

COVER SHEET

1 7 5 2 2 2

S.E.C. Registration Number

P.S.E. Control Number

V I V A N T C O R P O R A T I O N

(Company's Full Name)

U n i t 9 0 7 - 9 0 8 , A y a l a L i f e - F G U C e
n t e r , M i n d a n a o A v e n u e C o r n e r B i
l i r a n R o a d , C e b u B u s i n e s s P a r k
B A r a n g a y L u z , C e b u C i t y , P h i l i p
p i n e s 6 0 0 0

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

Joan A. Giduquio-Baron

Contact Persons

(032) 232-0283, 234-2256 and 234-2285

Telephone Number of the Contact Person

1 2 3 1

Month Day
Fiscal Year

SEC FORM 17-Q

FORM TYPE

0 6 3 0

Month Day

N/A

Secondary license Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

1,427

Total No. of Stockholders

1,022,951,504

Domestic

505,194

Foreign

To be accomplished by SEC Personnel concerned

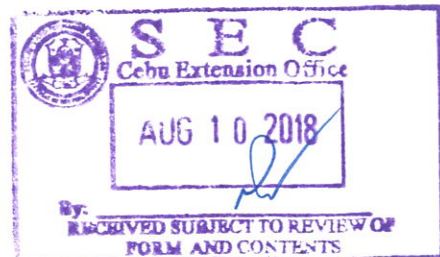
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12. Indicate by check mark whether the registrant:

(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 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, 2018 compared with the interim period ended June 30, 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) June 30, 2018 versus YTD June 30, 2017

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 2018	YTD June 2017	YE 2017
Equity in Net Earnings of Associates and Joint Ventures	792,541	594,661	
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	611,890	868,111	
Cash Flow Generated / (Used)	(271,394)	(268,520)	
Net cash flows from (used in) operating activities	(355,479)	125,128	
Net cash flows from (used in) investing activities	104,928	57,595	
Net cash flows from (used in) financing activities	(20,843)	(451,243)	
Debt-to-Equity Ratio (x)	0.43	0.46	0.40
Current Ratio (x)	3.23	3.33	4.31

The Company's share in net earnings of associates and joint ventures as of end-June 2018 amounted to Php 792.5 mn, representing a 33% year-on-year (YoY) increase from Php 594.7 mn. This was a result of the following:

- 40%-owned Minergy Power Corporation (MPC) shored in fresh earnings contribution of Php 138.5 mn during the first half of 2018. The company's 3x55 MW coal-fired power plant in Misamis Oriental was completed in 2017 and commenced commercial operations in September 2017.
- 40%-owned Abovant Holdings, Inc. (AHI) saw an 18% YoY improvement in its income contribution during the period in review, from Php 147.9 mn to Php 175.1 mn. This was driven by the enhanced profitability of its associate, Cebu Energy Development Corporation (CEDC). CEDC's favorable earnings performance for the semester was mainly on account of a 14% YoY expansion in energy sales, lower financing and operating expenses and reduced maintenance costs.
- 50%-owned Calamian Island Power, Inc. (CIPC) posted a 46% YoY rise in income contribution, from Php 11.7 mn to Php 17.0 mn. This strong showing was mainly on the back of a 24% YoY expansion in energy sales volume for the first half of 2018.
- 50%-owned, Delta P, Inc. (DPI) recorded a 13% YoY increase in net generation during the semester in review, which resulted to a 21% YoY improvement in its bottomline contribution, from Php 28.9 mn to Php 35.0 mn. The company's new 30-MW oil-fired power generation facility started its commercial operations in May 2017.

- The Company's distribution utility, Visayan Electric Company (VECO), recorded a 4% YoY growth in income contribution, from Php 329.5 mn to Php 343.1 mn. This was mainly attributable to the robust electricity sales during the period, which posted a 10% YoY growth.

Below is a table showing the impact of International Accounting Standards (IAS) 28¹ to the Company's financial performance for the period in review.

Name of Company	YTD June 2018			YTD June 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 ^(a)	407.5	--	407.5 ^(c)	236.7	--	236.7 ^(d)
AHPC ^(b)	--	--	--	0.1	--	0.1
Total	407.5	--	407.5	236.8	--	236.8

(a) Vivant Sta. Clara Northern Renewables Generation Corporation

(b) In December 31, 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.

(c) Php294.4 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

(d) Php 63.1 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

EBITDA for the semester recorded a 30% YoY drop, from Php 868.1 mn to Php 611.9 mn. The Company ended the first semester with total revenues of Php 1.9 bn, which was lower by 16% YoY. Energy sales and management fees for the period in review were lower at 35% YoY and 32% YoY, respectively.

The Company ended the period with a net decrease in cash, before considering the effect of changes in the foreign exchange rates, of Php 271.4 mn, which was mainly brought about by the cash flow used in operating and financing activities. Meanwhile, investing activities posted a net cash inflow during the semester, on account of the dividends received from associates and joint ventures, which offset the investments made in 20%-owned Therma Visayas, Inc. (TVI) and 30%-owned Sabang Renewable Energy Corporation.

Debt-to-Equity ratio slightly rose to 0.43x as of end-June 2018 vis-à-vis end-December 2017. The movement is mainly attributable to the 9% increase in total consolidated liabilities of the Company, which was driven by the recorded 31% rise in consolidated trade and other payables. Included in the balance are the dividends payable of the Company (Php 285.7 mn) and a subsidiary (Php 126.8 mn), which are scheduled for payment in July 2018.

The Company's current ratio dropped to 3.23x as of end-June 2018 from year-end 2017 level of 4.31x. Current assets posted a 4% drop (mostly due to lower cash level and trade and other receivables), while current liabilities grew by 28% (as a result of increased trade and other payables).

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 June 2018 vs. YTD June 2017)

As of end-June 2018, the Company's total revenues amounted to Php 1.9 bn, recording a 16% YoY decline from Php 2.3 bn.

1. Sale of power, which comprise the bulk of revenues at Php 1.0 bn (or 54% of total), was lower by 35% YoY. 55.2%-owned 1590 Energy Corporation (1590 EC) mainly accounted for the reduced topline performance as it recorded lower revenues due to a 49% YoY decline in energy sales during the semester in review. This was partially offset by the increased energy sales of wholly owned subsidiaries Vivant Energy Corporation (VEC), the administrator of 17 MW of geothermal power, and 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-June 2018 amounted to Php 792.5 mn, representing a 33% YoY increase from Php 594.7 mn. This was a result of the following:
 - 40%-owned Minergy Power Corporation (MPC) shored in fresh earnings contribution of Php 138.5 mn during the first half of 2018. The company's 3x55 MW coal-fired power plant in Misamis Oriental was completed in 2017 and commenced commercial operations in September 2017.
 - 40%-owned Abovant Holdings, Inc. (AHI) saw an 18% YoY improvement in its income contribution during the period in review, from Php 147.9 mn to Php 175.1 mn. This was driven by the enhanced profitability of its associate, Cebu Energy Development Corporation (CEDC). CEDC's favorable earnings performance for the semester was mainly on account of a 14% YoY expansion in energy sales, lower financing and operating expenses and reduced maintenance costs.
 - 50%-owned Calamian Island Power, Inc. (CIPC) posted a 46% YoY rise in income contribution, from Php 11.7 mn to Php 17.0 mn. This strong showing was mainly on the back of a 24% YoY expansion in energy sales volume for the first half of 2018.
 - 50%-owned, Delta P, Inc. (DPI) recorded a 13% YoY increase in net generation during the semester in review, which resulted to a 21% YoY improvement in its bottomline contribution, from Php 28.9 mn to Php 35.0 mn. The company's new 30-MW oil-fired power generation facility started its commercial operations in May 2017.
 - The Company's distribution utility, Visayan Electric Company (VECO), recorded a 4% YoY growth in income contribution, from Php 329.5 mn to Php 343.1 mn. This was mainly attributable to the robust electricity sales during the period, which posted a 10% YoY growth.

Below is a table showing the impact of IAS 28² to the Company's financial performance for the period in review.

Name of Company	YTD June 2018			YTD June 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 ^(a)	407.5	--	407.5 ^(c)	236.7	--	236.7 ^(d)
AHPC ^(b)	--	--	--	0.1	--	0.1
Total	407.5	--	407.5	236.8	--	236.8

(a) Vivant Sta. Clara Northern Renewables Generation Corporation

(b) In December 31, 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.

(c) Php294.4 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

(d) Php 63.1 mn pertained to unrealized forex loss from the dollar denominated portion of its liabilities arising from its administration contract with PSALM.

3. Management fees were lower by 32% YoY to Php 35.9 mn from Php 52.9 mn. The decline was mainly due to the timing of implementation for some of the management contracts and service level agreements. Another contributing factor to the drop is the execution of a one-time service level agreement with a joint venture in the same period last year.
4. Interest income from the Company's and its subsidiaries' short term money market placements grew by 44% YoY to Php 43.5 mn from Php 30.3 mn.

Total generation cost and operating expenses for the first semester of 2018 declined by 10% YoY, from Php 1.5 bn to Php 1.3 bn. Said movement can be accounted for by the following:

1. Generation costs went down by 14% YoY to Php 1.1 bn from Php 1.2 bn. This was due to the 49% YoY decline in 1590 EC'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 9% YoY to Php 98.5 mn from Php 90.8 mn on account of additional manpower and an upward adjustment in salaries. Training costs were also higher during the semester in review.
3. Taxes and licenses significantly rose by 136% YoY to Php 36.6 mn from Php 15.5 mn due to the share issuances of two subsidiaries and higher local business taxes and real property taxes.
4. Professional fees were lower by 36% YoY, from Php 47.3 mn to Php 30.4 mn. In the same period last year, a technical consultancy engagement was entered into for a project development initiative. This was not renewed in the semester in review.

² 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.

5. Management fees was down by 13% YoY at Php 20.7 mn as a result of the drop in rate.
6. Travel expense was at Php 10.0 mn for the period in review, posting an increase of 9% from last year's Php 9.2 mn. The increased frequency of trips related to business development, plant inspections, site visits, meetings with partners and government agencies, and trainings accounted for the rise. The higher gasoline expense, as a result of increased headcount and oil price hike, also contributed to the cost expansion.
7. Outside services surged by 104% YoY to Php 5.8 mn from Php 2.9mn. The movement could be attributed to the receipt and booking of delayed prior year billings for (i) office manpower services and (ii) support services for the Company's accounting software. The increase in the license fees for the Company's accounting software also contributed to the increase in cost.
8. Rent and association dues grew by 16% YoY from Php 3.9 mn to Php 4.6 mn. The Company leased additional office spaces given the higher employee headcount. The escalation of the lease rates for the existing office spaces was also a factor of the increase.
9. Communication and utilities were higher by 10% YoY at Php 3.8 mn from Php 3.5 mn. The increase in the Company's manpower headcount and receipt and booking of delayed prior year billings during the period in review accounted for the hike in communication expenses. Additional office space and the escalation of rates were factors in the rise of power and water charges incurred as of end-June 2018.
10. Other operating expenses rose by 29% YoY from Php 33.6 mn to Php 43.3 mn. This resulted substantially from:
 - (i) higher donations made to Vivant Foundation, Inc. (VFI);
 - (ii) project bidding costs incurred by a subsidiary during the period;
 - (iii) higher cost of supplies, dues and subscriptions, insurance expense and repairs and maintenance.

Vivant booked Php 65.6 mn in other charges as of end-June 2018, recording a 14% drop from previous year's other charges of Php 76.2 mn. The following account for the movement:

1. An unrealized foreign exchange gain of Php 5.2 mn was taken up during the semester in review. This pertains to the restatement of the US Dollar and Euro cash balances of the Company and 1590 EC. This was against an unrealized foreign exchange loss of Php 0.02 mn recorded for the same period last year.
2. Other income of Php 14.0 mn was booked as of end-June 2018. This was a result of higher 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.

The 99% YoY decline in accrued consolidated tax expense, from Php 63.0 mn to Php 0.4 mn, was a result of the lower taxable income of 1590 EC.

Taking all of the above into account, the Company recorded a total net income of Php 516.1 mn for the period ending June 30, 2018, recording 22% YoY decline. Net income attributable to parent amounted to Php 559.0 mn, showing a marginal increase from last year's Php 558.3 mn.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-June 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-June 2018.

1. Cash and cash equivalents dipped by 6% to Php 4.4 bn as of end-June 2018. The decrease was materially due to equity investments in and advances made to associates and the principal amortization of the Company's 7-year Fixed Rate Corporate Note (FRCN).
2. Trade and other receivables dipped by 6% to Php 502.2 mn as of end-June 2018, which was largely due to the receipt of dividends declared in 2017 by MPC and DPI. Further reduction was due to the collection for management and service billings by the Company from its related parties and for trade receipts by 1590 EC from its customers.
3. Advances to associates and stockholders went up by 43% to Php 119.6 mn. This was due to the advances of Vivant Renewable Energy Corporation (VREC) to SREC and VIGC to Lunar Powercore, Inc. (LPCI). The latter was due to a reclassification of a cash infusion made in 2017.
4. Investments in and advances to associates and joint ventures rose by 9% to Php 9.1 bn. This movement is attributed to the investment in TVI and SREC. The dividends declared by VECO, Abovant and DPI offset the recorded equity share in net earnings from associates and joint ventures.
5. The 20% dip in other noncurrent assets to Php 26.6 mn was a result of an account reclassification for an investment in a subsidiary, ET Vivant Solar Corporation (ET Vivant), which as of end-2017 was lodged under this account pending the approval of its incorporation by the Securities and Exchange Commission (SEC).

Total consolidated liabilities were 9% higher at Php 4.9 bn as of end-June 2018 from end-2017's Php 4.5 bn.

1. Trade and other payables recorded a 31% growth. The increase was mainly driven by the dividends payable of the Company and a subsidiary, which are scheduled for payment in July 2018. Furthermore, 1590 EC's trade payables grew by 17% during the semester in review.
2. Advances from related parties posted a 7% increase, from Php 72.4 mn to Php 77.5 mn, as a result of project-related expenses incurred by a subsidiary.
3. Income tax payable recorded a negative balance as of end-semester due to a post-audit adjustment.
4. Pension liability was up was up by 12%, on account of the accrual of pension expense by the Company.

Total stockholders' equity as of end-semester amounted to Php 11.4 bn, recording a marginal increase from year-end 2017 level of Php 11.3 bn. The net income generated during the period in review was offset by the dividend declarations made by the Company and a subsidiary. Meanwhile, equity attributable to parent ended up higher by 2% at Php 10.9 bn as of end-June 2018.

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

Cash and cash equivalents were higher by 5% YoY, from Php 4.2 bn as of end-June 2017 to Php 4.4 bn as of end-June 2018.

For the period ending June 30, 2018, the net cash flows used for the Company's operations amounted to Php 355.5 mn, a reversal from last year's net cash generation of Php 125.1 mn. This was mainly a result of the payments made for interest and taxes during the period in review. The increase in trade and other receivables and prepayments also contributed to the use of cash.

Net cash generated from investing activities as of end-June 2018 amounted to Php 104.9 mn, vis-a-vis last year's cash generation of Php 57.6 mn. For the semester in review, the dividends received from three associates (VECO, AHI and MPC) and a joint venture (DPI) and the proceeds from the disposal of equipment by the Company more than offset the purchase of depreciable assets and the additional investments made into TVI and SREC. Also, interest income earned during the period contributed to the cash generation.

As of end-June 2018, the Company used cash of Php 20.8 mn for financing activities, recording a decrease from last year's Php 451.2 mn. Cash usage stemmed from the principal amortization of the Company's FRCN and the advances of VREC to SREC. This is offset by the receipt of additional investment from the minority shareholder of ET Vivant and advances from a related party for project-related expenses incurred by a subsidiary.

Financial Ratios

Debt-to-Equity ratio slightly rose to 0.43x as of end-June 2018 vis-à-vis end-December 2017. The movement is mainly attributable to the 9% increase in total consolidated liabilities of the Company, which was driven by the recorded 31% rise in consolidated trade and other payables. Included in the balance are the dividends payable of the Company (Php 285.7 mn) and a subsidiary (Php 126.8 mn), which are scheduled for payment in July 2018.

The Company's current ratio dropped to 3.23x as of end-June 2018 from year-end 2017 level of 4.31x. Current assets posted a 4% drop (mostly due to lower cash level and trade and other receivables), while current liabilities grew by 28% (as a result of increased trade and other payables).

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, 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. 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
AVP – Controllership

August 10, 2018

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of June 30, 2018 (with Comparative Audited Consolidated Figures as of
December 31, 2017) and for the Six Months Ended June 30, 2017

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(With Comparative Figures as of December 31, 2017)

(Amounts in Philippine Pesos)

	Notes	June 30, 2018	December 31, 2017
ASSETS			
Current Assets			
Cash and cash equivalents	1	₱4,368,896,047	₱4,635,082,495
Trade and other receivables	2	502,202,921	532,943,339
Advances to associates and stockholders	2	119,552,092	83,736,329
Inventories		120,448,875	122,863,321
Prepayments and other current assets	3	929,577,737	913,386,427
Total Current Assets		6,040,677,672	6,288,011,911
Noncurrent Assets			
Investments in and advances to associates and joint ventures	4	9,138,125,829	8,385,408,898
Property, plant and equipment	5	522,039,936	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	26,553,002	33,335,299
Total Noncurrent Assets		10,205,404,188	9,465,525,792
TOTAL ASSETS		₱16,246,081,860	₱15,753,537,703

LIABILITIES AND EQUITY**Current Liabilities**

Trade and other payables	₱ 1,774,336,782	₱ 1,350,518,998
Advances from related parties	77,536,626	72,406,345
Income tax payable	(8,521,836)	10,083,687
Current portion of long-term notes payable	25,616,946	25,616,946
Total Current Liabilities	1,868,968,518	1,458,625,976

Noncurrent Liabilities

Long-term notes payable - net of current portion	2,840,154,989	2,870,154,989
Pension liability	35,514,287	31,825,980
Deferred income tax liabilities	107,174,550	107,174,550
Total Noncurrent Liabilities	2,982,843,826	3,009,155,519
Total Liabilities	4,851,812,344	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 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		5,059,119,488	4,850,457,874
Equity Attributable to Equity Holders of the Parent		10,911,561,322	10,702,899,708
Equity Attributable to Non-controlling Interests		482,708,194	582,856,500
Total Equity		11,394,269,516	11,285,756,208
TOTAL LIABILITIES AND EQUITY		₱16,246,081,860	₱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 JUNE 30, 2018
(With Comparative Figures for the same period in 2017)
(Amounts in Philippine Pesos)

	2018	2017
REVENUE		
Sale of power	P1,027,334,994	P1,582,026,953
Equity in net earnings of associates and joint ventures	792,540,638	594,661,226
Management fees	35,939,740	52,862,303
Interest income	43,537,690	30,339,472
	1,899,353,062	2,259,889,954
GENERATION COSTS	1,051,474,842	1,215,703,275
OPERATING EXPENSES		
Salaries and employee benefits	98,540,615	90,811,047
Taxes and licenses	36,556,136	15,461,787
Professional fees	30,442,534	47,277,917
Management fees	20,669,666	23,889,673
Travel	9,998,260	9,166,340
Depreciation and amortization	9,892,115	10,076,706
Outside services	5,813,753	2,856,733
Rent and association dues	4,568,287	3,927,576
Communication and utilities	3,844,615	3,485,640
Representation	2,167,080	2,116,102
Other operating expenses	43,258,474	33,639,837
	265,751,535	242,709,358
INCOME FROM OPERATIONS	582,126,685	801,477,321
OTHER INCOME (CHARGES)		
Finance costs	(84,828,911)	(86,392,443)
Foreign exchange gains (losses)	5,208,002	(20,457)
Other income – net	14,017,391	10,203,597
	(65,603,518)	(76,209,303)
INCOME BEFORE INCOME TAX	516,523,167	725,268,018
PROVISION FOR INCOME TAX	411,353	63,041,916
NET INCOME	516,111,814	662,226,102
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	P516,111,814	P662,226,102
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	P559,027,807	P558,252,298
Non-controlling interests	(42,915,993)	103,973,804
	P516,111,814	P662,226,102
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the parent	P0.546	P0.545

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED JUNE 30, 2018

(With Comparative Figures for the same period in 2017)

(Amounts in Philippine Pesos)

	2018	2017
REVENUE		
Sale of power	P497,594,730	P969,832,910
Equity in net earnings of associates and joint ventures	417,906,916	295,196,701
Management fees	32,477,742	29,451,754
Interest income	23,449,657	16,797,541
	971,429,045	1,311,278,906
GENERATION COSTS	538,792,126	655,930,349
OPERATING EXPENSES		
Salaries and employee benefits	61,691,883	58,552,950
Professional fees	21,915,576	19,381,103
Management fees	17,181,166	21,527,173
Travel	5,653,981	5,502,667
Depreciation and amortization	5,073,112	4,950,529
Outside services	3,986,667	708,318
Taxes and licenses	2,194,002	2,979,708
Communication and utilities	2,098,286	1,962,316
Rent and association dues	2,290,758	1,654,813
Representation	1,285,290	1,121,436
Other operating expenses	10,627,085	20,876,087
	133,997,806	139,217,100
INCOME FROM OPERATIONS	298,639,113	516,131,457
OTHER INCOME (CHARGES)		
Finance costs	(42,221,439)	(43,126,185)
Foreign exchange gains (losses)	2,961,976	(30,352)
Other income – net	13,158,376	8,341,259
	(26,101,087)	(34,815,278)
INCOME BEFORE INCOME TAX	272,538,026	481,316,179
PROVISION FOR INCOME TAX	75,176	62,894,250
NET INCOME	272,462,850	418,421,929
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	P272,462,850	P418,421,929
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	P302,413,405	P319,458,653
Non-controlling interests	(29,950,555)	98,963,276
	P272,462,850	P418,421,929
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the parent	P0.295	P0.312

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED JUNE 30, 2018

(With Comparative Figures for the same period in 2017)

(Amounts in Philippine Pesos)

	Attributable to Equity Holders of the Parent										
	Capital Stock	Additional Paid-in Capital	Share in Revaluation Increment of an Associate	Remeasurement Gain (Loss) on Employee Benefits	Share in Remeasurement Gain (Loss) on Employee Benefits of Associates and a Joint Venture	Unrealized Valuation Gain (Loss) on AFS Investments	Retained Earnings		Total	Equity Attributable to Non-Controlling Interests	Total Equity
							Equity Reserve	Appropriated			
Balances at January 1, 2018	₱1,023,456,698	₱8,339,452	₱1,472,399,497	₱51,576	(₱74,564,481)	(₱5,291)	₱3,422,808,228	₱4,850,457,874	₱10,702,899,708	₱582,856,500	₱11,285,756,208
Dividends declared	-	-	-	-	-	-	-	(350,366,193)	(350,366,193)	(62,232,313)	(412,598,506)
Total comprehensive income (loss)	-	-	-	-	-	-	-	559,027,807	559,027,807	(42,915,993)	516,111,814
Additional investments of non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	5,000,000	5,000,000
Balances at June 30, 2018	₱1,023,456,698	₱8,339,452	₱1,472,399,497	₱51,576	(₱74,564,481)	(₱5,291)	₱3,422,808,228	₱5,059,119,488	₱10,911,561,322	₱482,708,194	₱11,394,269,516
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	-	-	-	-	-	-	-	(285,749,109)	(285,749,109)	(70,950,000)	(356,699,109)
Total comprehensive income (loss)	-	-	-	-	-	-	-	558,252,298	558,252,298	103,973,804	662,226,102
Additional investments of non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Balances at June 30, 2017	₱1,023,456,698	₱8,339,452	₱1,207,387,400	₱4,652,158	(₱58,895,444)	(₱5,291)	₱2,778,783,261	4,765,824,415	₱9,729,542,649	₱603,329,537	₱10,332,872,186

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED JUNE 30, 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		₱516,523,167	₱725,268,018
Adjustments for:			
Equity in net earnings of associates and joint ventures		(792,540,638)	(594,661,226)
Finance costs		84,828,911	86,392,443
Interest income		(43,537,690)	(28,922,533)
Depreciation and amortization		15,745,696	54,081,905
Unrealized foreign exchange (gains) losses		(5,208,002)	20,457
Loss on disposal of property and equipment		(28,399)	6,345,616
Pension expense		3,688,307	3,209,755
Operating income before working capital changes		(220,528,648)	251,734,435
Decrease (increase) in:			
Trade and other receivables	2	(28,547,311)	(233,967,571)
Prepayments and other current assets	3	(16,191,309)	13,155,855
Inventories		2,414,446	669,108
Increase (decrease) in trade and other payables		11,694,439	195,877,099
Cash generated from (used in) operations		(251,158,383)	227,468,926
Interest paid		(85,091,287)	(83,826,996)
Income taxes paid		(19,229,660)	(18,513,595)
Net cash flows from (used in) operating activities		(355,479,330)	125,128,335

CASH FLOWS FROM INVESTING ACTIVITIES

(Increase) decrease in investments in associates and advances to associates and joint ventures	4	(742,500,056)	(725,832,533)
Dividends received from associates and joint ventures		809,980,992	711,174,516
Proceeds from the sale of property and equipment		28,399	52,500,000
Interest received		40,325,419	29,176,601
Additions to property, plant and equipment	5	(9,481,478)	(11,752,824)
Decrease in other noncurrent assets		6,574,317	2,329,091
Net cash flows from (used in) investing activities		104,927,593	57,594,851

CASH FLOWS FROM FINANCING ACTIVITIES

Additional investments of non-controlling interest		5,000,000	—
Cash dividends paid		—	(339,485,091)
Principal payment of loans		(30,000,000)	(30,000,000)
Decrease in advances from (to) associates and stockholders		4,157,287	(81,757,838)
Net cash flows from (used in) financing activities		(20,842,713)	(451,242,929)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(271,394,450) (268,519,743)

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

5,208,002 (20,457)

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	4,368,896,047	4,169,236,062
Restricted cash	650,000	650,000
	₱4,369,546,047	₱4,169,886,062

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2018

1. Cash and cash equivalents

This account consists of:

	June 30, 2018	December 31, 2017
Cash on hand and in banks	P230,746,311	P284,111,486
Short-term investments	4,138,149,736	4,350,971,009
	P4,368,896,047	P4,635,082,495

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

This account consists of:

	June 30, 2018	December 31, 2017
Trade receivables	P412,229,093	P292,631,396
Dividends receivable	41,700,000	104,200,000
Accounts receivable	964,369	28,858,278
Accrued interest	9,949,179	6,736,241
Advances to officers and employees	17,897,352	3,097,115
Advances to shareholders of a joint venture	-	17,792,000
Insurance claims receivable	-	87,080,666
Others	53,920,974	27,005,689
	536,660,967	567,401,385
Less allowance for impairment loss	34,458,046	34,458,046
	P502,202,921	P532,943,339
Advances to associate and stockholders	P119,552,092	P83,736,329

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

	YTD June 30, 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	₱197,307,560	₱85,713,486	₱253,639,921	₱536,660,967	₱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
	₱197,307,560	₱85,713,486	₱219,181,875	₱502,202,921	₱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:

	June 30, 2018	December 31, 2017
Advances to suppliers and other parties	P710,910,800	P704,534,409
Creditable withholding taxes	151,756,926	135,586,280
Input tax	45,387,841	39,660,979
Prepaid expenses	12,739,120	28,267,386
Prepaid taxes	2,687,118	-
Others	6,095,932	5,337,373
	P929,577,737	P913,386,427

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:

	June 30, 2018	December 31, 2017
Investment in VECCO:		
Acquisition Cost	P882,892,562	P882,892,562
Accumulated Equity Earnings-net	202,631,076	257,665,843
Revaluation Surplus	1,431,796,045	1,431,796,045
Carrying Value	2,517,319,683	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	6,257,323	3,731,416
Carrying Value	311,669,156	309,143,249
Investment in CPPC:		
Acquisition Cost	305,119,049	305,119,049
Accumulated Equity Earnings-net	(133,064,840)	(213,894,792)
Carrying Value	172,054,209	91,224,257
Investment in ABOVANT:		
Acquisition Cost	976,784,699	976,784,699
Accumulated Equity Earnings-net	407,582,827	549,294,418
Carrying Value	1,384,367,526	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
Accumulated Equity Earnings-net	11,022,311	4,111,050
Carrying Value	17,922,311	11,011,050
Investment in CIPC:		
Acquisition Cost	102,097,169	102,097,169
Accumulated Equity Earnings-net	18,568,525	1,520,381
Carrying Value	120,665,694	103,617,550
Investment in TVI:		
Acquisition Cost	665,754,888	665,754,888
Additional investment	717,600,055	-
Accumulated Equity Earnings-net	42,932,916	44,411,976
Revaluation Surplus	40,603,451	40,603,451
Carrying Value	1,466,891,310	750,770,315
Investment in MPC:		
Acquisition Cost	2,756,240,000	2,756,240,000
Accumulated Equity Earnings-net	255,858,276	117,387,280
Carrying Value	3,012,098,276	2,873,627,280
Investment in LPCI:		
Acquisition Cost	42,165,993	42,165,993
Additional investment	72,584,007	-
Deposit for future stock subscription	-	107,426,776
Accumulated Equity Earnings-net	(567,463)	(546,379)
Carrying Value	114,182,537	149,046,390
Investment in GLEDC:		
Acquisition Cost	-	-
Accumulated Equity Earnings-net	(10,731,426)	(8,251,313)
Carrying Value	(10,731,426)	(8,251,313)
Investment in SREC:		
Acquisition Cost	5,100,000	5,100,000
Additional investment	24,900,000	-
Accumulated Equity Earnings-net	(252,578)	(252,578)
Carrying Value	29,747,422	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	₱9,138,125,829	₱8,385,408,898

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 407.5 mn and Php 236.7 mn as of June 30, 2018 and June 30, 2017, respectively. Total cumulative unrecognized income amounted to Php 1,395.2 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:

Cost	2018										Total
	Land	Plant Machinery 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			
At January 1		₱589,508,999	₱45,977,395	₱47,338,023	₱45,981,611	₱9,753,481	₱18,587,778	₱40,419,187		₱797,566,474	
Additions		1,081,018	-	3,550,647	3,460,853	763,617	625,343	-		9,481,478	
Reclassification	30,631,600	-	-	-	500,803	-	5,324,711	(5,825,514)		30,631,600	
Retirement / Disposal	-	-	-	-	(169,643)	-	-	-		(169,643)	
At June 30	30,631,600	590,590,017	45,977,395	50,888,670	49,773,624	10,517,098	24,537,832	34,593,673		837,509,909	
Accumulated Depreciation and Amortization											
At January 1		206,331,874	21,815,672	25,895,344	33,397,738	5,378,167	7,283,104	-		300,101,899	
Depreciation		4,929,541	809,240	4,134,502	4,566,829	258,450	836,154	-		15,537,716	
Retirement / Disposal		-	-	-	(169,642)	-	-	-		(169,642)	
At June 30		211,261,415	22,624,912	30,029,846	37,797,925	5,636,617	8,119,258	-		315,469,973	
Net Book Value	₱30,631,600	₱379,328,602	₱23,352,483	₱20,858,824	₱11,975,699	₱4,880,481	₱16,418,574	₱34,593,673		₱522,039,936	

2017

	Plant		Condominium		Office		Leasehold and Land Improvements	Construction in Progress	Total
	Land	Machinery and Equipment	Units, Building and Improvements	Transportation Equipment	Furniture, Fixtures and Equipment	Tools and Other Assets			
Cost									
At January 1	-	₱648,898,491	₱45,977,395	₱43,060,037	₱37,595,325	₱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)	(2,86,250)	-	-	-	(64,924,220)
At December 31	30,631,600	590,052,875	45,977,395	47,338,032	45,532,264	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	6,858,774	1,999,845	1,036,613	-	105,673,825
Disposal	-	-	-	(5,806,949)	(2,86,249)	-	-	-	(6,023,198)
At December 31	-	206,331,876	21,815,672	25,895,347	33,537,734	5,378,176	7,283,103	-	300,101,908
Net Book Value	₱30,631,600	₱383,720,999	₱24,161,723	₱21,442,685	₱12,534,530	₱4,375,301	₱11,304,676	₱39,874,660	₱528,096,174

6. Investment Properties

	June 30, 2018	December 31, 2017
Land		
Cost	P511,423,557	P-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	P3,378,000	P-3,378,000
Fair Value Adjustment	(3,378,000)	(3,378,000)
	-	-
Total Investment Properties	P502,711,090	P502,711,090

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 0.9 mn and Php 1.2 mn as of end-June 2018 and end-June 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. Consequently, 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. 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 June 30, 2018.

Real property taxes pertaining to the land amounting to Php 0.8 mn and Php 0.8 mn as of end-June 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:

	June 30, 2018	December 31, 2017
Input VAT	8,452,714	8,422,761
AFS investments	3,750,631	3,750,631
Advances to suppliers	3,338,220	2,838,220
Software cost	78,040	286,020
Others - net of allowance for impairment loss of Php 46.1 mn	10,933,397	18,037,667
	₱26,553,002	₱33,335,299

8. Capital Stock

The details of the capital stock account are as follows:

	YTD June 30, 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 June 30, 2018	YE 2017
Basic Earnings Per Share		
Net income (loss) attributable to shareholders of the parent company	559,027,807	1,259,926,428
Weighted average number of outstanding common shares	1,023,456,698	1,023,456,698
	0.546	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-Jun 2018.

Vivant Corporation declared on May 11, 2018 cash dividends per share of Php 0.2792 for stockholders of record as of June 6, 2018. The said cash dividends were paid on July 3, 2018.

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 June 30, 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:

	June 30, 2018
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 17,386
	Euro 1,021
Trade Payables	USD –
	Euro –
Gross Exposure	USD 17,386
	Euro 1,021

The average exchange rates for the quarter ended June 30, 2018 are as follows:

US Dollar-Philippine Peso	US\$1 = Php 52.53
Euro-Philippine Peso	Eu€1 = Php 62.06

The exchange rates applicable as of June 30, 2018 are the following:

US Dollar-Philippine Peso	US\$1 = Php 53.34
Euro-Philippine Peso	Eu€1 = Php 62.28

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of June 30, 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 June 30, 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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Discount : 0.00
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