

**PRESS RELEASE**  
**12 July 2023**

**Megawide foray into property development  
seen to boost margins and enhance order book**

The shareholders of Megawide Construction Corp. (Megawide or the Company) approved the acquisition of 100% of PH1 World Developers Inc. (PH1) from Citicore Holdings Investment, Inc. (CHII) during Megawide's virtual Annual Stockholders' Meeting held on 12 July 2023.

Based on earlier disclosures, the Company acquired PH1 for a total consideration of P5.2 billion. FTI Consulting, Inc., which conducted the independent valuation, issued a fairness opinion on the transaction from a financial point of view.

Edgar Saavedra, Megawide Chairman and CEO, in a recorded message, said, "The move is a natural progression of our construction and engineering unit into higher value-generating businesses and gives more momentum to our forward integration initiatives within the Group."

**A natural progression for Megawide**

Progressing to higher value-added businesses has always been part of Megawide's growth strategy, starting as a construction firm more than two decades ago and successfully diversifying into infrastructure development.

Its Public Private Partnership (PPP) projects such as the Mactan-Cebu International Airport and Paranaque Integrated Terminal Exchange unlocked other revenue streams that generated greater value for the company on top of construction.

"Construction is an enabler for us to venture into more value-accretive platforms, such as airport and landport operations, and now property development, together with the related income sources and value that they deliver," added Saavedra.

**Accelerating growth through property development**

From a financial perspective, the acquisition is expected to accelerate Megawide's growth momentum, with consolidated net margins expected to improve from single digits to high teens – driven by better margins and price appreciation upside associated with property development.

The transaction is also seen to enhance Megawide's order book quality, as this reduces counterparty risks from external clients, and turn in more efficient operations as project management is streamlined – boosting overall employee productivity in general.

Moreover, the Company expects to generate more stable revenues, with long-term project visibility and availability from PH1's healthy pipeline of vertical and horizontal developments that include My Enso Lofts in Timog, Quezon City; and Modan Lofts in Pasig and Taytay, Rizal, to name a few.

PH1 has a vision to disrupting local property development conventions in design, technology, and customer service. Having constructed multiple projects for various leading property developers, Megawide believes it has identified the gaps and the end-user needs of the real estate market.



“These gaps are what aim to fill through the synergy of Megawide and PH1. We will work to create an innovative and competitive product that will be appreciated by our target market,” added Saavedra.

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## ABOUT MEGAWIDE

Megawide is one of the leading infrastructure and engineering innovators in the Philippines. Publicly-listed since 2011, it is one of the largest contractors for private sector construction projects in the country and the private partner of the Philippine Government for flagship infrastructure projects such as the the Mactan-Cebu International Airport (25-year development contract) and the Paranaque Integrated Terminal Exchange (35-year development contract. Megawide also constructed the Clark International Airport New Passenger Terminal Building.

It is currently the undertaking the construction of the Malolos-Clark Railway Project Package 1, Metro Manila Subway Contract Package 104, and the modernization of Cebu’s historic Carbon Market District. In 2012, the company established Megawide Corporate Foundation, Inc., a non-profit organization focusing on social development projects.