VIVANT

NOTICE AND AGENDA
OF ANNUAL MEETING OF STOCKHOLDERS

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

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of VIVANT CORPORATION will be held at the Cebu Country Club, *Cebu* City, on June 27, 2013 (Thursday) at 10:00 in the morning.

The Annual Stockholders' Meeting shall have the following Agenda:

1. Call to Order
2. Proof of Notice and Determination of Quorum
3. Approval of Minutes of the June 15, 2012 Annual Stockholders' Meeting
4. Annual Report of Officers
5. Ratification of all Acts and Resolutions of the Board of Directors and Management Adopted For Fiscal Year 2012
6. Election of Directors (including Independent Directors)
7. Confirmation of the Appointment of the External Auditors
8. Other Matters
9. Adjournment

Only stockholders of record at the close of business as of May 27, 2013 are entitled to notice and to vote at this meeting. Registration will start at 8:30 A.M. and will end at 9:30 A.M. Kindly present any proof of identification, such as driver's license, passport, company I.D. or SSS/GSIS I.D. Aside from personal identification, representatives of corporate stockholders and other entities should also present a duly sworn Secretary's Certificate or a similar document showing his or her authority to represent the corporation or entity.

Should you be unable to attend the meeting, you may want to execute a proxy in favor of a representative. In accordance with the Amended By-Laws of the Company, proxies must be submitted for inspection, validation and record at least seven days prior to the opening of the Stockholders' Meeting, or on or before June 20, 2013 to the Office of the Corporate Secretary at c/o J.P. Garcia & Associates Law Offices, Unit 1501-1502, 15th Floor, Ayala Life-FGU Center, Cebu Business Park, Cebu City.

Cebu City, May 31, 2013.

FOR THE BOARD OF DIRECTORS:

JOAN A. GIDUQUIO-BARON
Assistant Corporate Secretary

Securities & Exchange Commission
SEC Form 20-IS

Information Statement Pursuant to Section 20
of the Securities Regulation Code

1. Check the appropriate box:

Preliminary Information Statement: (√)

Definitive Information Statement: ( )

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

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

4. SEC Registration Number: **17522**

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

6. Address of Principal Office: **907-908 Ayala Life-FGU Center, Mindanao Ave. cor. Biliran Road, Cebu Business Park, Cebu City, Philippines 6000**

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

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

Date: **June 27, 2013 (Thursday)**
Time: **10:00 A.M.**
Place **Cebu Country Club**
Gov. M. Cuenco Avenue
Banilad, Cebu City

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **June 6, 2013**

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

Authorized Capital Stock: **P2,000,000,000.00**

No. of Shares Outstanding as of March 31, 2013 **P1,023,456,698.00**

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

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

A. GENERAL INFORMATION

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

Date	:	**June 27, 2013 (Thursday)**
Time	:	**10:00 A.M.**
Place	:	**Cebu Country Club** **Governor M. Cuenco Avenue** **Banilad, Cebu City**
Name, Complete Address and Contact Numbers of Registrant:		**VIVANT CORPORATION** **Suite 907, Ayala Life-FGU Center,** **Cebu Business Park, Cebu City 6000**
Approximate date when the Information Statement is first to be sent or given to security holders:		**June 6, 2013**

Item 2. Dissenters' Right of Appraisal.

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

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

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

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

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Shares as of March 31, 2013:

Class of Voting Shares	No. of Shares Entitled to Vote	
	Filipino	Foreign
Common	1,023,445,886	10,812
TOTAL	1,023,456,698	

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

(b) Record Date

All stockholders of record as of May 27, 2013 are entitled to notice and to vote at Vivant's Annual Stockholders' Meeting.

(c) Election of Directors and Cumulative Voting Rights

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

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

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

(d) No proxy solicitation is being made.

(1) Security Ownership of Certain Record and Beneficial Owners and Management

Security ownership of certain record and beneficial owners (more than 5%) as of April 30, 2013:

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

[1] Either Mr. Dennis N. A. Garcia or Mr. Gil A. Garcia, II or Mr. Charles Sylvestre A. Garcia, Directors of MAI-I Resources Corporation (MRC) will vote for the shares of MRC in Vivant in accordance with the directive of the MRC Board of Directors.
[2] Either Mr. Ramontito E. Garcia or Mr. Jose Marko Anton G. Sarmiento, Chairman and Chief Operating Officer of JEG Development Corporation (JDC), respectively, will vote for the shares of JDC in Vivant in accordance with the directive of the JDC Board of Directors.
[3] Mr. Antonio S. Abacan, Jr. will vote for the shares of Mirant Global Corporation (MGC) in Vivant in accordance with the directive of the MGC Board of Directors.

(2) Security Ownership of Management as of April 30, 2013 (Record and Beneficial)

As of April 30, 2013 the following are the ownership and nature of ownership of management:

Title of Class	Name of Beneficial Owner	Amount and Nature of Ownership (Direct or Indirect)	Citizenship	Percent of Class
Common	Dennis N.A. Garcia Chairman of the Board of Directors	1 (Direct)	Filipino	0.00%
Common	Ramontito E. Garcia Director President	1(Direct)	Filipino	0.00%
Common	Efren P. Sarmiento Director	1(Direct)	Filipino	0.00%
Common	Gil A. Garcia II Director	1(Direct)	Filipino	0.00%
Common	Charles Sylvestre A. Garcia Director	1 (Direct)	Filipino	0.00%
Common	Jose Marko Anton G. Sarmiento Director	1 (Direct)	Filipino	0.00%
Common	Elbert M. Zosa Director	626(Direct)	Filipino	0.00%
Common	Emil Andre M. Garcia Director VP-Corporate Planning and Development	1 (Direct)	Filipino	0.00%
Common	Antonio S. Abacan, Jr. Director	1,562 (Direct)	Filipino	0.00%
Common	Raul Ch. Rabe Independent Director	1 (Direct)	Filipino	0.00%
Common	Jesus B. Garcia, Jr. Independent Director	1 (Direct)	Filipino	0.00%
Common	Arlo A. G. Sarmiento Chief Operating Officer	0	Filipino	N.A.
Common	Maria Victoria E. Sembrano AVP - Administration and Finance	0	Filipino	N.A.
Common	Juan Eugenio L. Roxas AVP-External Affairs and Administration	0	Filipino	N.A.
Common	Macario C. Padullo, Jr. AVP - Corporate Management Systems	0	Filipino	N.A.
Common	Jess Anthony N. Garcia Corporate Secretary and Chief Information Officer	0	Filipino	N.A.

Common	Joan A. Giduquio-Baron Assistant Corporate Secretary and Compliance Officer	0	Filipino	N.A.
	TOTAL	2,197		

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

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

(4) Changes in Control

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

Item 5. Directors and Executive Officers

(1) (a) Directors for 2012 - 2013

Below is a list of Vivant's directors for 2012 - 2013 with their corresponding positions and offices held for the past five years. The directors assumed their directorship during Vivant's Annual Stockholders' Meeting in 2012, for a term of one year.

DENNIS N. A. GARCIA Chairman – Board of Directors Member – Executive Committee	Filipino; 63 years old; Chairman and member of the Executive Committee of the Company since 2003; President and Co-Chairman of the Executive Committee of Visayan Electric Company, Inc.; Chairman of Vivant-Sta. Clara Northern Renewables Generation Corporation, Chairman and President of VICS-Amlan Holdings Corporation, VC Ventures Net, Inc., and Vivant Integrated Generation Corporation; Vice Chairman of Cebu Private Power Corporation; President of Vivant Energy Corporation and Hijos de F. Escaño, Inc.; Director of Abovant Holdings, Inc., MAI-I Resources Corporation, Delta P. Inc., and 1590 Energy Corp.; Director and Member of the Executive Committee of Cebu Energy Development Corporation, Chairman of Vivant-Malogo Hydropower Inc. and President of JEGVEG Realty, Inc.
RAMONTITO E. GARCIA Director President Member – Executive Committee	Filipino; 56 years old; President of the Company since 2003; Director and Member of the Executive Committee of the Company since 2003; Chairman of Visayan Electric Company, Inc.; Director of Visayan Electric Company, Inc. since 2003, Vivant-Sta. Clara Northern Renewables Generation Corporation; Vice President of Cebu Private Power Corporation; Director of Delta P, Inc., 1590 Energy Corp., VICS-Amlan Holdings Corporation, Hijos de F. Escaño, Inc., Cebu Energy Development Corporation; CEO of JEG Development Corporation and VC Ventures Net, Inc.; President of Vivant-Malogo Hydropower Inc.; Vice President of JEGVEG Realty, Inc.
GIL A. GARCIA II Director Treasurer Member – Executive	Filipino; 61 years old; Director and Treasurer of the Company since 2004; Director of Visayan Electric Company, Inc. since 2004; Treasurer of Visayan Electric Company, Inc. and VC Ventures Net, Inc.; Director of Vivant Energy Corporation, Vivant Integrated

Committee	Generation Corporation, and MAI-I Resources Corporation.
ELBERT M. ZOSA Director Chairman – Finance Committee	Filipino; 65 years old; Director of the Company since 2003; Chairman of the Finance Committee of the Company; Senior Consultant of Rizal Commercial Banking Corporation; formerly Senior Vice President/Strategic Planning Head of Equitable PCI Bank; Managing Director (ex-officio) of PCI Capital Corporation; General Manager of the PCI Bank Foundation. Mr. Zosa obtained his MBA from the Wharton School, University of Pennsylvania, U.S.A.
CHARLES SYLVESTRE A. GARCIA Director Member – Executive Committee	Filipino, 52 years old; Director and Member of the Executive Committee of the Company since 2004; Director of Visayan Electric Company, Inc. since 2007.
EFREN P. SARMIENTO Director Member – Executive Committee	Filipino; 61 years old; Director and Member of the Executive Committee of the Company since 2003; Chairman - Detalia Aurora, Inc.; Director - Reunion Holdings, Inc.; past President, Mindanao Rattan Corporation; Past Director, Batolini S., Inc., Manila Machineries & Supply, Sarmiento Securities Corporation, Vitarich Corporation and Philippine Fried Chicken, Incorporated.
JOSE MARKO ANTON G. SARMIENTO Director Member – Executive Committee	Filipino; 35 years old; Director and Member of the Executive Committee of the Company since 2008; Member of the Board of Advisors of Visayan Electric Company, Inc. since 2011; Director and Chief Operating Officer of JEG Development Corporation since 2009; Director and Treasury Manager of JEG Development Corporation from 2005 to 2009; Former Assistant Vice President of Detalia Aurora for Manufacturing.
EMIL ANDRE M. GARCIA Director Vice President – Corporate Planning and Development	Filipino; 35 years old; Director of the Company since 2009; Vice President for Corporate Planning and Development of the Company since January 2012; Assistant Vice President for Corporate Planning and Development of the Company from February 2011 to December 2011; Director of Member of the Board of Advisors of Visayan Electric Company, Inc. since 2011; since 2010; Director-Vivant-Malogo Hydropower Inc.; Director of Calamian Islands Power Corporation; Secretary and Treasurer of Emag Resources and Development Corporation; President of Christ Company in 2009 to 2011.
ANTONIO S. ABACAN, JR. Director	Filipino; 70 years old; Group Vice Chairman of Metrobank Group of Companies; Chairman of Advisory Board of Metropolitan Bank Trust Company; Chairman, Toyota Financial Services, (Phils.) Inc., Sumisho Motor Finance Corp.; Manila Medical Services, Inc.; Federal Homes, Inc., Baywatch Realty Corp., Circa 2000 Homes, Inc., Baywatch Project Management Corp., Manila GT Medical Center; President Metrobankers Foundation; Vice Chairman/Executive Director of Global Business Power Corp.; Director of Cebu Energy Development Corp. and Panay Energy Development Corp.; Adviser to First Metro Investment Corp., Philippine AXA Life Insurance Corp., Toyota Manila Bay Corp., Toyota Cubao Inc.; Director/Corporate Secretary and Treasurer - LGU Guarantee Corp.; Director Taal Land Inc., Cebu Holdings Inc.; Trustee - Manila Tytana Colleges; Chairman of Banking Philippine Chamber of Commerce and Industry; Governor Makati Commercial Estate Corp.; President Philippine Drug Abuse

	Resistance Education.
JESUS B. GARCIA, JR. Independent Director Chairman – Audit Committee – Nomination and Election Committee	Filipino; 68 years old; Independent Director of the Company since 2004; Chairman of the Audit Committee of the Company since 2004; Secretary of the Department of Transportation and Communications of the Republic of the Philippines from 1992 - 1996; Chairman - SunStar Publishing, Inc., Pan Arts Corporation, SunStar Management, Inc.; President, Jesever Realty Corporation, Madre Realty Corporation
RAUL Ch. RABE Independent Director	Filipino; 73 years old; Independent Director of the Company since 2003; Chairman, ACK Freight Express, Inc. since 1999; Of Counsel of the Law Firm of Rodrigo, Berenguer & Guno (Makati City); Corporate Secretary - Manila Economic & Cultural Office (MECO) since 2001; Director - the Bank of Commerce, KGL-Negros Navigation, Pet Plans, Inc. (Makati City); Foreign Service Officer of the Department of Foreign Affairs (1968 to 1999); Third to Second Secretary in London (1972 to 1975); First Secretary in Bucharest (1975 to 1979); Chief Deputy of Protocol of the Department of Foreign Affairs (1979 to 1981); Minister Counselor in Jeddah (1981 to 1982); Minister and later Deputy Chief of Mission in Washington D.C., (1982 to 1984 and 1986 to 1989, respectively); Consul General in Honolulu (1984 to 1986); Assistant Secretary of the American Affairs (1989 to 1992); Ambassador to Seoul (1992 to 1993); Ambassador to Washington (1993 to 1999); Special Envoy of the President of the Philippines for the America and OIC Countries in 2001.

Nominations for Independent Directors and Procedure for Nomination

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

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

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

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

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

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

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

(1) (b) Officers for 2012-2013

Below is a list of Vivant officers for 2011-2012 with their corresponding positions and offices held for the past five years. Unless otherwise indicated hereunder, the officers assumed their positions during Vivant's annual organizational meeting in 2012 for a term of one year.

DENNIS N. A. GARCIA Chairman – Board of Directors Member – Executive Committee	Filipino; 63 years old; Chairman and member of the Executive Committee of the Company since 2003; President and Co-Chairman of the Executive Committee of Visayan Electric Company, Inc.; Chairman of Vivant-Sta. Clara Northern Renewables Generation Corporation, Chairman and President of VICS-Amlan Holdings Corporation, VC Ventures Net, Inc., and Vivant Integrated Generation Corporation; Vice Chairman of Cebu Private Power Corporation; President of Vivant Energy Corporation and Hijos de F. Escaño, Inc.; Director of Abovant Holdings, Inc., MAI-I Resources Corporation, Delta P. Inc., and 1590 Energy Corp.; Director and Member of the Executive Committee of Cebu Energy Development Corporation, Chairman of Vivant-Malogo Hydropower Inc. and President of JEGVEG Realty, Inc.
RAMONTITO E. GARCIA Director President Member – Executive Committee	Filipino; 56 years old; President of the Company since 2003; Director and Member of the Executive Committee of the Company since 2003; Chairman of Visayan Electric Company, Inc.; Director of Visayan Electric Company, Inc. since 2003, Vivant-Sta. Clara Northern Renewables Generation Corporation; Vice President of Cebu Private Power Corporation; Director of Delta P, Inc., 1590 Energy Corp., VICS-Amlan Holdings Corporation, Hijos de F. Escaño, Inc., Cebu Energy Development Corporation; CEO of JEG Development Corporation and VC Ventures Net, Inc.; President of Vivant-Malogo Hydropower Inc.; Vice President of JEGVEG Realty, Inc.
GIL A. GARCIA II	Filipino; 61 years old; Director and Treasurer of the Company

Director Treasurer Member – Executive Committee	since 2004; Director of Visayan Electric Company, Inc. since 2004; Treasurer of Visayan Electric Company, Inc. and VC Ventures Net, Inc.; Director of Vivant Energy Corporation, Vivant Integrated Generation Corporation, and MAI-I Resources Corporation.
ARLO A. G. SARMIENTO Executive Vice President Chief Operating Officer	Filipino; 36 years old; Executive Vice President & Chief Operating Officer of the Company; Chief Operating Officer since 2003; Director and Member of Executive Committee of Visayan Electric Company, Inc., Director and President of Vivant-Sta. Clara Northern Renewables Generation Corporation, Director and Chief Financial Officer of Vivant Energy Corporation, 1590 Energy Corporation and Vivant Integrated Generation Corporation; Director and Treasurer of Cebu Private Power Corporation and Abovant Holdings, Inc.; Director of Delta P, Inc., VICS Amlan Holdings Corporation and VICS Bakun Holdings Corporation; Director and Chief Operating Officer of Hijos de F. Esacaño, Inc. and Chief Executive Officer of JEG Development Corporation.
EMIL ANDRE M. GARCIA Director Vice President – Corporate Planning and Development	Filipino; 35 years old; Director of the Company since 2009; Vice President for Corporate Planning and Development of the Company since January 2012; Assistant Vice President for Corporate Planning and Development of the Company from February 2011 to December 2011; Director and Member of the Board of Advisors of Visayan Electric Company, Inc. since 2011; since 2010; Director of Vivant-Malogo Hydropower Inc.; Director of Calamian Islands Power Corporation; Secretary and Treasurer of Emag Resources and Development Corporation; President of Christ Company from 2009 to 2011.
JUAN EUGENIO L. ROXAS Assistant Vice President for External Affairs and Administration	Filipino; 42 years old; Assistant Vice President for External Affairs & Administration of the Company since March 2011; Vice President for External Affairs of 1590 Energy Corp.; Vice President of Amlan Hydro Power Inc.; President of ICS Renewables Inc. Mr. Roxas' professional experience is characterized by a prolific background in public-private relations having served as consultant of various organizations including: Filinvest Land, Inc.; Committee on national Defense, Commission on Appointments; Association of Philippine Electric Cooperative (APEC) Party List. He has functioned in several administrative positions in various organizations including: Philippine National Bank; San Carlos Sugar Milling and Refining Co, Inc.; FPJ for President Movement; Senatorial and Congressional Campaigns of Miguel L. Romero; and Deputy managing Director of Stratbase Inc.
ATTY. MACARIO C. PADULLO, JR. Assistant Vice President-Corporate Management Systems	Filipino; 35 years old; Assistant Vice President for Corporate Management Systems of the Company since February 2011; Finance Manager of the Company from 2009 to 2011; Finance Officer of the Company from 2003 to 2009. Atty. Padullo, Jr. is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants.
MARIA VICTORIA E. SEMBRANO Assistant Vice President-Administration and Finance	Filipino; 51 years old; Assistant Vice President for Finance and Administration of Vivant since 2012; Corporate Services Director of the Marsman Drysdale Agribusiness Group; and held various positions in Finance, Logistics and Administration in Marsman Drysdale Agribusiness Group since 1992. Ms. Sembrano is a

	Certified Public Accountant.
JESS ANTHONY N. GARCIA Corporate Secretary Chief Information Officer	Filipino; 41 years old; Corporate Secretary and Corporate Information Officer of Vivant since 2003; Corporate Secretary of Vivant Energy Corporation since 2003;Corporate Secretary of 1590 Energy Corp., Vivant-Sta. Clara Northern Renewables Corporation, VICS-Amlan Holdings, Inc., Sun*Star Publishing, Inc., and the Assistant Corporate Secretary of Visayan Electric Company, Inc.. He obtained his degree in *Juris Doctor* from the Ateneo de Manila University School of Law in 1997. He is a member of both the California Bar and Philippine Bar. Atty. Garcia is the Managing Partner of J.P. Garcia and Associates Law Offices.
JOAN A. GIDUQUIO-BARON Assistant Corporate Secretary Compliance Officer	Filipino; 42 years old; Assistant Corporate Secretary and Compliance Officer of Vivant since 2003; Assistant Corporate Secretary of Visayan Electric Company, Inc. and Sun Star Publishing, Inc.; Corporate Secretary of JEG Development Corporation and JEGVEG Realty Inc. Atty. Baron earned her degree in *Juris Doctor* from the Ateneo de Manila University School of Law in 1996 and her master's degree in Management from the Asian Institute of Management in 2001. She was an Associate Attorney of Puno and Puno Law Offices from 1997-2001. She is a partner of J.P. Garcia and Associates Law Offices.

Period in which the Directors and Executive Officers Should Serve

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

Term of Office of a Director

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

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

(2) Significant Employees

Vivant considers the contribution of every employee important to the fulfilment of its goals.

(3) Family Relationships

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

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

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

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

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

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

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

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

(4) Involvement in Certain Legal Proceedings

Vivant is not involved in any material litigation.

To the knowledge and/or information of Vivant, none of its nominees for election as directors, its present members of the Board of Directors or its executive officers, is presently or during the last five years, been involved in any legal proceeding or bankruptcy petition or has been convicted by final judgement, or being subject to any order, judgement or decree or violated the securities or commodities law in any court or government agency in the Philippines or elsewhere for the past five years and the preceding years until March 30, 2013 which would put to question their ability and integrity to serve Vivant and its stockholders.

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

To the knowledge and/or information of Vivant, the said persons have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation for the preceding years until March 30, 2013.

(5) Certain Relationships and Related Transactions

In the normal course of business, the Corporation transacts with companies who are considered related parties under PAS 24, *Related Party Disclosures*. These transactions consist mainly of interest bearing and non-interest bearing cash advances to associates and stockholders, non-interest bearing cash advances from associates, US dollar-denominated trade and loan receivable from an associate, Management fees from the Corporation's associates, lease contract, non-interest short term receivables from its officers and employees, and compensation of key management personnel.

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

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

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

Item 6. Compensation of Directors and Executive Officers

(1) Summary of Compensation of Executive Officers

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

Name and Principal Position	Period	Salary	Bonus	Other Compensation
Top Five Highly Compensated Executives 1. Dennis N.A. Garcia - Chairman 2. Ramontito E. Garcia - President 3. Arlo A.G. Sarmiento - EVP/COO 4. Emil Andre M. Garcia* - VP for Corporate Planning & Development 5. Juan Eugenio L. Roxas - AVP for External Affairs and Administration				
All above named Executive Officers as a group	2013 (Projected)	P26.2 mn	P4.3 mn	
	2012	P21.3 mn	P4.3 mn	
	2011	P15.8 mn**	P2.0 mn	
All other officers and directors as a group unnamed	2013 (Projected)	P3.6mn	P0.6mn	P2.7mn
	2012	P 2.3 mn	P0.6 mn	P2.7 mn
	2011	P 1.5 mn	P0.4 mn	P2.3 mn

**Mr. Emil A.M. Garcia was the Assistant Vice President for Corporate Planning & Development in 2011.*
***P11.5 mn was reported under Professional Fees in the 2012 report.*

(2) Compensation of Directors

(i) Standard Arrangements

In 2012, each Director of the Board and members of the Board Committees received a per diem for every Board or Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board or Committee
Board Meeting	P10,000.00	P10,000.00
Committee Meeting	P 5,000.00	P 5,000.00

(ii) Other Arrangements

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

There are no arrangements, including consulting contracts, pursuant to which any director of the Registrant was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as such director.

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

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

(4) Warrants and Options Outstanding

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

Item 7. Independent Public Accountants

The accounting firm of KPMG Manabat Sanagustin & Co. (KPMG) has been Vivant's Independent Public Accountant for the past 7 years. Mr. Tomas Mahinay is the audit partner of Vivant for 2012 and the recommended partner-in-charge. Representatives of KPMG will be present during the Annual Stockholders' Meeting and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions if needed. There was no event in the past 3 fiscal years where Vivant and KPMG or the handling partner had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

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

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

In its regular meeting last June 15, 2012, the Board of Directors of Vivant approved the inclusion in the agenda of the 2012 Annual Stockholders' Meeting, a proposal to delegate to the Board of Directors the authority to appoint Vivant's external auditors for 2012. The proposal is intended to give the Audit Committee sufficient time to evaluate the different auditing firms who have submitted engagement proposals to act as Vivant's external auditor for 2012. As a matter of policy, the Board Audit Committee makes recommendation to the Board of Directors concerning the choice of external auditor.

External Audit Fees and Services

The external audit and consultancy fees for the past 2 fiscal years:

	Year ended December 31, 2012 (in Pesos)	**Year ended December 31, 2011 (in Pesos)**
Audit Fees	450,000.00	400,000.00
Other Audit-Related Fees	0.00	0.00
Total	**450,000.00**	**400,000.00**

Audit services of external auditors for the years 2012 and 2011 had been pre-approved by the Audit Committee. The Audit Committee had also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved.

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

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

Item 10. Modification or Exchange of Securities

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

Item 11. Financial and Other Information

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

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 13. Acquisition or Disposition of Property

Vivant has no plans of acquiring or disposing any property of material significance.

Item 14. Restatement of Accounts

There is no restatement of accounts.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

(1) Approval of the Minutes of the June 15, 2012 Annual Meeting of Stockholders

The following is a summary of the items in the Agenda of which action was taken during the 2011 Annual Stockholders' Meeting:

i. Approval and adoption of the minutes of the June 23, 2011 Annual Stockholders' Meeting;
ii. Annual Report of the Officers;
iii. Ratification of all acts and resolutions of the Board of Directors and Management in the ordinary course of business for the fiscal year 2011;
iv. Election of the following members of the Board of Directors for the year 2012 - 2013:

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

v. Confirmation of the appointment of KPMG Manabat Sanagustin & Co. as external auditor for fiscal year 2012.

Item 16. Matters Not Required to be Submitted

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

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

There is no proposal to amend the Articles of Incorporation or By-Laws.

Item 18. Other Proposed Actions

For the 2013 Annual Stockholders' Meeting, a proposal to delegate to the Board of Directors the authority to appoint Vivant's external auditors for 2013 will be submitted for the approval of the shareholders. The proposal is intended to give the Audit Committee sufficient time to evaluate the different auditing firms who have submitted engagement proposals to act as Vivant's external auditor for 2013, before submitting the final list of candidates for external auditor to the Board of Directors.

Item 19. Voting Procedures

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

<u>Approval and Ratification</u>

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

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

<u>Voting for Directors</u>

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

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

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

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

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

Item 20. Legal Proceedings

No material legal proceedings are pending against or filed by Vivant.

Item 21. Financial and Other Information

The Corporation's audited financial statements for the year ended December 31, 2012 are attached hereto.

A copy of the Corporation's Annual Report will be made available free of charge upon request from the Assistant Corporate Secretary, Atty. Joan A. Giduquio-Baron, located at Units 1501-1502, Ayala-Life-FGU Center, corner Mindanao Avenue and Biliran Road, Cebu Business Park, Cebu City.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Cebu on May 30, 2013.

VIVANT CORPORATION
Issuer
By:

JOAN A. GIDUQUIO-BARON
Assistant Corporate Secretary

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

Vivant is a publicly listed holding company that, through its subsidiaries and affiliates, has interests in various companies engaged in the electric power generation (renewable and non-renewable energy), electric power distribution, and retail electricity supply business. The Garcia-Escaño family of Cebu (the Family) collectively owns approximately 76% of the outstanding capital stock of Vivant as of March 31, 2013.

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

The Second World War caused significant damage in the facilities of VECO. It was during the close of the war in 1945 that initiatives of VECO, alongside with the US Army, allowed the resumption of its operations to its pre-war levels. Staff levels were beefed up, while investments in new machineries and equipment poured in. Currently, VECO stands as the second largest privately owned electric power distribution utility in the Philippines in terms of annual gigawatt-hour (GWh) sales. As of end-2012, Vivant has an effective equity interest of approximately 35% in VECO (accounting for both direct and indirect shareholdings).

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

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

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

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

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

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

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

(2) Business of Issuer

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

(i) Principal Products

POWER GENERATION

As of end-2012, all of Vivant's interests in the electric power generation business are lodged with Vivant Energy Corporation (VEC), a wholly-owned subsidiary. To date, the Company has built up a portfolio comprised of both renewable and non-renewable power generation plants with total attributable capacity of 225 MW. As of December 31, 2012, approximately 63% of Vivant's operating income from business segments was accounted for by its power generation business.

The table below summarizes the operating results of the generation companies as of December 31, 2012.

Generation Companies	Energy Sold[1] (in GWh)			Revenue[1] (in P million)		
	2010	2011	2012	2010	2011	2012
CPPC	246.4	109.8	174.9	2,043.0	1,551.3	2,099.5
Delta P	58.8	59.5	64.5	607.4	730.7	812.4
CEDC[2]	--	1,329.8	1,492.3	--	7,646.4	8,719.0
AHPC[3]	1.6	1.5	--	5.0	6.4	--
NR	275.9	250.9	39.4	1,456.5	998.1	198.8
1590 EC	55.6	72.4	142.2	835.4	1,298.5	2,638.6

Notes:
1. Figures are at 100%
2. Commercial operations of CEDC commenced in 2011
3. AHPC ceased operations in 2012 after plant facilities were damaged by Typhoon Sendong in December 2011.

Cebu Private Power Corporation (CPPC)

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

Commissioned in 1998, the CPPC plant was constructed pursuant to a build-operate-transfer (BOT) contract to supply 62 MW of power to VECO. The CPPC plant will revert to VECO on November 13, 2013.

On April 20, 2007, Vivant acquired from East Asia Utilities Corporation 40% of the outstanding common shares of CPPC. The remaining 60% of the outstanding common shares was acquired by Aboitiz Power Corporation (AP). VEC and AP executed a shareholders' agreement that governs their relationship with regard to CPPC.

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

Delta P, Inc. (DPI)

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

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

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

DPI currently supplies approximately 35% of the energy requirements of PALECO.

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

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

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

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

Amlan Hydroelectric Power Corporation (AHPC)

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

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

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

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

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

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

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

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

1590 Energy Corporation (1590 EC)

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

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

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

In May 2012, a Mutual Rescission Agreement (MRA) was entered into by 1590 EC and the PGLU, thus terminating the CTS. Simultaneously, a MOA was executed by both parties giving 1590 EC the right to preserve, maintain and operate, including the right to use and sell the power generated by the

Bauang plant. This MOA is scheduled to expire in June 2013. As of end-March 2013, 1590 EC and the PGLU entered into an agreement to extend the lease agreement for another two years, starting June 2013.

VEC has a 52.7% equity stake in 1590 EC.

Vivant-Malogo Hydropower, Inc. (VMHI)

VMHI was incorporated in June 2012 as the project company to implement a greenfield power plant project, which will involve the construction and operation of a series of run-of-river hydropower facility in Barangay Kapitan Ramon in Silay City, which is located in the northwestern section of the Negros island. VMHI will implement the project in phases, where Phase 1 will involve the construction and operation of a 6 MW power plant facility along the Malogo river. The Company is in the process of obtaining necessary permits and contract approvals. Once done, construction will commence and is estimated to be completed after 22 months.

VEC has a 75% equity stake in VMHI.

Calamian Islands Power Corporation (CIPC)

CIPC was established in October 2010 as the project company to undertake the construction and operation of an 8 MW bunker- and 750 kW diesel-fired power plants in the municipalities of Coron and Busuanga, respectively. In August 2011, CIPC entered into a 15-year Power Sale Agreement with Busuanga Island Electric Cooperative covering the total capacity of the project. After obtaining all necessary permits and licenses, CIPC broke ground on April 18, 2013. Commercial operation is targeted to commence by first quarter of 2014.

VEC has an equity stake of 50% in CIPC.

Future Projects

The Company continuously looks for opportunities in the power generation business, whether it be via greenfield, brownfield or acquisition. The Company conducts an extensive evaluation process before any proposed project is undertaken. Several factors are assessed and considered, which include but not limited to, the project's land use requirements, access to the grid, fuel supply availability and arrangements, permits and licenses, competitiveness of the plant and presence of potential offtakers.

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

Electric Power Distribution

In addition to investments in the power generation sector, the Company has investments, both direct and indirect, in VECO, the second largest privately owned distribution utility in the Philippines in terms of customers and annual GWh sales. As of end-2012, Vivant has a beneficial ownership in VECO of roughly 35%.

Visayan Electric Company (VECO)

VECO, through its predecessor, has been in the distribution business since the early 1900s. It is an electric distribution utility engaged in the conveyance, distribution and sale of electric power pursuant to its legislative franchise, Republic Act No. 9339, and serves the electrical needs of four cities (Cebu, Mandaue, Talisay and Naga), and four municipalities (Consolacion, Liloan, Minglanilla, and San Fernando), all located in the Province of Cebu. Its franchise was granted by the Congress of the Philippines and is due to expire in 2030. VECO's service coverage is about 672 square kilometers serving over 340,000 customers with a peak demand of 412 MW and electricity sales of more than 2,300 GWh in 2012.

The table below summarizes the key operating statistics of VECO for 2012 and the past two years.

	Electricity Sold (MWh)	Peak Demand (MW)	# of Customers
2010	1,994,237	378	316,845
2011	2,120,454	407	327,587
2012	2,300,959	412	341,611

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

VECO is on its third regulatory year of its annual revenue requirement under the PBR for the regulatory period 2011 to 2014.

Retail Electricity Supply Business

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

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

Prism Energy, Inc. (Prism Energy)

Prism Energy was incorporated in March 2009, as a joint venture between Vivant (40%) and AP (60%). The company obtained its RES license in May 2012.

Corenergy, Inc. (Corenergy)

Corenergy is a wholly-owned subsidiary of Vivant that is currently applying for its own RES license.

(ii) Sales

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

(in P mn)	2010	2011	2012
Gross Income	1,497.2	2,117.2	3,803.2
Operating Income	577.1	917.2	1,610.4
Total Assets	8,152.3	8,425.2	7,114.5

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

Revenue contribution by business grouping is as follows:

	2010		2011		2012	
	P mn	%-tot	P mn	%-tot	P mn	%-tot
Power Generation	1,204.7	80	1,731.7	82	3,318.1	87
Power Distribution	267.6	18	359.5	17	430.5	11
Others	24.9	2	26.0	1	54.6	1
Elimination	--	--	--	--	--	--
Total	1,497.2	100	2,117.2	100	3,803.2	100

(iii) Distribution Methods of Products and Services

The generation companies sell their electricity either through the spot market or through bilateral power supply agreements with private distribution utilities and cooperatives.

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

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

(iv) New Products and Services

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

(v) Competition

Generation Business

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

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

Distribution Business

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

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

<u>(vi) Sources of Raw Materials and Supplies</u>

Generation Business

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

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

Distribution Business

VECO has bilateral agreements in place for the purchase of electricity.

- NPC for the monthly supply of 137,397 kW for the period up to December 25, 2012. Contract was extended up to June 25, 2013 for the monthly supply of 135,377 kW.
- CPPC for 61.72 MW of dispatchable capacity (with no minimum energy off-take requirement). This contract is scheduled to expire on November 13, 2013, as the BOT contract expires. VECO intends to seek authority from ERC to acquire shares in CPPC in lieu of a transfer of the plant.
- CEDC for the supply of 105 MW for 25 years (starting February 2011)
- Green Core for the supply of 60 MW at 100% load factor (5 year term starting December 26, 2010), an additional 15 MW at 100% load factor starting December 2011 and an additional 15 MW at 100% load factor starting January 2013

<u>(vii) Major Customers</u>

The bulk, or roughly 84% of the total electricity generated and sold by Vivant, through its subsidiaries and associates, are sold to either private distribution utilities or electric cooperatives covered by long term bilateral agreements. The balance is sold through the spot market.

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

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

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

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

- **Other customers**: include streetlights

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

Vivant provides human resources, internal audit, treasury and accounting services, among others, to its subsidiaries and associates. Such practice allows the efficient transfer of business and technical expertise, thus improving efficiencies and synergies. These transactions are governed by management consultancy contracts executed by Vivant and its subsidiaries and associates.

Vivant likewise assisted its subsidiaries and associates in:

- funding its working capital requirements by extending both non-interest and interest bearing cash advances
- obtaining standby letters of credit (SBLC) and is acting as surety for the benefit of certain subsidiaries and associates in connection with loans and credit accommodations

Commercial transactions between VECO and CPPC and VECO and CEDC relate to power supply agreements. Energy fees billed to VECO by CPPC and CEDC for 2012 amounted to P1.6 billion (bn) and P4.1 bn, respectively.

(ix) Government Approvals, Patents, Copyrights, Franchises

Generation Business

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

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

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

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

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

Distribution Business

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

VECO's franchise is set to expire in 2030.

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

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

(x) Effect of Existing or Probable Governmental Regulations

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

Wholesale Electricity Spot Market (WESM)

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

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

Open Access and Retail Competition (Open Access)

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

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

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

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

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

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

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

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

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

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

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

The National Renewable Energy Board (NREB) has filed in the ERC the feed-in-tariff (FIT) for emerging RE resources, namely, wind, solar, ocean, run-of-river hydropower and biomass. The ERC-approved rates are as follows: (a) wind – P8.53/kWh, (b) solar – P9.68/kWh, (c) run-of-river hydropower – P5.90/kWh, (d) biomass – P6.63/kWh.

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

<u>(xi) Estimate of Amount Spent for Research and Developmental Activities</u>

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

(xii) Costs and Effect of Compliance with Environmental Laws

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

(xiii) Employees

At the parent company level, Vivant has a total of 26 employees as of December 31, 2012, composed of executive, supervisory and rank-and-file staff. The table below provides a breakdown of the total employee headcount.

	Headcount
Executive	5
Supervisors	5
Rank & File	16
Total	**26**

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

(xiv) Major Risks Involved in the Business

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

Competition Risk

The competition landscape in the power generation business has continually evolved since the government started its privatization efforts under the EPIRA law. Over 70% of NPC's generation assets and IPP contracts have been transferred to the private sector. The spot market in the Luzon and Visayas Grids are operational, with Mindanao to follow suit in the coming years. Investments in Greenfield and Brownfield projects are starting to pour in. Implementation of the Open Access is another stimulus for change on how the game is played in the power industry.

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

Implementation of Open Access could also result to stranded contracts for VECO. As of end-2012, this has not yet been addressed in any of the open discussions on the rules and implementation guidelines of Open Access.

Regulatory Risk

In answer to the growing challenges faced by the power industry, both the government regulatory bodies and the private sector have actively participated in the design and development of new regulations. As the industry continues to evolve, Vivant has established good working relations with the regulatory agencies. The Company actively participates in the formulation of new rules and policies covering the power industry. In anticipation of possible changes in the regulatory environment, the Company incorporates these in the formulation of its long-term strategy for its businesses.

Trading Risk

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

Fuel Supply Risk

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

Delta P, CPPC and 1590 EC have entered into medium term (2-3 years) contracts with large oil companies in the Philippines. CEDC, in the meantime, has long-term contracts with various coal suppliers.

Delta P, CPPC and CEDC have entered into bilateral contracts that employ a tariff formula allowing recovery of fuel cost. Meanwhile, 1590 EC has no bilateral contracts and is exposed to fuel price fluctuations. 1590 EC operates the Bauang plant mostly as a peaking facility that sells electricity to the spot market during the peak hours of the day when spot market prices are relatively high.

Financial Risk

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

Business Interruption Risk

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

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

Project Risk

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

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

Item 2. Properties

Vivant's head office is located at the 9th Floor of Ayala Life-FGU Center, Cebu Business Park, Cebu City.

On a consolidated basis, the Company's 2012 total Property, Plant and Equipment were valued at P42.4 mn as compared to P2.6 bn for 2011. The breakdown is as follows:

Property, Plant and Equipment as of December 31, 2012 and 2011

	2012 (Pmn)	**2011 (Pmn)**
Condominium Units, Building, and Improvements	17.7	127.4
Plant Machineries & Equipment	0.0	2,409.0
Leasehold & Land Improvements	5.1	2.5
Other Furniture, Fixtures, & Equipment	4.7	4.8
Transportation Equipment	14.6	13.1
Tools & Other Assets	0.3	0.2
TOTAL	**42.4**	**2,557.0**

Item 3. Legal Proceedings

Neither the Company nor any of its subsidiaries and affiliates is involved in any material pending legal proceeding.

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

During the June 15, 2012 Annual Meeting of Stockholders, the following actions were taken:

i. Approval and adoption of the minutes of the June 23, 2011 Annual Stockholders' Meeting;

ii. Delivery of the Annual Report of the Officers;

iii. Ratification of all acts and resolutions of the Board of Directors and Management in the ordinary course of business for the fiscal year 2011;

iv. Election of the following members of the Board of Directors for the year 2012 - 2013:

1. Dennis N. A. Garcia
2. Emil Andre M. Garcia
3. Elbert M. Zosa
4. Gil A. Garcia, II
5. Charles Sylvestre A. Garcia
6. Ramontito E. Garcia
7. Efren P. Sarmiento

8. Jose Marko Anton G. Sarmiento
9. Antonio Abacan, Jr.
10. Amb. Raul Ch. Rabe (Independent Director)
11. Atty. Jesus B. Garcia, Jr. (Independent Director)

v. Delegation of the authority to appoint the external auditor to the Board of Directors.

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

PART II: OPERATIONAL AND FINANCIAL INFORMATION

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

(1) Market Information

The Company's common shares are listed and traded at the Philippine Stock Exchange. The high and low stock prices of Vivant's common shares for each quarter of 2011 and 2012 were as follows:

	2011		2012		2013	
	High	Low	High	Low	High	Low
First Quarter	4.70	4.70	14.52	2.65	9.90	8.35
Second Quarter	4.58	4.58	13.00	9.20	N.A.	N.A.
Third Quarter	5.50	5.50	10.60	7.50	N.A.	N.A.
Fourth Quarter	3.81	3.24	11.18	6.60	N.A.	N.A.

As of April 30, 2013, Common shares outstanding were 1,023,456,698 shares. The closing price of Vivant's common shares as of May 29, 2013 is P10.02 per share.

(2) Security Holders

As of April 30, 2013, Vivant has 1,493 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). The top 20 shareholders with the number of shares respectively held and the percentage of total shares outstanding held by each are as follows:

	NAME	NO. OF SHARES	%
1	Mai-I Resources Corporation	464,831,568	45.42
2	JEG Development Corporation	311,524,642	30.44
3	Mirant Global Corporation	116,555,553	11.39
4	PCD Nominee Corporation (Filipino)	94,191,079	9.20
5	Popsivan Holdings Corporation	31,498,212	3.07
6	Arce, Aurelia C.	1,375,000	0.13
7	Arce, Zenaida D.	859,375	0.08
8	Arce, Eulalio C.	343,750	0.03
9	Arce, Erlinda D.	93,750	0.01
10	Vibal, Esther A.	79,250	0.01
11	Vibal, Esther &/Or Stella Lawson &/Or Aida Gutierrez	62,500	0.01
12	Cruz, Alfredo A.	34,062	0.00
13	Tio Ong, Alberto	31,250	0.00
14	Lavin, Marietta P.	27,750	0.00

15	EBC Securities Corporation	20,625	0.00
16	Consortium Industries, Inc.	20,500	0.00
17	Lopez, Rose Marie R.	19,687	0.00
18	Marino Olondriz Y Cia	16,000	0.00
19	Rivera, Rosario Paje	15,625	0.00
20	Sevilla, Rodulfo	15,625	0.00
	TOTAL NO. OF SHARES	**1,021,615,803**	

(3) Dividends

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

The cash dividends declared by Vivant to its common shareholders from 2011 to 2012 are shown in the table below.

Year	Cash Dividend Per Share		Total Declared		Record Date
	Regular	Special	Regular	Special	
2012	P0.1416	P0.0489	P144.9 mn	P50.0 mn	July 4, 2012
2011	P0.1287	P0.0489	P131.8 mn	P50.0 mn	July 7, 2011

(4) Recent Sales of Unregistered Securities

There was no recent sale of securities within the past three (3) years, which were not registered under the Securities Regulation Code.

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

<u>For the Quarter Ended March 31, 2013</u>

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

Management uses the following key performance indicators for the Company and its investee companies: (a) Equity earnings, (b) Earnings before Interest, taxes, depreciation and amortization (EBITDA), (c) Debt-to-equity ratio, (d) Current ratio, and (e) Cash flow generated.

(i) Equity Earnings (or Loss)

Equity earnings (or loss) is the Company's share in the income or loss of subsidiaries accounted for under the equity method. It indicates the profitability of the subsidiaries and measures their contribution to the profitability of the parent. Equity earnings for the 1st quarter of 2013 amounted to P149.6 mn representing a 38% decrease from the equity gain in the 1st quarter of 2012 which amounted to P239.7 mn.

(ii) 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. EBITDA as of end of 1st quarter of 2013 amounted to P162.5 mn representing a 58% decrease from the EBITDA as of end of 1st quarter of 2012 which amounted to P383.4 mn.

(iii) Debt-to-Equity Ratio

Debt-to-Equity ratio is computed by dividing total liabilities with total stockholders' equity. Debt-to-equity ratio as of the end of 1st quarter of 2013 is P0.21:P1.00 compared with debt-to-equity ratio for the same period last year which was P0.84:P1.00.

(iv) Current Ratio

Current ratio is computed by dividing current assets with current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability. Current ratio as of end of 1st quarter of 2013 is P2.82:P1.00 compared with current ratio for the same period last year which was P0.55:P1.00.

(v) Cash flow Generated

Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing, and financing activities. Net cash inflow as of end of 1st quarter of 2013 amounted to P334.6 mn compared with net cash outflow for the same period last year which amounted to P120.1 mn or a 377% increase.

Consolidated Financial Results of Operations

Vivant ended the 1st quarter of 2013 with total revenues of P400.2 mn compared with the total revenues in the 1st quarter of 2012 in the amount of P576.2 mn. Of the total revenues, P209.8 mn came from energy fees, P149.6 mn came from equity in net earnings of subsidiaries and associates, P32.3 mn came from rendering of services, and P8.5 mn came from interest and other income. The decrease in energy fees and equity in net earnings from associates is due to the combined decrease in the volume of energy generated and sold and the decrease in prices of WESM during the period.

Operating expenses for the 1st quarter of 2013 decreased by 9% from that of 1st quarter of 2012. For the 1st quarter of 2013, operating expenses amounted to P257.8 mn compared with the operating expenses for the 1st quarter of 2012 which amounted to P284.2 mn. There were however noted increases in total operating expenses principally coming from professional fees, management fees, salaries and employees benefits, taxes and licenses, depreciation and amortization, rent and association dues, representation, security and janitorial and other general and administrative expenses. On the other hand, aside from the decrease in generation cost, there was also a decline in the cost of travel and communication and utilities.

Professional fees increased by 48% from P6.4 mn at the end of 1st quarter of 2012 to P9.5 mn in the 1st quarter of 2013 due to developmental fees paid for certain projects. Management fees increased 100% to P7.3 mn due to the reclassification of the account from Generation Cost to Operating Expenses during the year. In 2012, the reclassification was done only at year end. Salaries and employee benefits increased 87% from P4.6 mn in the 1st quarter of 2012 to P8.6 mn as of 1st quarter of 2013 because of additional manpower and the adjustment in salaries and benefits. The increase in taxes and licenses by 108% from P8.3 mn as of end of 1st quarter 2012 to P17.3 mn in the 1st quarter of 2013 was primarily due to the increase in business taxes and permits in a subsidiary. This was brought about by both an increase in revenue tax base as well as an increase in business permit fees. Depreciation and amortization increased by 109% from P1.2 mn in the 1st quarter of

2012 to P2.6 mn in the 1st quarter of 2013 because of office space renovation and the acquisition of transportation and office equipment.

Rent and association dues increased by 125% from P0.4 mn at the end of the 1st quarter of 2012 to P0.9 mn in the 1st quarter of 2013 because of acquisition and rental of additional office space. The increase in representation expenses by 1006% to P1.5 mn as of the end of the 1st quarter of 2013 from P0.1 mn in the same quarter in 2012 was due to increased business activity, with various potential projects being evaluated. Security and janitorial expenses increased by 32% to P0.06 mn in the 1st quarter of 2013 from P0.04 mn in the same quarter in 2012. The increase was due to an increase in rate. Other general and administrative expenses increased by 702% from P1.8 mn as of the end of 1st quarter of 2012 to P14.8 mn as of the 1st quarter of 2013. The increase was due to non-recurring expenses related to government regulatory compliance and increased business activities during the period.

The above increases were however fully offset by the decreases in generation cost, travel, and communication and utilities expenses. Generation cost decreased by 25% from P259.4 mn as of the end of the 1st quarter of 2012 to P193.5 mn in the 1st quarter of 2013. This movement was the result of the decrease in the volume of energy generated during the period. Travel fees decreased by 7% from P1.2 mn as of the end of the 1st quarter 2012 to P1.1 mn in the 1st quarter of 2013. The decrease was due to the full utilization of a videoconference facility that allowed a reduction in travel frequency. The decrease in communication and utilities expenses by 9% from P0.6 mn as of the end of the 1st quarter of 2012 to P0.5 mn in the 1st quarter of 2013 was due to timing difference.

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

The Company's total assets decreased by 1% from P7.1 mn as of beginning of the year to P7.0 mn as of end of the 1st quarter of 2013. This decrease was mainly due to the following:

1. Trade, advances, and other receivables decreased by 19% from P620.6 mn at the beginning of the year to P501.7 mn as of end of the 1st quarter of 2013. The decrease was due to collection of accounts.

2. Inventories decreased by 3% from P103.2 mn at the beginning of the year to P100.5 mn as of the end of the 1st quarter of 2013. The decrease was due to usage.

3. Prepayments and other current assets decreased by 0.9% from P453.5 mn at the beginning of the year to P449.4 mn as of the end of 1st quarter of 2013. The decrease was primarily due to the application of input taxes against output VAT payables.

4. Investment in subsidiaries and associates decreased by 10% from P3.7 mn at the beginning of the year to P3.3 mn as of end of the 1st quarter of 2013. The decrease was primarily due to cash dividends received.

Total liabilities decreased by 13% from P1.4 bn at the beginning of the year to P1.2 bn as of end of the 1st quarter of 2013. The decrease was due to payment of trade and other current payables.

These decreases were, however, partly offset by the increases in cash and cash equivalents, advances to associates and stockholders, property and equipment, investment property, and advances from related parties.

Cash and cash equivalents increased by 19% to P2.1 bn as of the end of 1st quarter of 2013 from P1.8 bn at year ended 2012. The increase was due to cash dividends received from associates. The increase in advances to associates and stockholders by 222% to P92.6 mn as of the end of 1st quarter of 2013 from P28.7 mn at the beginning of the year was due to advances for new projects.

Property and equipment increased by 25% from end-2012 level of P42.4 mn to P53.2 mn as of the end of 1st quarter 2013. The increase was due to acquisition of transportation and office equipment and office renovation. Investment property increased 0.2% from P279.0 mn at the beginning of the year to P279.5 mn at the end of the 1st quarter of 2013. The increase is due to repairs incurred that will extend the useful life of some of the properties.

Advances from related parties increased by 45% from P197.5 mn at the beginning of the year to P286.2 mn in the 1st quarter of 2013. The increase was due to advances related to the redemption of preferred shares in an associate.

Current ratio increased from P2.24:P1 at the beginning of the year to P2.82:P1 as of the end of 1st quarter of 2013. The increase comes from cash dividends received.

Debt-to-equity ratio decreased from P0.24:P1.00 at the beginning of the year to P0.21:P1.00 as of the end of 1st quarter of 2013.

Total stockholders' equity increased by 2% from P5.7 bn at the beginning of the year to P5.8 bn as of the end of the 1st quarter of 2013. The increase was due to current earnings.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant

Net cash used by operations for the first three months ended March 31, 2013 was P159.2 mn, which was a reversal in position compared to the net cash provided by operations of P88.5 mn in the same period last year. This was primarily due to payment of accounts and reduced earnings during the period in review. Higher dividends received during the first three months of 2013 resulted to a positive net cash flow provided by investing activities in the amount of P516.3 mn. Net cash used in financing activities for the period ended March 31, 2013 decreased to P22.4 mn from net cash flow used of P204.8 mn in the same period last year. The decline was due to the absence of significant loan and long term debt payments done during the period in review. As of March 31, 2013, net cash balance amounted to P2.1 bn compared with the P467.4 mn net cash balance at the end of the same period last year.

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

Material Events and Uncertainties

There are no material commitments that may result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no known trends, demands, commitments, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

There are no significant elements of income or loss that did not arise from the issuer's continuing operations.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no 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.

There are no material commitments for capital expenditures.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

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 Note 2 of the Notes to the interim Financial Statements as March 31, 2013 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 (P), which is United States Dollar (USD).

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

	March 31, 2013
Loan Receivables	USD 0.00
Trade Receivables	USD 0.00
Cash	USD 56,273.00
Gross Exposure	USD 56,273.00

The average US Dollar-Philippine Peso exchange rate for the three (3) months ended March 31, 2013 was US$1 = P40.72.

The exchange rate applicable as of March 31, 2013 is US$1=P40.90.

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar as of March 31, 2013 would have increased equity and profit by P230,157. A 10% weakening of the Philippine Peso against the US Dollar as of March 31, 2013 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.

<u>For the Year Ended December 31, 2012</u>

1. Plan of Operation

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

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

Vivant, through its Business Development Group, is continuously on the lookout for opportunities in the power industry, particularly in the power generation business. The Company has several projects that are in various stages of development. The projects, should viability be proven, will be done via joint ventures, where funding will be sourced through project financing.

2. Management's Discussion and Analysis

Management uses the following key performance indicators for the Company and its investee companies: (a) equity earnings, (b) Earnings before Interest, taxes, Depreciation and Amortization (EBITDA), (c) debt-to-equity ratio, (d) current ratio, and (e) cash flow generated.

(i) Equity Earnings (or Loss)

Equity earnings (or loss) is the Company's share in the income or loss of subsidiaries accounted for under the equity method. It indicates the profitability of the subsidiaries and measures their contribution to the profitability of the parent. Equity in net earnings of associated companies increased 44% in 2012 from P669.8 mn in 2011.

(ii) EBITDA

EBITDA is calculated by taking operating income and adding back to it interest, depreciation, and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. EBITDA increased by 39% to P1.7 bn in 2012 from P1.2 bn in 2011.

(iii) Debt-to-Equity Ratio

Debt-to-Equity ratio is computed by dividing total liabilities with total stockholders' equity. As of December 31, 2012, the Company is no longer bound by a loan covenant that requires that debt to equity ratio does not exceed P2:P1. Debt to Equity ratio decreased to P0.24:P1 in 2012 from P0.98:P1 in 2011.

(iv) Current Ratio

Current ratio is computed by dividing current assets with current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability. Current Ratio increased to P2.24:P1 in 2012 from P0.59:P1 in 2011.

(v) Cash Flow Generated

Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing, and financing activities. Net Cash Flow Generated increased to P1.2 bn from a Net Cash Used of P13.7 mn in 2011.

Consolidated Financial Statement for the Full Fiscal Year ended December 31, 2012

At the end of 2012 the Company had consolidated revenues of P3.8 bn compared to the consolidated revenue of P2.1 bn in 2011, representing an 80% increase. The increase was primarily due to a 103% increase in Energy Fees of a subsidiary brought about by a combined increase in sold capacity as well as an increase in prices by WESM. Equity in Net Earnings of Associates increased by 44% to P961.4 mn in 2012 from P669.8 mn in 2011, attributed to both an increase in power distribution and power generation earnings of associates. Management Fees increased 21% to P148.5 mn from P122.9 mn in 2011. The increase was the result of the upward adjustment in contract rates as stipulated in the contracts as well as newly negotiated rates. Interest income increased to P47.6 mn or by 185% in 2012 from P16.7 mn in 2011. The increase is attributed to an increase in free cash that allowed for higher earnings on short term placements and the interest income on payments on escrow for a subsidiary's power plant purchase that was rescinded during the year. Other income decreased to P7.0 mn in 2012 from P9.3 mn in 2011. The decrease was mainly due to extraordinary income that a subsidiary realized in 2011 that did not recur in 2012.

Consolidated operating expenses increased by 83% to P2.2 bn in 2012 from P1.2 bn in 2011. The increase was primarily due to an increase in Generation Costs by 75% to P1.8 bn in view of the increase in capacity sold.

Operating Expenses in 2012 had Taxes and Licenses decreasing by 15% to P23.0 mn from P26.9 mn in 2011. The decrease was brought about by the absence of Customs Duties paid by a subsidiary in 2011. Professional Fees increased 516% from P33.6 mn in 2011 to P207.2 mn in 2012. This significant increase was due to consultancy and advisory services incurred by a subsidiary during the rescission of the CTS and technical services incurred for the maintenance of power plant equipment. Management Fees increased by 29% to P37.6 mn in 2012 from P29.1 mn in 2011. This was due to a new management contract entered into by a subsidiary for the management of its power plant. Salaries and employee benefits increased to P35.5 mn in 2012 or by 98% compared to P17.9 mn in 2011. The increase is the combined effect of an increase in manpower to address the growing needs of operations and adjustments in salaries and benefits. Travel expenses increased by 29% to P10.5 mn in 2012 from P8.2 mn in 2011 due to more business activity and site visits for potential projects. Communication and utilities expense increased 22% to P2.9 mn in 2012 from P2.4 mn in 2011, due to the increase in manpower. Rent and association dues increased 80% to P4.0 mn in 2012 from P2.2 mn in 2011. In addition to the escalation in rent as provided in the lease contracts, the 2011 cost did not reflect the full annual impact of the new office space that year, whereas the 2012 cost now takes this up in full. Representation expenses decreased 17% to P1.4 mn from P1.7 mn. There were fewer occasions for representation in 2012. Security and janitorial expense decreased 73% to P0.2 mn in 2012 from P0.7 mn in 2011 due to the reclassification of a portion of the account to Generation Cost during the year. Other operating expenses decreased slightly by 2% to P12.4 mn in 2012 from P12.7 mn in 2011.

Finance cost decreased by 68% in 2012 to P61.1 mn from P189.8 mn in 2011. The decrease was due to the prepayment of Notes Payable and the derecognition of the Long Term Debt of a subsidiary after it entered into a Mutual Rescission Agreement (MRA) on the purchase of a power plant.

The combined effect of the above account movements increased total comprehensive net income from P793.0 mn in 2011 to P 2.0 bn in 2012 or 157%.

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

The Company's consolidated total assets decreased 16% to P7.1 bn in 2012 from P8.4 bn in 2011, primarily due to reduction in Property, Plant, and Equipment arising from the rescission of a subsidiary's CTS for the purchase of its power plant. Receivables increased by 52% to P620.6 mn in 2012 from P408.5 mn in 2011 largely due to increase in trade receivables from higher energy sales and the grant of one-year interest bearing cash advances by a subsidiary to its stockholders. Inventories decreased by 37% to P103.2 mn in 2012 from P163.1 mn in 2011. The decrease was due to the shift to a consignment arrangement with the fuel supplier thereby increasing efficiency in inventory management. Prepayments and other current assets increased by 79% to P453.5 mn in 2012 from P253.0 mn in 2011 due to advances made by a subsidiary to its supplier of power plant parts and supplies for use in the succeeding year. Investment in associates decreased 7% to P3.7 bn in 2012 from P3.9 bn in 2011 due to the declaration of cash and property dividends during the year. Investment properties had a negligible decrease in 2012 of less than 1% to P279.0 mn in 2012 from P279.3 mn in 2011 due to depreciation. Other non-current assets decreased by 55% to P22.5 mn in 2012 from P50.0 mn in 2011, due to the reclassification of project advances previously lodged in this account to the particular Advances to Related Parties account.

Cash and cash equivalents increased by 206% to P1.8 bn in 2012 from P587.6 mn in 2011 due to increase in revenues and the refund of payments related to the rescinded power plant purchase of a subsidiary. Advances to associates and stockholders decreased 70% to P28.7 mn in 2012 from P94.8 mn in 2011. The decrease was due to the settlement of advances by a subsidiary. Property and equipment decreased by 98% to P42.4 mn in 2012 from P2.5 bn in 2011 as a result of the MRA entered into by a subsidiary where the power plant, buildings, machineries, improvements, equipment and other facilities included were derecognized. Deferred tax assets had a slight decrease by less than 1% to P16.5 mn in 2012 from P16.6 mn in 2011.

Consolidated total liabilities decreased by 67% to P1.4 bn in 2012 from P4.2 bn in 2011 because of the prepayment of Notes Payable and de-recognition of the long term liability as a result of the MRA. In view of the Notes Payable prepayment, Current and non-current notes payable decreased 54% to P365.0 mn in 2012 from P796.3 mn in 2011. Long term debt on the other hand decreased a 100% in 2012 from P2.5 bn in 2011 as a result of the MRA.

Trade and other payables increased by 20% to P683.5 mn in 2012 from P569.2 mn in 2011 due to an outstanding payable for advisory and consultation fees related to the rescission. Advances from related parties decreased by 13% to P197.5 mn in 2012 from P225.8 mn in 2011 due to the payments made on some of the advances.

Stockholders' Equity increased by 35% to P5.7 bn from P4.2 bn in 2011 due to favorable results of operations and the extraordinary gain on the rescission of the CTS in a subsidiary.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash generated from operating activities increased by 277% to net cash provided by operating activities of P1.0 bn in 2012 from P266.0 mn in 2011 due to higher revenues and the cash received from the contract rescission of P664.6 mn.

Net cash provided by investing activities increased by 137 % to P1.1 bn from P449.5 mn in 2011 due to a significant increase in cash dividends. Dividends received from associates of P894.8 mn in 2012 were 84% more than the P485.3 mn received in 2011.

Net cash used in financing activities increased by 18% to P862.5 mn from net cash used of P729.2 mn in 2011 due the increase in cash dividends and the settlement of loans. Cash dividends paid to shareholders increased by 13% to Ph311.0 mn in 2012 from P276.3 mn in 2011.

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

Material Events and Uncertainties

Vivant, through its subsidiaries and associates, have identified projects involving Greenfield power plant developments. Funding for these projects will be done through a combination of equity and debt, where debt will be at the project company level. As these projects are implemented, Vivant will fund its share of the equity through internally generated funds or possibly through additional capital, either through debt or equity issuance.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no 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.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

For the Year Ended December 31, 2011

1. Plan of Operation

For the next twelve months, the Company will continue to pursue its primary purpose as a holding company for shares of stock in its investee companies.

As a holding company, it shall satisfy its cash requirements through dividends declared by these investee companies.

The Company does not anticipate undertaking any product research and development for its operation, nor does it expect any purchase or sale of plant and significant equipment nor any significant change in the number of employees.

2. Management's Discussion and Analysis

Management uses the following key performance indicators for the Company and its investee companies: (a) equity earnings, (b) Earnings before Interest, taxes, Depreciation and Amortization (EBITDA), (c) debt-to-equity ratio, (d) current ratio, and (e) cash flow generated.

(i) Equity Earnings (or Loss)

Equity earnings (or loss) is the Company's share in the income or loss of subsidiaries accounted for under the equity method. It indicates the profitability of the subsidiaries and measures their contribution to the profitability of the parent. Equity in net earnings of associated companies increased by 26% to P669.8 mn in 2011 from P532.6 mn in 2010.

(ii) EBITDA

EBITDA is calculated by taking operating income and adding back to it interest, depreciation, and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. EBITDA increased by 49% to P1.2 bn in 2011 from P837.9 mn in 2010.

(iii) Debt-to-Equity Ratio

Debt-to-Equity ratio is computed by dividing total liabilities with total stockholders' equity. As of December 31, 2011, the Company is bound by a loan covenant which requires the debt to equity ratio not to exceed P2:P1. Debt to Equity ratio decreased to P0.97:P1 from P1.18:P1 in 2010.

(iv) Current Ratio

Current ratio is computed by dividing current assets with current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability. Current Ratio decreased to P0.59:P1 from P1.12:P1 in 2010.

(v) Cash Flow Generated

Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing, and financing activities. Net Cash Flow Generated decreased to P13.7 mn in 2011 from P443.4 mn in 2010.

Consolidated Financial Statement for the Full Fiscal Year ended December 31, 2011

At the end of 2011 the Company had consolidated revenues of P2.1 bn compared to revenues in 2010 in the amount of P1.5 bn, representing a 41% increase. Equity in Net Earnings of Associates increased by 26% to P669.8 mn in 2011 from P532.6 mn in 2010. The increase was due to higher income contributions from its subsidiaries and associates. Management Fees increased by 18% to P122.9 mn in 2011 from P104.4 mn in 2010. The increase was due to an upward adjustment in management fee rates. Interest income increased by 0.5% to P16.7 mn in 2011 from P16.6 mn in 2010. The increase was due to higher interest rates in 2011. Other income increased to P9.3 mn in 2011 from P8.2 mn in 2010. The increase was primarily due to a favorable adjustment in rental rates.

Consolidated operating expenses increased by 30% to P1.2 bn in 2011 from P920.2 mn in 2010. The increase was primarily due to increases in taxes and licenses, management fees, salaries and employee benefits, travel expenses, depreciation and amortization, impairment loss on receivables, communication and utilities, rent and association dues, security and janitorial, and other operating expenses. Taxes and Licenses increased by 120% to P27.0 mn in 2011 from P12.3 mn in 2010. The increase was brought about by the full year operations of a subsidiary that operated only starting July 30, 2010. Management Fees increased by 182% to P36.2 mn in 2011 from P12.8 mn in 2010. The upward movement was due to the overall increase in the rates of management fees during the year. Salaries and employee benefits increased by 110% to P17.9 mn in 2011 from P8.5 mn in 2010. The increase was due to the additional manpower that was put in place in 2011 in order to effectively adapt to the growing needs of the Company. Travel expenses increased by 152% to P8.2 mn in 2011 from P3.3 mn in 2010 due to increased business activity. Communication and utilities expense increased by 122% to P2.4 mn in 2011 from P1.1 mn in 2010, also due to increased business activity. Rent and association dues increased by 332% to P2.2 mn in 2011 from P0.5 mn in 2010. The escalation was due to the lease of an additional office space to accommodate manpower added during the year. Security and janitorial expense increase by 566% to P0.7 mn in 2011 from P0.1 mn in 2010, due to the full operations of a subsidiary that operated only on July 30, 2010. Other operating expenses increased by 104% to P12.7 mn in 2011 from P6.2 mn. The increase was due to increased business activities.

These increases were partly offset by decreases in professional fees, representation and royalty fees. Professional Fees decreased by 87% to P26.6 mn in 2011 from P203.8 mn in 2010. The decrease was due to the absence of a one-time fee in 2010 for the consultancy services on the feasibility of operating a power plant. Representation expenses decreased by 66% to P1.7 mn in 2011 from P5.1 mn in 2010 due to lesser representation requirements. No royalty fee was incurred in 2011 given the non-recurring nature of the expense booked in 2010. Finance cost increased by 268% in 2011 to P189.8 mn from P51.7 mn in 2010. The increase was due to financing cost for the amortization of a power plant of a subsidiary.

In 2011, total comprehensive net income increased by 48% to P793.4 mn from P534.7 mn in 2010.

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

The Company's consolidated total assets increased by 3% to P8.4 bn in 2011 from P8.2 bn in 2010, primarily due to the increases in receivables, inventories, prepayments and other current assets, investment properties and other non-current assets. Receivables increased by 26% to P408.6 mn in 2011 from P323.8 mn in 2010 primarily due to the upsurge of a subsidiary's energy fees. Inventories increased by 125% to P163.1 mn from P72.6 mn. The increase was in anticipation of higher electricity generation in view of high demand. Prepayments and other current assets increased by 84% to P253.0 mn in 2011 from P137.5 mn in 2010 due to higher prepaid taxes. Investment in associates increased by 39% to almost P4.0 bn in 2011 from P2.9 bn in 2010, mainly due to the reclassification of advances to a subsidiary to equity. Investment properties increased by 49% to P279.3 mn in 2011 from P187.8 mn. The increase was due to a fair value adjustment on properties owned by a subsidiary. Other non-current assets increased by 103% to P50.0 mn in 2011 from P24.6 mn in 2010, due to the increase in advances for various projects.

The above increases were partly offset by the decreases in cash and cash equivalents, advances to associate and stockholders, property and equipment and deferred tax assets. Cash and cash equivalents decreased by 2% to P587.6 mn in 2011 from P601.3 mn in 2010 due to the amortization of a subsidiary's power plant. Advances to associate and stockholders decreased by 91% to P94.8 mn in 2011 from P1.0 bn in 2010. The decline was due to the conversion of advances to equity. Property and equipment decreased by 11% to P2.6 bn from P2.9 bn due to recognition of depreciation. Deferred tax assets decreased by 31% to P16.6 mn from P24.1 mn due to expired NOLCO.

Consolidated total liabilities decreased by 6% to P4.2 bn in 2011 from P4.4 bn in 2010 primarily due to decreases in notes payable and long term-debt. Current and non-current notes payable was lower by 12% at P796.3 mn in 2011 from P908 mn in 2010 due to payment of loans. Long term debt decreased by 16% to P2.5 bn from P3.0 bn in view of payment of loan amortizations.

The above decreases were partly off-set by the increase in trade and other payables and advances from related parties. Trade and other payables increased by 55% to P569.2 mn in 2011 from P367.1 mn in 2010 because of the booking of deferred output tax during the year. Advances from related parties increased by 160% to P225.8 mn in 2011 from P86.9 mn in 2010 due to operational needs of a subsidiary.

Stockholders' Equity was up by 14% to P4.3 bn in 2011 from P3.7 bn in 2010 primarily because of the current year's improved earnings.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash generated from operating activities increased by 266% to a net cash provided by operating activities of P266.0 mn in 2011 from a net cash provided by operating activities of P72.7 mn in 2010, following revenue growth and a corresponding increase in revenue collections.

Net cash provided by investing activities increased by 40% to P449.5 mn in 2011 from P321.3 mn in 2010. Dividends received from associates is higher by 54% at P485.3 mn in 2011 from P314.3 mn in 2010.

Net cash used in financing activities increased by 1,578% to P729.2 mn in 2011 from net cash provided of P49.3 mn in 2010. Cash dividends paid to shareholders increased by 59% to P276.3 mn in 2011 from P173.9 mn in 2010.

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

Material Events and Uncertainties

The Company is committed to invest in 1590 EC through VEC, that may result in or that are reasonably likely to result in the Registrant's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no 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.

There are no known trends, events, or uncertainties that may have a material impact on sales.

There are no material commitments for capital expenditures.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

PART III – CORPORATE GOVERNANCE

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

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

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

Compliance with The Minimum Public Ownership Requirement

Vivant complies with the Rule on Minimum Public Ownership, as amended. Based on information that is publicly available to the Company and within the knowledge of its directors it has 12.8% public float as of March 31, 2013.