2,321,422,335**	2,572,354,450
Investment in Delta P:		
Acquisition Cost	**305,411,833**	150,117,231
Deposit for future stock subscription	-	120,500,000
Additional investment	-	34,794,602
Accumulated Equity Earnings-net	**20,319,400**	3,731,416
Carrying Value	**325,731,233**	309,143,249
Investment in CPPC:		
Acquisition Cost	**305,119,049**	305,119,049
Accumulated Equity Earnings-net	**(174,469,316)**	(213,894,792)
Carrying Value	**130,649,733**	91,224,257
Investment in ABOVANT:		
Acquisition Cost	**976,784,699**	976,784,699
Accumulated Equity Earnings-net	**634,262,489**	549,294,418
Carrying Value	**1,611,047,188**	1,526,079,117
Investment in VSNRGC:		
Acquisition Cost	**334,848,001**	334,848,001
Additional investment	-	-
Accumulated Equity Earnings-net	**(334,848,001)**	(334,848,001)
Carrying Value	-	-
Investment in AHPC:		
Acquisition Cost	-	11,500,000
Accumulated Equity Earnings-net	-	(11,500,000)
Carrying Value	-	-

Investment in PEI:		
Acquisition Cost	**6,900,000**	6,900,000
Additional investment	**-**	-
Accumulated Equity Earnings-net	**5,129,360**	4,111,050
Carrying Value	**12,029,360**	11,011,050
Investment in CIPC:		
Acquisition Cost	**102,097,169**	102,097,169
Accumulated Equity Earnings-net	**6,994,708**	1,520,381
Carrying Value	**109,091,877**	103,617,550
Investment in TVI:		
Acquisition Cost	**665,754,888**	665,754,888
Additional investment	**717,600,055**	-
Accumulated Equity Earnings-net	**44,045,857**	44,411,976
Revaluation Surplus	**40,603,451**	40,603,451
Carrying Value	**1,468,004,251**	750,770,315
Investment in MPC:		
Acquisition Cost	**2,756,240,000**	2,756,240,000
Additional investment	**-**	-
Accumulated Equity Earnings-net	**198,165,359**	117,387,280
Carrying Value	**2,954,405,359**	2,873,627,280
Investment in LPCI:		
Acquisition Cost	**42,165,993**	42,165,993
Additional investment	**-**	-
Deposit for future stock subscription	**107,426,776**	107,426,776
Accumulated Equity Earnings-net	**(550,883)**	(546,379)
Carrying Value	**149,041,886**	149,046,390
Investment in GLEDC:		
Acquisition Cost	**-**	-
Accumulated Equity Earnings-net	**(8,748,091)**	(8,251,313)
Carrying Value	**(8,748,091)**	(8,251,313)
Investment in SREC:		
Acquisition Cost	**5,100,000**	5,100,000
Accumulated Equity Earnings-net	**(252,578)**	(252,578)
Carrying Value	**4,847,422**	4,847,422
Investment in CREC:		
Acquisition Cost	**2,192,000**	2,192,000
Accumulated Equity Earnings-net	**(252,869)**	(252,869)
Carrying Value	**1,939,131**	1,939,131
Total Carrying Value of Investments	**₱9,079,461,684**	₱8,385,408,898

(a) *This was reflected as Php 840,333,111 in the SEC 17 1Q 2017 report. The increase is due to the reclassification of the former goodwill account related to this investment.*

The Group has unrecognized share in the net income from results of operations of its investments in an associate and a joint venture amounting to Php 299.9 mn and Php 146.6 mn as of March 31, 2018 and March 31, 2017, respectively. Total cumulative unrecognized income amounted to Php 1,287.6 mn as of the period in review and Php 987.7 mn as of yearend-2017.

5. Property, Plant and Equipment

Property and equipment consists of the following major classifications:

	Land	Plant Machineries and Equipment	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements	Construction in Progress	Total
Cost									
At January 1		₱589,508,999	₱36,421,603	₱47,338,023	₱45,981,611	₱9,753,481	₱18,587,778	₱40,419,187	₱788,010,682
Additions		–	9,555,792	2,444,016	989,574	149,911	191,000	140,250	13,470,543
Reclassification	30,631,600	–	–	–	–	–	–	–	30,631,600
Retirement / Disposal	–	–	–	–	(169,643)	–	–	–	(169,643)
At March 31	30,631,600	589,508,999	45,977,395	49,782,039	46,801,542	9,903,392	18,778,778	40,559,437	831,943,182
Accumulated Depreciation and Amortization									
At January 1	–	206,331,874	21,576,690	25,895,344	33,397,738	5,378,167	7,283,104	–	299,862,917
Depreciation	–	2,433,780	646,053	2,026,805	1,907,345	473,684	269,256	–	7,756,923
Retirement / Disposal	–	–	–	–	(169,642)	–	–	–	(169,642)
At March 31	–	208,765,654	22,222,743	27,922,149	35,135,441	5,851,851	7,552,360	–	307,450,198
Net Book Value	₱30,631,600	₱380,743,345	₱23,754,652	₱21,859,890	₱11,666,101	₱4,051,541	₱11,226,418	₱40,559,437	₱524,492,984

	Land	Plant Machineries and Equipment	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements	Construction in Progress	Total
					2017				
Cost									
At January 1	–	₱648,898,491	₱45,977,395	₱43,060,037	₱37,505,325	₱8,368,111	₱18,239,350	₱32,588,780	₱834,637,489
Additions	–	–	–	10,140,349	8,693,189	1,385,366	348,429	7,285,880	27,853,213
Transfers from investment properties	30,631,600	–	–	–	–	–	–	–	30,631,600
Disposal	–	(58,845,616)	–	(5,862,354)	(216,250)	–	–	–	(64,924,220)
At December 31	30,631,600	590,052,875	45,977,395	47,338,032	45,982,264	9,753,477	18,587,779	39,874,660	828,198,082
Accumulated Depreciation and Amortization									
At January 1	–	121,436,848	19,174,990	23,469,413	26,745,209	3,378,331	6,246,490	–	200,451,281
Depreciation	–	84,895,028	2,640,682	8,232,883	6,868,774	1,999,845	1,036,613	–	105,673,825
Disposal	–	–	–	(5,806,949)	(216,249)	–	–	–	(6,023,198)
At December 31	–	206,331,876	21,815,672	25,895,347	33,397,734	5,378,176	7,283,103	–	300,101,908
Net Book Value	–	₱383,720,999	₱24,161,723	₱21,442,685	₱12,584,530	₱4,375,301	₱11,304,676	₱39,874,660	₱528,096,174

6. Investment Properties

	March 31, 2018	December 31, 2017
Land		
Cost	**₱511,423,557**	₱511,423,557
Fair Value Adjustment	**75,879,133**	75,879,133
	587,302,690	587,302,690
Disposal	**(53,960,000)**	(53,960,000)
Transfers to property, plant, and equipment	**(30,631,600)**	(30,631,600)
	502,711,090	502,711,090
Building		
Cost	**₱3,378,000**	₱3,378,000
Fair Value Adjustment	**(3,378,000)**	(3,378,000)
	-	-
Total Investment Properties	**₱502,711,090**	₱502,711,090

Some of the Company's investment properties were leased out to the Parent company and outside parties to earn rental income. Total rental income amounting to Php 0.2 mn and Php 0.6 mn as of end- March 2018 and end- March 2017, respectively, were recorded as part of "Other income" in the consolidated statements of comprehensive income.

In 2017, the Company sold a parcel of land to VECO. Capital gains tax and documentary stamp tax pertaining to the said sale, amounting to Php 7.9 mn and Php 2.0 mn, respectively, were remitted during the period. At the same year, an appraisal was carried out on the Company's investment properties resulting to a fair value change amounting to Php 72.5 mn. Management assessed that there is no significant change in the fair value of the Group's investment properties from the valuation date until March 31, 2018.

Real property taxes pertaining to the land amounting to Php 0.8 mn and Php 0.7 mn as of end- March 2018 and 2017, respectively, are included under "Taxes and licenses" account in the consolidated statements of comprehensive income.

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

7. Other Non-Current Assets

The details of this account are shown below:

	March 31, 2018	December 31, 2017
Goodwill	**₱-**	₱-
Input VAT	**8,433,606**	8,422,761
AFS investments	**3,750,631**	3,750,631
Advances to suppliers	**3,438,220**	2,838,220
Software cost	**110,800**	286,020
Others - net of allowance for impairment loss of Php 46.1 mn	**17,727,716**	18,037,667
	₱33,460,973	₱33,335,299

8. Capital Stock

The details of the capital stock account are as follows:

	YTD March 31, 2018	YE 2017
Authorized Capital Stock – 2,000,000; ₱1.00 par value	**₱2,000,000,000**	₱2,000,000,000
Issued – 1,023,456,698 shares	**1,023,456,698**	1,023,456,698

9. Earnings Per Share

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

	YTD March 31, 2018	YE 2017
Basic Earnings Per Share		
Net income (loss) attributable to shareholders of the parent company	**256,614,402**	1,259,926,428
Weighted average number of outstanding common shares	**1,023,456,698**	1,023,456,698
	0.251	1.231

10. OTHER DISCLOSURES

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

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

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

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

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

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

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

Vivant Corporation made partial payments on the principal for Php 30 mn in February of each year starting 2015 or a total of Php 120.0 mn as of end-Mar 2018.

Vivant Corporation declared on May 12, 2017 combined cash dividends per share of Php 0.2792 (regular cash dividend of Php 0.1985 and special cash dividend of Php 0.0807) for stockholders of record as of May 26, 2017. The said cash dividends were paid on June 22, 2017.

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

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

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

Financial Instruments and Financial Risk Management

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

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

Credit Risk

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

Generally, the maximum credit risk exposure of financial assets is their carrying amount as shown in the balance sheets. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount. The Group's receivables are actively monitored to avoid significant concentrations of credit risk. Please refer to the Note 2 of the Notes to the interim Financial Statements as of March 31, 2018 for the aging analysis of the Group's receivables.

Liquidity Risk

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

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

Foreign Currency Risk

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

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

	March 31, 2018
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 23,340
	Euro 1,021
Trade Payables	USD –
	Euro –
Gross Exposure	USD 23,340
	Euro 1,021

The average exchange rates for the quarter ended March 31, 2018 are as follows:

US Dollar-Philippine Peso	US$1 = Php 51.45
Euro-Philippine Peso	Eu€1 = Php 63.14

The exchange rates applicable as of March 31, 2018 are the following:

US Dollar-Philippine Peso	US$1 = Php 52.16
Euro-Philippine Peso	Eu€1 = Php 64.76

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of March 31, 2018 would have decreased equity and profit by Php 0.1 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of March 31, 2018 would have an equal but opposite effect, on the basis that all other variables remain constant.

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

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

The Company does not have investments in foreign securities.

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

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

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CONSIGNEE:

CALLANGAN, JUSTINA (ATTY) F
And or/Care Of: /
DIRECTOR-CORPORATION FINANCE DEPT
SECURITIES AND EXCHANGE COMMISSION SECRETARIAT BLD

PASAY CITY
METRO MANILA
METRO MANILA

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Delivery Date	: 05/12/2018
Area Dest.	: METRO MANILA
Tran. Type	: DELIVERY
Cut-Off	: 11:59:00 PM
VATable(Freight)	: 174.11
VAT-Exempt	: 0.00
VAT Zero-Rated	: 0.00
Discount	: 0.00
Total Sales	: 174.11
12% VAT	: 20.89
Amount Due	**: 195.00**
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