

Press Release
January 12, 2018

Refer to: Anna Salgado
asalgado@megawide.com.ph

0917.5637629
655.1111 local 710

SSS and Megawide hold share sale commemoration

Quezon City, Philippines – The Social Security System (SSS) and diversified engineering and infrastructure conglomerate Megawide Construction Corporation (Megawide) today held a commemoration ceremony for the share sale that took place earlier this month.

This January, SSS announced that it had acquired a total 5.17% stake in Megawide, equivalent to 110.53 million shares. SSS has been eyeing participation in the booming infrastructure sector given the government's focus on its flagship Build, Build, Build program. According to SSS Chairman Amado Valdez, their entry into Megawide is an opportunity to maximize the returns on the institution's investments.

"Our entry into Megawide is highly strategic," said Chairman Valdez. "We see investments in the infrastructure sector as viable, given the level of funding being poured by the public and private sectors into the infrastructure drive and the volume of projects across the country."

The pension fund chairman also spoke about their commitment to the SSS mandate. "We are mandated to secure robust and recurring sources of revenues to finance and support the pension of our beneficiaries. We are confident in Edgar's vision for Megawide and the continuing progress of our infrastructure sector."

On his end, Megawide Chairman Edgar Saavedra expressed his gratitude and assurance to the SSS board.

"It is encouraging that the SSS, the country's biggest pension fund, is willing to invest in Megawide. It is an outstanding vote of confidence in the company's vision, and we are motivated to work even harder so that we can deliver positive returns for all our stakeholders."

As a long-term institutional investor of public funds, the SSS is renowned for its adherence to strict investment guidelines and commitment to transparency, corporate governance, and compliance. According to Saavedra, it is this identity that motivated the company to extend SSS an invitation to be part of its governing board.

"SSS is a public fund and their intention is to ensure solid returns for the hard-earned money of millions of hard-working Filipinos. In consideration of who they represent, we felt that they should have a bigger voice in the company."

Megawide announced that the board seat will be filled by SSS Commissioner Jose Gabriel M. La Viña.

The pension fund's financial position remains stable with total assets of P511.72 billion, up by 7.4 percent due to the increase in investments. The SSS's investment reserve fund as of end September 2017 stood at P490.32 billion, 5.6-percent higher than the P464.42 billion recorded at end-

2016. President Rodrigo Duterte had ordered that SSS members' contribution rate be raised in increments of 1.5 percentage points a year until 2020 to reach 17 percent from the current 11 percent.

Meanwhile, Megawide recorded a consolidated net income of PhP1.7 billion in the first nine months of 2017, 7% better than the same period last year. The Company generated consolidated revenues of PhP14.3 billion, 4% higher than the previous year. #

ABOUT MEGAWIDE

Megawide Construction corporation an innovative and diversified Philippine engineering and infrastructure company. Founded in 1997, it is among the country's leading contractors for residential, commercial, hotel and mixed-use projects. Megawide has assets in construction, airport, and progressive property development.