





12. Indicate by check mark whether the registrant:

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

Yes  No

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

Yes  No

## PART I--FINANCIAL INFORMATION

### Item 1. Financial Statements.

Please refer to attached financial statements and schedules.

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

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

*The following is a discussion and analysis of the Company's consolidated financial condition and results of operations for the interim period ended June 30, 2019 compared with the interim period ended June 30, 2018. This report should be read in conjunction with the consolidated financial statements and the notes thereto.*

#### KEY PERFORMANCE INDICATORS

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

1. **Equity in Net Earnings (or Loss) of Associates.** Equity in net earnings (or loss) of associates is the Company's share in the income or loss of associates, or investee companies accounted for under the equity method. It indicates the profitability of the associates and measures their contribution to the profitability of the parent.
2. **Earnings Before Interest, Taxes, Depreciation and Amortization (FRITDA)** FRITDA 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) June 30, 2019 versus YTD June 30, 2018

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

Key Performance Indicators <i>Amounts in Php '000, except for ratios</i>	YTD June 2019	YTD June 2018	YE 2018 Audited
Equity in Net Earnings of Associates and Joint Ventures	1,040,110	792,541	
EBITDA	1,607,125	611,890	
Cash Flow Generated / (Used)	973,568	(271,394)	
Net cash flows generated from (used in) operating activities	414,136	(355,479)	
Net cash flows generated from (used in) investing activities	1,088,502	104,928	
Net cash flows generated from (used in) financing activities	(529,070)	(20,843)	
Debt-to-Equity Ratio (x)	0.43	0.43	0.37
Current Ratio (x)	5.55	5.15 <sup>(a)</sup>	6.33

(a) Reported as 3.23x in the SEC 17 Q2 FY 2018 report. The adjustment is due to the reclassification of some current assets and liabilities to non-current accounts, to make it comparable to the end-June 2019 classification in accordance with Philippine Accounting Standards 1 (PAS 1), Presentation of Financial Statements.

The Company's share in net earnings of associates and joint ventures as of first half 2019 amounted to Php 1.0 bn, representing a 31% year-on-year (YoY) increase from Php 792.5 mn. This was a result of the following:

- 40%-owned Minergy Power Corporation (MPC) saw a 114% YoY improvement in its income contribution during the period in review, from Php 138.5 mn to Php 295.9 mn. This can be mainly attributed to the 39% YoY increase in energy sold.
- Visayan Electric Company (VECO), the Company's distribution utility, posted an 18% YoY growth in its bottomline contribution, from Php 343.1 mn to Php 406.1 mn. This was on the back of higher volume sold (up by 9% YoY), coupled with lower operating expenses due to the timing in the payment of some expenses.
- 40%-owned Cebu Private Power Corporation (CPPC) recorded a 14% YoY increase in income contribution at Php 92.1 mn from Php 80.8 mn. This was mainly on account of higher income from selling its excess capacity to the Wholesale Electricity Spot Market (WESM).
- 20%-owned Therma Visayas, Inc. (TVI) shored in fresh earnings contribution of Php 37.7 mn during the semester in review. One unit of the 2x170 MW coal-fired power generation facility in Toledo City, Cebu went online in April 2019.

- 40%-owned Prism Energy, Inc. (Prism Energy) contributed earnings of Php 12.7 mn, an 84% expansion from last year's Php 6.9 mn. The strong showing could be attributed to the 113% YoY expansion in energy sales, which was on the back of the rise in contracted capacity at 55 MW from 31 MW.

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

- 50%-owned Delta P, Inc. (DPI) recorded a 14% YoY drop in earnings contribution from Php 35.0 mn to Php 30.1 mn. This was attributed to the reduction in volume of energy sales and increase in operating expenses. One unit of the company's old plant facility caught fire in February, which resulted to a temporary shutdown of said unit. Repair works are underway to restore operations. As of end-first semester 2019, total energy sales posted a 4% YoY decline.
- 40%-owned Abovant Holdings, Inc. (AHI) posted an 11% YoY reduction in its income contribution during the semester in review, from Php 175.1 mn to Php 155.1 mn. This was driven by the decline in the profitability of its associate, Cebu Energy Development Corporation (CEDC). The contraction in CEDC's performance during the period was mainly on account of a 5% dip in energy sales, and higher maintenance costs and other operating expenses.

EBITDA for the period significantly rose by 163% YoY to Php 1.6 bn from Php 611.9 mn. This was mainly an outcome of the 147% YoY increase in operating income, which was on the back of:

- A 97% YoY spike in the sale of power, which resulted from the improvement in energy sales volume in 55%-owned 1590 Energy Corporation (1590 EC), 100%-owned Vivant Energy Corporation (VEC), and 100%-owned Coreenergy, Inc. (Coreenergy), a Retail Electricity Supplier, by 118 YoY, 107% and 40% YoY, respectively;
- A 31% YoY increase in the net earnings of associates and joint ventures brought about by the improved contributions of MPC, VECO, CPPC, TVI and Prism Energy; and
- 106% YoY growth in interest income from short-term cash investments due to higher interest rates and higher cash level during the semester in review.

The Company ended the semester with a net increase in cash, before considering the effect of changes in the foreign exchange rates, of Php 973.6 mn. This resulted from the cash generated from operating and investing activities. The increase in trade and other payables, offset by the increase in trade and other receivables and prepayments, purchase of inventory and payments for interest and income taxes, accounted for the cash generated from operating activities in the amount of Php 414 mn. Investing activities contributed the most to cash generation at Php 1.1 bn, which mainly came from dividends received from VECO and MPC, and interest income on short-term placements. Meanwhile, cash was used in financing activities, which stemmed from the payment of dividends by the Company and 1590 EC, principal amortization of the Company's Fixed Rate Corporate Notes (FRCN) and lease payments. Lease payments are classified under Financing activities in accordance with Philippine Financial Reporting Standards (PFRS) 16<sup>1</sup>.

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

Debt-to-Equity ratio rose to 0.43x as of end-June 2019 vis-à-vis end-December 2018. As of June 2019, the 26% expansion in total liabilities, which mainly stemmed from the recognition of finance lease liability in compliance with PFRS 16<sup>1</sup>, coupled with higher trade and other payable, and income tax payable of 1590 EC, outpaced the 7% increase in total equity.

The Company's current ratio dropped to 5.55x as of end-June 2019 from year-end 2018 level of 6.33x. Current assets increased by 25% (mostly due to higher prepayments, cash level and receivables) while current liabilities posted a 43% expansion (mainly as a result of the recognition of the finance lease liability-current<sup>2</sup>, coupled with increased trade and other payable, and income tax payable).

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

As of the first half of 2019, the Company's total revenues amounted to Php 3.2 bn, recording a 66% YoY spike from Php 1.9 bn.

1. Sale of power, which comprise the bulk of revenues at Php 2.0 bn (or 64% of total), significantly rose by 97% YoY. This was attributed to the:
  - 107% YoY increase in the volume of energy sold by VEC for a power supply agreement with Prism Energy whose contracted capacity rose from 31 MW to 55 MW during the semester in review;
  - Improved topline performance of 1590 EC, which was mainly attributed to higher revenues from ancillary services during the period in review. Revenue enhancements also came from the sale of excess capacity in the WESM and higher volume sales through its bilateral contract; and
  - Coreenergy contributed to the revenue spike with a 40% increase in the volume of energy sales against the same period last year.
  
2. The Company's share in net earnings of associates and joint ventures as of first half 2019 amounted to Php 1.0 bn, representing a 31% year-on-year (YoY) increase from Php 792.5 mn. This was a result of the following:
  - 40%-owned MPC saw a 114% YoY improvement in its income contribution during the period in review, from Php 138.5 mn to Php 295.9 mn. This can be mainly attributed to the 39% YoY increase in energy sold.
  - VECO, the Company's distribution utility, posted an 18% YoY growth in its bottomline contribution, from Php 343.1 mn to Php 406.1 mn. This was on the back of higher volume sold (up by 9% YoY), coupled with lower operating expenses due to the timing in the payment of some expenses.
  - 40%-owned CPPC recorded a 14% YoY increase in income contribution at Php 92.1 mn from Php 80.8 mn. This was mainly on account of higher income from selling its excess capacity to the WESM.
  - 20%-owned TVI shored in fresh earnings contribution of Php 37.7 mn during the semester in review. One unit of the 2x170 MW coal-fired power generation facility in Toledo City, Cebu went online in April 2019.

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

- 40%-owned Prism Energy contributed earnings of Php 12.7 mn, an 84% expansion from last year's Php 6.9 mn. The strong showing could be attributed to the 113% YoY expansion in energy sales, which was on the back of the rise in contracted capacity at 55 MW from 31 MW.

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

- 50%-owned DPI recorded a 14% YoY drop in earnings contribution from Php 35.0 mn to Php 30.1 mn. This was attributed to the reduction in volume of energy sales and increase in operating expenses. One unit of the company's old plant facility caught fire in February, which resulted to a temporary shutdown of said unit. Repair works are underway to restore operations. As of end-first semester 2019, total energy sales posted a 4% YoY decline.
  - 40%-owned AHI posted an 11% YoY reduction in its income contribution during the semester in review, from Php 175.1 mn to Php 155.1 mn. This was driven by the decline in the profitability of its associate, CEDC. The contraction in CEDC's performance during the period was mainly on account of a 5% dip in energy sales, and higher maintenance costs and other operating expenses.
3. Management fees dropped by 91% YoY to Php 3.2 mn. This was due to the timing of the implementation of some management contracts and service level agreements. The non-extension of a management contract with a joint venture that was executed in the same period last year contributed to the unfavorable variance.
  4. Interest income significantly grew by 106% YoY to Php 89.7 mn from Php 43.5 mn. This mainly came from the Company's short-term money market placements that earned higher income due to improved rates vis-à-vis last year. Higher cash level as of end-June 2019 also contributed to this positive variance.

Total generation cost and operating expenses for the first half of 2019 expanded by 30% YoY, from Php 1.3 bn to Php 1.7 bn. Said movement can be accounted for by the following:

1. Generation costs went up by 37% to Php 1.4 bn from Php 1.1 bn. The rise in 1590 EC's energy sales and higher indices used relating to the administration of 17MW of geothermal power accounted for the increase. This is tempered by the lower depreciation of the right-of-use asset vis-à-vis actual rental payments in 1590 EC, in view of the PFRS 16 implementation which was effective January 1, 2019.
2. Salaries and employee benefits rose by 19% YoY to Php 117.4 mn from Php 98.5 mn due to the upward adjustment in salaries and higher availment of employee benefits.
3. Professional fees significantly rose by 63% YoY from Php 30.4 mn to Php 49.5 mn, which were mainly attributed to consultancy fees involving various corporate initiatives during the semester in review.
4. Taxes and licenses were lower by 40% YoY to Php 22.0 mn from Php 36.6 mn. In the same period last year, there were non-recurring tax payments made by subsidiaries, i.e. documentary stamp tax for share issuance and transfer taxes for the sale of real property.

5. Depreciation and amortization grew by 50% YoY to Php 14.8 mn from Php 9.9 mn. Aside from the higher depreciation expense due to purchase of new assets, the increase was attributable to the depreciation of the right-of-use asset that was recognized as a result of PFRS 16<sup>3</sup>.
6. Outside services increased by 58% YoY from Php 5.8 mn to Php 9.2 mn, which could be attributed to the hosting and support fees incurred for the Company's enterprise resource planning system and accounting services. Delayed prior year billings for manpower services also contributed to the increase during the semester in review.
7. Travel expenses were 33% lower as of end-June 2019 at Php 6.7 mn from Php 10.0 mn. Lower airfare and travel frequency, coupled with delayed billings, accounted for the cost reduction for the period in review.
8. Communication and utilities declined by 27% YoY to Php 2.8 mn from Php 3.8 mn due to the timing of billings from suppliers.
9. Representation was reduced by 67%, from Php 2.2 mn to Php 0.7 mn. This variance is attributed to the decrease in number and amount of sponsorships.
10. Rent and association dues materially dropped by 87% YoY to Php 0.6 mn from Php 4.6 mn. This was a result of the implementation of PFRS 16 in 2019. Actual rent and association dues increased to Php 6.2 mn, which was reflective of the escalation of rental rates for office spaces.
11. Other operating expenses went down by 30% YoY from Php 43.3 mn to Php 30.4 mn. The reduction mainly stemmed from project-related costs incurred by a subsidiary in the same period last year.

Vivant booked Php 88.2 mn in other charges as of first half of 2019, recording a 34% increase from previous year's other charges of Php 65.6 mn. The following account for the movement:

1. The Company recognized a one-off gain of Php 38.4 mn, which resulted from the collection of additional proceeds from a share sale transaction entered into and executed by its subsidiaries in 2018.  
  
One-off gains in the same period last year amounting to Php 14.0 mn consisted of billings for hourly service fees to affiliates, reimbursement from an associate relating to bank charges, and a one-off collection from the National Grid Corporation of the Philippines (NGCP) for the power consumption of a transmission asset.
2. The Company recognized finance costs of Php 42.8 mn resulting from the amortization of the finance lease liability booked as a result of PFRS 16<sup>4</sup>.
3. An unrealized foreign exchange loss of Php 0.6 mn was taken up during the period in review. ~~This pertains to the restatement of the US Dollar and Euro cash balances of the Company and a subsidiary.~~ This was against an unrealized foreign exchange gain of Php 5.2 mn recorded for the same period last year.

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

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

Accrued consolidated tax expense surged to Php 99.8 mn from Php 0.4 mn on account of higher income tax due in 1590 EC on the back of improved operating profits.

Taking all of the above into account, the Company recorded a total net income of Php 1.3 bn for the period ending June 30, 2019, which is 142% higher than last year's Php 516.1 mn. Net income attributable to parent amounted to Php 1.1 bn, up by 95% YoY.

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

The Company's total assets grew by 12%, from end-2018's level of Php 17.2 bn to Php 19.3 bn. The following are the material movements in the consolidated assets of the Company as of end-June 2019.

1. Cash and cash equivalents expanded by 26% to Php 4.8 bn as of end-June 2019 from Php 3.8 bn as of end-2018. This is attributed to the net cash generated from operating and investing activities.
2. Trade and other receivables rose by 21% to Php 854.5 mn as of end-June 2019. This increase was mainly on account of the dividend receivable from MPC. Further expansion was due to the increase in the trade receivables of 1590 EC on the back of improvement in energy sales.
3. Inventories went up by 11% to Php 139.0 mn. This was mainly due to an increase in fuel inventory in 1590 EC, which was driven by a price hike.
4. Prepayments and other current assets doubled at Php 133.1 mn as of end-June 2019. The prepaid rent in 1590 EC mainly accounted for the rise.
5. Right-of-Use asset-net amounting to Php 948.5 mn was recognized under PFRS 16, Leases. Under this accounting standard, the Company and 1590 EC recognized an asset for the right to use the assets being leased over the lease term. This accounting standard took effect on January 1, 2019.

Total consolidated liabilities posted an increase of 26% to Php 5.8 bn as of end-June 2019 from end-2018's Php 4.6 bn. This was mainly brought about by the recognition of finance lease liabilities as a result of PFRS 16. Other factors include:

1. Higher trade and other payables (up by 27% from end-2018), which mostly came from the dividends declared by the Company and 1590 EC, and 1590 EC's output value-added tax (VAT) from energy sales and billings from fuel supplier;
2. Significant increase in the income tax payable of 1590 EC (up by 224% from end-2018) on the back of improved taxable income; and
3. A 12% increase in the accrued pension expense by Parent and VEC.

As a result of net income generated during the period in review, total stockholders' equity increased by 7%, from Php 12.6 bn as of year-end 2018 to Php 13.5 bn as of end-June 2019. Meanwhile, equity attributable to parent ended up higher by 6% at Php 12.9 bn as of end-June 2019.

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

Cash and cash equivalents were higher by 9% YoY, from Php 4.4 bn as of end-June 2018 to Php 4.8 bn as of end-June 2019.

For the period ending June 30, 2019, the net cash generated from the Company's operations amounted to Php 414.1 mn, a reversal of the net cash usage of Php 355.5 mn in the same period last year. The movement was a result of the increase in trade and other payables (mostly from dividend declarations, output VAT on energy sales and billings from fuel supplier). This was offset by the increases in trade and other receivables and prepayments, purchase of fuel and payments for interest and income taxes.

Net cash generated from investing activities as of end-June 2019 amounted to Php 1.1 bn. The dividends received from VECO and MPC mainly accounted for the cash inflow. Adding to this was the cash generated from interest income earned during the semester in review. In the same period last year, the Company generated cash amounting to Php 104.9 mn.

As of end-June 2019, the Company used cash of Php 529.1 mn for financing activities, higher than last year's cash usage of Php 20.8 mn. The use of cash mainly stemmed from the payment of dividends by the Company and 1590 EC. The principal amortization of the Company's FRCN and lease payments further contributed to the use of cash. Lease payments are reclassified from cashflows from operating activities to cashflows from financing activities in accordance with PFRS 16 guidelines.

Financial Ratios

The Company's current ratio dropped to 5.55x as of end-June 2019 from year-end 2018 level of 6.33x. Current assets increased by 25% (mostly due to higher prepayments, cash level and receivables) while current liabilities posted a 43% expansion (mainly as a result of the recognition of the finance lease liability-current, coupled with increased trade and other payable, and income tax payable).

Debt-to-Equity ratio rose to 0.43x as of end-June 2019 vis-à-vis end-December 2018. As of June 2019, the 26% expansion in total liabilities, which mainly stemmed from the recognition of finance lease liability in compliance with PFRS 16, coupled with higher trade and other payable, and income tax payable of 1590 EC, outpaced the 7% increase in total equity.

### Material Events and Uncertainties

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

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

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

None.

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

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

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

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

- Vivant Malogo Hydropower Inc. (VMHI) is a joint venture that will serve as the project proponent for the development and implementation of a greenfield power plant project, which will involve the construction and operation of a series of run-of-river hydropower facilities in Barangay Kapitan Ramon in Silay City, Negros Occidental. VMHI will implement the project in phases, where Phase 1 will involve the construction and operation of a 6 MW power plant facility along the Malogo river. The company has finalized the detailed engineering plans of the facility. Vivant, however, has decided to put the project on hold given the prevailing transmission constraint in the Negros grid, which is expected to be resolved by 2020 upon the completion of the Cebu-Negros-Panay 230kV backbone project of NGCP. VEC holds an effective equity stake of 67% in VMHI.
- Therma Visayas, Inc. (TVI) is the project proponent for the construction and operation of a 2x170 MW coal-fired power generation facility on a site in Toledo City, Cebu. The project is intended to address the increasing power demand of the Visayas grid. The plant design includes provisions for the addition of a third generating unit. In March 2015, the notice to proceed for all EPC activities was issued. This project was funded via a combination of debt (75%) and equity (25%). The first unit started commercial operations in April 2019, while the second unit is

targeted to come online within second half of 2019. The Company has an effective ownership of 20%.

- Sabang Renewable Energy Corporation (SREC) is the project proponent for the construction and operation of a hybrid power generation facility in Bgy. Cabayugan, Puerto Princesa, which will be composed of a 1.4 MW solar power generation plant, 2.3 MWh storage facility and a 1.28 MW diesel-fired power generation unit. The project broke ground in May 2018 and is expected to be completed within second half of 2019. Funding will be via a combination of debt (75%) and equity (25%). The Company has an effective ownership of 30% in SREC.
- ET Vivant Solar Corporation (ET Vivant) is a company that was set up as a result of the joint venture with ET Energy Pilipinas Holding Corporation. ET Vivant will explore opportunities in the solar rooftop space. The Company will have an effective ownership of 60% in ET Vivant, through wholly owned subsidiaries VEC and Vivant Renewable Energy Corporation. Construction works for a 1.35 MW solar rooftop facility for an industrial customer in Visayas were completed in May 2019.
- Global Energy Development Corporation (GLEDC) is a special purpose vehicle that was set up to undertake the construction and operation of a 2x335 MW coal fired power plant in La Union. In December 2017, Vivant, through wholly owned subsidiary Vivant Integrated Generation Corporation (VIGC), and Global Business Power Corporation signed a Pre-Development Agreement to jointly participate in this project. Vivant has an effective ownership of 42.5% in GLEDC.
- The Company, through its Business Development Group, continuously looks for opportunities in the power generation business, whether it be via greenfield, brownfield or acquisition. The Company conducts an extensive evaluation process before any proposed project is undertaken. Several factors are assessed and considered, which include but not limited to, the project's land use requirements, access to the grid, fuel supply availability and arrangements, permits and licenses, competitiveness of the plant and presence of potential offtakers. The Company intends to bankroll these projects via a combination of equity (30%) and debt (70%), where debt will be booked at the project company.
- Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.

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

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

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

None.

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

None.

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

None.

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

None.

#### **PART II--OTHER INFORMATION**

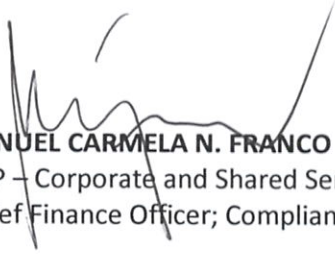
Other than what has been reported, no event has since occurred.

## SIGNATURES

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

### VIVANT COMPANY

By:



**MINUEL CARMELA N. FRANCO**  
SVP – Corporate and Shared Services;  
Chief Finance Officer; Compliance Officer



**MARIA VICTORIA E. SEMBRANO**  
SAVP – Controllership

*August 14, 2019*

# **VIVANT CORPORATION AND SUBSIDIARIES**

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Unaudited Consolidated Financial Statements  
As of June 30, 2019 (with Comparative Audited Consolidated Figures as of  
December 31, 2018) and for the Three Months Ended June 30, 2019

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