

June 3, 2013

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Plaza,
Ayala Triangle, Ayala Avenue,
1226 Makati City, Philippines

Attention: *MS. JANET A. ENCARNACION*
Head – Disclosure Department

RE: Definitive Information Statement

Gentlemen:

We are submitting the Definitive Information Statement of Megawide Construction Corporation with the following attachments to be filed with the Securities and Exchange Commission today:

1. Management's Report;
2. Audited Consolidated Financial Statements as of December 31, 2012;
3. Consolidated Financial Statements as of March 31, 2013;
4. PDTC Report as of March 31, 2013;
5. Notice of Annual Stockholders' Meeting with Agenda; and
6. Minutes of the Annual Stockholders' Meeting held on June 26, 2012.

Thank you.

Very truly yours,

MEGAWIDE CONSTRUCTION CORPORATION

By:


GRACE Q. BAY
Assistant Corporate Secretary
Compliance Officer
Corporate Information Officer


JOYCE M. BRIONES
Corporate Information Officer

SEC Number: CS200411461

File Number: _____

MEGAWIDE CONSTRUCTION CORPORATION

(Company's Full Name)

**2/F Spring Bldg.,
Arnaiz Ave. cor. P. Burgos St., Pasay City**
(Company's Address)

655-1111
(Telephone Number)

December 31
(Calendar Year Ending)

**DEFINITIVE INFORMATION STATEMENT
SEC Form 20-IS**

December 31, 2012
Period Ended Date

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

SECURITIES AND 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
[X] Definitive Information Statement
2. Name of Registrant as specified in its charter **MEGAWIDE
CONSTRUCTION
CORPORATION**
3. Province, country or other jurisdiction
of incorporation or organization **Philippines**
4. SEC Identification Number **CS200411461**
5. BIR Tax Identification Code **232-715-069-000**
6. Address of principal office **2/f Spring Bldg.
Arnaiz Ave. cor. P.
Burgos St., Pasay
City, Metro Manila**
7. Registrant's telephone number, including area code **(02) 655-1111**
8. Date, time and place of the meeting of
security holders **June 26, 2012, 2:00
p.m. at Leyte-Samar
Room, Sofitel
Philippine Plaza
Manila**
9. Approximate date on which the Information
Statement is first to be sent or given to
stockholders **June 4, 2013**
10. Securities registered pursuant to Sections 8 and 12 of the Code or
Sections 4 and 8 of the RSA (information on number of shares and
amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
---------------------	--

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

Common Stock **1,268,789,326**

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes **X** No _____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc. **Common Shares**

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

MEGAWIDE CONSTRUCTION CORPORATION
SEC Form 20-IS

A. GENERAL INFORMATION

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

- | | | |
|----|---|---|
| a) | Date of Meeting | June 26, 2013 |
| | Time of Meeting | 2:00 p.m. |
| | Place of Meeting | Leyte-Samar Room, Sofitel
Philippine Plaza Manila |
| | Registrant's Mailing Address | 2/F Spring Bldg., Arnaiz Ave. cor. P.
Burgos St., Pasay City |
| b) | Approximate Date when the
Information Statement is first
to be sent or given to security
holders | June 4, 2013 |

Item 2. Dissenters' Right of Appraisal.

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.¹

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

a. No current director or officer of Megawide or nominee for election as a director of Megawide, nor any associate of such 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 election to office and declaration of stock dividends.

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

¹ The right of appraisal means the right of a dissenting stockholder to demand payment of the fair market value of his shares in the instances provided under the Corporation Code. In such instances the right may be exercised by any stockholder who shall have voted against the proposed action by making a written demand to the corporation within 30 days after the date on which the vote was taken for payment of the fair market value of his shares. Failure to make the demand shall be deemed a waiver of such right.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof.

a) As of May 27, 2013, Megawide has 1,268,789,326 issued and outstanding common shares.² All the shares of stock are entitled to vote.

b) Only stockholders of record at the close of business on May 27, 2013 are entitled to notice and to vote at the Annual Stockholders' Meeting.

c) Cumulative voting is allowed for election of members of the board in a stock corporation. Every stockholder is entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name on the stock transfer books of Megawide. Each stockholder may vote such number of shares for as many persons as there are directors to be elected; or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares shall equal; or he may distribute these shares on the same principle 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 as shown in the books of the Megawide multiplied by the total number of directors to be elected.

d) Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than 5% of Megawide's shares of stock as of May 27, 2013 are as follows:

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner ³	Citizenship	Number of Shares Held	Percent (%)
Common	Citicore		Filipino	720,718,257	56.80%

² Of the 1,268,789,326 shares, 87,586,680 common shares or 6.90 % of the issued and outstanding common shares are owned by foreigners.

On May 15, 2013, Megawide issued a total of 35,959,523 shares of common stock to CHI, Geoffred D. Deetan, Ellie Chan and Dennis Bryan Ty. On May 24, 2013, Megawide issued 118,729,800 shares of common stock to CHI pursuant to a placing and subscription transaction.

³ Except for the directors, officers, Citicore Holdings Investment, Inc. and Sybase Equity Investments Corporation (both corporations filed a SEC Form 23-A with the Commission), whose shares are lodged with PCD Nominee, other beneficial owners are unknown to the Issuer.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

	Holdings Investment, Inc. - Stockholder 20 N. Domingo St., Brgy. Valencia, Quezon City				
Common	PCD Nominee Corporation - Stockholder 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City		Filipino	238,700,123	18.81%
Common	PCD Nominee Corporation - Stockholder 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City		Non-Filipino	87,586,680	6.90%
Common	Sybase Equity Investments Corporation - Stockholder c/o Virginia A. Yap/Judith E. Balderrama 10 th Floor, L. V. Locsin Bldg., 6752 Ayala Ave. cor. Makati Ave., Makati City		Filipino	195,000,000	15.37%

As of May 27, 2013, no other PCD participants have more than 5% of any class of Megawide's voting securities except the following:

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	Citicore Holdings Investment, Inc. - Stockholder 20 N. Domingo St., Brgy. Valencia, Quezon City	Citicore Holdings Investment, Inc.	Filipino	720,718,344	56.80%
Common	Sybase Equity Investments Corporation – Stockholder c/o Virginia A. Yap/Judith E. Balderrama 10 th Floor, L. V. Locsin Bldg., 6752 Ayala Ave. cor. Makati Ave., Makati City	Sybase Equity Investments Corporation	Filipino	217,249,500	17.12%

The Board of Directors generally has the power to vote on behalf of their respective corporations. A proxy is usually designated to cast the vote for the corporation.

2. Security Ownership of Management

Security Ownership of Directors and Management

The following table sets forth security ownership of Megawide’s directors and officers as of May 27, 2013:⁴

⁴ The shares of the Directors and Officers are currently lodged with the PCD Nominee.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

Title of class	Name of beneficial owner	Amount and nature of beneficial owner	Citizenship	Percent of Class
Common	Michael C. Cosiquien Director, Chairman and CEO	1 (Direct)	Filipino	Nil
Common	Edgar B. Saavedra Director, President and COO	1 (Direct)	Filipino	Nil
Common	Yerik C. Cosiquien Director	1 (Direct) 4,757,050 (Indirect)	Filipino	Nil 0.37%
Common	Elizabeth Anne C. Uychaco Director	31,200 (Direct)	Filipino	Nil
Common	Leonilo G. Coronel Independent Director	2 (Direct)	Filipino	Nil
Common	Leonor M. Briones Independent Director	2 (Direct)	Filipino	Nil
Common	Florentino A. Tuason, Jr. Director and Corporate Secretary	130 (Direct)	Filipino	Nil
Common	Carlos Leitao Assistant Vice President for Operation	3,900 (Direct)	French	Nil
Common	Louie Ferrer VP for Marketing and Corporate Information Officer	0	Filipino	Nil

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

Common	Oliver Y. Tan Chief Financial Officer, Chief Investment and Strategy Officer and Corporate Information Officer	13,000 (Direct)	Filipino	Nil
Common	Irving C. Cosiquien Treasurer	0 (Direct) 4,757,050 (Indirect)	Filipino	Nil 0.37%
Common	Masashi Watanabe – Assistant Vice President for Precast	3,900 (Direct)	Japanese	Nil
Common	Grace Q. Bay Assistant Corporate Secretary, Compliance Officer and Corporate Information Officer	8,060 (Direct)	Filipino	Nil
Common	Joyce M. Briones Corporate Information Officer	4,160 (Direct) 900 (Indirect)	Filipino	Nil
AGGREGATE SHAREHOLDINGS OF DIRECTORS AND OFFICERS AS A GROUP		9,579,357		0.75%

No director or key officer of Megawide owns at least 10% of Megawide's issued and outstanding shares of common stock.

3. There are no voting trusts or similar agreements with respect to any portion of the outstanding shares, nor any agreement which may result in a change of control of Megawide.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

4. On July 6, 2012, Michael Cosiquien and his family and Edgar Saavedra and his family – the original shareholders of Megawide, who held a total of 688,500,000 shares or 61.8% of the total issued and outstanding capital stock of Megawide transferred and consolidated their shares in Citicore Holdings Investment, Inc. (CHI). CHI is 99.50% owned by Michael Cosiquien and Edgar Saavedra, together with their families, with 0.50% owned by Oliver Tan. As a result of the transfer of shares, CHI owned and controlled 61.8% of the issued and outstanding capital stock of Megawide.

Item 5. Directors and Executive Officers.

a.

1. Directors and Executive Officers

The following are the incumbent Directors and Officers of the Corporation (brief description of their respective business experience for the past five years included):⁵

Michael C. Cosiquien, 39, Filipino, is the Chairman and Chief Executive Officer of Megawide. He is also a director of Altria East Land Inc. (Altria), MySpace Properties, Inc., CHI, Megapolitan Realty and Development Corporation (Megapolitan) and Megapolitan Marketing Inc. He is a licensed civil engineer, having passed the Government Licensure Board Examination for Civil Engineering in 1995. He graduated at the De La Salle University with a degree in Bachelor of Science major in Civil Engineering in 1995. His professional engineering experience spans fifteen (15) years. He has been a member and Chairman of the Megawide Board since July 28, 2004 and the Chief Executive Officer since July 19, 2010.

Edgar B. Saavedra, 38, Filipino, is the President and Chief Operating Officer of Megawide. He is also a director of Altria, MySpace Properties, Inc. and CHI. He is a licensed engineer, having passed the Government Licensure Board Examination for Civil Engineering in 1996. He obtained his Bachelor of Science degree in Civil Engineering from the De La Salle University in 1996. He attended special studies on foundation works sponsored by Philippine Institute for Civil Engineers. He also obtained training in German formwork system and basic occupational safety and health. Engr. Saavedra specializes in European building technologies and advanced formwork systems. He has

⁵ Directors shall hold office for one (1) year or until their successors are elected and qualified. The first directors are also the incorporators. The annual meeting of the stockholders shall be held every June 30 of each year.

The Board of Directors is responsible for the direction and control of the business affairs and management of Megawide, and the preservation of its assets and properties. No person can be elected as director of Megawide unless he or she is a registered owner of at least one voting share of Megawide.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

been a member and President of the Megawide Board since July 28, 2004 and the Chief Operating Officer since July 19, 2010.

Yerik C. Cosiquien, 34, Filipino, is a director of Megawide. Mr. Cosiquien is also the General Manager of Cosmo Fortune Corporation. He was the Corporate Secretary from July 28, 2004 to May 20, 2011 and Key Accounts Manager of Kraft Food Philippines, Incorporated. He obtained his Bachelor of Science degree in Psychology Economics from the University of British Columbia. He has been a member of the Megawide Board since July 28, 2004.

Leonilo G. Coronel, 66, Filipino, is an independent director of Megawide. He heads the Audit and Compensation Committees of Megawide. He is also the Managing Director of BAP Credit Bureau Inc., director of Software Ventures Int'l., Executive Director of RBB Micro Finance Foundation and independent director of DBP-Aiwa Securities SMBC Phils. Inc. He was a director at the Philippine Dealing System, Philippine Depository & Trust Corporation and Philippine Clearing House Corporation, Trustee/Treasurer and member of the Capital Market Development Council Institute, Project Director of Small & Medium Ent's. Credit Program of the Philippine Business for Social Progress and Consultant of Land Bank of the Philippines. He obtained his Bachelor of Arts degree in Economics from the Ateneo de Manila University. He has been an independent director of Megawide since July 19, 2010.

Leonor M. Briones, 72, Filipino, is an independent director of Megawide. She is the Chairman of the Nomination Committee of Megawide. Mrs. Briones is also the President of Social Watch Philippines, Inc. She was the Treasurer of the Philippines, Vice President for Finance and Administration of the University of the Philippines System and Secretary to the Commission of the Commission on Audit. She obtained her Bachelor in Business Administration, major in Accounting from Siliman University. She obtained a Masters in Public Administration, major in Local Government and Fiscal Administration from the University of the Philippines Diliman, Post Graduate Diploma in Development Administration, major in Public Enterprises and Certificate in Policy for Public Enterprise from the Harvard Institute for International Development, Harvard University, Massachusetts, USA. She has been an independent director of Megawide since July 19, 2010.

Elizabeth Anne C. Uychaco, 57, Filipino, is a director of Megawide. Ms. Uychaco is the Senior Vice President, Corporate Services of SM Investments Corporation and Vice Chairperson of Belle Corporation. She graduated at St. Scholastica's College with a degree in Bachelor of Arts. She obtained a Master's Degree in Business Economics from the University of Asia and Pacific and a Master's Degree in Business Administration from the Ateneo Business School. She has been a member of the Megawide Board since March 16, 2011.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

Florentino A. Tuason, Jr., 63, Filipino, is a director and Corporate Secretary of Megawide. He is a senior partner of the law firm Quasha Ancheta Peña & Nolasco. He is a retired Commissioner in the Commission on Elections, a former Executive Judge in the Regional Trial Court of Makati City and former First Senior Vice President (FSVP) of the Development Bank of the Philippines (DBP). He was a director of DBP Management Corporation, Capitol Development Bank, Telecommunications Industries and Services, Inc. and Phoenix Iron Steel Corporation. He graduated at the University of the Philippines with a degree in Bachelor of Arts major in Political Science. He obtained his Bachelor of Laws from the University of the Philippines. He has been a member of the Megawide Board since April 8, 2011 and the Corporate Secretary since June 3, 2011.

Engr. Carlos Leitao, C.E., 42, French, is the Assistant Vice President for Operation of Megawide. Engr. Leitao undertook key international projects such as the Barwa Financial Project, 11 clustered towers of 47-storeys office and hotel building in Qatar; the MET Project, 3 high-rise condominiums (each at 73-storeys high) in Thailand; the Emporio Place Condominium (3-towers at 48-storey, 35-storey, 17-storey) and the River Condominium (twin towers at 73-storey and 48-storey) both projects are located at Thailand; City Light Condominium, composed of 4-high rise towers each at 43-storey high, the High Park Condominium, consist of 2-high rise towers at 19-storey and 27-storey, and the Sail Marina Condominium, consist of 2-high rise towers at 73-storey and 63-storey high, located at Singapore. Prior to his present position, Engr. Leitao worked with Bouygues Construction, a French construction company listed on Euronext Paris Exchange and is a blue chip in the CAC 40 Stock Market Index from 1988 to 2005. He has been the Vice President for Operation since July 30, 2010.

Louie Ferrer, 37, Filipino, is the VP for Marketing and a Corporate Information Officer of Megawide. Mr. Ferrer served as the Associate Marketing Manager at JCB International Co., Ltd, Country Marketing Manager at TNT Intl, and Accounts Director at Creative Juice Manila. Mr. Ferrer has also been the Managing Director of MagicWorx Licensing Inc. since 2004. He obtained his degree in Industrial Design from the De La Salle University in 1996. He has been the VP for Marketing for Megawide since November 22, 2010 and Corporate Information Officer since February 16, 2011.

Oliver Y. Tan, 35, Filipino, is the Chief Investment and Strategy Officer, Chief Financial Officer and a Corporate Information Officer of Megawide. Mr. Tan worked as financial analyst for Golden Astra Capital Incorporated, a private investment fund located in Makati with portfolios in Equities, Commodities, Options, Currencies and other derivative financial instruments. He co-founded a general construction firm and served as its Vice-Chairman and Chief Financial Officer. He finished his Bachelor of Science in Business Administration in Financial Management at Philippine School of Business Administration (PSBA) after transferring from University of Santo Tomas (UST) where he took up his Bachelor of Science in Electrical Engineering. He

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

has been the Chief Investment and Strategy Officer since November 22, 2010, Corporate Information Officer since February 16, 2011 and Chief Financial Officer of Megawide since May 20, 2011.

Irving C. Cosiquien, 40, Filipino, is the Treasurer of Megawide. He was a director of Megawide from July 28, 2004 to April 8, 2011 and Chief Financial Officer from July 19, 2010 to May 20, 2011. He is also a director of Megapolitan and General Manager of Megapolitan Marketing, Incorporated. He was Operations Manager of Jimmian Hardware. He obtained his Bachelor of Science degree in Industrial Psychology from the De La Salle University. He has been the Treasurer of Megawide since July 19, 2010.

Engr. Masashi Watanabe, C.E., 64, Japanese, Assistant Vice President for Precast of Megawide. His vast knowledge and experience in pre-cast concrete production spans more than three decades. His prior positions include, among others, being a Clerk in the Pre-cast Concrete Production Factory Division of Shimizu Corporation, Ltd. in Japan from 1971 to 1976; Site Clerk for the Mass Housing Production Division in the Shin-Matsudo Sun Light Pastoral Condominium Project from 1976 to 1980; Site Manager for Jakarta Hilton International Hotel and the Barren Gulf of Bank project from 1983 to 1986; Section Chief of Kurosawa Construction; Project Manager for the Taichung City West Treatment Center, Mitsubishi Electronic Taichung Building and Japan Community Society Building in Taiwan; Project Director for the Ajinomoto Kunol Foods Building, Mitsubishi Motors Tsudayama Studio, Yokohama Fureai Hospital, Kobayashi's Transportation Cot. Quake Absorbing Structure Warehouse, Memorial of Yokohama Port Renewal work and Yokohama Stadium Renewal; Section Manager for the Twin Towers Condominium Project in Hiroshima; and Project Section Manager for the Japan Embassy Project in Moscow. Engr. Watanabe is a licensed First Class Construction Management Engineer in Tokyo, Japan. He is also Second Class Architect and is qualified in Weld Engineering, Dangerous Article Handler and a First Class Small Craft. Moreover, Engr. Watanabe finished Special Engineering at Kogakuin University. He is a licensed First Class Construction Management Engineer in Tokyo, Japan. He is also Second Class Architect and is qualified in Weld Engineering, Dangerous Article Handler and a First Class Small Craft. Moreover, He finished Special Engineering at Kogakuin University. He has been the Precast Manager of Megawide since June 30, 2010.

Grace Q. Bay, 43, Filipino, is the Assistant Corporate Secretary, Compliance Officer and a Corporate Information Officer of Megawide. She is a partner of the law firm Quasha Ancheta Peña & Nolasco. She is the Corporate Secretary of various corporations, which include, St. Luke's Medical Center (Global City), Inc., SLMC Bonifacio Global City MAB Corp., Pilipinas Total Gas, Inc., PTGI Laguna Gas, Inc., Colombo Merchants Philippines, Inc., Brillante Realty, Inc. and Chatham House Condominium Corporation. She is the Assistant Corporate Secretary of QBE Insurance (Phils.), Inc. She

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

graduated at the University of the Philippines with a degree in Bachelor of Arts major in Political Science. She obtained her Bachelor of Laws from the University of the Philippines. She has been a Corporate Information Officer of Megawide since February 16, 2011, Assistant Corporate Secretary since June 3, 2011 and Compliance Officer since June 30, 2011.

Joyce M. Briones, 32, Filipino, is a Corporate Information Officer of Megawide. She is the Corporate Secretary of American Association of the Philippines, Inc. and the Assistant Corporate Secretary of St. Luke's College of Medicine William H. Quasha Memorial, Inc. She graduated at the University of the Philippines with a degree in Bachelor of Arts major in Political Science. She obtained her law degree from the Ateneo de Manila University. She has been a Corporate Information Officer of Megawide since February 16, 2011.

The Securities Regulation Code (SRC) and the Revised Code on Corporate Governance require any corporation with a class of equity shares listed for trading in an Exchange to have at least two (2) independent directors. Presently, Megawide's incumbent independent directors are Leonor M. Briones and Leonilo G. Coronel.

The Nomination Committee⁶ created by the Board under its Manual on Corporate Governance nominated the following for re-election to the Board of Directors at the Annual Stockholders' Meeting on June 26, 2013:

Michael C. Cosiquien
Edgar B. Saavedra
Yerik C. Cosiquien
Leonor M. Briones (Independent Director)⁷
Leonilo G. Coronel (Independent Director)⁸
Elizabeth Anne C. Uychaco
Florentino A. Tuason, Jr.

2. All employees are expected to make reasonable contribution to the success of the business of Megawide. There is no "significant employee" as defined in Part IV (A) (2) of SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

⁶ The Nomination Committee is composed of Leonor Briones, chairman; Yerik Cosiquien and Louie Ferrer, members. In approving the nominations for Independent Directors, the Nomination Committee took into consideration the guidelines of Independent Directors prescribed in SRC Rule 38, as amended, Section 2, Article III of Megawide's By-Laws and Megawide's Manual on Corporate Governance.

⁷ Stockholder Suyen Corporation nominated Leonor M. Briones and Leonilo G. Coronel as independent directors. Professor Briones and Mr. Coronel are not related to the stockholder that recommended them.

⁸ Ibid.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

3. Family Relationships

Directors Michael Cosiquien, Yerik Cosiquien and Treasurer Irving Cosiquien are siblings.

4. Involvement in Certain Legal Proceedings

Megawide has no knowledge that the current members of the Board of Directors or its executive officers have been involved during the last five years up to the present in any legal case affecting/involving themselves and/or their properties before any court of law or administrative body in the Philippines or elsewhere, which are material to an evaluation of the ability or integrity of any of the said directors or executive officers. Also, the said persons have not been convicted by final judgment during the last five years up to the present of any offense punishable by the laws of the Philippines or of the laws of any other country.

5. Certain Relationship and Related Transactions

Advances to office and employees

Advances to officers and employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are liquidated 60 days from the date the cash advances were received. Advances are only given to few and selected employees that are highly reliable and do not have negative record in the Human Resources Department.

Rendering of service

Megawide provides construction services to SM Development Corporation (SMDC) and Ground 18 Realty Corporation of the Bench Group, who are both stockholders of Megawide. Megawide also contracts a casino owned by Belle Casino who is partially owned by SMDC. Contracts with these companies are based on an arms-length transaction and prevailing market price in construction industry. There is no ongoing contractual arrangement between parties as result of the relationship between owners.

Rental of land and building

The lot where Megawide's corporate office was constructed is leased from Megapolitan for a monthly rental of P100,000 with a term of five (5) years, or until January 31, 2016, and renewable for another five (5) years upon mutual agreement.

In addition to the foregoing office spaces, Megawide also leases properties needed for its operations such as the lease agreement with:

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

1. SMDC for the lease of a 16,614 sqm. parcel of land located at the Mall of Asia Complex to be used as the staging area for the construction of the Sea Residences. The lease is for one (1) year, which will expire on April 25, 2011, with a monthly rental of P581,490.00. The lease was renewed for another twelve (12) months commencing on April 26, 2011 and ending on January 25, 2013. The renewal included, among others the increase in the area of leased premises from 15,614sqm to 33,333 sqm and monthly rental from P581,490.00 to P1,329,120.00.
2. Megapolitan on January 1, 2010 for the lease of a 1,225.61 square feet lot at Edison corner Dian Streets, Makati City for its motor pool for a term of two (2) years, or until December 31, 2012. Megawide pays a monthly rental of P28,622.50; and
3. Megapolitan on January 1, 2010 for the lease of a warehouse located at Brgy. Tagpos, Binangonan, Rizal for a term of two (2) years, or until December 31, 2012. Megawide pays a monthly rental of P28,622. Megawide will extend both rentals for another two (2) years.

At no cost, Megawide also leases the land where its precast manufacturing plant is built from Altria. It also leased an office space from Philwide Construction and Development Corporation (Philwide) for a term until December 31, 2012.

Both Megapolitan and Philwide are owned by the family of Michael Cosiquien. Rental rates are based on the current rates used by lessors depending on the location of property being rented.

Key Management Personnel Compensation

Compensation of key management personnel includes salary and post-employment benefit of Michael Cosiquien and Edgar Saavedra. Their salary is at arm's length and have terms equivalent to the transactions entered into with third parties.

Short-term placement

Megawide has placed its excess cash in a short-term investment with BDO Private Bank, Inc., is a related party of SMDC. Rates on these investments are based on prevailing rate in the market. Short-term investment with related parties amounted to P2 billion as of December 31, 2012.

Bank loans and finance lease

Megawide availed of loans from BDO Unibank Inc. and entered into leaseback agreement with BDO Leasing & Finance Corporation. Interest rate provided by BDO Unibank, Inc. and BDO Leasing & Finance Corporation is

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

4% and 7% per annum, respectively. Interest rates are based on prevailing rate in the market. Outstanding bank loan with BDO Unibank, Inc. is P812 million and outstanding lease liability with BDO Leasing & Finance Corporation is P414 million as of December 31, 2012.

Transactions with Stockholders

In July 2012, the incorporators of Megawide collectively holding a total of 688,500,000 shares or 61.8% of the total issued and outstanding capital stock of Megawide transferred their shares to CHI. By virtue of the transfer, CHI legally owns and controls 61.8% of the issued and outstanding capital stock of Megawide.

In October 2012, Megawide entered into joint venture with CHI and formed Citicore-Megawide Consortium, Inc. (CMCI). The ownership is 10% for Megawide and 90% for CHI. The first project booked by CMCI was the Department of Education's PPP for school buildings. In 2012, the Department of Education awarded to CMCI the school buildings in Regions 3 and 4. CMCI commissioned Megawide to construct all the school buildings in both regions.

In December 2012, Megawide acquired 100% of the issued and outstanding shares of Altria, the owner of the property in Taytay, Rizal where the Precast Plant of Megawide is located.

b. There is no director who has declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of disagreement with Megawide on matters relating to operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

All Officers and Directors as a Group

1. The aggregate annual compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to Megawide's CEO and four (4) most highly compensated executive officers as a group are as follows:

SUMMARY COMPENSATION TABLE
Annual Compensation
(In ₱ millions)

Name and Position	Fiscal Year	Annual Salary	Bonus
Michael C.			

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

Cosiquien Chairman and CEO Edgar B. Saavedra President and COO Oliver Y. Tan CFO Ronald Paulo VP-Operations Masashi Watanabe Assistant Vice President for Precast			
(projected)	2013	P 50.0	P 12.0
	2012	P 50.0	P 12.0
	2011	P 48.0	P 12.0
Aggregate compensation paid to all other officers and directors as a group unnamed			
	2013	P19.21	P 2.0
	2012	P 20.0	P 2.0
	2011	P 19.5	P 2.0

2. The directors do not receive compensation for services provided as a director other than reasonable per diems for attendance at meetings of the Board or any of its committees and monthly allowance in the form of reimburseable expenses. Regular directors receive P20,000.00 per diem every Board meeting.

3. There are no bonus, profit sharing stock options warrants, rights of other compensation plans or arrangements with directors or officers that will result from their resignation, retirement, termination of employment or change in the control of Megawide.

The duties and responsibilities of the elected corporate officers are specified in Megawide's By-laws and Manual on Corporate Governance.

4. There are no outstanding warrants or options held by Megawide's CEO, executive officers and directors.

Item 7. Independent Public Accountants.

The accounting firm of Punongbayan & Araullo served as Megawide's external auditor for the last fiscal year. The handling partner of Punongbayan & Araullo is Ms. Mailene S. Sigue-Bisnar. There was no change in or

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

disagreement with the external auditor on accounting and financial disclosures.

Megawide's Manual on Corporate Governance and SRC Rule 68 provide that Megawide's external auditor shall either be rotated or the handling partner changed every five (5) years or earlier. Punongbayan & Araullo has served as Megawide's external auditor since 2009, with Ms. Mailene S. Sigue-Bisnar as handling partner.

In accordance with Megawide's Manual on Corporate Governance, the Audit Committee recommends the appointment of the external auditors. The Audit Committee is composed of Leonilo Coronel, chairman, Michael Cosiquien and Lizanne Uychaco.

The approval of the appointment of Punongbayan & Araullo as external auditors for the current year will be one of the matters to be undertaken during the annual meeting.

Punongbayan & Araullo representatives will be present during the stockholders' meeting and will have an opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

To be discussed and voted in the annual stockholders' meeting on June 26, 2013 is the declaration of stock dividends. On April 8, 2013, the Board of Directors approved the declaration of stock dividends equivalent to 30% of the total issued and outstanding shares of stock with a par value of Php1.00 each to be taken from the unrestricted retained earnings of Megawide as of December 31, 2012.

The following are the rights relating to the common shares of Megawide:

1. Voting Rights

Megawide has only one class of shares: common shares. All the common shares have full voting and dividend rights. The rights of Megawide's stockholders include the right to receive notice of stockholders' meetings, the right of inspection of Megawide's corporate books and other stockholders' rights contained in the Corporation Code of the Philippines.

2. Fundamental Matters Requiring Stockholder Approval

MEGAWIDE CONSTRUCTION CORPORATION

Securities and Exchange Commission Form 20-IS

The Corporation Code considers certain matters as significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. These acts, which require Board approval and the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of Megawide in a meeting duly called for the purpose (except for the amendment of By-Laws and approval of management contracts in general, which require approval of shareholders representing a majority of Megawide's outstanding capital stock), include:

- a) Amendment of the Articles;
- b) Extension or shortening of corporate term;
- c) An increase or decrease of capital stock and incurring, creating or increasing bonded indebtedness;
- d) Delegation to the Board the power to amend or repeal or to adopt new By-Laws;
- e) Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of Megawide's assets;
- f) Merger or consolidation of Megawide with another corporation or corporations;
- g) Investment of corporate funds in any other corporation or for a purpose other than the primary purpose for which Megawide was organized;
- h) Dissolution;
- i) Declaration or issuance of stock dividends;
- j) Ratifying a contract between Megawide and a Director or officer where the vote of such Director or officer was necessary for approval;
- k) Entering into a management contract where: (a) a majority of Directors of the managing corporation constitutes the majority of the board of the managed company; or (b) stockholders of both the managing and managed corporations represent the same interest and own or control more than one third of the outstanding capital stock entitled to vote;
- l) Removal of Directors;
- m) Ratification of an act of disloyalty by a Director; and
- n) Ratification of contracts with corporations in which a Director is also a member of the board, where the interest of the Directors is substantial in one corporation and nominal in the other.

3. Pre-emptive Rights

The Corporation Code confers pre-emptive rights on shareholders of a Philippine corporation entitling such shareholders to subscribe for all issues or other dispositions of equity related securities by the corporation in proportion to their respective shareholdings, regardless of whether the equity related securities proposed to be issued or otherwise disposed of are identical to the shares held. A Philippine corporation may provide for the denial of these preemptive rights in its article of incorporation. Megawide's Amended Articles of Incorporation have denied preemptive rights on all classes of shares it

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

issued and therefore further issues of shares (including treasury shares) can be made without offering such shares on a pre-emptive basis to the existing shareholders.

4. Derivative Suits

Philippine law recognizes the right of a shareholder to institute, under certain circumstances, proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights, as for example, where the directors themselves are the malefactors.

5. Appraisal Rights

The Corporation Code grants a shareholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- a) An amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his 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) The sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
- c) The investment of corporate funds in another corporation or business or for any purpose other than the primary purpose for which the corporation was organized; and
- d) A merger or consolidation.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default, is determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. In the event of a dispute, the SEC will resolve any question relating to a dissenting shareholder's entitlement to exercise the appraisal rights. The dissenting shareholder will be paid if the corporate action in question is implemented and the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

6. Dividends

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed earnings of the corporation which has not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends. A corporation may pay dividends in cash, by the distribution of property, or by the issuance of shares.

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

Board approval suffices for the approval of payment of cash and property dividends. Stock dividends may be paid and distributed only upon the approval of the shareholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting called for that purpose.

The Corporation Code generally requires a corporation with surplus profits in excess of 100% of its paid-in capital to declare and distribute such surplus to its shareholders in the form of dividends. Notwithstanding this general rule, a Philippine corporation may retain all or any portion of such surplus when: (i) justified by definite expansion plans approved by its Board of Directors; (ii) the required consent of any financing institution or creditor for the declaration of dividends pursuant to a loan agreement which prohibits such declaration without said creditor's consent has not yet been secured; or (iii) it can be clearly shown that such retention is necessary under special circumstances.

7. Disclosure Requirements / Right of Inspection

Philippine stock corporations are required to file an annual general information sheet which sets forth data on their management and capital structure and copies of their annual financial statements with the SEC. Corporations must also submit their annual financial statements to the BIR. Corporations whose shares are listed on the PSE are also required to file current, quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to require copies of the most recent financial statements of the corporation, which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain. The Board is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year.

There are no existing provisions in the Amended Articles of Incorporation or the Amended By-Laws of Megawide which will delay, defer or in any manner prevent a change in control of Megawide. However, because Megawide owns land, Philippine laws limit foreign shareholdings in Megawide to maximum of 40% of its issued and outstanding capital stock. Any transfer of Megawide's shares by Filipinos to non-Filipinos will be subject to the limitation that any such transfers will not cause foreign shareholdings in Megawide to exceed 40% of Megawide's issued and outstanding capital stock. In the event that foreign ownership of Megawide's issued and outstanding capital stock will exceed 40%, Megawide has the right to reject a transfer request to persons other than Philippine Nationals.

To maintain its Philippine Contractors Accreditation Board (PCAB) license, Megawide, pursuant to the Implementing Rules and Regulations of P.D. No. 1746, must maintain its Filipino shareholding at least 60% of the issued and outstanding capital stock. However, should Megawide decide to engage in the

MEGAWIDE CONSTRUCTION CORPORATION
Securities and Exchange Commission Form 20-IS

construction of government projects, foreign equity should be limited to 25% in accordance with Executive Order No. 858 promulgating the Eighth Regular Foreign Investment Negative List, which enumerates the investment areas and activities, and their foreign-ownership restrictions, open to foreign investors.

Item 11. Financial and Other Information

Megawide's consolidated financial statements are incorporated herein by reference as Exhibit "1."

For the Management's Discussion and Analysis and Changes in and Disagreements with Accountants on Accounting and Financial Disclosure, please refer to the Management's Report attached to this Information Statement.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The approval of the minutes of the annual stockholders' meeting held on June 26, 2012 will be taken up during the meeting.

The matters taken up during the annual stockholders' meeting on June 26, 2012 were as follows:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting on June 30, 2011
4. Chairman's Address
5. President's Report
6. Election of Directors
7. Approval of the Audited Financial Statements for the Year Ended December 31, 2011
8. Appointment of External Auditor
9. Other Matters
10. Adjournment.

Item 19. Voting Procedures

- a. The vote required for approval or election

The vote required for the election of directors and all questions (except in cases otherwise provided by the Corporation) is the vote of at least a majority of the outstanding capital stock.⁹

⁹ Sections 24 and 48 of the Corporation Code.

b. The method by which votes will be counted

Article II, Section 7 of the By-laws provides that at all meetings of stockholders, a stockholder may vote in person or by proxy. Section 24 of the Corporation Code of the Philippines provides that in stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election.

Each stockholder shall have one (1) vote for each share of stock entitled to vote and recorded in his name in the books of Megawide.

Punongbayan & Araullo will assist in the counting of votes.

PART III

SIGNATURE PAGE

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 Makati City on May 31, 2013.


FLORENTINO A. TUASON, JR.
Corporate Secretary

**MANAGEMENT'S REPORT
(UNDER RULE 20.4, AMENDED IRR OF THE SRC)**

Management's Discussion and Analysis

Years ended December 31, 2012 and December 31, 2011

Results of Operations

Revenues and Cost of Construction

Megawide recorded a gross revenue of P8.20 billion in 2012. There is an increase of 6% compared to revenues booked for the same period in 2011 amounting to P7.74 billion. The increase in contract revenues and its corresponding costs is mainly due to the following new projects: Studio City and Studio Zen of Filinvest Land, Inc., Jazz Phase 2 of SMDC, BPO Buildings of Cyberzone Properties Inc. and Department of Education School Buildings. Total revenue generated from these projects amounted to P2.50 billion at the end of 2012. Operating efficiency improved significantly in 2012 due to better control on construction expenses. As a result, net income increased to P1 billion from P750 million it earned during the same period in 2011.

Financial Condition

As of the end of 2012, total assets stood at P12 billion, 45% higher than P8.28 billion as of the end of 2011 due to the following:

Current assets grew by 32% due to:

- Increase in short-term investments by 158% because Megawide invested its cash in short-term money market products that significantly contributed to the decrease in cash and cash equivalents.
- Increase in trade and other receivables by 41% or P994 million because of the increase in accounts receivables by P1 billion.
- Cost in excess of billing also increased by P613 million because of unbilled cost not yet billed as of December 31, 2012 for some projects.
- Other current assets increased by 58% due to increase in advances to suppliers by P318 million in 2012. Advance payments represent downpayment to supplier and subcontractors. Input VAT increased by P94 million due to voluminous purchases of construction materials (local and imported) in 2012.

Non-current assets grew by 80% due to:

- Increase in property and equipment 73% or P1.59 billion as a result of the additions of newly acquired precast plant and machineries and

construction equipment to support the existing and new projects of Megawide.

- Other non-current assets increased by 66% or P60 million due deferred input tax on purchases of capital asset.
- Megawide formed CMCI with its parent company CHI and contributed P145 million which is equivalent to 10% ownership of the joint venture. The investment represents that total investment in subsidiary and associate.

Total liabilities registered an increase of 66% or P2.89 billion due to the following:

- Increase in interest-bearing loans by 96% or as a result of additional short-term bank loans for working capital use.
- Increase in accounts payable by P421 million which is correlated to the increase on purchases of construction materials and services in 2012.
- Increase in retention payable by P337 million also caused the increase in payables.
- Increase in billing in excess of cost by 22% or P229 million due to higher billings than actual work done for some projects.
- Advances from customers decreased by 14% or P111 million due to recoupment of advances in each billing made to customers.

Material Changes in Megawide's Audited Income Statement for the year ended December 31, 2012 compared to the Audited Income Statement for the year ended December 31, 2011 (increase/decrease of 5% or more)

	<u>2012</u>	<u>2011</u>	Movement	%
CONTRACT REVENUES	P 8,204,809,853	P 7,742,125,100	P 462,684,753	6%
CONTRACT COSTS	6,811,343,528	6,642,020,589	169,322,939	3%
GROSS PROFIT	1,393,466,325	1,100,104,511	293,361,814	27%
OTHER OPERATING EXPENSES	279,640,802	263,801,228	15,839,574	6%
OPERATING PROFIT	1,113,825,523	836,303,283	277,522,240	33%
OTHER INCOME (CHARGES)				
Finance costs	(232,225,858)	(72,601,499)	(159,624,359)	220%
Finance income	236,833,914	110,557,930	126,275,984	114%
Others - net	37,977,894	19,281,029	18,696,865	97%
	42,585,950	57,237,460	(14,651,510)	-26%
PROFIT BEFORE TAX	1,156,411,473	893,540,743	262,870,730	29%
TAX EXPENSE	144,283,131	143,418,102	865,029	1%
NET PROFIT	1,012,128,342	750,122,641	262,005,701	

- **Revenue increased by 6% or P462 Million**
 - Increase in construction revenue is due to the projects that started in 2012 namely; Ihub 9 & 10, FCC Cebu, Studio City, Studio Zen, One World, Jazz Phase 2, My Place 2, and Department of Education schools. Total revenue generated from these projects amounted to P2.50 billion in 2012.
- **Cost of construction increased by 3% or P169 Million**
 - Increase of cost of construction is directly caused by increase in revenue. Cost of construction ratio is 83% and 86% in 2012 and 2011, respectively. There is an operation improvement that caused a 3% savings in cost of construction or P 169 million.
- **Other operating expenses increased by 6% or P15 Million**
 - Salaries and Wages posted an increase of P22 million due to increase in number of employees from 1,196 to 1,844 from December 31, 2011 to December 31, 2012, or an increase by 648 employees including supervisory and managerial level.
 - Depreciation expense increased by P19.7 million due to a full year depreciation of Megawide's buildings, furniture, fixtures and office equipment. There is also an increase in depreciation of transportation equipment due to new acquisition of company cars.

- Utilities increased by P5.80 million due to increase in number of employees in the head office.
- Insurance expense increased by P2 million because of bonds purchased for project biddings, insurance of service vehicles and insurance of office building.
- Rental expense increased by P1 million because of rental of additional office equipment and staff house.
- However, the total increase of the abovementioned accounts was negated by the decline in Taxes and licenses of P18 million and P19 million for repairs and maintenance.

- **Finance Costs increased by 220% or P159 million**
 - Increase in bank borrowings by P1.60 billion caused the increase in finance cost

- **Finance Income increased by 114% or P126 million**
 - Increase in short-term placements by P1.20 billion caused the increase in finance income

- **Other Income increased by 97% or P18 million**
 - Due to increase in scrap sales and amortization of deferred income in sale and leaseback transaction.

Material Changes in Megawide's Audited Balance Sheet as of December 31, 2012 compared to the Audited Balance Sheet as of December 31, 2011 (increase/decrease of 5% or more)

	2012	2011	Movement	%
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	P 209,299,011	P 1,440,677,903	(P 1,231,378,892)	-85%
Short-term investments	2,004,222,518	777,938,096	1,226,284,422	158%
Trade and other receivables - net	3,433,591,679	2,439,037,760	994,553,919	41%
Construction materials	67,722,317	171,171,138	(103,448,821)	-60%
Cost in excess of billings on uncompleted contracts	1,060,186,176	446,226,214	613,959,962	138%
Other current assets	1,125,527,903	710,251,242	415,276,661	58%
Total Current Assets	7,900,549,604	5,985,302,353	1,915,247,251	32%
NON-CURRENT ASSETS				
Investments in subsidiary and associate	145,495,124	-	145,495,124	100%
Property, plant and equipment - net	3,775,259,228	2,183,564,852	1,591,694,376	73%
Deferred tax assets	60,134,985	20,296,912	39,838,073	196%
Other non-current assets	151,050,092	90,931,235	60,118,857	66%
Total Non-current Assets	4,131,939,429	2,294,792,999	1,837,146,430	80%
TOTAL ASSETS	P 12,032,489,033	P 8,280,095,352	P 3,752,393,681	45%
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	P 2,075,625,432	P 493,841,994	1,581,783,438	320%
Trade and other payables	1,947,557,599	846,088,631	1,101,468,968	130%
Income tax payable	3,701,228	-	3,701,228	100%
Advances from customers	693,478,144	805,158,499	(111,680,355)	-14%
Billings in excess of costs on uncompleted contracts	1,223,314,186	993,356,568	229,957,618	23%
Other liabilities	51,437,639	20,397,608	31,040,031	152%
Total Current Liabilities	5,995,114,228	3,158,843,300	2,836,270,928	90%
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	1,194,444,128	1,168,965,421	25,478,707	2%
Retirement benefit obligation	37,563,567	24,488,775	13,074,792	53%
Other non-current liability	24,682,842	9,217,402		
Total Non-current Liabilities	1,256,690,537	1,202,671,598	54,018,939	4%
Total Liabilities	7,251,804,765	4,361,514,898	2,890,289,867	66%
EQUITY				
Capital stock	1,114,100,003	1,114,100,003	-	
Additional paid-in capital	1,961,729,696	1,961,729,696	-	
Retained earnings	1,704,854,569	842,750,755	862,103,814	102%
Total Equity	4,780,684,268	3,918,580,454	862,103,814	22%
TOTAL LIABILITIES AND EQUITY	P 12,032,489,033	P 8,280,095,352	3,752,393,681	45%

- **Cash and Cash Equivalents decreased by 85% or P1.23 billion**
 - In 2011, cash & cash equivalents amounted to P1.40 billion mainly due to the unused proceeds received from IPO listing of Megawide in February 2011. As of the year-end quarter of 2012, cash & cash equivalents amounted to only P.21 billion. There is a 86% or P1.23 billion decreased compared with that of 2011. The decreased is due to investment of cash in retail treasury bills or RTB which is earning a 6.25% interest per annum and short-term placements with a local bank earning 4.10% to 4.20% per annum.

- **Short-term Investments increased by 158% or P1.23 billion**
 - Investments in RTB and short-term placement caused the short-term investments to pile up to P2 billion as of year-end of 2012. Total interest income on these investments amounted to P237 million as year-end. Interest rate of RTB is 6.25% per annum and 4.10% to 4.20% for short-term placements

- **Trade and Other Receivables increased by 41% or P994 million**
 - Increase in this account is due to the increase in construction receivable by 42% or P994 million. Increase in revenue caused the increase in construction receivable. This increase in receivable represents the billing of Megawide to CMCI for its Department of Education project that started only in the 4th quarter of 2012.

- **Construction Materials decreased by 60% or P103 million**
 - Increase is due to higher consumption of construction materials in 2012 compared to prior year. Inventories as of year-end are those still in the premise of the warehouse. Inventories already delivered in the projects are considered consumed.

- **Cost in Excess of Billing increased by 138% or P613 million**
 - Increase is due to unbilled project cost for some projects as of December 31, 2012.

- **Other Current Asset increased by 58% or P415 million**
 - Advances to Suppliers increased by P318 million in 2012. Advance payments represent downpayment to supplier and subcontractors. In 2012, Megawide paid P116 million as downpayment for its rebar supply, P15 million was paid to the Bureau of Customs for advance duties and the rest to suppliers and subcontractors.
 - Input VAT increased by P94 million due to voluminous purchases of construction materials (local and imported) in 2012. This is correlated also with the increase in payable as of year-end. Prepaid insurance increased by P14 million because of the procurement of insurances for new projects.

- Security deposit increased by P11 million because of the warehouses, staging areas for new projects rented by Megawide for its operation.
- **Investment in Subsidiary increased by 100% or P145 million**
 - Megawide formed CMCI with its parent company CHI and contributed P145 million which is equivalent to 10% ownership of the joint venture.
- **Property, Plant & Equipment increased by 73% or P1.59 billion**
 - The increase in property and equipment is due to additions of construction equipment, precast plant, precast and batching machineries in 2012. Total cost of precast plant is P387 million and P592 million for precast and batching machineries.
 - The Company also purchased the shares of Altria for P305 million but accounted the purchase as purchase of asset only. Altria has a land on its book valued at P303 million. This land too was recognized in the books of Megawide.
- **Deferred Tax Asset increased by 196% or P39 million**
 - Increase is due to set-up of deferred asset for allowance of doubtful account in 2012 amounting to P88 million.
- **Interest-Bearing Loans and Borrowings increased by 97% or P1.60 billion**
 - Increase in borrowings is caused by availments of loans for working capital requirements. Megawide opted to invest its cash and avail loans to support its operation because Megawide's investments yield higher return compared with interest cost of borrowed capital. The latest short-term loan interest rate provide to Megawide is ranging from 3.70% to 3.80%.
- **Trade and Other Payables increased by 130% or P1.10 billion**
 - Accounts Payable increased by P421 million which is correlated to the increase on purchases of construction materials and services in 2012.
 - Increase in retention payable by P337 million also caused the increase in accounts payable.
 - Other Payables increased by P302 million because of the purchase of shares of Altria.
- **Advances from customers decreased by 14% or P111 million**
 - Decrease in this account is due to recoupment of downpayment in 2012. Every progress billing, percentage of the downpayment is deducted from the total billing.
- **Billing in Excess of Cost increased by 23% or P229 million**

- Increase is due to higher billing than the actual work done for some projects as of December 31, 2012.
- **Other Liabilities and Other Non-Current Liabilities increased by 157% or P46 million**
 - Other liabilities include unearned income from sale and leaseback and government payables such as withholding taxes and mandatory contributions.
 - Unearned income from sale and leaseback arises when Megawide sells its depreciated equipment and leases it back. The difference between the book value of the asset and selling price shall be recognized as unearned income and shall be amortized based on the lease term. There is of P30 million increase of unearned interest income in 2012 because of the leaseback transaction entered into by Megawide with BDO Leasing.
- **Retirement Benefit Obligation increased 53% or P13 million**
 - The increase in obligation is due to accrual of retirement benefits in 2012.
- **Retained Earnings increased by 102% or P1.70 billion**
 - Increase is due to net income in 2012

There are no other material changes in Megawide's financial position (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing Megawide's liquidity in any material way. Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

As stated in page 30 of its Prospectus, Megawide has a material commitment for capital expenditures consisting of the following:

Use of Proceeds	Estimated amount (in P)	Schedule of Disbursement
Construction and development of a pre-cast concrete		2011 to 2013

manufacturing plant:		
Site development and building structure	Up to 97,500,000	
Heavy (logistics) equipment	Up to 124,000,000	
Pre-cast machineries	Up to 700,000,000	
Support facilities	Up to 31,000,000	
Training and development	Up to 15,500,000	
Warehousing and yard	Up to 77,500,000	
<i>Subtotal</i>	<i>Up to 1,045,500,000</i>	
Acquisition of new tower cranes and other earthmoving equipment	Up to 506,400,000	2011 to 2014
Acquisition of new formworks	Up to 465,000,000	2011 to 2014
Working capital	Up to 163,100,000	2011
Total	Up to 2,180,000,000	

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

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth information from Megawide's pro forma statements of cash flows for the period indicated:

(Amounts in P millions)	For the years ended December 31	
	2012	2011
Cash Flow		
Net cash provided by (used in) operating activities	339	(445)
Net cash provided by (used in) investing activities	(2,504)	(1,446)

Net cash provided by (used In) financing activities	933	3,146
---	-----	-------

Key Performance Indicators

Megawide's key performance indicators (KPIs) are listed below:

Amounts in billion P, except ratios and Earnings per Share	2012	2011	2010
Construction Order Backlog		12.93	15.41
Current Ratio ¹	1.32	1.89	1.04
Debt to Equity Ratio ²	1.52	0.42	0.36
Book Value Per Share ³	4.29	3.53	1.84
Earnings per Share ⁴	0.91	0.68	0.63
Return on Assets	9.97%	9.05%	10.52%
Return on Equity	21%	19.14%	34.33%
Gross Profit Margin	17%	14.21%	14.58%

Notes:

- (1) Current Assets / Current Liabilities
- (2) Interest bearing loans and borrowings / Stockholder's Equity
- (3) Total Equity / Issued and Outstanding Shares
- (4) Net Income / Issued and Outstanding Shares

The KPIs were chosen to provide management with a measure of Megawide's sustainability on revenue growth (Construction Orders Backlog) financial strength (Current Ratio and Debt to Equity Ratio), and profitability (Earnings per Share, Return on Assets, Return on Equity, Gross Profit Margin).

Construction Orders Backlog corresponds to the value of any unfinished project phases. This provides a basis for near-term future source of production and revenues of Megawide. Construction Order Backlog tends to increase when booked construction contracts or orders increase. A larger Construction Order Backlog is indicative of higher profit in the future.

Years ended December 31, 2011 and December 31, 2010

Results of Operations

Revenues

Megawide recorded a gross revenue of P7.74 billion for the year ended December 31, 2011 which was 71% (P3.227 Billion) higher than the P4.515 Billion revenue generated in 2010. The significant increase in revenue is accounted for as follows:

	<u>2011</u>	<u>2010</u>
Revenue from:		
Contracts in progress	P7,049,122,370	P 4,239,503,404
Completed Contracts	693,002,730	275,566,429
	-----	-----
	P7,742,125,100	P 4,515,069,833

Revenues from contracts in progress increased by 66% (P2.809 billion) from P4.239 billion revenues posted in 2010 to P7.049 billion in 2011. The increase was primarily due to:

- 1) Structural works accomplished on projects such as Jazz Residences, Casino Phase 1, 2, 3, 4, and 5, Grass Residences Towers 2 and 3, My Place, and Blue Residences.
- 2) Tail-end works from Berkeley Residences, Sea Residences Phase 1 and 2, Malate Bayview and University Tower 2 and 3.

Expenses

Contract costs, comprised mostly of materials, outside services, and labor, amounted to P6.642 billion in 2011 up 72% (P2.785 billion) from 2010's P3.856 billion. The increase was a result of additional construction activities in 2011. Operating expenses in 2011 amounted to P263.801 million, a 42% (P78.074 million) increase from 2010's P185.727 million.

Interest income increased by 549% (P93.515 million) from P17.042 million in 2010 to P110.557 million in 2011, as proceeds from the IPO and 5-year fixed rate Corporate Notes were temporarily placed in short-term money market products which earned interests.

Finance costs for the year 2011 amounted to P72.601 million, a 374% (P87.907 million) increase from 2010's P15.305 million. This was mainly due to higher interest expense as the Company incurred additional working capital loan and finance lease obligations.

Net Income

Megawide continued to perform well as its net income jumped by 124% (P415.476 million) from P334.646 million in 2010 to P750.122 million. This was mainly due to the additional project accomplishments for the year, as well as continued cost-efficient practices brought about by Megawide's modern technology. Megawide's earnings per share for 2011 was at P0.68 per share, while P0.63 for 2010.

Financial Condition

Megawide's total assets stood at P8.280 billion as of December 31, 2011, a 160% (P5.097 billion) increase from P3.182 Billion in 2010. The increase is due to the following:

Current assets grew by 163% (P3.711 billion) to P5.985 billion in 2011 from P2.273 billion in 2010 due to the effects of the following:

- Increase in receivables by 113% (P1.621 billion) as a result of the increase in the number of projects and bigger project accomplishments for the year.
- Increase in cash and cash equivalents by 677% (P1.255 billion) to P1.44 billion as a result of additional cash from new contracts and proceeds from its fund-raising activities in 2011.
- Increase in costs in excess of billings on uncompleted contracts by 263% (P323.286 million) due mainly to cost incurrence of major ongoing and newly awarded projects.
- Increase in short-term investments by 61% (P294.301 million) due to additional cash invested in short-term money market products.
- Increase in construction materials inventory by 561% (P145.262 million) due to the increase in project requirements for construction-related materials.

Non-current assets grew by 152% (P1.38 billion) from P908.707 million in 2010 to P2.294 billion in 2011 due mainly to the increase in property and equipment by 150% (P1.31 billion). This was a result of the purchase of new construction equipment, precast machineries and transportation equipment to support the existing and new projects of Megawide.

Total liabilities also increased by 97% (P2.153 billion) from P2.207 billion in 2010 to P4.361 billion in 2011.

Current liabilities increased by 50% (P1.06 Billion) to P3.168 billion from P2.105 billion in 2010 due to the following:

- Increase in billings in excess of uncompleted contracts by 47% (P543.763 million) as a result of advances from recently started projects.
- Increase in trade payables by 51% (P294.321 million) as a result of additional accrued expenses and retention payables to subcontractors due to the growth in the Company's operations and acquisition of new projects.
- Increase in current portion of interest-bearing loans by 93% (P238.022 million) as a result of additional bank loans and finance lease for construction equipment.

Non-current liabilities also increased by 1068% (P1.091 billion) from P102.159 million in 2010 to P1.193 billion in 2011 due to the P1.0 billion corporate notes private placements and additional finance lease obligations for construction equipment.

Total equity in 2011 amounted to P3.918 Billion, a 302% (P2.943 Billion) increase from P974.728 Million in 2010, as a result of both the IPO and stock dividend declaration. Retained earnings increased to P842.75 Million from P349.728 Million in 2010.

Material Changes in Megawide's Audited Income Statement for the year ended December 31, 2011 compared to the Audited Income Statement for the year ended December 31, 2010 (increase/decrease of 5% or more)

Material Changes in Megawide's Audited Income Statement for the year ended December 31, 2011 compared to the Audited Income Statement for the year ended December 31, 2010 are as follows:

- 71% increase in Contract Revenues
 - Increase in Contracts in Progress Revenues arising from structural works of Jazz Residences in Bel-Air Makati, Casino Phase 1, 2, 3, 4, and 5, Grass Residences Towers 2 and 3, My Place, and Blue Residences.
- 72% increase in Contract Costs
 - Increase in costs incurred from additional project accomplishments directly related to the increase in contract revenue.
- 42% increase in Operating Expenses
 - Increase arising from the growth in the Company's operation.
- 548% increase in Finance Income
 - Additional cash proceeds from IPO, corporate notes and bank loans, placed in shortterm money market products.
- 374% increase in Finance Costs
 - Higher interest expense incurred as Megawide incurred additional loans via a P1.0 Billion notes facility agreement with a local bank, and availment of credit lines with banks.
- 124% increase in Net Income
 - Increase in contract revenues and operating efficiency.

Material Changes in Megawide's Audited Balance Sheet as of December 31, 2011 compared to the Audited Balance Sheet as of December 31, 2010 (increase/decrease of 5% or more)

Material Changes in Megawide's Audited Balance Sheet as of December 31, 2011 compared to the Audited Balance Sheet as of December 31, 2010 are as follows:

- 677% increase in Cash and Cash Equivalents
- 61% increase in Short-term Investments
 - Cash proceeds from both the IPO and P1.0 Billion notes thru private placements were temporarily placed in short-term money market products.
- 113% increase in Trade and other Receivables
 - Increase in project accomplishments for the year.
- 561% increase in Construction Materials
 - Increase in project requirements.
- 150% increase in Property and Equipment
 - Acquisition of construction and transportation equipment to support the operations of Megawide.
- 93% increase in Interest-bearing loans and borrowings, current portion
 - Increase in finance lease for construction equipment and bank loans obtained from local banks for working capital requirements.
- 51% increase in Trade and other payables
 - Increase in accrued expenses and retention payables to subcontractors.
- 47% increase in Billings in excess of costs on uncompleted contracts
 - Increase in advances from recently started contracts entered into by Megawide.
- 1,098% increase in Interest-bearing loans and borrowings, non-current
 - Increase in loans via Megawide's P1.0 Billion notes facility agreement with a local bank, and increase in obligations under finance lease of construction equipment.
- 97% increase in Capital Stock
 - New issued shares from Megawide's IPO and stock dividend declaration in 2011.
- 3,170% increase in Additional paid-in Capital
 - Additional paid-in capital from the difference between the share price during IPO and the shares' par value.
- 141% increase in Retained Earnings
 - Additional net income recorded for the year.

There are no other material changes in Megawide's financial position 5% or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing Megawide's liquidity in any material way. Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

As stated in page 30 of its Prospectus, Megawide has a material commitment for capital expenditures consisting of the following:

Use of Proceeds	Estimated amount (in P)	Schedule of Disbursement
Construction and development of a pre-cast concrete manufacturing plant: Site development and building structure Heavy (logistics) equipment Pre-cast machineries Support facilities Training and development Warehousing and yard <i>Subtotal</i>	Up to 97,500,000 Up to 124,000,000 Up to 700,000,000 Up to 31,000,000 Up to 15,500,000 Up to 77,500,000 <i>Up to 1,045,500,000</i>	2011-2013
Acquisition of new tower cranes and other earthmoving equipment	Up to 506,400,000	2011 to 2014
Acquisition of new formworks	Up to 465,000,000	2011 to 2014
Working capital	Up to 163,100,000	2011
Total	Up to 2,180,000,000	

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

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

Liquidity and Capital Resources

Net cash used for operating activities amounted to Php444.991 Million, as a result of additional inventory of construction materials purchased in 2011 for its project requirements. Megawide also recognized additional receivables from project accomplishments during December 2011, that are expected to be collected by early 2012. It also acquired additional properties and equipment for the year, majority of which are for the construction and development of its pre-cast manufacturing plant. These acquisitions were mainly funded by net IPO proceeds of Php2.19 Billion. Moreover, the Company has able to raise funds through a P1 billion notes facility agreement with a local bank. As of December 31, 2011, Megawide's cash and cash equivalents totaled P1.44 billion.

Cash Flows

The following table sets forth information from Megawide's pro forma statements of cash flows for the periods indicated:

(Amounts in P millions)	For the years ended December 31	
	2011	2010
Cash Flow		
Net cash provided by (used in) operating activities	(445)	496
Net cash provided by (used in) investing activities	(1,446)	(927)
Net cash provided by (used in) financing activities	3,146	242

Indebtedness

In 2011, Megawide tapped the debt market and was able to raise P1.0 Billion corporate notes thru private placement. The proceeds of the fund-raising are to be used for Megawide's business expansion. It also availed loans from of P350 Million bank credit lines for working capital requirements. To date, Megawide has not been in default in paying interests and principal amortizations. Moving forward, with its ongoing and new projects, Megawide believes that it will be able to settle its debt obligations. Moreover, Megawide

is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

Key Performance Indicators (KPI)

Megawide's top five (5) key performance indicators (KPIs) are listed below:

Amounts in billion P, except ratios and Earnings per Share	2011	2010	2009
Construction Order Backlog	12.93	15.41	4.98
Current Ratio ¹	1.89	1.04	0.89
Debt to Equity Ratio ²	0.42	0.36	0.78
Book Value Per Share ³	3.53	1.84	2.60
Earnings per Share ⁴	0.68	0.63	1.63
Return on Assets	9.05%	10.52%	3.97%
Return on Equity	19.14%	34.33%	38.41%
Gross Profit Margin	14.21%	14.58%	10.22%

Notes:

- (1) Current Assets / Current Liabilities
- (2) Interest bearing loans and borrowings / Stockholder's equity
- (3) Total Equity / Issued and Outstanding Shares
- (4) Net Income / Issued and Outstanding Shares

The KPIs were chosen to provide management with a measure of Megawide's sustainability on revenue growth (Construction Orders Backlog) financial strength (Current Ratio and Debt to Equity Ratio), and profitability (Earnings per Share, Return on Assets, Return on Equity, Gross Profit Margin).

Construction Orders Backlog corresponds to the value of any unfinished project phases. This provides a basis for near-term future source of production and revenues of Megawide. Construction Order Backlog tends to increase when booked construction contracts or orders increase. A larger Construction Order Backlog is indicative of higher profit in the future.

Years ended December 31, 2010 and December 31, 2009

Results of Operations

Revenues

Megawide registered gross revenues of P4.515 Billion for the year ended December 31, 2010 which was 129% higher than the P1.969.50 Billion revenues generated last year. The significant leap in revenues is accounted for as follows:

	<u>2010</u>	<u>2009</u>
Revenue from:		
Contracts in progress	P4,239,503,404	P 196,341,813
Completed Contracts	275,566,429	1,773,127,364
	-----	-----
	P4,515,069,833	P 1,969,469,117

Contracts in progress revenues increased by P4.043 Billion or 2,059% to P4.239.50 Billion in the year ended December 31, 2010 from P196.34 Million revenues posted last year. This increase was primarily due to:

(1) Structural works accomplished on newly awarded projects, such as Bench Corporate Tower in Global City, Belle Grande Hotel Casino in Pagcor City, MOA Complex, Malate Bayview Hotel in Adriatico, Grass Residences Tower 3, Jazz Residences Phase 1 in Bel-Air Makati;

(2) Architectural finishing works accomplished on Berkeley Residences in Quezon City, BHotel in Alabang;

(3) Civil works accomplished on Grass Residences Tower 1, Sea Residences in MOA Complex, University Tower 2 and 3.

Expenses

Contract costs, comprised mostly of construction materials, direct labor and outside services increased by P2,088.55 Billion or 118% to P3,856.65 Billion from P1,768.10 billion last year. The increase was due to the 129% increase in project accomplishments.

Operating Expenses increased to P185.73 Million for the year ended December 31, 2010 from P70.99 Million for the same period in 2009. This represents an increase by 162%, mainly due to the increase in construction activities or number of on-going projects.

Interest income increased by P15 Million or 705% to P17 Million in the year ended December 31, 2010 from P2.0 Million in 2009. Increased cash from operations were placed in short-term money markets with maturity periods of 14 to 90 days which earned interests thus resulting to a significant increase in interest income in the current year.

Finance costs (net) decreased by 33% or P7.46 Million from P22.7 Million in 2009 to P15.31 million in December 2010 due to decrease in allowance for impairment losses on trade receivables because retention receivables amounting to P17.49 Million recognized as impaired in 2009 were subsequently collected in 2010.

Net Income

Megawide's net income jumped 371% from P71 Million in December 31, 2009 to P334.65 million in December 2010. This translates to earnings per share of P0.82 as of December 31, 2010.

Material Changes to Megawide's Audited Income Statement as of December 31, 2010 compared to the Audited Income Statement as of December 31, 2009 (increase/decrease of 5% or more)

Material changes to Megawide's Audited Income Statement as of December 31, 2010 compared to the Audited Income Statement as of December 31, 2009 are as follows:

- 129% increase in Contract Revenues
 - Increase Contracts in Progress Revenues, structural works of newly awarded projects, Bench Corporate Tower, Belle Grande Hotel Casino, Malate Bayview Hotel, Grass Residences Tower 3, Jazz Residences Phase 1
- 118% increase in Contract Costs
 - Bigger Project Accomplishments
- 162% increase in Operating Expenses
 - Increase in construction activities or number of on-going projects
- 705% increase in Finance Income
 - Increase cash from operations placed in short-term money markets
- 33% decrease in Finance Costs
 - Decrease in allowance for impairment losses on trade receivables
- 371% increase in Net Income
 - Increase in Contract Revenues

Material Changes to Megawide's Audited Balance Sheet as of December 31, 2010 compared to the Audited Balance Statement as of December 31, 2009 (increase/decrease of 5% or more)

Material changes to Megawide's Audited Balance Sheet as of December 31, 2010 compared to the Audited Balance Statement as of December 31, 2009 are as follows:

- 50% decrease in Cash and Cash Equivalents
 - Due to higher cash flow derived from operations were placed in short-term money markets
- 133% increase in Trade and other Receivables
 - Increase in project accomplishments of current year
- 29% decrease in Inventories
 - Lesser inventory levels
- 818% increase in Prepayments and other current assets
 - Increase in Refundable Security Deposits for leases covering office space and stockyards
- 157% increase in Property and Equipments (net)
 - Increase in purchases of construction and transportation equipments
- 83% increase in Current Interest-bearing loans and borrowings
 - Increase in bank loans obtained from local banks for working capital requirements
- 30% increase in Trade and Other Payables

There are no other material changes in Megawide's financial position 5% or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing Megawide's liquidity in any material way. Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

As stated in page 30 of its Prospectus, Megawide has a material commitment for capital expenditures consisting of the following:

Use of Proceeds	Estimated amount (in P)	Schedule of Disbursement
Construction and development of a pre-		2011 to 2013

cast concrete manufacturing plant:		
Site development and building structure	Up to 97,500,000	
Heavy (logistics) equipment	Up to 124,000,000 Up to 700,000,000	
Pre-cast machineries	Up to 31,000,000	
Support facilities	Up to 15,500,000	
Training and development	Up to 77,500,000	
Warehousing and yard	<i>Up to 1,045,500,000</i>	
<i>Subtotal</i>		
Acquisition of new tower cranes and other earthmoving equipment	Up to 506,400,000	2011 to 2014
Acquisition of new formworks	Up to 465,000,000	2011 to 2014
Working capital	Up to 163,100,000	2011
Total	Up to 2,180,000,000	

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

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

In 2009 and 2010, Megawide's primary source of liquidity was progress billing collections. Net cash from operating activities was sufficient to cover its purchases of property and equipment in the years 2009 and 2010. In addition, Megawide paid off loans in all the periods under review, which further reduced the cash position of Megawide. As of December 31, 2010, Megawide's cash and cash equivalents totalled P185 million.

Cash Flows

The following table sets forth information from Megawide's pro forma statements of cash flows for the periods indicated:

(Amounts in P millions)	For the years ended December 31	
	2009 (audited)	2010 (audited)
Cash Flow		
Net cash provided by (used in) operating activities	<u>373</u>	<u>496</u>
Net cash provided by (used in) investing activities	<u>(174)</u>	<u>(927)</u>
Net cash provided by (used in) financing activities	<u>154</u>	<u>242</u>

Indebtedness

To date, Megawide has not been in default in paying interests and principal amortizations.

Megawide is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

Key Performance Indicators

Megawide's top five (5) key performance indicators (KPIs) are listed below:

Amounts in billion P, except ratios and Earnings per Share	2008	2009	2010
Construction Order Book	P 3.07	P 3.91	P 14
Construction Orders Backlog	P 5.16	P 4.98	P 15.41
Current Ratio ¹	0.91	0.89	1.08
Debt to Equity Ratio ²	0.15	0.78	0.36
Earnings per Share ³	0.43	2.12	0.82

Notes:

- (1) Current Assets / Current Liabilities
- (2) Interest bearing loans and borrowings / Stockholder's equity
- (3) Net Income / Issued and Outstanding Shares

The KPIs were chosen to provide management with a measure of Megawide's profitability and sustainability (Construction Order Book and Construction Orders Backlog) financial strength (Current Ratio and Debt to Equity Ratio), and its ability to maximize the value of its stockholders' investment in Megawide (Earnings per Share).

Construction Order Book denotes the value of construction projects awarded to Megawide during the year and determines Megawide's revenue potential.

Contracts and orders increase during an expansionary period when private business is on an investment mode. During this period, significant capital expenditures are allotted for new capacity, expansion and upgrading. Construction Orders Backlog corresponds to the value of any unfinished project phases. This provides a basis for near-term future source of production and revenues of Megawide. Construction Orders Backlog tends to increase when booked construction contracts or orders increase. A larger Construction Orders Backlog is indicative of higher profit in the future.

Months ended March 31, 2013 and March 31, 2012

Results of Operations

Revenues and Cost of Construction

Megawide recorded gross revenues of P2.65 billion for the first quarter of 2013. There is an increase of 20% compared to revenue booked for the same period in 2012 amounting to P2.20 billion. Operating efficiency has also improved for the first quarter of 2013 due to better control on construction expenses. Operating expense ratio in 2013 and 2012 is almost identical; 4.41% and 4.97%, respectively. Other income, net has increased by P.03 billion due to gain on sale of RTB. As a result, net income increased to P.32 billion from P.26 billion during the same period in 2012.

Months ended March 31, 2013 and March 31, 2012

Financial Condition

As of the end of the first quarter of 2013, total assets stood at P16.42 billion, 36% higher than its value of P12.03 billion as of same period of 2012.

Current assets grew by 48% due to the following:

Cash and cash equivalents increased by 363% or P759 million due to collections of some receivables towards the end of the quarter, collection of downpayment from Citicore-Megawide Consortium Inc. (CMCI) for the PPP school infrastructure project of the Department of Education and from H2O Ventures for World Hotel Project.

Short-term investments increased by 62% or P3.21 billion because the Company invested the proceeds of its corporate notes issuance to Retail Treasury Bond.

Inventory increased by 161% or P109 million due to voluminous purchase of construction materials required by projects especially cement and rebar for the PPP school infrastructure project of the Department of Education.

Cost in excess of billing increased by 55% or P578 million because of expenses already incurred for the quarter of 2013 but not yet billed as of the cut-off period for some projects. This will be billed subsequently in April.

Other current assets also increased by 13% or P143 million due to downpayments made to subcontractors for the PPP. These advances will be proportionately deducted from their billings based on their accomplishment.

Trade and other receivables decreased by 18% or P619 million due to collection of bulk of the receivables in first quarter as a result of the joint effort of the Operation and Finance Departments to push for a stricter billing and collection policy.

Non-current assets grew by 5% due mainly to:

Increase in property and equipment because of the expansion of batching plant in Taguig and acquisition of 13 units of mobile mixers and other construction equipment.

As of the end of the first quarter of 2013, total liabilities registered an increase of 56%, from P7.25 billion as of 2012 to P11.32 billion at the end of first quarter of 2013.

Current liabilities increased by 2% or P107 million due to:

Increase in advances from customers by 119% or P825 million due to downpayments received from H2O Ventures for World Hotel and from CMCI for the PPP school infrastructure project of Department of Education.

Decrease in trade and other payables by 20% or P381 million due to substantial payments made to suppliers towards the end of the first quarter.

Decrease in billings in excess of costs on uncompleted projects by 8% or P95 million because higher accomplishments made in the first quarter resulting to higher recoupment of downpayments from customers.

Decrease in interest-bearing loans and borrowings by 11% or P223 million due to payments of short-term loans.

Non-current liabilities increased by P3.9 billion

Increase is solely attributable to corporate note issuance by the Company on February 19, 2013 amounting to P4 billion.

Material Changes to Megawide's Income Statement for the Quarter Ended March 31, 2013 compared to the Income Statement for the Quarter Ended March 31, 2012 (increase/decrease of 5% or more)

Material Changes to Megawide's Income Statement for the quarter ended March 31, 2013 compared to the Income Statement for the quarter ended March 31, 2012 are as follows:

- 20% increase in Contract Revenues or P445 million
 - Increase in Contract Revenues arising from higher accomplishments of projects in 2013.
- 21% increase in Contract Costs or P388 million
 - Increase in costs incurred is directly related to the increase in contract revenue
- 7% increase in Operating Expenses or P7.2 million
 - Increase is due to the increase in activity and projects
- 427% increase in Finance Income or P61 million
 - Increase in cash invested in short-term money market products
- 128% increase in Finance Costs or P27 million
 - Increase in short-term loans for working capital
- 31% decrease in Other Income or P4 million
 - Increase is due to scrap sales and amortization of unearned income on sales and leaseback transactions
- 158% increase in Income Tax
 - Due to increase in taxable income
- 22% increase in Net Income
 - Increase in contract revenues and operating efficiency

Material Changes to Megawide's Balance Sheet as of March 31, 2013 compared to the Balance Statement as of December 31, 2012 (increase/decrease of 5% or more)

- 363% increase in Cash and Cash Equivalents or P759 million
 - Due to collection made towards the end of first quarter, receipt of downpayment from CMCI for the PPP school infrastructure project of the Department of Education and from H2O ventures for the World Hotel Project

Portion of the proceeds from the corporate note issuance was deposited in the bank for working capital purposes

- 62% increase in Short-term Investments or P3.21 billion
 - Placements of corporate note proceeds in short-term money market products

- 18% decrease in Trade and other Receivables or P619 million
 - Collection of bulk of the receivables in the first quarter as a result of the joint effort of the Operation and Finance Departments to push for a stricter billing and collection policy
- 13% increase in Other Current Assets or P143 million
 - Downpayments made to subcontractors for the PPP school infrastructure project of the Department of Education
- 5% increase in the Property and Equipment or P192 million
 - Expansion of batching plant in Taguig and acquisition of 13 units of mobile mixers and other construction equipment
- 10% increase in Other Non-Current Assets or P14 million
 - Increase in deferred input tax on purchases of fixed assets
- 114% increase in Interest-bearing loans and borrowings, current and non-current portion or P3.74 billion
 - Issuance of corporate note amounting to P4 billion and increase in finance lease for transportation equipment
- 20% decrease in Trade and other payables or P381 million
 - Decrease is due to substantial payments to suppliers in first quarter
- 119% increase in advances from customers or P825 million
 - Due to downpayments received from H2O ventures for the World Hotel Project and from CMCI for PPP school infrastructure project of the Department of Education
- 8% decrease in Billings in excess of costs on uncompleted contracts or P96 million
 - Due to higher accomplishment resulting to higher recoupment of advances from customer which is part of progress billing
- 23% increase in income tax payable or P.83 million
 - Due to additional income tax payable for first quarter
- 19% increase in Retained Earnings or P322 million
 - Additional net income recorded for the quarter.

There are no other material changes in Megawide's financial position by five percent (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing Megawide's liquidity in any material way. Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of Megawide.

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

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature. Neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth information from Megawide's pro forma statements of cash flows for the periods indicated:

(Amounts in P millions)	For three (3) months ended March 31	
Cash Flow	2013 (unaudited)	2012 (Audited)
Net cash provided by operating activities	528	331
Net cash used in investing activities	(3,459)	(1,579)
Net cash provided by financing activities	3,689	230

Indebtedness

On February 19, 2013, Megawide was able to raise P4 billion corporate notes thru private placement. The proceeds of the fund raising are to be used for the Company's working capital requirements and general corporate purposes.

To date, Megawide has not been in default in paying interests and principal amortizations.

Megawide is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to its financial instruments. The Company's risk management is coordinated with the BOD, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below and in the succeeding pages.

Market Risk

(a) Foreign Currency Risk

The Company has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, except for U.S. dollar and Euro denominated Cash in bank amounting to P1.51 million as of March 31, 2013.

(b) Interest Rate Risk

As at March 31, 2013, the Company is exposed to changes in market rates through its short-term investments which are subject to 30 to 90 days repricing intervals. All other financial assets and liabilities have fixed rates.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, such as the granting loans and receivables to customers and placing deposits with local banks and investment in bonds.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this

information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets, as summarized below.

Cash and cash equivalents	P 968,328,965
Short-term investments	3,000,000,000
Financial assets at FVTPL	2,218,385,414
Trade and other receivables	
excluding advances to suppliers	2,814,359,799
Refundable security deposits	<u>34,938,884</u>
	P 9,036,013,062

(a) Cash and Cash Equivalent and Short-term Investments

The credit risk for cash and cash equivalents and short-term investments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and government bonds which are considered secured. About 40% of the Company's contract receivables as of March 31, 2013 due from SMDC. The Company mitigates the concentration of its credit risk by regularly monitoring the age of its receivables from this customer and ensuring that collections are received within the agreed credit period.

(b) Trade and Other Receivables

Contract receivables are usually due within 30 to 60 days and do not bear any interest. Some of the unimpaired trade receivables are past due as at the end of the reporting period. No other financial assets are past due at the end of the reporting period. The trade receivables that are past due but not impaired are as follows:

Not more than 3 months	P 1,077,213,000
More than 4 months but not more than one year	513,506,306
More than one year	120,749,492
	P 1,711,468,798

The Company's management considers that the financial assets which are past due but not impaired for each reporting period are of good credit quality based on historical default rates. The balance of such receivables relates to reputable companies that have a good track record with the Company.

(c) Refundable Security Deposit

The Company is not exposed to any significant credit risk exposures to the Company's lessors as lease agreements were executed with reputable

entities. The Company can negotiate, before the end of the lease term, to apply deposit to rentals due.

Liquidity Risk

The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at March 31, 2013 the Company's financial liabilities have contractual maturities which are presented below.

	Current	Non-current
Interest-bearing loans and borrowings	P 1,852,467,379	P 5,156,322,501
Trade and other payables	1,565,837,461	-
	P 3,418,304,840	P 5,156,322,501

Financial Instruments

The Company categorized its financial instruments as financial asset and financial liabilities. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual terms of the financial instrument.

The Company's financial assets include fair value through profit and loss (FVTPL) and loans and receivables. FVTPL includes short-term placements and retail treasury bonds (RTB) that are measured at fair value, and changes therein are recognized in profit or loss. Loans and receivables include Cash and Cash Equivalents, Short-Term Investments and Trade and Other Receivables (excluding Advances to suppliers) in the statement of financial position. Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the

difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Financial liabilities, which include interest-bearing loans and borrowings, and trade and other payables [excluding output value-added tax (VAT) payable, unearned income and estimated liability on litigation claims] are measured at amortized cost using the effective interest rate method.

The fair value of the Company's FVTPL are categorized as level 1 wherein quoted prices in active markets for identical assets was used as valuation basis. The Company did not use significant judgment in classifying its FVTPL in the fair value hierarchy because of the availability of a market that quotes prices of identical asset.

The Company considered the risk in the valuation of its financial assets by referring to quoted prices in an active markets for its FVTPL, regularly monitor the age of its receivables from its customers and ensuring that collections are received within the agreed credit period. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables.

The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Financial liabilities are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges are recognized as an expense in profit or loss as part of Finance costs under the Other income (charges) account in the statement of comprehensive income.

The Company's FVTPL is the only financial asset measured at fair value as of the end of the second quarter. The Company sold its FVTPL in first quarter resulting to gain on sale of P64 million presented as finance income in the statement of comprehensive income. As of the first quarter, the Company opted not to revalue its RTB since the Company has no plan in selling its remaining FVTPL.

The Company does not have investment in foreign securities.

Key Performance Indicators

Megawide's top key performance indicators (KPIs) are listed below:

LIQUIDITY RATIOS		
Key Indicators	March 31, 2013	March 31, 2012
Current ratio	1.98	1.32
Acid test ratio	1.48	.94

Cash ratio	1.01	0.37
Book value per share	4.58	4.29
SOLVENCY RATIOS		
Key Indicators	March 31, 2013	March 31, 2012
Interest-bearing debt ratio	0.58	0.41
Total debt ratio	0.69	0.60
Interest coverage ratio	8.38	25.67
Debt to equity ratio	2.22	1.52
Asset to Equity Ratio	3.22	2.52
PROFITABILITY RATIOS		
Key Indicators	March 31, 2013	March 31, 2012
Fixed asset turnover ratio	0.68	0.74
Total asset turnover ratio	0.19	0.22
Earnings per Share	0.29	0.24
Return on Assets	2.27%	2.61%
Return on Equity	6.32%	5.54%
Net Profit Margin	12.17%	12.00%

Notes:

1. Current Ratio (Current Assets / Current Liabilities)
To test the Company ability to pay its short-term debts
2. Acid Test Ratio (Quick Assets/Current Liabilities)
Measures the Company's ability to pay its short-term debts from its most liquid assets without relying on inventory
3. Cash Ratio (Cash + Cash Equivalents + Marketable Securities/ Current Liabilities)
A more conservative variation of quick ratio. Measures the Company's ability to pay its short-term debts from its most liquid assets without relying on receivables and inventory
4. Book Value per Share (Equity/Shares Outstanding)
Measures the amount of net assets available to stockholders of a given type of stock
5. Interest-Bearing Debt Ratio (Interest-Bearing Debt/ Equity + Interest-Bearing Debt)
Measures the extent to which the assets having explicit cost are financed by interestbearing debt
6. Total Debt Ratio (Total Liabilities/Total Assets)
Measures the percentage of funds provided by creditors
7. Interest Coverage Ratio (EBIT/Interest Expense)
Indicates the margin of safety for payment of all fixed charges
8. Debt to Equity Ratio (Total Liabilities/Total Equity)
Compares sources provided by creditors with sources provided by shareholders)

9. Asset to Equity Ratio (Total Asset/Total Equity)
Shows the relationship of the total assets to the portion owned by shareholders.
Indicates a Company's leverage, the amount of debt used to finance the firm.
10. Fixed Asset Turnover Ratio (Net Sales/Average Net Fixed Assets)
Measures the level of use of property, plant and equipment
11. Total asset turnover ratio (Net Sales/Average Fixed Assets)
Measures the level of capital investment relative to sales volume
12. Earnings per Share (Net Income/Average Outstanding Shares)
Reflects the Company's earning capability
13. Return on Assets (Net Income/Total Assets)
Indicates whether assets are being used efficiently and effectively
14. Net Profit Margin (Net Profit/Total Sales)
Measures the percentage of net income to sales

Information on Independent Accountant
External Audit Fees

Audit and Audit-Related Fees

The appointment of Punongbayan & Araullo as the independent auditor of Megawide for 2012 was approved by the shareholders during the annual meeting held last June 26, 2012.

In compliance with Securities Regulation Code Rule 68, Ms. Mailene S. Sigue-Bisnar has been the Punongbayan & Araullo partner-in-charge for less than five years. Ms. Bisnar's appointment started in 2009.

The fees (in pesos) for audit services rendered by Punongbayan & Araullo are as follows:

2010	1,000,000.00
2011	995,000.00
2012	1,050,000.00

There was no engagement for tax and other services with Punongbayan & Araullo in 2010, 2011 and 2012.

Audit Committee Pre-Approval Policy

Megawide's Audit and Risk Management Committee is composed of the Chairman, Mr. Leonilo G. Coronel, and members, Michael C. Cosiquien and Elizabeth Anne C. Uychaco.

The Audit and Risk Management Committee is required to pre-approve all audit and non-audit services rendered by and approve the engagement fees and other compensation to be paid to the independent accountant. When

deciding whether to approve these items, Megawide's Audit and Risk Management Committee takes into account whether the provision of any non-audit service is compatible with the independence standards under the guidelines of the SEC. To assist in this undertaking, the Audit and Risk Management Committee actively engages in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take appropriate action to ensure their independence.

Financial Statements

The audited consolidated financial statements are herein attached as Exhibit "1."

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There was no change in or disagreement with External Accountants on accounting and financial disclosure.

Description of the General Nature and Scope of the Business

Megawide was incorporated on July 28, 2004 to engage in the general construction business. Its primary purpose includes constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures, and to own, use, improve, develop real estate of all kinds. Its principal office is located at 2/F Spring Bldg., Arnaiz Ave. cor. P. Burgos St., Pasay City. It also maintains an engineering office at No. 66 Scout de Guia St., Barangay Laging Handa, Quezon City and an extension office at 3rd Floor of JSB Bldg., Tomas Morato, Quezon City. Megawide's warehouse is located in Brgy. Tagpos, Binangonan, Rizal and its motorpool in Edison cor. Dian Streets, Makati City.

Megawide conducted an Initial Public Offering (IPO) in February 2011. A total of 292,000,000 common shares of stock were offered to the public from February 7-11, 2011 at the price of P7.84 per share. The Offer Shares represent approximately 34% of Megawide's issued and outstanding capital stock of 857,000,002 shares immediately after the completion of the offer. Megawide will use the IPO proceeds to construct and develop a pre-cast concrete manufacturing plant, acquire new tower cranes and other earthmoving equipment and new formworks.

On September 2011, Megawide transferred all its operations to the Megawide Corporate Tower located at 20 N. Domingo St., Barangay Valencia, Quezon City. The Megawide Corporate Tower is Leadership in Energy and Environmental Design (LEED)-certified, a third-party certification program for the design, construction and operation of high performance green buildings. The Corporate Tower marks an important landmark for Megawide, as it strives to be at the forefront of building technology in the country.

Megawide is currently servicing the majority of high-rise condominium projects in Metro Manila for several major local developers, primarily for its use of High Technology Building Systems, and quality workmanship. While Megawide is constantly invited to bid for major domestic high-rise building projects, it opts to focus on a selected clientele that provides synergy in business operations and better risk management. Approximately 80% of its Construction Order Book for the past six years were repeat orders from existing customers.

Among its major clients are the following:

SMDC

SMDC is the publicly-listed, property development firm of the SM Group. It launched twelve condominium projects in 2009 with a total land area of 707,861 square meters, and gross floor area of 2.0 million square meters. SMDC is Megawide's top customer for the past three years.

Belle Corporation

Belle Corporation is a publicly-listed company, and is a leading developer of high-end residential and leisure properties. The Belle group owns approximately 1,280 hectares of land.

Filinvest Land Incorporated

Filinvest Land, Inc. (FLI) is one of the leading real estate developers in the Philippines. FLI spun-off from Filinvest Development Corporation, the listed holding company for real estate business of the Gotianum family, which has more than 40 years of experience in real estate development.

Cyberzone Properties, Inc. (CPI)

Cyberzone Properties, Inc. is the subsidiary of Filinvest Development Corporation responsible for I.T. park development. CPI has awarded 3 of its projects to MCC in 2012 namely; IHUB 9 & 10 and FCC Cebu.

Prince Jun Development Corporation and Malate Bayview Development Corporation

Prince Jun Development Corporation and Malate Bayview Development Corporation are privately-held real estate companies that focus on residential condominiums located within or near the university belt areas in Metro Manila. It has two high-rise towers located in España, Manila, one commercial and residential condominium in Pedro Gil, Manila, and two high-rise condominiums in Malate, Manila.

Antel Land Holdings

Antel Land Holdings is a privately-owned company with over 2 Million square meters of land inventory. It is one of the leading upscale condominium developers in Metro Manila, with projects mostly located in the Makati and Ortigas central business districts and Manila.

Bellevue Group

The Bellevue Group is a privately-owned developer that caters to the hotel and tourism segment of the property market. It owns several hotel chains in the country.

Citicore-Megawide Consortium Inc. (CMCI)

The Department of Education awarded to CMCI the construction of its school buildings in Regions 3 and 4. The total number of school buildings to be constructed in Region 3 and 4 is 1,766.

Megawide considers the use of High Technology Building Systems, as a significant contributor in gaining advantage over its competitors. It employs Pre-Cast Concrete and Formwork Systems, purchased from various European companies, in its on-going projects.

Completed Projects

As of December 31, 2012, Megawide has approximately 1,800,000 square meters floor area under its construction portfolio. The notable projects that Megawide has completed for the past 3 years are:

- 1. Citysquare Residences** – Citysquare Residences is a 28-storey residential condominium with floor area of 19,600 square meters located at the heart of the Chinatown Business district.
- 2. Antel Spa Residences** - Antel Spa Residences is a 34-storey mixed-use high-rise condominium located at the financial capital of Metro Manila with a gross floor area of 33,360 square meters. It is complete with building amenities such as power gym and fitness center, sky garden, coffee shop, resort spa pool, garden ballroom and wide selection of commercial spaces that include organic restaurants and markets, beauty and medical establishments.
- 3. B-Hotel** - Parcvue B-Hotel is a 10-storey Three Star Hotel with Penthouse located in Madrigal Business Center, Alabang, Muntinlupa City with a gross floor area of 11,200 square meters.
- 4. SMDC Showroom** - SMDC Showroom is located at MOA Complex, Pasay City with total floor area of 3,200 square meters showcasing various SM Residences Projects.
- 5. Hampton Garden Tower K and L** - Hampton Garden Tower K and L is a low-rise residential condominium located at C. Raymundo Avenue, Maybunga, Pasig City, with total floor area of 7,500 square meters offering 191 residential units.

Directors and Officers

Please refer to the write-ups under Item 5 of the Information Statement.

Market Price and Dividends

Stock Prices

Megawide's common equity was registered with the Securities and Exchange Commission on February 4, 2011 and listed in the Philippine Stock Exchange on February 18, 2011. Megawide offered 292,000,000 common shares of

stock (Offer Shares) to the public from February 7-11, 2011 at the price of P7.84 per share. The Offer Shares represent approximately 34% of Megawide's issued and outstanding capital stock of 857,000,002 shares immediately after the completion of the offer.

Since Megawide's common equity was listed only on February 18, 2011, only the information on the high and low sales prices for each quarter in 2011, 2012 and the first quarter of 2013 could be provided:

2011	High	High (adjusted)	Low	Low (adjusted)
March 31, 2011	8.75	6.73	7.84	6.03
Second Quarter (April – June)	9.82	7.55	8.44	6.49
Third Quarter (July – Sept.)	11.20	8.62	9.70	7.46
Fourth Quarter (Oct. – Dec.)	11.10	9.30	8.12	8.12
2012				
First Quarter (Jan. – Mar.)	14.96		8.60	
Second Quarter (April – June)	18.10		13.90	
Third Quarter (July – Sept.)	17.48		15.80	
Fourth Quarter (Oct. – Dec.)	18.52		13.54	
2013				
First Quarter (Jan. – Mar.)	18.80		16.80	

The closing price per share of Megawide's common shares as of May 30, 2013 is P20.65.

Dividends

Megawide distributed cash and stock dividends on May 7, 2010, as follows:

	Dividend Per Share	Record Date
Cash dividends	P0.04	May 17, 2010
Stock dividends	0.12 share	May 17, 2010

Megawide distributed stock dividends on November 10, 2011, as follows:

	Dividend Per Share	Record Date
Stock dividends	0.30 share	October 14, 2011

Megawide distributed cash dividends on August 15, 2012, as follows:

	Dividend Per Share	Record Date
Cash dividends	P0.13	July 20, 2012

On June 26, 2012, the Board of Directors discussed a plan to establish a dividend policy of declaring annual cash and/or stock dividends ranging from payout ratio of 10 to 20 per cent subject to available unrestricted retained earnings, corporate expansion projects, planned capital expenditures and other needs for special allocation.

Holders

As of May 27, 2013, there were 1,268,789,326 common shares outstanding registered in the name of the following:

Stockholder	Number of Common Shares Held	Percentage of Total Shares (%)
1. Citicore Holdings Investment, Inc.	720,718,257	56.80
2. PCD Nominee Corporation (Filipino)	238,700,123	18.81
3. Sybase Equity Investments Corporation	195,000,000	15.37
4. PCD Nominee Corporation (Non-Filipino)	87,586,680	6.90
5. Suyen Corporation	22,900,000	1.80
6. Ellie Chan	1,870,588	0.15
7. Geoffred Deetan	935,294	0.07
8. Dennis Bryan Ty	935,294	0.07
9. John I. Bautista, Jr.	84,500	0.01
10. Regina Capital Dev. Corp. 000351	39,000	Nil
11. Grace Q. Bay	8,060	Nil

12. Joyce M. Briones	4,160	Nil
13. Bernarda P. Torres	4,000	Nil
14. Cesar E. Cruz	3,000	Nil
15. Yolanda M. Dela Cruz or Emilio M. Dela Cruz	100	Nil
16. Guillermo F. Gili, Jr.	130	Nil
17. Florentino A. Tuason, Jr.	130	Nil
18. Owen Nathaniel S. AUITF: Li Marcus Au	10	Nil
Total	1,268,789,326	100

The beneficial owners of the shares registered in the name of the PCD Nominee Corporation are PCD's participants who hold the shares on behalf of their clients, including the top 20 shareholders. The list of the PCD participants as of March 31, 2013 is attached as Exhibit "2."

Compliance on Corporate Governance

Megawide has substantially complied with the provisions of its Manual on Corporate Governance.

Megawide commits to the principles and best practices of governance to attain its goals and objectives. To ensure good governance, a system has been established that monitors and evaluates the performance of Megawide and its Management. Megawide's Manual on Corporate Governance contains the specific principles which institutionalize good corporate governance in the organization.

Megawide has not deviated from its Manual since its adoption of the Manual until present.

Continuous monitoring is being done by the Compliance Officer, Audit Committee and Risk Management Committee, President and Chief Financial Officer to assure compliance.

In a meeting held on October 1, 2012, the Audit and Risk Management Committee approved the adoption of an Audit and Risk Management Committee Charter. It approved that the Charter should include: (a) a succession plan for its Chairman and members; (b) a whistle-blower program; and (c) Business Continuity Plan; and (d) Code of Conduct for management.

To implement Megawide's risk management strategies, the Audit and Risk Management Committee created an Enterprise Risk Management Committee composed of the Chief Executive Officer or Chief Financial Officer as Chairman and all department heads as members.

UNDERTAKING

A copy of Megawide's annual report in SEC Form 17-A shall be provided free of charge to any stockholder upon his/her written request addressed to the Office of the Corporate Secretary, Megawide Construction Corporation, 20 N. Domingo St., Barangay Valencia, Quezon City.