

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
MEGAWIDE CONSTRUCTION CORPORATION
HELD ON JUNE 30, 2015
VISAYAS BALLROOM, SOFITEL PHILIPPINE PLAZA MANILA

I. CALL TO ORDER

The Chairman called the meeting to order at 2:00 p.m. The host introduced the Board members present during the meeting:

Chairman	-	Michael C. Cosiquien
Director	-	Edgar B. Saavedra
Director	-	Yerik C. Cosiquien
Director	-	Elizabeth Anne C. Uychaco
Director	-	Florentino A. Tuason, Jr.
Director	-	Leonilo G. Coronel
Director	-	Leonor M. Briones

II. NOTICE AND QUORUM

The Corporate Secretary certified that the notices of the meeting were sent to stockholders of record as of May 29, 2015 in accordance with the By-laws of the Corporation and that stockholders representing 74.08% of the outstanding voting stock of the Corporation, or 1,777,533,043 shares, are present in person or represented by proxy and that a quorum existed.

II. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING ON JUNE 30, 2014

Agenda Item 3: To approve the Minutes of the Annual Stockholders' Meeting held on June 30, 2014 which contains the following: (a) approval of the minutes of the Annual Stockholders' Meeting on June 26, 2013; (b) Chairman's Address; (c) President's Report; (d) Ratification of all acts of Management and the Board of Directors; (e) Election of Directors; (f) Approval of the 2013 Audited Financial Statements; (g) Appointment of External Auditor; (h) Amendment of Articles of Incorporation and By-Laws to include the power to extend corporate guarantee to subsidiaries and affiliates for bidding purposes; (i) Amendment of Articles of Incorporation to increase authorized capital stock from Php2 Billion to Php5 Billion to be effected by stock dividend declaration; and (j) Amendment of Articles of Incorporation to create preferred shares.

RESOLUTION: On motion duly seconded, the shareholders representing 100% of the 1,777,533,043 shares represented during the meeting unanimously voted in favor of the following:

“RESOLVED, to dispense with the reading of the Minutes of the June 30, 2014 Annual Stockholders’ Meeting and the same is approved as presented.”

III. CHAIRMAN’S ADDRESS

Agenda Item 4: The Chairman will give a welcome address.

The Chairman, Engr. Michael C. Cosiquien, gave the welcome address.

- The Corporation closed 2014 with 2 major milestones: (1) it reported Financial Statements in a consolidated basis; and (2) it booked highest number of contracts in a year.
- On June 29, 2015, it held a ground-breaking of Terminal 2 of the Mactan-Cebu International Airport. The Corporation expects revenues to grow and fill in the bottom line for the next 25 years.
- The Corporation delivered 7,085 classrooms under the Department of Education’s school building infrastructure program, which will contribute to its revenue-generating assets.
- Early 2015, the Southwest Integrated Transport System project was awarded to the Corporation.
- In 2014, the core business of the Corporation posted Php17.16 Billion worth of contracts, the highest booked contracts since the company’s inception. The Corporation will continue to build residential and commercial towers, hotels and casinos, mall complexes and urban mass housing projects. Its most exciting projects include the Double Dragon Plaza, Proscenium, Grand Avenue of Megaworld, Southwoods Mall for Global Estates and pioneering mass housing estates by Urban Deca.
- It also partnered with MySpace Properties to construct a landmark development in Taytay, Rizal. It fostered a stronger partnership with SM Development Corporation, 8990 Complex and different industry players.
- In 2015, with 4 Million homes backlog, 1 Million jobs to create for Business Process Outsourcing (BPO) companies, more than Php1 Trillion worth Public-Private Partnership (PPP) projects, the Corporation will strive not just to be part of but be a leader in nation-building.
- The Corporation will continue to transform from a single-facet construction company into a well-diversified engineering and construction conglomerate.

IV. PRESIDENT'S REPORT

Agenda Item 5: The President will give the operational highlights of 2014.

The President and Chief Operating Officer (COO), Engr. Edgar B. Saavedra, reported on the operational highlights of the Corporation for the year 2014:

- There are 2 significant milestones in 2014: (1) the first time to report Financial Statements on a consolidated basis; and (2) highest amount of booked contracts in a year.
- The Corporation reported Php200 Million in airport operations revenues on top of Php9 Billion construction revenues.
- In April 2014, the Corporation, in partnership with GMR Infrastructure Limited, won the tender to operate the second largest gateway to the Philippines, Mactan Cebu International Airport (MCIA). Upon completion, both terminals can accommodate 12.5 Million passengers per annum. Since its take-over last November 2014, the Corporation has introduced changes and improvements on terminal 1.
- Income from airport operations revenue contributed to Php49 Million or 6% of the consolidated income in 2 months of operations. Marketing efforts to promote Cebu as a travel destination will increase traffic. Airport operations are expected to contribute to 10% of consolidated revenue and 1/3 of consolidated income.
- The Corporation had the highest amount of new contracts booked in a year at Php17.6 Billion.
- There will be more receivables due to Total Order Book Backlog representing unworked portions of existing contracts amounting to Php22.3 Billion, an increase from Php20.3 Billion.
- Construction Revenue Mix is composed of residential, office, commercial and basic infrastructure projects. Residential projects constitute 15% while office and commercial comprise 41%, airport project amount to 24% and the school and hospital projects constitute the remainder.
- Office and commercial building projects include a project of Double Dragon, World Plaza, One Town Square and Southwoods Mall and Office.
- The Department of Education successfully turned over the first phase of Build-Lease Transfer 7,085 classrooms for Regions III and IV. The Corporation is engaged in building 2,240 classrooms in Regions, I II, III, Cordillera Administrative Region.
- Another project of the Corporation is the modernization of the Philippine Orthopedic Center (POC), a 25-year Build-Operate Transfer Agreement to create a 700-bed specialty hospital.
- The number of employees grew from 1,935 to 2128 in preparation for higher volume of projects.

- The Corporation, through Megawatt Clean Energy, Inc. (Megawatt), invested in the development of renewal energy. Megawatt is working on a mixed portfolio of solar, hydro and biomass power. Solar projects will begin construction in third quarter 2015 while the hydro and biomass projects will begin in 2016.
- Consolidated total assets grew to 84% or to Php39.1 Billion from 21.5 Billion due to the Php16.13 Billion bid premium paid for the concession rights to manage MCIA for 25 years.
- Total assets grew by Php4 Billion or 90% due to investment in subsidiaries and affiliates amounting to Php3.98 Billion. This amount represents 60% direct interest in GMR Megawide Cebu Airport Corporation (GMCAC), a special purpose vehicle.
- Total equity increased by 57% from Php8.54 Billion to Php13.4 Billion primarily due to perpetual preferred shares offering last year. Proceeds of Php4 Billion brought back the Corporation to the same cash position as last year.
- Book value is Php5.57 per share. Retained earnings amount to Php2.48 Billion.
- Total parents' income amount to Php868 Million due to Php70 Million worth of stock dividends. This was also used to subscribe to an increase in the authorized capital stock of the Corporation.
- The Megawide Corporate Foundation donated a complete renovation of a 1,800-square meter wing of the Philippine Children's Medical Center (PCMC) service ward. It also provides basic health service in marginalized communities. It finances the education of engineering students from economically disadvantaged families. It has also adopted a 2-hectare rainforest in Antipolo City.

V. RATIFICATION OF ALL ACTS OF MANAGEMENT AND THE BOARD OF DIRECTORS

Agenda Item 6: To ratify acts of Management and the Board of Directors in the ordinary course of business pertaining to obtaining government permits and clearances, execution of contracts, availment of services from banks and other acts necessary for various construction projects of the Corporation.

RESOLUTION: On motion duly seconded, the stockholders approved the following resolution:

“RESOLVED, to ratify all acts of Management and the Board of Directors as reported by the President in the Annual Stockholders’ Meeting held on June 30, 2015 and stated in the Information

Statement duly distributed to the stockholders, including execution of an Omnibus Loan and Security Agreement, Guaranty and other documents for the Modernization of the Philippine Orthopedic Center Project and signing of a Receivables Purchase Agreement, Performance Guaranty and other documents for the sale of receivables from the Public School Infrastructure Project 1 of the Department of Education.”

VI. ELECTION OF DIRECTORS

Agenda Item 7: To elect the regular and independent members of the Board of Directors to hold office until the next stockholders’ meeting and until their respective successors have been elected and qualified.

The following were nominated and elected as regular and independent members of the Board of Directors:

Director’s Name	Position	Approved	Disagreed/Abstained
Michael Cosiquien	Chairman	1,777,533,043	-
Edgar Saavedra	President and Chief Operating Officer	1,777,533,043	-
Yerik Cosiquien	Director	1,777,533,043	-
Elizabeth Anne Uychaco	Director	1,777,533,043	-
Florentino A. Tuason, Jr.	Corporate Secretary and Corporate Information Officer	1,777,533,043	-
Leonor Briones	Independent director	1,777,384,786	148,257
Leonilo Coronel	Independent director	1,777,533,043	-

RESOLUTION: On motion duly seconded, the stockholders representing 100% of the 1,777,533,043 shares represented during the meeting voted in favor of the following:

“RESOLVED, to elect the following to the Board of Directors of the Corporation to serve for the current year:

1. Michael C. Cosiquien
2. Edgar B. Saavedra
3. Yerik C. Cosiquien
4. Elizabeth Anne C. Uychaco
5. Florentino A. Tuason, Jr.
6. Leonilo M. Coronel (independent director)

RESOLUTION: On motion duly seconded, the stockholders representing 99.99% of the 1,777,533,043 shares represented during the meeting voted in favor of the following:

Leonor M. Briones (independent director)

VII. APPROVAL OF THE 2014 AUDITED FINANCIAL STATEMENTS

Agenda Item 8: To approve the 2014 Audited Financial Statements

RESOLUTION: On motion duly seconded, the stockholders representing 100% of the 1,777,533,043 shares represented during the meeting unanimously voted in favor of the following:

“RESOLVED, to approve the 2014 Audited Financial Statements as presented.”

VIII. APPOINTMENT OF EXTERNAL AUDITOR

Agenda Item 9: To approve the appointment of Punongbayan & Araullo as external auditor

RESOLUTION: On motion duly seconded, the stockholders representing 100% of the 1,777,533,043 shares represented during the meeting unanimously voted in favor of the following:

“RESOLVED, upon the recommendation of the Audit and Compliance Committee, to appoint Punongbayan & Araullo as external auditor.”

IX. OTHER MATTERS

A shareholder asked if there are politicians donating to the Megawide Corporate Foundation, Inc. The Chairman answered that there are none and that the Corporation is providing the funds for the Foundation.

The same shareholder inquired if he can have a free parking ticket. The Chairman said yes.

Another shareholder asked if the Corporation is positioned to take advantage of the ASEAN integration. The Chief Financial Officer replied that the ASEAN integration can be a threat and an opportunity. He also stated that the Corporation is in a position to be on equal footing, if not better, with potential foreign contractor as a result of the ASEAN integration. He explained that the Corporation has been using first world technology for 5 years and working with expatriates for technology transfer and know-how. Thus, the Corporation is in a position to withstand the influx of potential foreign contractors. He said that for now, the Corporation has enough domestic expansion.

X. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned.

Certified Correct:

FLORENTINO A. TUASON, JR.
Corporate Secretary

Attested by:

MICHAEL C. COSIQUIEN
Chairman