COVER SHEET

CS200411461

S.E.C. Registration Number

MEGAWIDE CONSTRUCTION CORPORATION

(Company's Full Name)

20 N. DOMINGO STREET, BARANGAY VALENCIA, QUEZON CITY

(Business Address: No. Street City / Town / Province)

TEODULO ANTONIO SAN JUAN JR.	**(02) 8655-1111**
Contact Person	Company Telephone Number

12 - 31	17-A	12 31
Month *Day*	FORM TYPE	*Month* *Day*
Fiscal Year		Annual Meeting

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

MEGAWIDE CONSTRUCTION CORPORATION
Company's Full Name

No. 20 N. Domingo Street
Barangay Valencia
Quezon City
Company's Address

(02) 8655-1111
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17-A
Form Type

December 31, 2023
Period Ended Date

_

(Secondary License Type and File Number)

cc: The Philippine Stock Exchange, Inc.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE**

1.	For the Fiscal Year Ended	**December 31, 2023**
2.	SEC Identification Number	**CS200411461**
3.	BIR Tax Identification No.	**232-715-069-000**
4.	Exact Name of Issuer as Specified in its Charter	**Megawide Construction Corporation**
5.	Province, Country or other Jurisdiction of Incorporation or Organization	**Philippines**
6.	Industry Classification Code (SEC use only)	
7.	Address of Principal Office Postal Code	**No. 20 N. Domingo Street, Barangay Valencia, Quezon City** **1112**
8.	Issuer's Telephone Number, including Area Code	**(02) 8655-1111**
9.	Former Name, Former Address and Fiscal Year, if Changed since Last Report	**Not Applicable**

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

Title of Each Class	Number of Shares Issued and Outstanding	Amount of Debt Outstanding (Php)
MWIDE (Common)	2,399,426,127	0
MWP2B (Preferred)	17,405,880	0
MWP3 (Preferred)	29,000,000	0
MWP4 (Preferred)	40,000,000	0
MWP5 (Preferred)	15,000,000	0

11. Are any or all these securities listed on a stock exchange?

Yes [**x**] No [ ]

If yes, state the name of such stock exchange and classes of securities listed therein:

The Philippine Stock Exchange, Inc.	- **Common Shares (MWIDE)** - **Preferred Shares (MWP2B, MWP4, and MWP5)**

12. Check whether the issuer:

has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder of Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes [**x**] No [ ]

has been subject to such filing requirements for the past 90 days.

Yes [**x**] No [ ]

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B"):

Number of non-affiliate shares as of December 31, 2023	663,610,211
Closing price per share as of December 31, 2023	PhP 3.11
Market value as of December 31, 2023	PhP 2,063,827,756.21

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Description of Business

Megawide Construction Corporation (Megawide or the Company) is the country's premier infrastructure innovator, with a portfolio in engineering, procurement and construction (EPC), real estate development, airport operations and landport infrastructure. The Company's revolutionary construction and engineering solutions continue to shape the industry by integrating its comprehensive EPC capabilities with innovative construction solution technologies such as precast, formworks, concrete batching, and specialized logistics systems.

The Company was incorporated in the Philippines on July 28, 2004 as a general construction company and has then expanded its business by creating a strong partnership with the Philippine government through its participation in Public Private Partnership (PPP) programs, which began with Phases 1 and 2 of the School Infrastructure Project.

On January 28, 2011, the Philippine Stock Exchange, Inc. (PSE) and the Securities and Exchange Commission (SEC) approved the Company's application for the listing of its common stock. The approval covered the initial public offering (IPO) of two hundred ninety-two million (292,000,000) unissued common shares of the Company at an offer price of Seven and 84/100 Pesos (PhP 7.84) per share and the listing of those shares in PSE's main board on February 18, 2012. On December 03, 2014, the Company made a primary offer of forty million (40,000,000) preferred shares at an offer price of One Hundred Pesos (PhP 100.0) per share. These preferred shares are also listed in the PSE.

On September 22, 2014, the SEC approved the amendment of the Company's Articles of Incorporation, which included (a) the Company's power to extend corporate guarantees to its subsidiaries and affiliates, and (b) the increase in its authorized capital stock to Five Billion Pesos (PhP 5,000,000,000.00), divided into four billion nine hundred thirty million (4,930,000,000) common shares and seventy million (70,000,000) cumulative, non-voting, non-participating, non-convertible to common shares, and redeemable at the option of the Company, perpetual preferred shares (Series 1). Both common and preferred shares have a par value of One Peso (PhP 1.00) per share.

To further its involvement in PPP, the Company, together with its strategic partners, GMR Infrastructure (Singapore) Pte. Limited (GISPL) and GMR Infrastructure Limited (GIL), incorporated GMR Megawide Cebu Airport Corporation (GMCAC) for the purpose of constructing, developing, operating, and maintaining the Mactan Cebu International Airport (MCIA), in accordance with the Concession Agreement (CA) executed between GMCAC and the Department of Transportation (DOTr) on April 21, 2014.

Additionally, MWM Terminal, Inc. (MWMTI), the joint venture of Megawide and the then WM Property Management, Inc. (WMPMI) (which is now Megawide Terminals, Inc. [MTI]), was incorporated to develop and operationalize the Parañaque Integrated Terminal Exchange (PITx) project, pursuant to the CA signed with DOTr on April 24, 2015. PITx is designed to be the first (1st) intermodal terminal in the Philippines.

Meanwhile, on September 22, 2020, the SEC approved the amendment of the Company's Articles of Incorporation, which increased its authorized capital stock to Five Billion Fifty-Four Million Pesos (PhP 5,054,000,000.00), raising the Company's authorized capital stock by fifty-four million (54,000,000) preferred shares to a total of one hundred twenty-four million (124,000,000) preferred shares.

The SEC then issued the Certificate of Filing of Enabling Resolution approving the Company's enabling resolution in relation to its offer and sale to the public of up to fifty million (50,000,000) Series 2 Preferred Shares, consisting of the following subseries: Series 2A Preferred Shares and Series 2B Preferred Shares, at an offer price of One Hundred Pesos (PhP 100.00) per share, on November 05, 2020. Thereafter, on November 06, 2020, the SEC issued the Order of Registration and the Certificate of Permit to Offer Securities for Sale for thirty million (30,000,000) non-voting perpetual Series 2 Preferred Shares, with an over subscription option of up to twenty million (20,000,000) non-voting perpetual Series 2 Preferred Shares. As a result of the offering of the Series 2A and 2B Preferred Shares, the Company raised a total of Four Billion Three Hundred Sixty Million Pesos (PhP 4,360,000,000.00). The said shares were listed in the PSE on November 27, 2020.

Subsequently, on February 26, 2021, the Board of Directors (Board) approved a resolution to amend the Company's Articles of Incorporation to increase its authorized capital stock by twenty-six million (26,000,000) preferred shares, raising the Company's authorized capital stock to Five Billion Eighty Million Pesos (PhP 5,080,000,000.00) divided into four billion nine hundred thirty million (4,930,000,000) common shares with a par value of One Peso (PhP 1.00) per share, and one hundred fifty million (150,000,000) preferred shares. The increase in Company's authorized capital stock was approved by the SEC on September 09, 2021. After which, the SEC issued the Certificate of Filing of Enabling Resolution approving the Company's enabling resolution in relation to its offer and sale to the public of up to forty million (40,000,000) Series 4 Preferred Shares, consisting of one (1) or more sub-series, at an offer price of One Hundred Pesos (PhP 100.00) per share. The SEC then issued the Order of Registration and the Certificate of Permit to Offer Securities for Sale for thirty million (30,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual Series 4 Preferred Shares, with an over subscription option of up to ten million (10,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual Series 4 Preferred Shares. The offer and sale of the Series 4 Preferred Shares led the Company to raise Four Billion Pesos (PhP 4,000,000,000.00). The said shares were listed in the PSE on October 29, 2021.

On October 19, 2021, the Board also approved the redemption of the Company's Series 1 Preferred Shares, with stock symbol MWP, on December 03, 2021, which is the seventh (7th) anniversary of its listing date last December 03, 2014. The redemption of the said shares was completed on February 15, 2022. The following are the details of the redemption:

Ex- Date	November 04, 2021
Record Date	November 09, 2021
Redemption Date	December 03, 2021
Redemption Price	PhP 100.00 per share

On April 26, 2023, the Board of Directors of Megawide Construction Corporation approved the redemption of its Series 2A Preferred Shares with stock symbol MWP2A, on 29 May 2023, or 2.5 years after its listing date on 27 November 2020. The following are the details of the redemption:

Record Date	May 12, 2023
Redemption Date	May 29, 2023
Redemption Price	PhP 100.00 per share

Upon redemption, the Series 2A Preferred Shares shall be considered retired.

In July 2023, the Company acquired 100% of PH1 World Developers (PH1) from Citicore Holdings Investment Inc., (CHII) to engage in progressive property development and provide the Company a third leg in its ever-evolving business portfolio, which already includes EPC and construction solutions and infrastructure development.

Below are the other significant business developments of Megawide for the past three (3) fiscal years:

2021

The construction segment, which is a critical component in pump-priming the economy due to its significant multiplier effect, remains a bright spot in the Company's portfolio amid the ongoing COVID-19 pandemic, as activities were unhampered despite the various quarantine restrictions. From the previous year's order book of Sixty-Eight Billion Four Hundred Million Pesos (PhP 68,400,000,000.00), it was able to contract new projects such as The Coral Village project in Cebu and the Westside City Site A which involves the construction of a retail strip and theater mall to complement its hotel and casino complex.

The Company also forged its partnership with German concrete technology developer MultiCON to bring its patented mixing innovation into the country. The system can produce stronger concrete with better performance which could translate to improved margins and decreased emissions, given that it can help reduce raw material cost and minimize carbon dioxide emissions by up to thirty percent (30%) during production.

In 2021, Megawide also signed new contracts with PHirst Park Homes, Inc. for housing projects in Magalang, Pampanga and Batulao, Nasugbu, Batangas. The new contracts pertain to supply and build agreements for one thousand seventy-nine (1,079), in Pampanga, and one thousand nine hundred seventy-four (1,974), in Batangas, housing units using precast materials, resulting in almost twelve thousand (12,000) housing units being serviced through pre-cast supplied and assembled by Megawide's construction solutions unit. It also started the construction of the MCRP Phase 1, a project that is part of the seventeen (17)-kilometer North South Commuter Railway Project implemented by DOTr that will link the New Clark City and the Clark International Airport to Metro Manila and nearby cities.

On January 11, 2021, the Company and the City of Cebu entered into a Joint Venture Agreement (JVA) for the phased redevelopment of the Cebu Carbon Market, which includes the construction, development, and operation of mixed-use assets on the project site. The JVA is for fifty (50) years, extendible for another twenty-five (25) years upon mutual agreement of the parties. The total investment of the Company is Five Billion Five Hundred Million Pesos (PhP 5,500,000,000.00) while the Cebu City shall contribute the exclusive use and possession of the project site.

On February 24, 2021, the consortium between SUEZ and Megawide together with Manila Water, Inc. (Manila Water), the project proponent, broke ground for the Aglipay STP. The consortium will undertake the design and build of the STP which will treat wastewater in Mandaluyong City, southern Quezon City, and southern San Juan City, which will significantly enhance the health and sanitary conditions of more than six hundred fifty thousand (650,000) residents.

On May 6, 2021, GMCAC, together with its sponsors and its lenders executed the Second Amendment Agreement to the Amended and Restated Omnibus Loan and Security Agreement. The Agreement is for the purpose of restructuring GMCAC's existing Omnibus Loan and Security Agreement for the construction, development, renovation, expansion, and operation of MCIA.

On October 12, 2021, the SEC then issued the Order of Registration and the Certificate of Permit to Offer Securities for Sale for thirty million (30,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual Series 4 Preferred Shares, with an over subscription option of up to ten million (10,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual Series 4 Preferred Shares, at an offer price of One Hundred Pesos (PhP 100.00) per share. The offer and sale of the Series 4 Preferred Shares led the Company to raise Four Billion Pesos (PhP 4,000,000,000.00). The said shares were listed in the PSE on 29 October 2021. The Series 4 Preferred Shares shall be subject to a dividend step-up rate unless the Company redeems the said shares three and a half years (3 ½) from its listing date. The proceeds from the offer was used to redeem the Company's Series 1 Preferred Shares. Moreover, the offering is part of the Company's financial plan to streamline its balance sheet to support its expansion programs, especially its pivot to infrastructure.

On October 19, 2021, the Board also approved the redemption of the Company's Series 1 Preferred Shares, with stock symbol MWP, on December 03, 2021, which is the seventh (7th) anniversary of its listing date on December 03, 2014, at a redemption price of One Hundred Pesos (PhP 100.00) per share. The redemption of the said shares was completed on February 15, 2022.

The Company received various awards from FinanceAsia, which included Best Managed Listed Company – Industrials (Southeast Asia), Best Managed Listed Company – Philippines, Most Committed to Environmental Stewardship, Most Committed to Social Causes, and Most Committed to the Highest Governance Best Standards. To top off, Mr. Edgar B. Saavedra, *Chairman of the Board, CEO, and President*, was also awarded as the Best CEO by FinanceASia. The Company was further named as one (1) of Asia's Most Outstanding Companies in Asiamoney's Outstanding Companies Poll for 2021. The poll is designed to acknowledge listed companies that have excelled in areas such as financial performance, management team excellence, investor relation activities and corporate social responsibility (CSR) initiatives. Megawide was also voted as a Finalist in IR Magazine as Best in Sector: Industrials and won as the Most Innovative Company of the Year in the Asia CEO Awards, while belonging to the Circle of Excellence for the Executive Leadership Team of the Year.

Meanwhile, MCIA and PITx obtained the Best Infrastructure and Best Decorative Concrete award, respectively, from the Philippine Excellence in Concrete Construction Awards (PECCA).

2022

Megawide continued to strengthen its portfolio after a two-year bout with the COVID-19 pandemic. The construction business remained as the biggest contributor to revenue in 2022, as the recovery in air travel slowly impact airport operations and elevated industry-wide vacancy rates, due to the clamp down on POGO tenants, affect office leasing at the PITX. Nonetheless, the Company remained committed to its long-term mission and vision of Engineering a First-World Philippines and continue to strengthen its portfolio towards infrastructure development and cycle-resiliency.

On May 5, 2022, Megawide, together with its joint venture partners from Japan – Tokyu Construction and Tobishima Corporation, ("the Joint Venture") – officially signed Contract Package 104 ("CP-104") of the Metro Manila Subway Project. CP-104 includes the construction of underground stations in Ortigas North and South as well as the tunnels connecting these two locations.

The project has a total contract value of PHP13.26 billion and JPY 11,227,496,171.00 (approximately PHP4.49 billion using the exchange rate as of 4 May 2022), which together will have an aggregate estimated value of PHP17.75 billion. Megawide's corresponding share in the Joint Venture will be reflected in the Company's infrastructure order book. At the same time, this will facilitate the Company's diversification into rail systems, which will include underground railway technology.

Tokyu Construction Co., Ltd. is one of the established Japanese general contractors engaged in commercial, institutional, and residential buildings as well as civil engineering works for dams, bridges, and transportation systems. Likewise, Tobishima Corporation is one of Japan's leading general contractors, involved in large-scale civil engineering works for hydro-electric power plants, dams, and railroads, with onshore and offshore projects located in Brunei Darussalam, Indonesia, Pakistan, and Myanmar, among others.

On May 31, 2022, Megawide Construction Corporation's proposed bond issue of up to P4 billion has been assigned an issue credit rating of PRS Aa with a Stable Outlook by Philippine Rating Services Corporation (PhilRatings).

Obligations rated PRS Aa are of high quality and are subject to very low credit risk as the obligor's capacity to meet its financial commitment on the obligation is very strong. A Stable Outlook means the rating is likely to be maintained in the next 12 months.

PhilRatings said the assigned issue rating takes into consideration Megawide's solid experience in the construction industry, along with vertically integrated operations, that is seen to complement the government's infrastructure projects through the Public Private Partnership (PPP) and Build, Build, Build (BBB) programs. It also factored in the firm's notable expansion projects in recent years, with the aim of diversifying into less cyclical sources of revenues, albeit with challenged profitability due to the effects of the COVID-19 pandemic.

On June 27, 2022, the Regional Trial Court of Lapu-Lapu City, Branch 68, issued the Omnibus Order dated 14 June 2022 dismissing the criminal case against Directors and Officers of Megawide in their capacity as Directors of GMR MEGAWIDE Cebu Airport Corporation for the alleged violation of the Anti-Dummy Law.

The Omnibus Order explained, among others, that the dismissal of the Case was necessitated by the enactment of Republic Act. No. 11659 signed into law last 21 March 2022, which clearly excluded airport operations and maintenance from the definition of a public utility; thereby removing the applicability of the nationality restriction to GMCAC in operating the Mactan-Cebu International Airport ("MCIA").

Furthermore, the Omnibus Order stated that RA No. 11659 applies to the Megawide Respondents due to the retroactive effect of laws favorable to the accused.

Nonetheless, the Company has always maintained its compliance with all the applicable laws, rules, and regulations covering the Concession Agreement for MCIA, and the government's Public-Private Partnership program, since the project was officially awarded to the Megawide-GMR consortium in 2014.

In July 2022, Megawide has secured its eighth project with one of the country's fastest-growing and leading horizontal housing developers, PHirst Park Homes, Inc. (PPHI), located in General Trias, Cavite. The partnership is the second for the two companies in Cavite – the first one in Tanza in 2018 – and covers "supply and build" for 1,664 housing units, using precast materials. In total, it is building close to 13,000 units for PPHI in project sites across Luzon.

The contract will further expand Megawide's precast order book and strengthen its presence in the horizontal housing segment. For more efficiency and faster turnover, the Company is also set to build an onsite precast molding and concrete batching plant to manufacture precast housing components for the project.

In August 23, 2022, Megawide listed a total of Php4.0 billion fixed-rate bonds (inclusive of the Php1.0 billion oversubscription option) at the Philippine Dealing and Exchange Corp. (PDEx).

The issue received total tenders of Php6.71 billion and was 2.24x oversubscribed from the P3.0 billion base amount during the offer period, which ran from July 28, 2022 to August 05, 2022. The net proceeds of the fixed-rate bonds shall be used by Megawide primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements.

RCBC Capital Corp. and SB Capital Investment Corp. were the Joint Issue Managers, Joint Lead Underwriters and Bookrunners for the exercise, with RCBC – Trust and Investment Group acting as Trustee and Security Bank Corporation as Market Maker.

On September 02, 2022, Megawide and GMR Airports International BV (GAIBV) executed a Share Subscription and Transfer Agreement with Aboitiz InfraCapital, Inc. (AIC), for AIC to acquire shares in GMR-Megawide Cebu Airport Corporation (GMCAC), the developer and operator of the award-winning Mactan Cebu International Airport (MCIA).

The joint-venture partners for the 25-year Concession Agreement to develop, operate, and maintain MCIA – Megawide and GAIBV – agreed to sell down their existing stakes in GMCAC to accommodate the entry of AIC. The agreement involves GMCAC's issuance of primary shares and the transfer of secondary shares from Megawide and GAIBV to AIC amounting to P9.5 billion, which will result in the latter owning 33 & 1/3 percent minus 1 share stake in GMCAC.

Simultaneously with the above, the transaction likewise involves the issuance by Megawide and GAIBV of Exchangeable Notes for the aggregate amount of P15.5 billion (Notes). The Notes will mature on 30 October 2024, and will be exchanged by AIC for the remaining 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock.

On December 16, 2022, Megawide, together with GMR Airports International B.V. (GAIBV), has closed the deal with Aboitiz InfraCapital Inc. (AIC) wherein AIC acquired GAIBV and Megawide's shares in GMR Megawide Cebu Airport Corp. (GMCAC), the airport operator, for an initial P9.5 billion covering 33 & 1/3 percent minus one share in GMCAC.

Under the deal, Megawide and GAIBV will then issue P15.5-billion worth of exchangeable notes to AIC. When the notes mature in 2024, AIC is expected to trade these for the remaining 66.6 percent plus one stake in GMCAC.

Megawide likewise emerged as winners in FinanceAsia's Asia's Best Managed Companies Poll 2022 for the following categories: Most Effective in Creating and Implementing Diversity & Inclusion Policies over the Past 12 months (Philippines) and Best Industrials across the Region. The Company's Chief Investor Relations Officer, Ms. Joan Cosico, was also voted as the 2022 IR Magazine Awards, South East Asia, Best Investor Relations Officer Award (Small Cap), while the Company's "2021 Annual and Sustainability Report: Relentless" was among the finalists in the Best Annual Report category. Other awards included the Philippine Quill Awards under Communication Skills Division for Megawide's "2019 Annual and Sustainability Report: All-In for a First-World Philippines", Publications Category and "KaMegawide: Kasama at Kaisa sa Pag-Unlad ng Bansa" in the Social Media Category. The Company was also recognized in the Philippine Excellence in Concrete Construction Awards for its Plumera Project.

2023

In 2023, Megawide started to pursue a renewed direction towards cycle-resiliency and progressive infrastructure development, following its divestment in its airport asset Mactan Cebu International Airport (MCIA).

In February, Megawide signed a shareholders' agreement with partner operator - Evolution Data Centers, Inc. (EDC) for the construction and operations of a 69MW carrier-neutral data center in Silang, Cavite. Phase 1 will involve the initial 23MW, with a 24-36-month completion, and full capacity to be completed within a 5-year scale-up development timetable.

In the EPC segment, progress continued on the MCRP Phase 1 construction while initial groundworks were commenced at the Metro Manila Subway Project along the Ortigas District. Meanwhile, Suncity's Westside City Resort Complex's development is on track and will remain a contributor to the EPC segment's revenue stream.

The Pre-Cast and Construction Solutions (PCS) Unit also sustained its capacity utilization build-up, both from internal and external clients. Internally, the unit has an outstanding package for CP-104 of the Metro Manila Subway System worth Php923mn. External order book continue to increase with three (3) new supply-and-build contracts bagged with residential developer PHirst Park Homes, Inc. (PPHI) located in Naic, Cavite; Baliuag, Bulacan; and Tayabas, Quezon. This brings the Company's partnership with PPHI to close to 19,000 units across 11 locations nationwide. In the infrastructure space, PCS also secured a Php1.0 billion contract from Leighton Asia to supply precast double tee slabs for the Candaba Viaduct expansion and a Php108 million deal for the MRT-7Line to boost its applicability for critical infrastructure projects to promote mobility and commerce. In its bid to expand into new segments, PCS also sealed a Php158 million contract with Vitro Data Center to establish foothold in the fast-growing digital infrastructure space.

Meanwhile, the country's first landport continued to experience significant foot traffic, reaching a record of 200,000 during the peak of Holidays in December 2023 and averaging 117,000/daily by end of the year. The retail segment continued to be robust, with average spending per passenger (SPP) reaching P39.8/pax from less than P30/pax the previous year. The office segment also continued to attract more traditional tenants to fill up leasable spaces and comprised 57% of signed up tenants as of end-2023.

In July 2023, the Company purchased 100% stake in PH1 World Developers (PH1) from Citicore Holdings Investment Inc., (CHII) for Php5.2 BN. The acquisition of PH1 completes the vertical integration of Megawide's existing EPC and PCS capabilities with property development to harness synergies and is a natural progression for engineering and construction to higher-value added business offered and opportunities unlocked through PH1.

Newly-acquired PH1 officially launched two (2) new residential projects during the year – Modan Lofts Ortigas Hills in Taytay, Rizal and Northscapes in San Jose del Monte, Bulacan valued at approximately P11 billion. Existing projects My Enso Lofts continue to post strong sales, with take up at more than 70% and construction progressing as planned, and The Hive's Tower D reaching 100% completion.

The Company also won big in Finance Asia Best Managed Companies' 2023 Poll, garnering the Gold for Best Managed Company and Best Consumer Cyclicals and securing Silver for Best CEO, Mr. Edgar Saavedra. PH1 also received various recognition, among these are the: Real Estate Innovation of the Year – My Enso Lofts (Lamudi), Best Housing Development and Best Green Development, Northscapes SJDM (Carousell Property Awards), and Top Global Brand Real Estate Developer (Brand Asia).

Subsidiaries and Affiliates

As of date, the effective ownership percentage of Megawide in each subsidiary or affiliate is as follows:

	2023	2022	2021
Subsidiaries:			
PH1 World Developers, Inc.	100%	-	-
PH1 World Landscapes Inc.	100%	-	-
Famtech Properties, Inc.	49%	-	-
Megawatt Power, Inc. (formerly, Megawatt Clean Energy, Inc.)	70%	70%	70%
Globemerchants, Inc.*	-	-	50%
Megawide Land, Inc.	100%	100%	100%
Megawide Cold Logistics, Inc.	60%	60%	60%
Megawide Construction (BVI) Corporation	100%	100%	100%
Megawide Construction DMCC	100%	100%	100%
Megawide Infrastructure DMCC	100%	100%	100%
MWM Terminals, Inc.	100%	100%	100%
Megawide Terminals, Inc.	100%	100%	100%
Megawide International Limited	100%	100%	100%
Megawide Construction (Singapore) Pte. Ltd.	100%	100%	100%
Cebu2World Development, Inc.	100%	100%	100%
Wide-Horizons, Inc.	100%	100%	100%
Tiger Legend Holdings Limited	100%	100%	100%
Megawide OneMobility Corporation	80%	80%	-
Tunnel Prefab Corporation	90%	90%	-
Accounted for as Asset Acquisition –			
Altria East Land, Inc.	100%	100%	100%
Associates:			
Megawide World Citi Consortium, Inc.	51%	51%	51%
Citicore Megawide Consortium, Inc.	10%	10%	10%
GMR Megawide Cebu Airport Corporation	33%	33%	60%
Evolution Data Centres Philippines, Inc.	49%	-	-

Joint Operations:			
Megawide GISPL Construction Joint Venture	50%	50%	50%
Megawide GMR Construction Joint Venture, Inc.	50%	50%	50%
HDEC- Megawide-Dongah JV	35%	35%	35%
Tokyu-Tobishima-Megawide Joint Venture	30%	-	-
Joint Ventures:			
Mactan Travel Retail Group Corp.	-	-	25%
Select Service Partners Philippines Corp.	-	-	25%

**No longer subsidiaries of the Group in 2023 and 2022*

PH1 World Developers, Inc.

On July 12, 2023, the Parent Company and Citicore executed a Share Purchase Agreement (SPA) for the Parent Company to acquire 100% of the outstanding capital stock of PH1 from Citicore. The fulfilment of the conditions precedent under the SPA such as the transfer of 579,457,844 common shares from Citicore to the Parent Company, and the payment by the Parent Company to Citicore for the purchase price of P5,200.0 million were fulfilled on July 27, 2023 that resulted in the closing of the transaction.

PH1 is a stock corporation organized under the laws of the Philippines. The Company was registered with the SEC on February 6, 2009 primarily to engage in the business of buying, selling, leasing, developing and managing real estate properties. The registered office address of PH1 which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

PH1 has a wholly owned subsidiary, PH1-WL. PH1-WL, which was registered on September 16, 2022, is engaged in real estate business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 also has a 49% ownership in Famtech, a company incorporated in the Philippines and was established to engage in real estate development. Famtech is consolidated in the Group's financial statements as the management considers that the Group has de facto control over Famtech even though it effectively holds less than 50% ownership interest [see Note 3.1(h)]. The registered office of Famtech is located at 5th Floor Pro-Friends Center, 55 Tinio Street, Brgy. Additional Hills, Mandaluyong City.

Megawatt Clean Energy, Inc.

MCEI was incorporated in 2014 to engage in the development of clean or renewable energy sources for power generation. Its registered address, which is also its principal place of business, is located at 20 N. Domingo St. Brgy. Valencia, Quezon City. As of December 31, 2023, MCEI has not yet started operations.

Globemerchants, Inc.

GMI was incorporated in the Philippines in 2016 and is primarily engaged in general merchandise operations. GMI's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City. GMI started its commercial operations in March 2017.

Prior to its sale in 2022, GMI was 50% owned by the Parent Company and is consolidated in the Group's financial statements as the management considers that the Group has de facto control over GMI even though it effectively holds 50% ownership interest.

In December 2022, the Parent Company sold its ownership interest with GMI to GMCAC.

Megawide Land, Inc.

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo St. Brgy. Valencia, Quezon City. MLI has not commenced its operations as of December 31, 2023.

MLI has a 60% ownership interest in MCLI, a company incorporated in the Philippines and was established to engage in cold and dry storage business. The registered office address of MCLI, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

Megawide Construction (BVI) Corporation

On June 20, 2017, the Parent Company acquired 100% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. MCBVI's registered address, which is also its principal place of business, is Marcy Building, 2nd floor, Purcell Estate, Road Town Tortola, British Virgin Islands. In 2018, MCBVI commenced business operations.

MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW have not commenced operations as of December 31, 2023.

MWM Terminals, Inc.

MWMTI is a joint venture arrangement formed on February 10, 2015 by the Parent Company and MTI, both exercising joint control to direct the relevant activities of MWMTI. The joint venture undertakes the development and implementation of the Parañaque Integrated Terminal Exchange (PITX) Project granted by the Philippine Government to MWMTI under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr. In November 2018, MWMTI commenced commercial operations.

Megawide Terminals, Inc.

On August 9, 2018, the Parent Company acquired 344.5 million shares or 100% ownership interest in MTI from existing shareholders of MTI for P344.1 million. MTI owns 49% interest over MWMTI.

MTI is an entity incorporated and registered on November 11, 2011 to establish, own, manage, administer, operate, maintain, and carry the business of providing property management services, either directly or through third parties, but not limited to the services of rent collection, tenant and lease management, marketing and advertising, repair and maintenance, liaison and other similar services. MTI's registered address and principal place of business is at 20 N. Domingo St. Brgy. Valencia, Quezon City.

Megawide International Limited

MIL, whose registered office is at Marcy Building, 2nd Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on

July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross St. #24-03/04 Manulife Tower Singapore. MIL has not commenced operations as of December 31, 2023.

Cebu2World Development, Inc.

CDI, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust.

Wide-Horizons, Inc.

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of December 31, 2023, WHI has not yet started commercial operations.

Tiger Legend Holdings Limited

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of December 31, 2023.

Megawide OneMobility Corporation

MOMC, whose registered address is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated in the Philippines and registered with SEC on March 11, 2015 to engage in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other stockholders by way of assignment in private sale.

In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of December 31, 2023.

Tunnel Prefab Corporation

TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects. It will supply the precast requirements of CP-104 package of the Metro Manila Subway System . TPC has not yet started commercial operations as of December 31, 2023.

Altria East Land, Inc.

Altria was incorporated on April 16, 2010 to deal and engage in land or real estate business, such as to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of all kinds of housing projects, commercial, industrial, urban or other kinds of property

The Parent Company's acquisition of Altria is accounted for as an asset acquisition since it does not constitute an acquisition of business.

Megawide World Citi Consortium, Inc.

MWCCI was incorporated in the Philippines on January 16, 2014 and is primarily established to undertake and implement the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital (New Hospital Facility), under the Modernization of the Philippine Orthopedic Center (MPOC) Project. MWCCI's registered office, which is also its principal place of business, is at 20 N. Domingo Street, 1112 Valencia, Quezon City.

Significant assets of MWCCI pertain to its receivables from the Department of Health (DOH) from the Build-Operate-Transfer Agreement. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group has wrote off its investment in MWCCI in 2022.

The Group's investments in MWCCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities.

Citicore Megawide Consortium, Inc.

CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business. CMCI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Group's investments in CMCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities.

GMR Megawide Cebu Airport Corporation

GMCAC was incorporated in the Philippines and registered in the SEC in 2024. GMACAC's primary purpose is to construct, develop, operate and maintain the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility (MCIA Project). GMCAC started commercial operations on November 1, 2014.

GMACAC was established for the purpose of implementing the provisions of the Concession Agreement (see Note 9) that was signed on April 22, 2014 between the Parent Company and GMR Infrastructure Limited (GIL) or GMR, and the Department of Transportation and Communications (currently, the Philippine Department of Transportation or DOTr) and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors).

GIL is an entity duly organized and registered in India. DOTr and MCIAA are the agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA Project. GMCAC's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City.

In 2022, the Parent Company sold a portion of its ownership interest in GMCAC that resulted in the loss of the Group's controlling interest in GMCAC. After the sale transaction, Group's ownership interest in GMCAC was reduced to 33.3% as of December 31, 2022. The remaining ownership interest in GMCAC is classified and presented as Non-current Asset Classified as Held for Sale in the consolidated statements of financial position.

Evolution Data Centres Philippines, Inc.

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of technological services. As of December 31, 2023, the Parent Company has 49% ownership interest in EDC. EDC has not yet started commercial operations as of December 31, 2023.

Megawide GISPL Construction Joint Venture

MGCJV is an unincorporated joint venture formed in 2014 by the Parent Company and GMR Infrastructure (Singapore) PTE Limited – Philippines Branch (GISPL) each owning 50% interest and exercising joint control. MGCJV was established to provide construction of works for the renovation and expansion of the MCIA Project and other airport related construction projects of the Group. MGJCV began to operate in 2015.

Megawide GMR Construction Joint Venture, Inc.

MGCJVI is an incorporated joint arrangement formed in January 2018 by the Parent Company owning 50% interest and GISPL with 45% interest and GMR Holdings Overseas (Singapore) PTE Limited owning the remaining 5%. The Parent Company and GISPL both exercising joint control. MGCJVI was established to provide general construction business including construction, improvement and repair of Clark Airport project. MGJCVI began to operate in 2018.

HDEC- Megawide-Dongah JV

HMDJV is an unincorporated joint venture formed on October 27, 2020, by the Parent Company owning 35% and Hyundai Engineering & Construction Co., Ltd. and Dong-ah Geological Engineering Company Ltd. Owning 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDJV was established to provide construction works for the civil structures, viaducts, bridges, and stations of Malolos-Clark Railway Project. HMDJV began to operate in 2021.

Tokyu-Tobishima-Megawide Joint Venture

TTM-JV is an unincorporated joint venture formed on May 31, 2022, by the Company owning 30% and Tokyu Construction Co., Ltd. and Tobishima Corporation owning 40%, and 30% interest, respectively, and exercising joint control over the assets and liabilities of the arrangement. TTM-JV was established to provide construction works construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. TTM-JV began to operate in 2023.

Mactan Travel Retail Group Corp.

MTRGC was incorporated and registered with the SEC on March 21, 2018 to develop, set-up, operate, maintain and manage the duty paid outlets at the locations in the Mactan Cebu International Airport. It started operations in 2018.

Select Service Partners Philippines Corp.

SSPPC was incorporated and registered under the laws of the Republic of the Philippines with the SEC on March 13, 2018 to develop, set-up, operate, maintain and manage food and beverage outlets at specified locations in Terminal 1 and Terminal 2 of Mactan Cebu International Airport and the provision of related services thereto. It started operations in 2018.

Parent Company and Other Affiliates

Citicore Holdings Investment Inc.

Citicore was incorporated on December 03, 2011 and operates primarily as a holding company, with ownership interests in Megawide at thirty-five and 41/100 percent (35.41%), MWCCI at thirty nine percent (39%), PH1 World Developers, Inc. at one hundred percent (100%), and CMCI at ninety percent (90%).

Megacore Holdings, Inc.

Megacore was incorporated on July 20, 2017 and is primarily organized to invest in or purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose real or personal property including shares of stocks, subscriptions, bonds, debentures, evidences of indebtedness, and any securities of any corporations. Megacore has twenty-nine and 93/100 percent (29.93%) ownership interest in Megawide.

Citicore Power Inc.

CPI was incorporated on March 11, 2015 to engage in the development of renewable and non-renewable energy sources for power generation, including the design, construction and installation, commissioning, owning, management and operation of relevant facilities and infrastructure thereof and the processing and commercialization of by-products in its operations.

Business Segments

Megawide and its subsidiaries, affiliates, and operating businesses are recognized and managed separately according to the nature of the services provided, with a segment representing the Company's strategic business unit. The following are the Company's business segments:

Continuing Operations

1. **Construction Operations** – principally refers to construction activities, such as construction works of residential, mix-used building, commercial, and infrastructure establishments, sale of construction materials, and rental of construction equipment.

2. **Landport Operations** – mainly relate to cost related to operation and maintenance of PITx as offset by the income stream from the lease of its concessionaire and commercial/office towers.

3. **Real Estate Development** – primarily involves buying, selling, leasing, developing, and managing real estate properties including but not limited to condominiums, house and lot, and commercial units, under the brand PH1 World Developers, Inc.

Discontinued Operations

4. **Airport Operations** – mainly relates to the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining MCIA, including its commercial assets and all allied businesses for the operation and maintenance of said airport facility.

5. **Airport Merchandising** – mainly includes sale of food and non-food items in the premises of MCIA.

The other aspects of the Company's business are the operations and financial control areas. These segments are also the basis of the Company in reporting to its executive committees to assist in its strategic decision-making activities. The transactions between segments are conducted at estimated market rates and on an arm's length basis.

The revenues and expenses that are directly attributable to a business segment, along with the relevant portions of the Company's revenues and expenses that can be allocated to such business segment, are accordingly reflected as revenues and expenses of that business segment.

Additional significant information relating to each business segment are discussed below:

Construction Segment

Customer and Project Selection

Megawide is frequently being invited to bid for major domestic low to high-rise building and even horizontal property development projects. The scope of work on these projects generally include design and engineering which include among others, site development, earthworks, structural and civil works, masonry works, architectural finishes, electrical works, plumbing and sanitary works, fire protection works and mechanical works.

In line with its risk policies, Megawide, while frequently invited to bid on projects, carefully selects which projects to participate in, based on the following criteria:

1. creditworthiness of the project owner determined through background checks with banks and financial community, business and trade associations, standing with the Housing and Land Use Regulatory Board (HLURB), and credit record of major suppliers; and
2. liquidity of the project owner determined through financial ratios and financial performances for the past three (3) years.

In addition, Megawide also evaluates each potential project based on the following:

1. size of the over-all development blueprint of the project and its implementation timetable on phases;
2. complexities and limitations of the structural design of the high-rise building project;
3. project location, accessibility of heavy construction equipment, and proximity to clusters of on-going project sites;
4. logistics difficulties and limitations;
5. procurement of necessary permits; and
6. profitability.

Megawide negotiates the final construction price with the project owner. Upon being awarded the project, Megawide shall commence within seven (7) days from the latest upon receipt of the following:

1. issuance of the Notice to Proceed;
2. execution of the Construction Agreement/Contract;
3. release of the building permit;
4. completion of the construction drawings; or
5. full release of the downpayment.

Moreover, the Company prepares a project execution plan (PEP) per project. PEP is the governing document that establishes the means to execute, monitor and control p
ojects. The plan serves as the main communication vehicle to ensure that everyone is aware and knowledgeable of project objectives and how they will be accomplished.

PEP is prepared after the project has secured a Contract Agreement or Notice of Award, whichever is applicable. It is outlined based on the following:

1. Construction Methodology – this includes the methods to be used and followed on the ff:
    - Actual site condition
    - Temporary facility plan

- Traffic Management plan
- Constructability Method
    - Structural elements
    - Architectural elements
- Construction sequence
- Zoning
- Cycle sequence
- Soil protection
- Dewatering system
- Formworks system
- Fall Protection
- Construction Vertical Equipment plan
- Material Data List

2. Project Schedule Preparation
   The activity is to develop the program/ schedule in terms of the execution of the works of the project. Based on the Project Schedule documents which is part of Bid Documents, the latter should be further detailed out to be able to plan the execution effectively.

3. Project Quality Plan
   The activity is to develop the Project Quality Plan for the project, where the Contractor and the CM/Client should closely collaborate in coming up a Quality Standards, Policies & Procedures particularly work inspection process flow, material inspection process flow, punchlist and hand-over process, sequence and inspection of works, structural inspection test plan, among others.

4. Project HSSE Plan
   The activity is the development of the Project Health, Safety, Environment & Security standards & protocols in collaboration with CM/Client . It also inlcudes the compliances of the following government agencies such as DOLE-OHS, DENR-EMB, DOH, PNP-SOSIA, and ISO wherein the Project Head & Project HSSE Head should be coordinating (if required) on every agency at this point.

5. Project Procurement Plan
   The activity is to develop all the procurement tools & documents needed for the entire projects. Base on the Budget (BCB) done in the Bid Preparations , the project head should prepare all proposed Vendors (subcons & suppliers) ; develop the items into Packages to be procured with responsiblity matrix; develop the approval matrix of Materials & Services that needs to be coordinated to Client , then present to Top Mgt as part of the PEP in the PPR mtg.

6. Project HR Plan (PHP) Preparation
   The PHP includes all resource plans that will help project execute the People Management Framework, especially on the identification of the manpower required to execute the project including manpower loading schedule. It also identifies the job description and deliverables for each position including the performance management system.

7. Project Risk Register
   This includes the (1) identification of project risks, including potential threats and opportunities, (2) Risk assessment, analysis, and prioritization; and (3) Risk response strategies and contingency plans to mitigate or exploit identified risks.

8. Project Stakeholder Register
   This includes the (1) identification of key stakeholders that may impact and/or influence the project; and (2) Engagement plan strategies to manage the key stakeholders.

9. Project Financial Plan (PFP) Preparation
   This activity covers the set-up of Project Accounting Policies and Procedures manual, Financial Reporting templates and set up of financial system (ie. SAP or any other system). It also includes Projected P&L and Cash Flow report based on the duration of the project.

10. Project Warehouse Plan
    This plan includes (1) Developing a Drawing of Site Devt Plan showing location for Warehouse, Warehouse layout drawing, Storage areas for space-consuming materials like Rebar, Precast and FW yard, Receiving and Unloading Areas, Dispatching Areas, Owner Supplied Storage Area, Subcon Materials; (2) Developing warehouse shelving and/or racking design to utilize space, increase storage capacity and improve inventory management. This shall also allow efficiency and minimize traffic on the flow of goods in the warehouse; (3) Defining all Equipment and Tools needed for handling and moving inventory inside and outside the whse, including the use of forklifts, hand trucks, and other equipment , from receiving, storing, dispatching and counting of inventories.

    Warehouse planning outlines the steps and guidelines for organizing, storing, and managing inventory in a warehouse. The main goal of this policy is to ensure efficient, safe, secured and cost-effective warehouse operations.

11. Project Communication Plan
    This defines the communication protocol should be defined which include the different required Meetings which shall include the attendees, schedule in calendar and the agendas.

Procurement

Procurement process shall ensure that goods, works, and services acquired by Megawide are obtained in a timely manner, at the most competitive price and are of the required quality and quantity. This includes:

1. Request For Quotation (RFQ) Preparation and Solicitation
   The preparation of the RFQ documents should include the ff:
   ~ Drawing Plans
   ~ Material Specifications
   ~ BoQ (Qty, Items & right format)
   ~ Letter of Invitations (with proper instructions and process described)

2. Submission & Opening of Bids of Vendors
   Note that this is only applicable for Competitive Bidding Process only, which should be defined in the Work Package. The latter is suggested for big ticket items & highly specialized trade ie Curtain Walls, Electrical Work, Plumbing & Fire Pro Works.

3. Evaluation of Bids
   This activity includes technical, financial and commercial evaluation of bids.

4. Negotiation and Award
   This includes back and forth negotation with the potential vendors until all the terms are agreed and ready for award.

For all vendors, Megawide also performs Vendor Accreditation Process to assess the technical and financial capabilities of the vendors.

Once the PEP is approved, Megawide immediately mobilizes the construction equipment, manpower, and materials needed for the project. Megawide secures the performance and surety bonds required in order to obtain the downpayment from the project owner, and contractor's all-risk insurance, and other necessary insurance policies and coverages. It also negotiates and finalizes the terms of its construction contract with the project owner. The responsibilities and warranties of Megawide under its construction contracts typically include on-time project turn-over and completion based on an agreed timetable, adherence to the agreed material specifications and construction methodologies, and warranty on workmanship and material defects. In the normal course of business, on a per project basis, Megawide sub-contracts to specialty or trade contractors the MEPF and Architectural works for its projects.

During construction, quality control procedures are strictly followed. The Quality Control Department is responsible for quality assurance and quality control during production and construction. The said department is composed of highly-trained inspectors and personnel who conduct on-site inspections to assure compliance with such quality control procedures. As standard procedure, concrete samples are tested by specialized laboratories to ensure compliance with the specifications of the American Society for Testing and Materials (ASTM), American National Standards Institute (ANSI), and Construction Specifications Institute (CSI).

To ensure that projects are on schedule, on-site project managers monitor and control the progress of projects, mindful of the completion date pursuant to the construction contract. The project managers are responsible for accomplishing project objectives, developing the project schedulesand managing the project team and budget.

Meanwhile, the Planning Department tracks the progress of the project (both physical and financial) through site inspections (checking the physical output- how many levels and agreed milestones were finished) and by conducting operations and management committee meetings (analyzing financial and nonfinancial targets and actual accomplishments).

Upon project completion, the following activities are conducted as a condition to project turnover to the owner:

1. Megawide submits a Notice of Turn-Over and Completion to the project owner;
2. Megawide and the project owner conduct a joint inspection and punch listing;
3. should there be no pending items for completion, the project owner issues a Certificate of Completion; and
4. the project owner releases retention monies upon submission by Megawide of a guarantee bond. The guarantee bond is typically valid for up to 1 year from the project's turnover date and is required by project owners to guarantee the quality of the materials used, the equipment installed, and the workmanship on the project.

Terms Granted to Customers

Bids for construction projects typically include the material specifications and the kinds of finish to be used on the projects. Deviations from the same are subject to variation orders. Consistent with industry practice, Megawide normally requires the following key terms of payment in its construction contracts:

1. a downpayment of fifteen percent (15%) to twenty percent (20%) of the contract price prior to commencement of construction activities. Customers usually require that Megawide obtain a performance bond to guarantee that it will execute the work in accordance with the contract;

2. monthly progress billing (or interim billings). Progress billings are subject to pro-rata recoupment of downpayments, and retention monies equivalent to ten percent (10%) of the billed amount, to be reduced to five percent (5%) upon fifty percent (50%) completion of the project; and

3. the balance of retention money is release upon issuance of Certificate of Completion (COCA). Customers usually require that Megawide obtain a guarantee bond to guarantee the quality of the materials provided, the equipment installed, and its workmanship.

The exposure of Megawide to credit risk on its receivables relates primarily to the inability of the customer to fully settle the unpaid balance of contract receivables and other claims owed to Megawide. Credit risk is managed in accordance with the Company's credit risk policy, which requires the evaluation of the creditworthiness of the customer.

Completed Projects

The notable projects that the Company has completed are:

1. **Worldwide Plaza** – An addition to the Uptown Bonifacio complex is this commercial and office building developed by Megaworld Corporation. This 24-storey building with a 3-level basement parking which will stand at a 7,800 square meter lot with total floor area of 114,310 square meters.

2. **Double Dragon Tower** – An office building composed of 11-storeys with a basement parking. Its gross floor area is 61,859.05 square meters. Total lot area is 5,257 square meters.

3. **Newport Link** – A commercial project of Megaworld Corporation located in Newport, Pasay City, which is a 7-storey building, with a total floor area of 50,174.27 square meters.

4. **Urban Deca Tondo** – A mass housing contract with Fog Horn, Inc. which initially focused on Buildings 9,10,12, and 13. In 2016, Buildings 1 and 2 were added. These 6 buildings have a total combined lot area of 162,067.37 square meters. Ultimately, there will be 14 clusters of 13-storey buildings in the residential complex located in Tondo, Manila City. The project also includes a 2-storey commercial building located in the residential complex with floor area of 20,132.76 square meters.

5. **Urban Deca Homes Manila** – is a 13-Building Medium rise affordable housing project located at a 8.47-hectare complex in Tondo, Manila. The project has a total of 13,212 residential units catering growing families who want to stay near their current family homes and for those working in trade and commerce since it is situated near the port and business area of Manila.

6. **Hampton O and P** – Developed by Dynamic Realty Resources Corporation, Hampton O and P is a 12-storey residential building inside the Hampton Gardens residential complex at C. Raymundo, Maybunga, Pasig City. It has a total lot area of 1,400 square meters and a gross floor area of 26,045.64 square meters.

7. **Albany Luxury Suites** – A residential project of Megaworld Corporation, located at Mckinley West, Fort Bonifacio, Taguig City, with total floor area of 41,847.48 square meters for 2 buildings, which are 15-storeys each.

8. **My Enso Tower (Timog) – Phase 1** – A mixed-use development that provides a customizable living experience by providing extra space for your needs, be living or storage space, and a smart and modern minimalist design concept, all located at the heart of Quezon City Central Business District.

9. **The Hive C&D, and Amenities** – is a 12-storey low density condominium with only 856 units in total, having only 18 condo units per floor, made of concrete glass and steel, boasts of a myriad of building amenities and features for the family looking to upgrade their current living spaces. Master-planned for space and landscaping, it is strategically located at the heart of Taytay Rizal.

10. **Clark Global City Phase 1 Project** – A modern, state-of-the-art, master planned mixed-use commercial and business center of excellence project by Global Gateway Corporation located at the Freeport Zone, Mabalacat, Pampanga. It covers an area of 177 hectares. Its future development includes mixed-use buildings, a hospital, a hotel, and a casino.

<u>On-Going Projects</u>

The following are the on-going projects of Megawide as of December 31, 2023:

1. **Urban Deca Ortigas** – A residential complex composed of 24 clusters of 13-storey buildings located at Ortigas Extension, Pasig City. This project is a continuation of previously completed building 1-6. This ongoing project is comprised of the construction of buildings 7&8, and buildings 10&11.

2. **University Tower 5** – Owned by Prince Jun Development Corp., University Tower 5 is a 52-storey residential building located in Sampaloc, Manila City, with a total floor area of 56,871.14 square meters.

3. **International Finance Tower** – A 25-storey office building developed by Megaworld Corporation, with a gross construction floor area of 114,000 square meters, located in BGC, Taguig City. This project is set to be completed in the second quarter of 2024.

4. **Proposed 4-Storey Economic Residential Condominium (Plumera)** – The newest affordable project by Johndorf Ventures, strategically located at Basak, Lapu-lapu City. The project's size is 5 hectares and is composed of 20 buildings with around 4 to 10 floors each, for a total floor area of 98,338 square meters.

5. **Gentry Manor** – A residential project of Megaworld Corporation, located in South Beach District, Westside City, Parañaque City, whose 4 towers have a total floor area of 119,326.42 square meters.

6. **The CornerHouse Project** – A residential project of Emerald Rich Properties located at P. Guevarra Street, San Juan City, with total floor area of 16,020.79 square meters. The construction includes a 3-level basement, a 3-storey commercial area, and a roof deck.

7. **Urban Deca Cubao** – A residential project of 8890 Holdings located in Cubao, Quezon City, with total floor area of 115,000 square meters. The construction includes a 2 level basement, a 45-storey residential area, and a roof deck.

8. **Aglipay Sewage Treatment Plant** – an STP in Mandaluyong City, with a treatment capacity of 60 million liters per day (MLD) of wastewater and using the Moving Bed Biofilm Reactor (MBBR) process with Biological Nutrient Removal (BNR) technology. The construction of the STP is expected to be completed by 2024 and the sewer network by 2025.

9. **Cebu Carbon Market Redevelopment** – A public and commercial redevelopment project in Cebu City which includes the Sto Niño Chapel, Puso Village, interim market, and a multi-level parking.

10. **Coral Village** – A project with 1,200 residential units, with a floor area of 192 square meters per unit, or total CFA of 230,400 square meters in Coral Village, Lapu-Lapu City, Cebu by Johndorf Venture Corp. The project is expected to be completed in 5 years. Set to be completed in 2024.

11. **Suncity A** – Westside City Resorts World is a multi-billion project located at Bay Boulevard, Bagong Nayon Pilipino, Parañaque City, with a total building footprint of 113,628.15 square meters. Its facilities shall include 3 grand theaters, a shopping mall, and parking spaces.

12. **Suncity B –** A 5-star hotel and casino project with Suntrust Home Developers Inc, a subsidiary of Suncity Group Holdings Limited. The said project is located at the entertainment area of Parañaque City. The project is divided into 4 parts, as follows: Package 1- Substructure, Package 2- Superstructure, Supplementary Agreement, and Nominated Subcontractor (NSC).

13. **Ascott DD Meridian Park Manila** – A new addition to the Meridian Park of Double Dragon Properties Corp. which is a luxury residence developed in partnership with Ascott Singapore. It is composed of a 10-storey building with one (1) basement and gross floor area of 49,541.67 square meters. It is located in a 5,657 -square meter lot in DD Meridian Park, Bay Area corner Macapagal Avenue, EDSA Extension, Pasay City.

14. **Double Dragon Meridian Tower -** is the last phase of construction at DoubleDragon Meridian park at Pasay City, it is a 12-Storey mixed use building with 1 basement and a total of 39,409.38 m^2, 112 parking lots, 1 PWD slot, 24 motorcycle slots and 1 loading. Lot area of 3,795.07 m^2 and with a building footprint of 3,139.13 m^2. The total height of the building is 49.78 m and has a total depth of -4.70 m.

15. **Hotel 101 –** Hotel 101, strategically located in Lot 3, Bridgetowne, Eulogio Rodriguez, Jr., Ave., Brgy. Ugong Norte, District 3, Quezon City, stands as a distinguished commercial establishment. Located on a 2,547 square meter prime titled commercial lot in the prestigious Bridgetowne District, this 24-story structure with Roof deck and Helipad showcases the hotel's facilities, including a gym, outdoor infinity pool, all-day dining, business center, and function rooms, all designed to meet the discerning needs of its valued guests. The construction of Hotel101-Libis Bridgetowne includes Site Works, Structural Works, Architectural Works, and MEPF Works. With 702 hotel units, 13 commercial units, and 283 parking slots, Hotel 101 exudes sophistication in every aspect of its design and functionality. As part of the esteemed Bridgetowne integrated township by Robinsons Land Corp., Hotel 101 promises to deliver top-notch facilities and services in the heart of the bustling metropolitan area.

16. **Landers Aseana** – is a single storey Commercial Building with 1 basement with a total CFA of 18,710.91 m^2, 296 parking slots. Lot area of 15,064 m^2. The total height of meter of 11.40 m. It has a total depth of -2.7m from NGL. Located at J.W. Diokno Blvd. Cor. Bradco Avenue Aseana City Parañaque City and has a development timetable of 12 months.

17. **One Lancaster Park** – is a foundational development in Imus, Cavite that will provide the future residents a sophisticated lifestyle that everyone deserves while living in a sub-urban province. The entire development, which comprises of 9 mid-rise towers and amenities within the 6.3-hectare land area, aims to bring forth a peaceful and convenient lifestyle.

18. **Clark Global City Myung Dang**– is a 177-hectare master-planned, mixed-use real estate investment opportunity allowing select investors to participate in the growth of a world-class city development within the Clark Freeport Zone.

19. **Modan Lofts Ortigas Hills (MLOH) -** Three (3) tower development with twenty-one (21) and twenty-two (22) storey with roof deck, a separate carpark building, amenity area and two (2) level retail at the entrance of the development area with an estimated construction floor area of 33,728.32sqm, located at Ortigas Extension Avenue, Barangay San Isidro Taytay Rizal, Philippines.

20. **Lumbangan Solar Power** – is a 125MWp solar PV power Project and currently owned by Citicore Solar Batangas 1, located at Lumbangan Tuy, Province of Batangas Philippines. The Area is about 106 Hectares. The solar PV Power s expected to start its operation by 2024

21. **CP-104 Manila Subway** – is the first ever subway project in Metro Manila that will connect North Caloocan or Meycauayan in Bulacan and Dasmariñas in Cavite through the National Capital Region. This is a project proposed by the Department of Transportation or DOTr. PHASE 1 the Contract Package 104, Two underground Station (Ortigas Station & Shaw Boulevard Station) and Tunnels (3.4km).

22. **Malolos-Clark Railway Project** – A 17-kilometer rail line that includes stations in Calumpit and Apalit, together with consortium partners Hyundai Engineering & Construction Co., Ltd. And Dong-ah Geological Engineering Company Ltd.

Major Customers

Megawide is currently servicing the majority of high-rise residential, commercial, office, and mixed-use development projects in Metro Manila, for several major local developers. This is primarily due to the Company's 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.

Suntrust Home Developers, Inc. (Suntrust)

Suntrust is a company engaged in real estate development, mass community housing, townhouses and rowhouses development, residential subdivision and other massive horizontal land development. It is a subsidiary of Suncity Group Holdings Limited (Suncity Group), a listed company on The Stock Exchange of Hong Kong Limited, which owns fifty-one percent (51%) of the outstanding capital stock of Suntrust. Suncity Group is principally engaged in property development in Guangdong and Anhui Provinces in the People's Republic of China; property leasing in Shenzhen in the People's Republic of China; provision of hotel and integrated resort general consultancy service in Vietnam; and provision of travel related products and services.

Travellers International Hotel Group, Inc.

Travellers International Hotel Group, Inc. (the "Company") is a developer of integrated resorts in the Philippines. The Company was awarded one of the first licenses issued by the Philippine Amusement and Gaming Corporation ("PAGCOR") in June 2008 to construct and operate integrated leisure and gaming facilities to an international standard with the goal of enhancing tourism in the Philippines.

Megaworld Corporation (Megaworld)

Megaworld is one of the country's leading real estate developer, top BPO office developer, and one of the biggest landlords in the Philippines. Led by real estate magnate and visionary, Dr. Andrew L. Tan, Megaworld pioneered the LIVE-WORK-PLAY-LEARN township concept in the country. The company introduced the successful large-scale, master-planned, and mixed-use developments such as Eastwood City in Libis, Quezon City; Newport City in Pasay City; McKinley Hill, Forbes Town Center, McKinley West, and Uptown Bonifacio, all in Fort Bonifacio; Woodside City in Pasig City; Iloilo Business Park in Mandurriao, Iloilo City; the Mactan Newtown in Lapu-Lapu City, Cebu; and the Davao Park District in Davao City.

8990 Holdings, Inc. (8990)

8990 is the largest mass housing developer in the Philippines in terms of units licensed under Batasang Pambansa (B.P.) Blg. 220 from 2011 to 2013, according to HLURB. The company has been developing mass housing projects in high-growth areas across Luzon, Visayas, and Mindanao since 2003. 8990's "DECA Homes" and "Urban DECA Homes" have also gained a strong reputation in the market, resulting in 8990 garnering numerous awards such as Q Asia Magazine's "Best Housing Developer" for 2012 to 2013.

Double Dragon Properties Corp. (DD)

DD has undertaken several vertical and horizontal developments since it started its commercial operations in April 2010. DD's vision is to accumulate one million (1,000,000) square meters of leasable space by 2020 primarily through the rollout of one hundred (100) community malls across provincial cities in the Philippines through its community mall chain brand "CityMall" under its subsidiary CityMall Commercial Centers Inc. and through the development of two (2) major commercial office projects, DD Meridian Park and Jollibee Tower, both of which are located in prime properties in Metro Manila.

PH1 World Developers

PH1 World Developers is the real estate arm of Megawide that aims to disrupt property development conventions through innovation and engineering technology. PH1 aims to deliver extraordinary projects to every homeowner that will give them the experience of extra space, extra value, and extra convenience. PH1 is responsible for projects like The Hive, My Enso Lofts, MLOH, and One Lancaster Park.

<u>Competitors in the Industry</u>

EEI Corporation (EEI) and D.M. Consunji, Inc. (DMCI) are the publicly-listed companies among Megawide's major competitors. Both have on-going residential condominium projects in Metro Manila. DMCI dominates domestic infrastructure, while EEI concentrates on heavy industry projects.

There are also other private companies which offer engineering, procurement, and construction (EPC) services as well as provide pre-cast products on a smaller scale that compete with Megawide's business, such as Makati Development Corp., DATEM, Inc., Frey-Fil Corporation, and Pre-cast Products Phils, Inc. among others.

The principal areas of competition are pricing, service, and quality of construction. Megawide believes, however, that it has an advantage over its competitors in the high-rise residential condominium market because of its use of High Technology Building Systems, value-added engineering services, technical competence, and innovative ability. Furthermore, unit prices of Megawide's projects are competitive with those of EEI's and DMCI's.

In the property development space, competitors include the likes of Avida Land, Alveo Land, DMCI Homes, Filinvest Land, Robinson's Land, among others.

<u>Competitive Strengths</u>

Megawide believes that its principal strengths are the following:

1. **Value Engineering Through Modern and Advanced Building Technologies**

    - Megawide was the first to extensively utilize advanced, modern, and comprehensive European building systems that reduce construction time and allow for quicker project turn-over.

- Megawide employs Formworks in its on-going projects, purchased from German company, MEVA Schalungs-Systeme Gmbh. Formworks are the temporary or permanent moulds, into which concrete or similar materials are poured into, to form the structural elements of a building. The traditional construction process utilizes timber or plywood formworks. Megawide's Formwork are one hundred percent (100%) wood-free, all plastic facing. These are nailable like plywood but are able to maintain structural rigidity. These are also re-usable, putting an end to plywood wastage, and do not swell or shrink like plywood. Megawide utilizes the following Formworks in its existing projects:

    - Slab Formworks
    - Wall Formworks
    - Column Formworks
    - Circular Formworks
    - Climbing Formworks

- Megawide also uses a Pre-Cast Concrete System purchased from Finnish company, Elematic. The European Pre-Cast Concrete System which Megawide employs in its current projects, has the inherent advantages of:

    - reducing cost;
    - shortening the construction period;
    - improving quality;
    - increasing project volume; and
    - being environmentally friendly.

- The following table is a summary of the advantages of Megawide's High Technology Building Systems over traditional construction methods:

	Traditional Construction	**Megawide**	**Advantages**
Formworks	Plywood	Plastic Face Formworks	• No swelling and shrinking • Stable flexural rigidity • Free from rippling and warping • Quality in concrete pouring • Fast cycle, simple assembly, early stripping, less manual labor employed • Even surfaces • Zero discoloration • Fast on-site cleaning • Zero waste • Reusable
	Coco Lumber	Aluminum and Steel Scaffoldings	• More stable and robust • Longer lifespan • Easy assembly lock and formwork clamp
Pre-Cast Concrete	Concrete Hollow Blocks	Pre-Cast Walls	• Precise, smooth and even curing, high quality, energy saving and ecological

	Traditional Concrete Beams, Columns, Slabs	Pre-cast Beams, Columns, Slabs, Toilets, Parapets, Wheel Guards	• Savings in steel and partition wall materials, extra-long spans for design flexibility, accurate dimensions and strand locations for less work-on site

- Megawide's sixteen (16)-hectare industrial complex in Taytay houses its eight (8)-hectare automated pre-cast concrete manufacturing plant, which is the largest and most advanced in the country, and is among the top in Southeast Asia in terms of size and technology employed. The use of pre-cast concrete is environmentally friendly and allows Megawide to reduce construction costs, shorten the construction period, improve the overall quality of the work, and increase project volume.

- The Megawide corporate building in Quezon City obtained a gold certification from the Leadership in Energy and Environmental Design (LEED) of the United States Green Building Council. LEED is a third-party certification program for the design, construction and operation of high-performance green buildings. It is the predominant green building rating system in the United States and is used around the world.

2. **Business Synergies from Vertical Integrations**

Megawide's unique business model puts it in a league of its own, clearly differentiating it from among its peers. It is positioned as a construction company that has a manufacturing component through the use of a state-of-the-art pre-cast production facility and wide downstream integration such as a modern concrete batching plant, advanced formworks, and has its own fleet of vertical, earth-moving and construction equipment. Moreover, to ensure a sustainable business growth and to mitigate economic down cycles, Megawide has expanded and diversified into infrastructure development, an upstream integration that surely adds and creates greater value to Megawide in the short, medium, and long-term horizon. Not only will these infrastructure development projects provide construction revenues to its downstream business units, it will likewise become the source of future stable recurring income upon completion. The synergies in these vertical integrations will result to seamless operating efficiencies, optimal use of resources, and financial strength.

3. **Strong Brand Name and Proven Track Record**

Megawide has a well-established reputation in the construction industry for its excellent project execution and customer service. It has a proven track record of efficient operations, having successfully completed numerous low-rise to high-rise condominiums and industrial buildings.

4. **Organizational Capability and Flexibility**

Megawide has strengthened its organizational structure to be more technical, flexible, and proactive in adapting to clients' requirements and market changes. It has a diverse work force of young, dynamic, committed, and highly effective personnel, including experienced and well-trained professionals. It also has a disciplined and responsible management team that has effectively surpassed challenging business situations. Moreover, expatriates of different expertise are employed to help Megawide deliver quality service to its clients.

5. **Financial Strength and Ability to Raise Financing at Competitive Costs**

   Megawide has a strong balance sheet that can support fund raising for its projects at very competitive costs.

6. **AAAA and Large B Contractor's License**

   Megawide has an AAAA Contractor's License from the Philippine Contractors Association Board (PCAB). This is the highest classification and category for a construction company, which qualifies Megawide to bid for private projects with no limits on contract value. Likewise, Megawide obtained a Large B classification for government registration which allows Megawide to participate in large infrastructure projects such as highways, roads and bridges, piers and airports, railroads, waterworks, and power plants.

7. **Young, Modern, and Branded Fleet of Building Equipment**

   Megawide owns and maintains a young, modern, and branded fleet of tower cranes and earthmoving equipment to ensure maximum efficiency and minimum down time during construction.

<u>Suppliers</u>

Construction

Megawide sources its raw materials, primarily steel, cement and aggregates from external suppliers who are reliable and known in the construction industry. In selecting its suppliers, it considers quality, pricing, and efficient delivery of raw materials. It also does not depend on a limited number of suppliers for raw materials and none of its major suppliers are its Affiliates. Suppliers usually give Megawide a 30-120 day payment period. In order to mitigate the risk of price volatility in raw materials for its projects, Megawide, upon contract award, immediately locks-in major materials such as steel and concrete for the entire project. All purchases are done centrally, at Megawide's head office procurement department, for all the requirements of its project sites.

Airport

The airport segment has minimal purchases, consisting of materials and labor related purchases, to maintain the airport facility, janitorial services, security services, professional and consultancy services, and some utility services which include internet, power and utilities. A purchase with a total value of ₱20,000.00 or more shall require a minimum of 3 (three) comparative quotes (not older than 6 (six) months). Quotations should indicate the vendor's name and should be attached at all times upon purchase order creation. In cases where the required number of comparable quotes cannot be observed, a written justification for the same has to be expressly indicated in the purchase approval form. In concluding payment conditions and terms with vendors, the minimum payment term is 30 days. In unavoidable cases where vendors would require a downpayment, a maximum 40% downpayment is allowed. A security bond is required for downpayments above 10%.

Landport

The terminal segment has minimal purchases, consisting of materials and labor related purchases, to maintain the terminal facility, janitorial services, security services, professional and consultancy services and some utility services, which include internet, power, and utilities.

When selecting its suppliers, it considers quality, pricing, technical experience (for consultants and professionals) and efficient delivery of materials. It also does not depend on a limited number of suppliers.

Real Estate

The real estate segment is forwardly integrated with Megawide, being its parent company and sole general contractor. Moreover, the real estate segment engages outside services for property management, janitorial, security, professional and consultancy, and utility services such as internet and power. The selection of these services considers its track-record on quality, pricing, technical expertise, and efficiency.

Quality Control and Assurance

Megawide's quality of work are in accordance with applicable local and international standards such as PNS, ASTM, ANSI, ACI, or AASHTO. The general specifications are based on project requirements considering local conditions, policies, available materials, local regulations, and other special circumstances. In addition to on-site inspections, as a standard procedure, materials' samples are tested by specialized laboratories to verify compliance with applicable codes and standards.

Megawide's management system strictly adheres to the requirements of the ISO standards on Quality, Environmental, Safety and Health. As such, Megawide is committed to customer satisfaction, environmental protection, and prevention of injury or ill health.

Intellectual Property

Megawide has been issued Certificates of Registration for the following trademarks by the Intellectual Property Office (IPO):

1. for its typeface – dated May 9, 2019 and expiring on May 9, 2029;

MEGAWIDE

2. for its logo – dated October 13, 2019 and expiring on October 13, 2029;

3. for its logo with typeface – dated October 13, 2019 and expiring on October 13, 2029; and

MEGAWIDE

4. for its tagline "**Engineering A First-World Philippines**" – dated February 15, 2020 and expiring on February 15, 2030.

5. For its trademark "**Megawide Construction Corporation"** – dated October 31, 2022 and expiring on October 31, 2032.

6. For its trademark "**Megawide Corporation"** – dated October 31, 2022 and expiring on October 31, 2032.

However, Megawide strongly believes that its operations are not dependent on any patent, trademark, copyright, license, franchise, concession, or royalty agreement.

Research and Development

Megawide is driven by its commitment to innovation, led by the Engineering department who is headed by seasoned Japanese engineers with wide range of construction experiences for more than 40 years. The Team is complemented by young and dynamic engineers, who continuously explore new inventions, best methodologies, safest building standards, and strictest quality assurance in the field of construction. The R&D Department is also constantly working with international consultants and leading general contractors for value engineering techniques to achieve the most cost-efficient building design and structures, adhere to strictest safety standards, and comply with global best practices - with the goal of offering the best value for money for customers.

Government Approvals and Permits

All government approvals and permits issued by the appropriate government agencies or bodies which are material and necessary to conduct the business and operations of Megawide, were obtained and are in full force and effect.

Megawide and its business operations are subject to various laws and regulatory agencies, including the Contractor's License Law, nationality restrictions, and environmental laws. Megawide complies with environmental laws and will keep abreast of any changes in such laws which may have an impact on its business.

Megawide complies with all local and national tax laws and regulations, and it shall continue to be so by diligently paying all taxes, including (but not limited to) income tax, withholding tax, real property tax, and such other taxes that are assessed against it and which Megawide understands to be due.

Employees

As of December 31, 2023, Megawide's manpower complement is as follows:

Division	Regular	Project Based*	Expatriates	Total
Operations	975	1,943	2	2,920
Head Office	466	53	4	523
Total	1,441	1,996	6	3,443

**Includes fixed-term employees*

The relationship and cooperation between the management and staff remain strong and expected to be maintained in the future. There has not been any incidence of work stoppages. Megawide complies with the minimum wage and employment benefits standards pursuant to Philippine labor laws. It adopts an incentive system that rewards and recognizes the employees who excel in their respective fields to foster the harmonious relationship between management and employees.

No single person is expected to make a significant contribution to the business, since Megawide considers the collective efforts of all its employees as instrumental to the overall success its performance.

Mr. Edgar B. Saavedra, *Chairman of the Board, CEO, and President*, and the other executives are the key decision makers of the Company. In relation to this, Megawide is continuously hiring experts to further strengthen and professionalize its organizational and management structure. Megawide continues to bolster its management positions in order to spread out responsibilities. It also provides various training programs for its employees to maintain competitiveness and efficiency.

Airport Operation Segment

MCIA, the gateway to the Visayas and Southern Philippines, is the second (2nd) largest airport facility in the country with a consistently growing number of passengers annually. Under the CA with DOTr, GMCAC has delivered its second (2nd) terminal and rehabilitated the existing terminal to reduce congestion as well as meet the growing passenger traffic into Cebu. GMCAC has taken this capital extensive project to provide a world-class terminal airport with a welcoming ambiance and warm hospitality that is distinctly Filipino.

MCIA is no longer just a secondary airport. It is a viable choice that connects Cebu to the rest of the Philippines and to the world.

GMCAC envisions MCIA to become the friendliest gateway destination, treating passengers as guests the moment they set foot in the airport. GMCAC's brand image is firmly tied to Cebu's global reputation as a warm and friendly resort destination.

<u>Terminal 1</u>

Upon turnover of MCIA's operations and management to GMCAC on November 01, 2014, which then has a combined rated capacity of four million five hundred thousand (4,500,000) passengers annually for both the domestic and international segments, the airport team has fast-tracked in-terminal developments to reduce congestion, improve ambiance, and enhance customer service.

To reduce congestion, GMCAC embarked on the installation of a passenger reconciliation system to immediately scan boarding passes, a first in any Philippines airport; installed self-service check-in kiosks; expandable check-in counters; new baggage handling system; installed four (4) x-ray machines at the final security check; new immigration counters; and swing gates or alternate gates for international or domestic boarding areas. These initiatives enabled Terminal 1 to accommodate as much as ten million (10,000,000) passengers annually prior to the construction of Terminal 2.

To improve the terminal's ambiance, there are now more retail and dining options from international and local brands; new seats were installed to offer comfort; and washrooms were expanded and refurbished to mirror those found in hotels.

To enhance customer service, there is now a premium lounge at the international departures; about one hundred (100) new flight information display monitors; more automated teller machines (ATMs); mobile charging stations; a water refilling station inside the boarding gates; fun and exciting in-terminal activities (like Sinulog, Valentine's Day, Summer Festival, Halloween, and Christmas); and the Cebu Connect Transfer Facility Desk, a transfer and early check-in facility that allows passengers with connecting flights to easily drop their baggage for check-in and have their boarding passes printed out. The said desk can process connecting passengers even as early as twelve (12) hours prior their onward connecting flight. Upon securing their boarding passes, they can leave the terminal and enjoy a short visit to nearby sites or taste the famous Cebu lechon.

The Company completed the renovation of Terminal 1 and the operations of the refurbished areas commenced on August 28, 2019, with the official inauguration held on January 2020. The gross retail area in Terminal 1 increased from four thousand three hundred sixty-seven (4,367) square meters to nine thousand seven hundred seventy-two (9,772) square meters.

Terminal 2

The new world-class Passenger Terminal Building or MCIA Terminal 2, specifically for the International Segment, opened in 2018, designed to accommodate higher passenger traffic, and drive a more robust tourism and business environment for the region. Terminal 2 will increase MCIA's combined annual rated passenger capacity to twelve million seven hundred thousand (12,700,000). The new terminal, spanning sixty-five thousand five hundred (65,500) square meters, will not only lessen congestion but will also offer an exciting and wide-ranging retail environment.

Hong Kong-based Integrated Design Associates (IDA), which has previously worked on projects at Beijing Capital, Delhi-Indira Gandhi, and Hong Kong airports, forms part of MCIA Terminal 2's design team. IDA worked in tandem with Budji Layug, Royal Pineda, and Kenneth Cobunpue – on the design, look and feel of the terminal's interior. Envisioned with a unique design that demonstrates the warmth and friendliness of the local culture, it is set to transform the local airport into a world-class facility and resort gateway that will welcome guests from almost anywhere in the world and the Philippines.

The most recognizable element of the terminal is the dynamic elegance of the external structure, featuring an array of glulam arches to serve as roof curvatures, which also define its geometry and modularity. The arches span every thirty (30) meters allowing Terminal 2 to be as column free as possible while the internal spaces are enclosed by a light and transparent glazed façade. Overall, the timber arches have become the main attraction and element in the creation of a dramatic interior, with sleek geometries and dynamic perspectives, symbolizing the waves of the beaches around Mactan and Cebu Islands.

A two (2)-level forecourt segregates both the arrivals and departures area that is fully integrated with the landside development. There are currently forty-eight (48) check-in counters expandable to seventy-two (72) as the need arises. It has provisions for seven (7) passenger boarding bridges, which can be expanded to twelve (12), serving both wide and narrow body aircrafts. It is also equipped with twelve (12) escalators and fifteen (15) elevators to facilitate smooth movement of passengers, especially for persons with disabilities.

A car parking facility will be constructed that can accommodate five hundred fifty (550) cars and expandable to seven hundred fifty (750) cars as necessary. There will also be an array of food and retail choices, including a future hotel, MICE, and strip mall development.

Route Development

In recent years, active route development enabled GMCAC to attract new destinations and partner airlines that helped boost passenger throughput in the airport. Moving forward, new routes connecting Cebu to Europe, Australia, and other Southeast Asian countries will be worked out to further expand connectivity. Discussions and meetings with airport operators in Sweden, Australia, and Japan were held to market Cebu to showcase MCIA as an ideal gateway to the Philippines as well as Cebu as a preferred tourist destination.

As GMCAC continues to improve the connectivity of MCIA as an alternative gateway into the Philippines, we have added new international flights to Fuzhou via Xiamen Airlines, Chengdu via PAL, Chongqing via Sichuan Airlines, Kunming via Lucky Air, Kuala Lumpur via Air Asia, Shanghai via China Eastern and Juneyao Airlines and Xi'an via Okay Airways. Beijing and Bangkok flights via Philippine Airlines (PAL) have also commenced. GMCAC has also added seven (7) destinations to China which are directly accessible to and from MCIA. Even during the pandemic, Turkish Airlines and Emirates started their maiden flights that will provide the gateway to Europe and Middle East.

In 2019, MCIA has twenty four (24) international routes and thirty three (33) domestic routes via PAL, Air Asia, Cebu Pacific and Air Juan. GMCAC has increased MCIA's partner airline operators from eleven (11) at the time of GMCAC's take over in November 2014, to twenty-six (26) operators in 2019. Passenger volume reached twelve million seven hundred thousand (12,700,000) in 2019 comprising of eight million four hundred thousand (8,400,000) domestic passengers and four million three hundred thousand (4,300,000) international passengers. However, in 2020, due to travel restrictions, active flight routes and their weekly frequency have been limited. By the end of 2021, routes were lived to twelve (12). The passenger volume fell to a fraction of 2019 levels as the COVID-19 pandemic dampened travel and tourism. As of the end of 2021, MCIA has eight (8) international routes through Cathay Pacific, Emirates, Jeju Air, Jin Air, Tiger Airways and Qatar Airways, and nineteen (19) domestic routes via PAL, PAL Express, Air Asia, Cebu Pacific, CebGo and AirSwift. The following are the international and domestic routes available at MCIA:

International Route Map		
Routes		**Weekly Frequency**
DXB	Dubai	4
DOH	Doha	11
HKG	Hong Kong	4
ICN	Incheon	1
LAX	Los Angeles (inbound only)	2
NRT	Narita	1
SFO	San Francisco (inbound only	1
SIN	Singapore	4

Domestic Route Map						
Routes		**Weekly Frequency**		**Routes**		**Weekly Frequency**
BCD	Bacolod	1		ENI	El Nido	2
BXU	Butuan	7		GES	General Santos	2
USU	Busuanga	4		ILO	Iloilo	1
CGY	Cagayan De Oro	7		MNL	Manila	70
CGM	Camiguin	2		OZC	Ozamis	5

MPH	Caticlan	5		PAG	Pagadian	6
CEB	Cebu	8		IAO	Siargao	7
CRK	Clark	3		TAC	Tacloban	7
DPL	Dipolog	3		ZAM	Zamboanga	1
DVO	Davao	6				

The airport segment remains positive that pre-pandemic levels will be restored as soon as travel restrictions are lifted.

Revenues, Services, and Rates

1. **Aeronautical revenue** – Aeronautical revenue is comprised of passenger service charges, tacking fees, parking fees, and lighting fees. Aeronautical revenues are recognized as revenue when the related airport services have been rendered, the rates for such fees are currently provided under Administrative Order (A.O.) No. 2, Series of 2011 and A.O. No. 3, as amended, series of 2018, issued by the Mactan Cebu International Airport Authority (MCIA Authority).

2. **Concession revenue** – Concession revenue is generated through terminal concessionaires, tenants, or airport service providers who pay monthly fees for using or accessing airport facilities to offer their goods and services to the general public and air traveling community. Payments are based on negotiated agreements with these parties, or are based on either a minimum monthly guarantee or on gross receipts. Concession revenue is recorded as it is earned. Some tenant agreements require self-reporting of concession operations and/or sales. The timing of concessionaire reporting and when revenue earned is recorded will determine when accruals are required for each tenant.

3. **Rental revenue** – Rental revenue is comprised of rental of check-in counter charged to airline companies and space rental charged to tenants. Rental from check-in counters is recognized when the related service has been rendered. Space rental is recognized on a straight-line basis over the lease term. Contingent revenue is recognized in the period in which the contingent event occurs.

4. **Commercial revenue** – Commercial revenue is comprised of advertising charges, car parking, and car rental revenues. Car parking revenue comprises time-based charges from the operation of car parking services. Car rental revenue comprises concession charges from car rental companies. Revenue is recognized when the related services are provided.

MCIA Authority controls the rates of fees, charges, and regulations on the usage or enjoyment of MCIA facilities, services, or properties outside of the project land as well as the activity within the airport, such as passenger service charges, parking fees, lightning charges, tacking fees, and miscellaneous fees and charges. It issued A.O. No. 3 in 2018 to provide guidance on the revised approved rates of fees. All other fees and charges not mentioned in the said A.O. but are within the project land shall be determined by GMCAC including the setting of regulations and any increase and/or amendments thereon.

Customers

Airport segment's largest revenue stream comes from passenger service charges or terminal fees which is now fully integrated (since September 2019) in the airfare. It also derives income from airline companies and concessionaires within the airport. The following are among the significant customers of GMCAC:

1. **Cebu Pacific Air**

Cebu Pacific Air entered the aviation industry in March 1996 and pioneered the “low fare, great value” strategy. They have since then flown over one hundred fifty million (150,000,000) passengers and counting. It is the largest carrier in the Philippine air transport industry, offering low cost-services to more destinations and routes with higher flight frequency in the Philippines than any other airlines. It currently offers flights to thirty-seven (37) local and twenty-six (26) international destinations, spanning Asia, Australia, the Middle East, and USA.

2. **Philippine Airlines Inc. (PAL)**

Headquartered at the PNB Financial Center in Pasay City, the PAL was founded in 1941 and is the first and oldest commercial airline in Asia. PAL serves thirty-one (31) destinations in the Philippines and fifty-four (54) overseas destinations in Southeast Asia, East Asia, Middle East, Oceania, North America, and Europe. PAL operates a mixed fleet of airbus and Boeing aircrafts.

3. **Air Asia-Zest Airways, Inc.**

Zest Airways, Inc. operated as Air Asia Zest (formerly Asian Spirit and Zest Air), was a low-cost airline based at the Ninoy Aquino International Airport in Pasay City, Philippines. It operated and scheduled domestic and international tourist services, mainly feeder services linking Manila and Cebu with twenty-four (24) domestic destinations in support of the trunk route operations of other airlines.

4. **Jin Air Co., Ltd. (Jin Air)**

Jin Air is a South Korean low-cost airline and is the only widebody LCC operator in Korea. It began operations in July 2008 with routes to regional destinations in South Korea. In 2017, it was the third (3rd) and last company to join the Korea Exchange by way of IPO. It operates flights to six (6) domestic cities and twenty-six (26) international destinations.

5. **Jeju Air Co., Ltd. (Jeju Air)**

Jeju Air, named after the Jeju Island, is the first and largest South Korean low-cost airline. It offers domestic services between several cities in South Korea, as well as between Seoul and international destinations including Japan, China, Russia, the Mariana Islands, and various Southeast Asian countries. It is also a founding member of Value Alliance.

6. **SSP-Mactan Cebu Corporation**

Select Service Partner (SSP), a renowned UK Food Traveler expert with businesses in over thirty (30) countries in the last fifty-seven (57) years, made its way into Philippines under a joint partnership with a local company. With over fifty (50) years’ experience in the travel market, SSP has a presence in over thirty (30) countries and have over four hundred fifty (450) brands in its portfolio. It has the capability to deliver world-class food and beverage outlet programs based on the highest levels of customer service, quality of food, and environment.

SSP was named as master concessionaire at MCIA in 2018, with the group unveiling plans to launch twenty-seven (27) food and beverage units at the airport. The first (1^{st}) phase of its plans began last July, which saw the opening of seven (7) outlets – The Coffee Bean & Tea Leaf, Ritazza, Burger King, Bon Chon, Cabin Bar, Camden Food Co., and Nippon Ramen.

7. **Duty Free Philippines Corp. (DFPC)**

   In 2009, DFP was reorganized into DFPC with the signing of the Tourism Act of 2009 (R.A. No. 9593). As a government corporation, DFPC is tasked to operate the duty-and tax-free merchandising system in the Philippines to augment the service facilities for tourists and to generate foreign exchange and revenue for the government as mandated by Executive Order (E.O.) No. 46.

All customers (airlines, ground handlers, concessionaires, bank, etc.) are given a credit term of thirty (30) days from the date of the receipt of billings.

<u>Suppliers</u>

The airport segment has minimal purchases, consisting of materials and labor related purchases, to maintain the airport facility, janitorial services, security services, professional and consultancy services, and some utility services which include internet, power and utilities.

A purchase with a total value of Twenty Thousand Pesos (PhP 20,000.00) or more shall require a minimum of three (3) comparative quotes (not older than six [6] months). The quotations should indicate the vendor's name and should be attached at all times upon purchase order creation. In cases where the required number of comparable quotes cannot be observed, a written justification for the same has to be expressly indicated in the purchase approval form. In concluding payment conditions and terms with vendors, the minimum payment term is thirty (30) days. In unavoidable cases where vendors would require a downpayment, a maximum forty percent (40%) downpayment is allowed. A security bond is required for downpayments above ten percent (10%).

Terminal Operations Segment

Dubbed as the Philippines' "first landport", PITx is a four and 5/10 (4.5) hectare development, which houses the transport terminal, commercial spaces, and office buildings under a single roof. With a rated capacity of one hundred thousand (100,000) passengers daily, PITx offers seamless connections to and from the Southwest portion of Metro Manila, via multiple modes of transportation, from provincial to in-city buses, taxis, jeepneys and UV Express shuttles.

PITx is a flagship project under the government's Build, Build, Build infrastructure program with the following competitive strengths:

1. **State-of-the-Art Facilities**

   PITx has the look and feel of an airport, but instead of planes, the terminal is designed as a land transport, for buses, jeepneys, and UV express shuttles. The terminal houses an information center, bus ticketing counters, and bus boarding gates. At the counters, commuters can easily choose their preferred bus trips and seats from the terminal to any point in Metro Manila, Cavite, and Batangas. QR code-capable turnstiles are also installed at the boarding gate.

The terminal also includes an all-gender restroom and pay loungers that have shower rooms. There is also a breastfeeding station for mothers to use. For those who want moment of silences to pray, a prayer room is located at the third floor.

2. **Safe, Convenient, and Secure**

MWMTI aims to provide safe, secure, and convenient travel to the passengers of PITx. Its operations are twenty (24)/seven (7), with closed-circuit television cameras (CCTV) all-around, and free wi-fi at every floor. The CCTVs and sensors are also installed at the bus bays to monitor whether the trips are on schedule or not.

It is through continuous partnerships with various entities (government and non-government) that MWMTI is able to provide in PITx more services to the public, including satellite offices of a government agencies.

3. **Availability of Different Modes of Transport**

PITx's bus stands have ten (10) gates and fifty-nine (59) bays. Aside from the bus bays taking center stage, the terminal also has loading and unloading bays for UV Express shuttles, and public utility jeepney bays. Moreover, premium point-to-point bus operations, such as UBE Express, are offering rides from PITx to the Ninoy Aquino International Airport terminals. At the fourth (4th) floor of the terminal, there are eight hundred fifty-two (852) parking spaces for different vehicles and motorists. It also has the capacity to implement the proposed link to the LRT Line 1 Cavite extension and spur line of the Metro Manila Subway Line 9.

4. **A Solution to Decongesting Metro Manila**

The operations of PITx is designed to provide an efficient public transportation system and help decongest Metro Manila traffic in the long-run. Initially, the provisional and in-city transfers stationed in the terminal will limit the entry of buses from the Southwest into Metro Manila. In addition, the PITx mobile app, which currently provides daily trip schedules and initially offers advanced ticket reservations, enables the PITx team to gather and analyze critical data to better understand commuter behavior, which can be utilized for future PITx-like developments in other locations.

5. **Retail and Commercial Areas**

PITx has retail, commercial, and office spaces within its terminal area. On top of the terminal area sits four (4), five (5)-storey towers, with a leasable area of nineteen thousand two hundred twenty-six (19,226) square meters each. Within the terminal, retail spaces are available to offer services such as food, medicine, and other grocery items for travelling passengers. Meanwhile, the commercial/office towers will augment passenger volume and increase foot traffic to provide additional business to the retail tenants.

Customers

MWMTI operates the terminal without generating any revenue. Instead, the main source of revenue will come from leasing the retail/commercial and office spaces in the terminal, as discussed below:

1. **Contracts of Lease for Office Spaces** – MWMTI has existing contracts with companies which are primarily engaged in Philippine Offshore Gaming Operations (POGO). The contracts are for a period of five (5) years with an annual escalation rate of five percent (5%) on the monthly rent. The contracts require the payment of four (4) to six (6) months security deposit and three (3) months advance rent.

2. **Contracts of Lease for Retail/Commercial Spaces** – MWMTI has existing contracts with various tenants/concessionaires for a period of one (1) to eight (8) years. The monthly rent of some contracts are based on the monthly income of their business while others pay a fixed rate. All contracts have a provision on the payment of security deposit and advance rent. Examples of MWMTI's tenants are: Alfamart, Miniso, Bench, Jollibee, Chowking, McDonalds, Mang Inasal, Yellow Cab, and Wendy's.

Credit terms granted to customers are for a period of thirty (30) days from receipt of the billing. MWMTI also required post-dated checks to manage its credit risk exposures.

Competitors

MWMTI has no direct competitors since PITx is the first of its kind landport in the Philippines. Moreover, its business model is not similar to a mall or other transport terminals. However, there are nearby mall operators with mini-transport terminals such as Ayala Malls Manila Bay and SM Mall of Asia.

Employees

As of December 31, 2023, the manpower complement of MWMTI is as follows:

Division	Headcount
Administrative	21
Managerial	15
Technical	29
Total	65

Suppliers

The terminal segment has minimal purchases, consisting of materials and labor related purchases, to maintain the terminal facility, janitorial services, security services, professional and consultancy services and some utility services, which include internet, power, and utilities.

In selecting its suppliers, it considers quality, pricing, technical experience (for consultants and professionals) and efficient delivery of materials. It also does not depend on a limited number of suppliers. All purchases are done centrally at Megawide's head office.

Real Estate Operations

PH1 World Developers, Inc. (PH1) is the property development arm of Megawide that aims to disrupt the local real estate landscape and conventions, through innovation and engineering technology.

PH1 has three existing projects: The Hive, My Enso Lofts, and Modan Lofts Ortigas Hills and currently holds 48% share of Famtech Properties Inc. (a joint venture with Property Company of Friends, Inc.), which successfully launched a vertical condominium project in Cavite, One Lancaster Park.

In addition to this, the company has a 100% stake in PH1 World Landscapes. Inc., which focuses on horizontal projects offering green features and sustainable living. As of date, it has launched its maiden project called Northscapes San Jose Del Monte Bulacan.

Competitors

PH1 has numerous competitors, among these are SM Prime Holdings, Inc., Ayala Land, Megaworld Corporation, DMCI Homes, Federal Land, Robinsons Land Corporation, and Century Properties.

The principal areas of competition are product differentiation, pricing, and quality. PH1 believes, however, that it has a competitive advantage given its disruptive mindset, innovative offerings, and strong and experience contractor-parent Megawide to delivering high quality products.

Customers

PH1 customers consist primarily of the end-user market, who intend to purchase properties for their own use. These include first-time homebuyers looking for a place to settle down, families seeking a larger space to accommodate their needs, and individuals looking to upgrade their living conditions.

Additionally, PH1 also has a wide investor-type customer base, who view real estate as an investment opportunity. These individuals acquire properties, with the intention of generating rental income and/or capital appreciation.

Suppliers

The real estate segment is forwardly integrated with Megawide, being its parent company and sole general contractor. Moreover, the real estate segment engages outside services for its property management office.

Employees

As of December 31, 2023, the manpower complement of PH1 is as follows:

Department	**Headcount**
Account Management	23
Business Development	3
Design & Construction	15
Finance & Accounting	7
HR, Admin. & IT	7
Marketing	6
Office Of The President	4
Project Development	4
Sales	15
Total	**84**

Business Risks

Below is a discussion of the major risks involved in the businesses of Megawide.

1. **The Company is exposed to the cyclical nature of a construction business coupled by risks associated with the Philippine's property development market, including potential construction contract cancellations.**

   Megawide's business is highly dependent on the ability of real estate developers to market, sell and dispose of condominium units to potential customers. In the event of a weak property market, developers may hold and/or cancel construction contracts and orders. Megawide seeks to minimize the possible effects of a weak property market by gradually diversifying into mid-rise Affordable Housing and socialized housing and infrastructure projects. Moreover, to ensure sustainable business growth and mitigate economic down cycles, Megawide has expanded and diversified into infrastructure development, an upstream integration that surely adds and creates greater value to Megawide in the short-, medium- and long-term horizons. Not only will these infrastructure development projects provide construction revenues to its downstream business units, it will likewise become the source of future stable recurring income upon completion.

2. **The occurrence of a similar pandemic to COVID-19 could have negative effects on the Company's business operations.**

   The world experienced a global pandemic that negatively affected economies and industries to varying extents – forcing businesses to limit or stop their operations and close shop. Megawide's operations across business were severely disrupted.

   In the construction segment, projects experienced delays in their construction activities due to lack of raw materials and manpower. The airport was crippled by restricted air travel while the landport, though proved to be critical for transport and mobility during the health crisis, lost tenants to give way to the New Normal.

The uncertainty of a similar pandemic is always present and may affect and cause downturns to Company's business and profitability. Across the organization, the Company has developed strong disaster-response protocols and business continuity mechanisms to minimize operational disruptions of black swan events with the same magnitude. This is on top of practicing occupational health and safety standards under the new normal to exercise caution. The COVID-19 Response Manual is part of the Company's overall business continuity plan and crisis management program.

Since January 2023, the alert level category of Metro Manila has remained at its lowest of level 1 and the state of calamity was no longer extended by the Philippine government.

3. The Company exposed to credit risk on its receivables.

For on-going construction projects, Megawide is exposed to credit risk if project owners are unable to fully settle the unpaid balance of receivables under construction contracts, and other claims owed to Megawide. Credit risk is managed in accordance with Megawide's credit risk policy, which requires the evaluation of the creditworthiness of each project owner. Megawide can also enforce its contractor's lien over the project with varying degrees of effectiveness. Under Article 2242 (3) of the Civil Code of the Philippines, a contractor's lien is the claim of a contractor engaged in the construction, reconstruction or repair of buildings, canals or other works, upon said buildings, canals or other works. More importantly, Megawide's top management maintain a strong business relationship with all of its clients that can be leveraged on in managing and collecting receivables.

4. The Company is a party to a number of related party transactions.

In the course of its business activities, RPTs inevitably arise between Megawide and its Ultimate Parent Company, Subsidiaries, and Affiliates (collectively, the "Megawide Group"). These RPTs ordinarily pertain to construction and management services, cash advances, and Office space rentals.

5. The Philippine Construction Industry is subject to extensive regulation by the Government.

The Megawide Group is subject to a number of laws, rules, and regulation, which includes the need to secure and maintain franchises, permits, licenses, clearances, and other regulatory requirements with the SEC, BIR, PCAB, etc. (collectively, "Regulatory Requirements"). The Megawide Group's compliance with all Regulatory Requirements is necessary for the regular conduct of its business. Hence, the Megawide Group has established the Regulatory Requirements Compliance Procedure (the "Procedure") in 2020, which provides an electronic web application and framework to monitor, track, maintain, and/or renew its Regulatory Requirements and view its status in real time. Thus far, the Procedure has proven to be an effective tool in ensuring that the Megawide Group secures its Regulatory Requirements in a timely manner; thereby, preventing or reducing any penalties or disruptions in its operations.

6. The construction industry is facing a skilled labor shortage.

The construction industry has persistently experienced a shortage of skilled manpower due primarily to overseas employment and lack of institutional support leading to the sector's underdevelopment. Since skilled labor supply is low and the demand is high especially for specialized projects, direct labor costs may increase and such may impact the Company's profitability.

While Megawide is affected by this industry phenomenon, the Company has a natural mitigant due to its high technology and state-of-the-art building systems, particularly the use of pre-cast technology, which utilizes less human labor than traditional construction methodologies employed by other players. The Company partners with various architectural and engineering schools and offers scholarships to potential architects and engineers to eventually become members of the team and seeks out distinguished foreign technical partners in joint venture partnership for technical collaboration.

7. The volatility in the price of construction materials could affect the Company's profitability.

The continued pressure on commodity prices arising from the tension in Russia-Ukraine and supply disruptions brought about by the COVID-19 related lockdowns in China, could have an impact on the major raw materials costs, such as oil, and costs for construction, such as steel, which could delay project launches of developers.

Market supply and demand affect the pricing of construction materials, such as cement and steel rebars. In addition, the stricter implementation of environmental laws has affected mining and quarrying operations in the country, resulting in regulated supply of inputs, such as sand and concrete aggregates.

To address this, Megawide adopts a materials hedging program and enters into fixed purchase contracts with its suppliers, immediately upon award of contracts, to fix the unit cost and lock in supply of critical raw materials. These contracts typically range from 90-120 days. No price escalation is charged until the estimated quantities have been delivered within the agreed period.

8. The Company's reputation will be adversely affected if its projects are not completed on time, or if projects do not meet customer requirements.

Megawide ensures to deliver quality and satisfactory work to its clients at all times, based on the terms of the contract. The Company's brand equity may be damaged if it fails to deliver the project on time or based on specifications. In addition, the required safety guidelines under the new normal may affect productivity and project timelines.

As a safeguard, Megawide has a project management team composed of well-trained and experienced technical managers that implement measures to supervise the project's progress, schedules, and quality and ensure a smooth workflow. There is also a monthly management committee meeting set-up for every project to monitor the progress of each project and discuss issues and the proposed solutions. In addition, contracts with suppliers and subcontractors are covered by warranties, through guarantee, surety, and performance bonds and liability insurance, for workmanship and requirements for timely completion.

Furthermore, the Company believes that its pre-cast technology and formworks and building systems are most suitable and highly functional under this new environment, minimizing the risk of project delays.

9. The Company may be exposed to liquidity risk from delayed payments of progress billings.

The construction business adopts progress billing, and the Company is exposed to the risk of delayed collection on its completed works.

Megawide extends credit terms that is standard with construction industry to its clients, which it strictly follows to ensure that receivables remain current as much as possible. In a worst-case scenario, the Company has a sound financial position and has established credit lines with several financial institutions from which it is able to obtain loans to finance its working capital requirements.

10. The availability of construction materials may affect the Company's projects.

Lack of availability of construction materials may result in higher costs and/or result in delays in meeting project timelines. However, it should be noted that the principal raw materials utilized by Megawide in its projects such as cement and steel, have historically been readily available in the market from a number of sources. Megawide also diversifies its sources of these raw materials so that it is not dependent on a limited number of suppliers. Megawide also utilizes a lock-in price of critical raw materials with its suppliers and maintains a 90-day inventory to manage price fluctuations.

11. The Company has exposure to government projects.

There is a risk that awarding of government projects may get delayed thus delaying inflows from the construction of such projects. Megawide prioritizes projects that are funded by reputable financial institutions or those projects that are funded by Asian Development Bank (ADB) or Japan International Cooperation Agency (JICA).

12. RISKS RELATING TO THE AIRPORT (MCIA) SEGMENT

On December 16, 2022, the Company and GMR Airports International, B.V. (GAIBV) closed their transaction with Aboitiz InfraCapital, Inc. (AIC) for AIC's acquisition of shares in GMCAC, the developer and operator of the award-winning MCIA.

AIC acquired a 33 and 1/3% minus 1 share stake in GMCAC from Megawide and GAIBV while the Company and GAIBV simultaneously issued Exchangeable Notes to AIC amounting to ₱15.5 billion, which will mature on 30 October 2024, and are expected to be exchanged by AIC for the remaining 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock.

Accordingly, the Company owns 33 and 1/3% plus 1 share of GMCAC as of date of this Prospectus which can be considered exposed to the enumerated risks below.

Modernization of existing and opening of new airports in the country

The Company through GMCAC (now a partnership between MWIDE, GMR and AIC) is the largest private sector operator of airports in the country through the concession agreement of MCIA and is the primary gateway to the Southern Philippines. The government's privatization program and modernization of airport industry has attracted interest from other private sector players to participate in the program. This could result in the opening of smaller airports in other locations in the Visayas and Mindanao regions, which could host direct flights and potentially affect passenger throughput at the MCIA.

Given Megawide's concession agreement at MCIA, which serves as the primary gateway to the South, the emergence of smaller airports around Cebu will serve as feeder routes and naturally complement the operations of MCIA.

Tourism-related travel may not immediately return to pre-pandemic levels given threat of resurgence of COVID-19 pandemic.

MCIA is the primary gateway to the Southern Philippines, where most of the country's top international and local tourist attractions are located. Since Megawide and its partner took over operations at MCIA in 2014, international passenger volume has grown by an average of more than 20% annually for the past five years. However, the previous global travel restrictions arising from the COVID-19 pandemic may still impact tourism-related travel in the near term and result in slower passenger volumes especially international tourism.

On the other hand, Cebu and its vicinities remain among the top tourist destinations in the country and around the world.

13. RISKS RELATING TO THE LANDPORT (PITX) SEGMENT

High office vacancy rates may affect tenancy in the office towers.

The onset of remote work arrangements, as an offshoot of the COVID-19 pandemic, has resulted in significant office vacancy across Metro Manila. The Bay Area, where PITX is located, records one of the highest vacancy rates nationwide and exposes the office towers to low occupancy risks.

Being situated in one of the most strategic areas in Metro Manila, in addition to the multi-modal transport connectivity offered by the terminal in key destinations around the capital, PITX has a strong and natural demand and attraction for both traditional and non-traditional office locators, outside of the POGO industry. As of end 2023, the team has made headway in contracting office locators, resulting in an 81% office occupancy. Of this, non-POGO tenants make up more than 80%.

Existing floor space may be limited with the opening of Asia World Station in 2024.

As of end 2023, PITX has reached its full capacity of 200,000 during the peak Holiday Season in December. On a daily basis, average foot traffic has reached more than 100,000 daily. With more long-term P2P routes being developed and commissioned, this volume is seen to likely grow further. With the impending opening of Asia World Station under the LRT-1 extension project, which currently has a daily ridership of 100,000 passengers, additional pass through and destination foot traffic may further crowd the existing terminal area.

These developments may impair the landport from providing the agreed-upon service levels under the concession agreement, in terms of safety, security, and transport availability. Under the concession agreement, however, an adjacent lot (PITX Lot 2) is available for expansion to accommodate increased vehicular and foot traffic at the existing terminal. This serves as an opportunity to scale up the landport operations and provide an upside to existing income and value-creation streams.

14. RISKS RELATING TO REAL ESTATE DEVELOPMENT

Property development may be affected by economic and market cycles.

The local property market is affected by sentiments on economic performance and market cycles, such as interest rates. A slowing economy typically discourages purchases of real estate due to fears of affordability and illiquidity. Similarly, an elevated interest rate scenario elicits a negative market perception, causing minimal or restrained investments in property assets.

PH1 is primarily focusing on end-user demand, largely in the affordable and middle-income horizontal housing segments, where real consumer demand lies. In addition, PH1 taps the abundant OFW market, which has a natural protection from local economic conditions, and whose remittances remain a major growth driver for the domestic economy.

Given the end-user nature of buyers, movement in interest rates has not been a primary concern, especially since these are normally funded by OFW money. Furthermore, the company offers highly affordable, long-term payment and amortization schemes, which is not directly impacted by unfavorable interest rate fluctuations.

The local real estate market is highly competitive, with multiple players across segments.

The number of players across the different segments of the local real estate industry makes competition extremely cut-throat. As a result, products available in the market have large similarities or very minimal differentiation at all, giving new players very challenging barriers to entry.

However, PH1 has been in the market since 2015 and is positioning itself as a disruptor in the local real estate scene. The presence of a strong and experienced partner-contractor in Megawide – having developed numerous projects with several developers – enables the team to identify gaps in existing product offerings. These insights provide PH1 an opportunity and advantage to address the gaps, through innovation, and unlock more opportunities for better and more convenient solutions.

Moreover, PH1's projects are located near public rail transport network, such as the MRT Lines 3, future Lines 4 & 7 and the Metro Manila Subway System soon, promoting accessibility and mobility of buyers and residents. With Megawide's participation in and familiarity with the government's infrastructure build-up program, PH1 also benefits by pinpointing and locating strategic areas for potential spots of its future pipeline.

Real estate may require sizeable capital for landbanking and development purposes.

PH1 prioritizes asset-light modes for its project roll-out, in the form of joint-ventures and / or partnerships, that do not entail significant capital outlays upfront. This approach enables the company to optimize its resources and minimize exposure to massive economic shocks and downturns. In addition, with a strong value proposition and an attractive project pipeline, the Company has the option to secure development funding that matches a project's construction timetable, thus preserving liquidity and providing a more efficient balance sheet management approach.

15. RISK RELATING TO PROJECTS WITH ORIGINAL PROPONENT STATUS

Megawide has submitted several unsolicited and solicited proposals to the national and local governments and has been granted the Original Proponent Status ("OPS"). These projects under OPS are still under evaluation and will need to undergo the proper procedures, such as the Swiss Challenge, before being officially awarded to the Company. An OPS status provides an advantage over competing bidders as the OPS holder has the right to match competing bids on the project.

Until such process is completed, the projects remain at risk of not being awarded to the Company. Megawide's long term strategies may evolve subject to opportunities and successful awarding of new projects. Megawide is closely coordinating with the government and all its agencies for the compliance of all the requirements relating to the OPS.

The Company submits bids, together with other players, which are evaluated by the proponent and are not always guaranteed an outright award.

The Company ensures the submission of competitive bids, leveraging on Megawide's key advantages (pre-cast and vertical Integration) and technological expertise (engineering and innovation).

Item 2. Properties

Purchased Properties

Megawide owns a ten thousand two hundred ninety-four (10,294)-square meter property located in Taytay, Rizal, which is being used as an equipment stockyard for its machineries, equipment, and items such as tower cranes, backhoes, and other earthmoving equipment. The same was acquired by Megawide for Twenty-One Million Pesos (PhP 21,000,000.00). Megawide owns this property and all the equipment, machineries, and items found therein, free of any mortgage, lien or encumbrance.

In 2011, Megawide acquired land in Ortigas Extension, Barangay San Isidro, Taytay, Rizal with a lot area of twenty-one thousand eighty-two (21,082) square meters for One Hundred Four Million Pesos (PhP 104,000,000.00). Megawide owns this property free of any mortgages, liens, or encumbrances.

In 2012, another lot was purchased by the Company in Taytay, adjacent to Megawide's pre-cast plant with a lot area of eight thousand five hundred five (8,505) square meters for Fifty Million Pesos (PhP 50,000,000.00). Additionally, a four thousand twenty-two (4,022) square meter lot adjacent to the stockyard of Megawide in Taytay was purchased for Nine Million Pesos (PhP 9,000,000.00). in the same year, Megawide bought a one hundred seventy-eight (178) square meter property located in the same municipality for a total amount of One Million One Hundred Fifty-Seven Thousand Pesos (PhP 1,157,000.00). Megawide owns these properties free of any mortgages, liens, or encumbrances.

In 2013, Megawide made additional land acquisitions totaling Sixty-Seven Million Pesos (PhP 67,000,000.00) in Taytay, Rizal, in relation to its pre-cast plant expansion. The property is free of any mortgages, liens, or encumbrances.

In 2015, Megawide also acquired an additional lot adjacent to the pre-cast plant in 2014 with an area of twenty-three thousand six hundred eighty-six (23,686) square meters for One Hundred Forty-Eight Million Pesos (PhP 148,000,000.00), and another lot with an area of sixteen thousand seventeen (16,017) square meters near the pre-cast plant for Seventeen Million Pesos (PhP 17,000,000.00) in 2015. Megawide also purchased parcels of land adjacent to its Taytay complex amounting to Eighty-Two Million Pesos (PhP 82,000,000.00) and One Hundred Fifty-Six Million Pesos (PhP 156,000,000.00) in 2017 and 2016, respectively. The Taytay complex is currently expanding to house the formworks rehabilitation factory and all the construction equipment of Megawide. The parcels of land provide a bigger stockyard for the precast plant since its annual production is consistently increasing. Thereafter, in 2019, the Company purchased the land and building where its head office is located in Quezon City, with an area of one thousand four hundred ninety-three (1,493) square meters.

In 2022, Megawide acquired land in Taytay, Rizal with a lot area of Nine Thousand Two Hundred Eighty-Eight (9,288) square meters for Twenty-Three Million Two Hundred Twenty Thousand Pesos (PhP 23,220,000.00).

To cater to its growing order book Megawide continues to invest on new construction equipment, which includes tower cranes, earth moving equipment, formworks, and pre-cast equipment and Transportation equipment, which includes service vehicles, truck mixers, light and medium duty trucks, and tractor trucks over the years.

Also, the Group purchased the following properties and equipment in relation to its airport and terminal segments:

Airport segment			
Office and other equipment	MCIA	various	N/A
Transportation equipment	MCIA	various	N/A
Furniture and fixtures	MCIA	various	N/A
T2 Airport infrastructure	MCIA	2018	65,500 sq. m.
T1 Airport infrastructure	MCIA	2019	9,772 sq. m.
Terminal segment			
Terminal infrastructure	PITx	2018	73,380 sq. m.
Tower & parking facility	PITx	2019	103,285 sq. m.
Office and other equipment	PITx	various	N/A
Transportation equipment	MCIA	various	N/A
Furniture and fixtures	MCIA	various	N/A

Leased Properties

Megawide also leases the properties needed for its operations, such as those covered by the following lease agreements, as of December 31, 2020:

Date of Execution	Lessor	Area	Location	Lease Period	Rental Fee
January 23, 2024	L.V.N. Pictures, Inc.	2,000 sq.m.	Lot 8, Brgy. Kaunlaran, Cubao, Quezon City	One (1) year beginning December 01, 2023 to November 03, 2024	PhP 399, 300.00/month inclusive of VAT and net of withholding Tax
October 03, 2022	Robinsons Land Corporation	8,768 sq.m.	J. Vargas Avenue, Pasig City	Two (2) years from September 26, 2022 to September 25, 2024	For year 1 (September 26, 2022 to September 25, 2023) and year 2 (September 26, 2023 to September 25, 2024): Fixed Rent of PhP 200.00/sq.m. or a Fixed Rent of PhP 1,753,600.00/month , exclusive of VAT but inclusive of 5% withholding tax

August 03, 2023	Unli Rise Holdings Corporation	33,260 sq.m.	Along Pulilan Bypass Road, Barangay Sta. Peregrina, Municipality of Pulilan, Bulacan	One (1) year from August 03, 2023	Thirty-Six Pesos per square meter (PhP36.00/sq.m) or total amount of One Million One Hundred Ninety-Seven Thousand Three Hundred Sixty Pesos (PhP1,197,360.00),inclusive of VAT.
June 9, 2023	Juliana Del Rosario Santos		Unit F and H, Santos Apartments, Resurreccion Compound, Gregoria Heights San Isidro, Taytay, Rizal	July 1, 2023 - Dec 31, 2023	12,000.00 per month
May 6, 2022	Retailscapes, Inc.	10th floor: 1,974 sq.m. 11th floor: Unit A- 480 sq.m. .	Santolan Town Plaza, San Juan City	May 1, 2022 – April 30, 2025	10*th* floor: 01 May 2022 – 30 Apr 2023: ₱580.00/sqm/mo 01 May 2023 – 30 April 2024: ₱609.00/sqm/mo 01 May 2024 – 30 Apr 2025: ₱640.00/sqm/mo 11*th* floor – Unit A: 01 May 2022 – 30 Apr 2024: ₱ 772.00/sqm/mo 01 May 2024 – 30 Apr 2025: ₱811.00/sqm/mo
February 21, 2022	Retailscapes, Inc.	11th floor: Unit B – 857.74 sq.m	Santolan Town Plaza, San Juan City	11th Floor – Unit B: Dec. 1, 2021 – Nov. 30, 2024	01 Dec 2021 – 30 Nov 2022: ₱772.00/sqm/mo 01 Dec 2022 – 30 Nov 2023: ₱811.00/sqm/mo 01 Dec 2023 – 30 Nov 2024: ₱852.00/sqm/mo

All of the above leases are subject to renewal upon mutual agreement of the parties. In addition, the Company enters into operating and finance lease agreements for its construction equipment and transportation vehicles for periods of three (3) to five (5) years.

Item 3. Legal Proceedings

The following are the material cases Megawide is involved in as of December 31, 2023:

1. **ACI, Inc. v. Megawide Construction Corporation**

   Megawide Construction Corporation (the "Company") filed a complaint against ACI Inc. with the Construction Industry Arbitration Commission ("CIAC") last 10 January 2023 (the "Complaint"). The Complaint was docked as CIAC Case No. 02-2023. The Complaint involved the contract entered into between ACI, Inc. and the Company for the design and construction of the Araneta Cyberpark Tower.

   The Company's aggregate claim against ACI Inc a. under the Complaint is Three Hundred Thirty-Nine Million Six Hundred Fifty-Two Thousand Eight Hundred Sixteen Pesos and Seventy-Three Centavos (Php339,652,816.73). The permissive counterclaim filed by ACI Inc. on the other hand, is founded on the alleged violations relative to the Construction Contract dated 13 September 2019 for the general construction of Gateway Mall ("GM") 2 and Ibis Hotel in Quezon City (the "Project") between ACI, Inc. and the Company. The Contract Price for the Project is Four Billion Two Hundred Fifty Million Pesos (Php4,250,000,000.00).

   The aggregate of the claims prayed for by ACI in its permissive counterclaim amounts to One Billion Five Hundred Twenty-Seven Million Two Hundred Seventy-Nine Thousand Two Hundred Forty-One Pesos (Php1,527,279,241.00).

   On 11 January 2024, Megawide Construction Corporation (the "Company") received a decision dated 11 January 2024 rendered by the Construction Industry Arbitration Commission ("CIAC") Arbitral Tribunal where the dispositive portion reads:

   "WHEREFORE, Respondent ACI is hereby ordered to pay to Claimant Megawide the total amount of ONE HUNDRED EIGHTY MILLION TWO HUNDRED FORTY FOUR THOUSAND FORTY THREE PESOS AND FIFTY CENTAVOS (Php 180,244,043.50) with six percent (6%) interest per annum from the date of this Final Award until fully paid."

   On 4 March 2024, the Company received a copy of the Petition for Review filed by ACI, Inc. with the Supreme Court.

2. **MC Montgear Electromech Corp. (Montgear) v. Megawide**

   Montgear is a subcontractor of Megawide for several projects which filed a complaint against the latter for sum of money with the Regional Trial Court of Quezon City Branch 77 on October 12, 2017 seeking to recover its retention money amounting to Twenty-Two Million Sixty Two Thousand Twelve and 65/100 Pesos (PhP 22,062,012.65). In response, Megawide filed an Answer with Counterclaim amounting to Seventy-Seven Million Five Hundred Twenty-Two Thousand Three Hundred Thirty and 69/10 Pesos (PhP 77,522,330.69) corresponding to unpaid charges by Montgear. On February 04, 2020, Montgear filed a Reply with Answer to Counterclaim and Motion for Bill of Particulars. Upon Megawide's motion, the court expunged Montgear's filing due the latter's unreasonable delay in filing.

Based on RTC's Decision dated August 12, 2022, the claims of both Montgear and Megawide were denied. Montgear filed a Motion for Reconsideration, which was also denied.

3. **Megawide v. Maynilad Water Services, Inc. (Maynilad)**

The case involves an application for an Interim Measure of Protection (Preliminary Injunction with Application for an Ex Parte twenty [20]-day Temporary Order of Protection [Temporary Restraining Order]) filed by Megawide against Maynilad with the Regional Trial Court of Quezon City Branch 84 on August 14, 2020 in order to prevent Maynilad from calling on the Performance Security and other securities submitted by the Megawide for the 88MLD Las Piñas Water Reclamation Facility Project.

The dispute arose from the Notice or Termination of the Project due to Force Majeure issued by Megawide, which Maynilad contested. After a series of hearings and submission of pleadings, the Regional Trial Court (RTC) granted the application for a twenty (20)-day Temporary Order of Protection on November 06, 2020 and ordered the return of the amounts acquired by Maynilad from its call on the securities. Maynilad submitted a Motion for Reconsideration of the said Order, and all parties submitted their respective Memoranda in relation to the Petition for Injunction. In a Decision dated April 05, 2021, the Court granted Megawide's application for Mandatory Injunction as an interim measure of protection in aid of arbitration.

4. **Asiatech Development and Builders Corp. (Asiatech) v. Megawide**

Asiatech filed a disciplinary action against Megawide with the Philippine Contractors Accreditation Board (PCAB) on August 26, 2020 for Megawide's alleged fraudulent acts arising from its failure to pay Asiatech's receivables.

The PCAB ordered the parties to file their respective Memoranda, which order Megawide complied with by submitting its Memorandum on 9 December 2021. The case was dismissed by virtue of PCAB Board Resolution dated November 29, 2022, a copy of which was received by Megawide on January 20, 2023.

5. **People of the Philippines v. Manuel Louie B. Ferrer, et al.**

On November 26, 2020, the National Bureau of Investigation filed a complaint before the Department of Justice ("DOJ") for alleged violation of several laws, particularly, the Anti-Dummy Law against the following individuals:

1. Atty. Steve Dicdican, General Manager of Mactan-Cebu International Airport Authority ("MCIAA");
2. Manuel Louie Ferrer, President of GMR Megawide Cebu Airport Corporation ("GMCAC");
3. Edgar Saavedra, Director of GMCAC;
4. Oliver Tan, Director of GMCAC;
5. Jez Dela Cruz, Director of GMCAC;
6. Srinivas Bommidala, Chairman of GMCAC;
7. P. Sripathy, Director of GMCAC;
8. Vivek Singhai, Director of GMCAC;
9. Andrew Acquaah-Harrison, Chief Executive Advisor of GMCAC;
10. Ravi Bhatnagar, Chief Finance Advisor of GMCAC;
11. Ravishankar Saravu, Chief Commercial Adviser of GMCAC;
12. Michael Lenane, Chief Operations Officer of GMCAC;

13. Sudarshan MD, Deputy Chief Commercial Adviser of GMCAC;
14. Kumar Gauray, Manager of ORAT;
15. Magesh Nambiar, Deputy Human Resources Head of GMCAC;
16. Rajesh Madan, Head of Finance of GMCAC; and
17. Other John and/or Jane Does

(the "Respondents").

This case stemmed from a complaint filed by a certain Atty. Larry Iguidez, Jr. (the "Complainant") with the Anti-Fraud and Action Division of the NBI on September 07, 2020.

In a Subpoena dated December 18, 2020, Respondents were given until January 20, 2021 to obtain copies of the complaint, supporting affidavits, and other evidence filed against them. The Respondents were also given ten (10) days from January 20, 2021 to file their counter-affidavits.

After several submissions of pleadings, the DOJ, in a resolution dated 8 October 2021, found probable cause for the violation of Section 2-A of the Anti-Dummy Law. The Ferrer, Saavedra, Tan, and Dela Cruz ("Megawide Respondents") filed a Petition for Review with the Secretary of Justice was filed on 26 November 2021, and is still pending.

On 23 November 2021, the DOJ filed an Information with the Regional Trial Court of Lapu-Lapu Branch 68 for the Respondents' alleged violation of the Anti-Dummy Law. On the same day, Megawide Respondents filed an Omnibus Motion to quash the information, to defer the issuance of warrants of arrest and to dismiss the case. The RTC nevertheless issued warrants of arrest against the Respondents on 25 November 2021, and the Megawide Respondents and Respondent Acquaah Harrison posted bail the following day, or on 26 November 2021.

The arraignment of the Respondents was conducted last 28 March 2022, wherein Respondents pleaded "not guilty" to the charges against them. Notwithstanding this, the Megawide Respondents filed on 24 March 2022 a Motion to Quash the Information on the ground that the Information fails to state and offense, in view of the 21 March 2022 signing of the Amended Public Service Act which effectively removes airports from the enumeration and definition of public utilities. The hearing for the Motion to Quash is set on 25 April 2022. The court issued a decision dated June 14, 2022, granting the Motion to Quash and dismissed the case.

The Public Prosecutor filed an Omnibus Motion (for Inhibition with Motion for Reconsideration to the Order dated June 14, 2022) dated July 4, 2022. On October 25, 2022, the court issued a Certificate of Finality, certifying that an Order dated September 27, 2022, was issued by the Court denying the Omnibus Motion dated July 4, 2022, and declaring the case dismissed with finality.

6. **NBI, represented by Palmer U. Mallari v. Steve Dicdican, et. Al.**

This is a complaint for violations of Sections 3 (e) and 3(j) of Republic Act No. 3019, otherwise known as the "Anti-Graft and Corrupt Practices Act" against Ferrer, et. Al. Among others. This case concerns the same factual backdrop as NPS Docket No. XVI-INV-20-K-00362, or the supposed violation of the Anti-Dummy Law in relation to GMR Megawide Cebu Airport Corporation (GMCAC)'s operation and management of Mactan Cebu International Airport (MCIA).

On November 5, 2021, Ferrer et. al. received a copy of the Ombudsman's Joint Resolution dated July 20, 2021 indicting them for violation of RA 3019. On November 9, 2021, Ferrer, et. al. filed a Motion for Partial Reconsideration and/or Reinvestigation. On April 25, 2022, Ferrer et. al. filed a Motion to Dismiss on the ground of lack of probable cause, thereby seeking the reversal and setting aside of the Joint Resolution.

On April 30, 2022, the Office of the Ombudsman through a Joint Order denied the Motion for Partial Reconsideration and/or Reinvestigation. Thus, a Petition for Certiorari under Rule 65 of the Rules of Court with respective applications for the issuance of temporary restraining order and/or writ of preliminary injunction was filed before the Supreme Court.

7. **Manuel Louie B. Ferrer, Edgar B. Saavedra, Oliver Y. Tan, and Jez Dela Cruz v. Office of the Ombudsman and NBI**

   This case is an appeal to the decision of the Ombudsman indicting Ferrer et. Al. For violation of Section 3(e) of Republic Act No. 3019 or the Anti-Graft and Corrupt Practices Act. Ferrer et. Al. Filed a Petition for Certiorari under Rule 65 of the Rules of Court before the Supreme Court mainly alleging that the Ombudsman gravely abused its discretion in finding probable cause against them.

   On December 6, 2023, the Supreme Court granted the Petition for Certiorari. Thus, the Joint Resolution and Joint Order were reversed and set aside. Accordingly, the criminal complaint for violation of Section 3(e) of RA 3019 against the petitioners was dismissed.

8. **People of the Philippines v. Steve Y. Dicdican, Manuel Louie Ferrer, Edgar Saavedra, Oliver Tan, and Jez Dela Cruz, et. al.**

   A complaint for violation of the Anti-Dummy Law was filed before the Department of Justice ("DOJ"), which indicted the accused persons by filing an Information before the Regional Trial Court of Cebu. Aggrieved, the accused persons filed a Petition for Review before the DOJ.

   Accused persons filed a Motion to Quash Information before RTC Cebu on the ground that the Information no longer constitute an offense in view of the enactment of Republic Act No. 11659 which excluded airport operations from the definition of public utilities, making GMCAC no longer a public utility subject to limitations provided by the constitution and law as to nationality requirement. RTC Cebu granted the quashal and ordered that the case be dismissed.

   On August 6, 2022, the DOJ issued a Resolution granting Ferrer et. al.'s Petition for Review, thus, directing the withdrawal of the Information. The decision of RTC Cebu attained finality as evidenced by the Certificate of Finality dated October 25, 2022.

   Accused persons filed an Omnibus Motion dated October 25, 2023, praying for the withholding of the issuance of warrants of arrest against Ferrer, et. al., quashal of the Information on the ground that the facts charged do not constitute an offense, and the dismissal of the case for lack of jurisdiction and probable cause.

   In an Order dated November 7, 2023, the court dismissed the case for lack of jurisdiction.

9. **Coffral Formworks & Scaffolds, Inc. ("Coffral") v. Megawide Construction Corporation ("Megawide")**

This is an administrative case filed by Petitioner with the Philippine Contractors Accreditation Board ("PCAB") for violation of Section 28, par (f) of RA. 4566.

On 25 January 2024, a second clarificatory hearing was held. Despite unreasonably and unjustifiably failing to file a Reply to the Verified Answer served by Respondent Megawide on 31 August 2023, PCAB still graciously gave Complainant Coffral until 08 February 2024 to file a Reply to which the latter has completely disregarded.

On 20 February 2024, Respondent filed a Motion to Resolve with the PCAB praying to consider the case submitted for Decision and to rightfully issue a Decision dismissing the Complaint filed by Coffral dated 29 March 2023 for utter lack of merit.

10. **Carbonhanong Alyansa alang sa Reporma ug Bahandianong Ogma sa mga Nanginabuhi ("CARBON"), et al. v. Megawide Construction Corporation, et al.**

This is a complaint seeking to nullify the Joint Venture Agreement ("JVA") signed by the City of Cebu and Megawide Construction Corporation (the "Company") on 11 January 2021 for the redevelopment of the Carbon Market Complex in Cebu City, as well as the documents and actions executed in relation to the execution and implementation of the JVA. The Plaintiffs submit that the JVA violate various laws and pray for ancillary remedies including a Temporary Restraining Order ("TRO").

On 20 February 2023, proceedings for the prayer for TRO and/or Writ of Preliminary Injunction and Mandamus ensued. As of date, the presentation of evidence for the plaintiffs and public defendants had already been completed. Defendant Megawide is set to present its evidence on 21 June 2024.

11. **Tomas R. Osmena v. Megawide Construction Corporation, et al.**

This is an action for judicial review under Rule 65 of the Revised Rules of Court. The petitioner is suing in his capacity as a citizen, taxpayer, and a former mayor of the City of Cebu. According to the petitioner, the actions of the public respondents constitute grave abuse of discretion amounting to lack of jurisdiction.

The petitioner further alleges that the act of the execution of the JVA amounted to a violation of the Constitutional provisions, laws, rules and regulations such as the due process and equal protection clause of the Constitution, Civil Code provisions on usufruct, Magna Carta for the Poor; Philippine Competition Law; the BOT Law and other implementing rules regulating Unsolicited Proposals and Joint Ventures, the Local Government Code, and other local ordinances of the City of Cebu.

On the other hand, respondent Megawide asserts that the petition should be denied for non-compliance with the requirements 26 under Rule 65 of the Revised Rules of Court. Further, the JVA is valid and constitutional as it does not violate procedural due process and substantive due process nor any other law and local ordinance. It likewise raises the defense that petitioner committed forum shopping considering the pendency of Civil Case No. R-CEB-21-04849-CV (CARBON et. al. v. Megawide Construction Corporation, et. al.) pending before RTC Br. 16, Cebu

City. Lastly, respondent Megawide asserts that there is no sufficient ground for the issuance of a Temporary Restraining Order, Writ of Preliminary Injunction, or Mandamus

On 15 June 2023, petitioner filed an Amended Petition dated 14 June 2023. In its Order dated 04 December 2023, the court directed the respondents to submit their respective comments to the Amended Petition. Consequently, on 25 January 2024, defendant Megawide filed a Comment of even date to the Amended Petition. Consequently, RTC Br. 58 issued an Order dated 23 February 2024 directing all parties to submit a Memorandum 27 regarding the application for a Preliminary Injunction within ten (10) days from 23 February 2024 and a Memorandum for the whole case within thirty (30) days from 23 February 2024; and thereafter, all parties are given fifteen (15) days to file a Reply Memorandum, if necessary. In line with this, the parties have filed their respective Memorandum regarding the application for a Preliminary Injunction and are waiting for its resolution.

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

The following matters were submitted to the vote of security holders during the fiscal year covered by this report:

1. Approval of the Minutes of the Special Stockholders' Meeting held on December 20, 2022;
2. Election of Board of Directors;
3. Appointment of Punongbayan & Araullo as Megawide's external auditor; and
4. Acquisition by Megawide of 100% of the outstanding capital stock in PH1 World Developers Inc. from Citicore Holdings Investments Inc. amounting to Five Hundred Seventy-Nine Million Four Hundred Fifty-Seven Thousand Eight Hundred Forty-Four (579,457,844) common shares with a purchase price of PhP5.2 Billion.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

Market Information

Megawide's common shares are traded in the PSE under the symbol "MWIDE." The shares were listed on the PSE on February 18, 2011. The following table sets out the high and low prices for Megawide's common shares as reported to the PSE:

2021	**High**	**Low**
First Quarter (January – March)	8.90	5.91
Second Quarter (April – June)	7.32	5.90
Third Quarter (July – September)	7.50	5.95
Fourth Quarter (October – December)	6.85	4.98
2022		
First Quarter (January – March)	5.70	4.73
Second Quarter (April – June)	4.94	4.28
Third Quarter (July – September)	3.92	3.20
Fourth Quarter (October – December)	3.85	3.40

2023		
First Quarter (January – March)	4.33	2.85
Second Quarter (April – June)	4.00	2.94
Third Quarter (July – September)	3.80	3.02
Fourth Quarter (October – December)	3.34	3.00

The closing price per share of Megawide's common shares as of December 31, 2023 was Three Pesos and 8/100 (PhP 3.08).

As of December 31, 2023, there are **two billion thirteen million four hundred nine thousand seven hundred seventeen (2,013,409,717)** outstanding common shares registered in the names of the following:

	Stockholder	Number of Common Shares Held	Percentage of Total Shares
1.	PCD Nominee Corporation (Filipino)	1,221,514,551	60.67%
2.	Citicore Holdings Investment, Inc.	712,925,501	35.41%
3.	PCD Nominee Corporation (Non-Filipino)	31,205,805	1.55%
4.	Suyen Corporation	22,900,000	1.14%
5.	Aeternum Holdings, Inc.	21,389,904	1.06%
6.	Ellie Chan	1,666,901	0.08%
7.	Arousel Holdings, Inc.	500,000	0.02%
8.	Carousel Holdings, Inc.	500,000	0.02%
9.	Marmon Holdings, Inc.	300,000	0.01%
10.	John I. Bautista, Jr.	159,799	0.01%
11.	Ayush Singhvi	147,400	0.01%
12.	Regina Capital Dev. Corp. 000351	34,754	Nil
13.	Jharna Chandnani	23,000	Nil
14.	Pacifico Silla &/or Marie Paz Silla &/or Nathaniel Silla	20,000	Nil
15.	Juan Miguel B. Salcedo	16,177	Nil
16.	Jose Emmanuel B. Salcedo	16,177	Nil
17.	NSJS Realty & Development Corporation	16,000	Nil
18.	Grace Q. Bay	15,243	Nil
19.	Camille Patricia Dominique T. Ang	14,547	Nil
20.	Pacifico Silla &/or Marie Paz Silla Sagum &/or Nathaniel Silla	9,456	Nil
21.	Pacifico C. Silla &/or Catherine M. Silla &/or Alexander M. Silla	9,456	Nil
22.	Myra P. Villanueva	8,900	Nil
23.	Joyce M. Briones	7,868	Nil
24.	Frederick E. Ferraris &/or Ester E. Ferraris	5,674	Nil
25.	Jennifer T. Ramos	1,000	Nil
26.	Demetrio D. Mateo	500	Nil
27.	Julius Victor Emmanuel D. Sanvictores	379	Nil
28.	Guillermo F. Gili, Jr.	246	Nil
29.	Florentino A. Tuason, Jr.	246	Nil
30.	Hector A. Sanvictores	190	Nil
31.	Owen Nathaniel S. AU ITF: Li Marcus Au	38	Nil

32.	Edgar B. Saavedra	1	Nil
33.	Hilario Gelbolingo Davide, Jr.	1	Nil
34.	Joselito T. Bautista	1	Nil
35.	Lilia B. De Lima	1	Nil
36.	Michael C. Cosiquien	1	Nil
	Total Outstanding Common Shares	**2,013,409,717**	**100.00%**
	Shares Owned By Foreigners	**31,376,205**	**1.56%**

The beneficial owners of the shares registered in the name of the PCD Nominee Corporation (PCD) are the participants of PCD who hold the shares on behalf of their clients, including the top 20 shareholders. The list of the PCD Participants as of December 31, 2023 is attached herein as **Exhibit** "**1**".

Dividends

On June 26, 2013, the Board adopted a dividend policy of declaring annual cash dividends equivalent to twenty percent (20%) of the prior year's income, subject to the Company's contractual obligations. Thereafter, on April 03, 2019, the Board adopted a revised dividend policy increasing the maximum allowable annual dividend declaration from twenty percent (20%) to not exceeding thirty percent (30%) of the prior year's net income, subject to the approval of the Board and the Company's contractual obligations.

Megawide has entered into loan agreements restricting its ability to declare dividends unless certain conditions are met, such as all debt obligations are current and updated, availability of retained earnings while maintaining debt to equity ratios, and debt service cover ratios after dividend payments. As of date, Megawide's subsidiaries, many of which are newly established and not yet income generating, have not formulated or adopted a dividend policy. Megawide shall cause these subsidiaries to adopt the appropriate dividend policies with the intention that each subsidiary shall regularly declare dividends in favor of Megawide, subject to capital requirements and other existing covenants/restrictions with its creditors.

Under the Revised Corporation Code, Megawide's Board is authorized to declare cash, property, stock dividends, or a combination thereof. Cash and property dividend declarations require only the approval of the Board. Meanwhile, stock dividend declarations require the approval of the Board and the shareholders representing at least two-third (2/3) of Megawide's outstanding capital stock. Such approval may be given at a general or special meeting duly called for such purpose. The holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares. Moreover, in accordance with the Revised Corporation Code, Megawide may only distribute dividends out of its unrestricted retained earnings.

During the past four (4) years, Megawide has consistently declared and paid out cash dividends as follows:

Date Approved	Record Date	Type	Amount	Date of Payment
January 08, 2020	February 06, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	March 03, 2020
May 08, 2020	May 25, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	June 03, 2020
July 27, 2020	August 10, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	September 03, 2020

October 05, 2020	November 06, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	December 03, 2020
January 11, 2021	February 08, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	March 03, 2021
January 18, 2021	February 03, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	March 01, 2021
January 18, 2021	February 03, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	March 01, 2021
April 08, 2021	May 18, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	June 03, 2021
April 08, 2021	May 04, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	May 27, 2021
April 08, 2021	May 04, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	May 27, 2021
June 30, 2021	August 09, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	September 03, 2021
June 30, 2021	August 05, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	August 27, 2021
June 30, 2021	August 05, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	August 27, 2021
October 19, 2021	November 09, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	December 03, 2021
October 19, 2021	November 05, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	November 29, 2021
October 19, 2021	November 05, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	November 29, 2021
December 23, 2021	January 10, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	January 31, 2022
January 18, 2022	February 4, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	February 28, 2022
January 18, 2022	February 4, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	February 28, 2022
March 22, 2022	April 6, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	April 29, 2022
April 21, 2022	May 9, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	May 27, 2022
April 21, 2022	May 9, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	May 27, 2022
June 23, 2022	July 8, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	July 29, 2022
July 22, 2022	August 8, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	August 30, 2022
July 22, 2022	August 8, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	August 30, 2022
September 23, 2022	October 10, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	October 29, 2022
October 19, 2022	November 7, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	November 28, 2022
October 19, 2022	November 7, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	November 28, 2022
December 21, 2022	January 9, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	January 30, 2023
February 6, 2023	February 20, 2023	Series 2A Preferred Shares	PhP 31,136,404.00	February 27, 2023
February 6, 2023	February 20, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	February 27, 2023
March 21, 2023	April 11, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	May 2, 2023
April 26, 2023	May 12, 2023	Series 2A Preferred Shares	PhP 31,136,404.00	May 29, 2023
April 26, 2023	May 12, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	May 29, 2023
July 12, 2023	July 26, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	July 31, 2023
July 12, 2023	July 17, 2023	Series 5 Preferred Shares	PhP 29,640,750.00	July 17, 2023
August 1, 2023	August 16, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	August 29, 2023
September 11, 2023	September 26, 2023	Series 5 Preferred Shares	PhP 29,640,750.00	October 17, 2023
September 13, 2023	October 10, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	October 30, 2023
October 19, 2023	November 7, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	November 28, 2023
December 11, 2023	December 28, 2023	Series 5 Preferred Shares	PhP 29,640,750.00	January 17, 2024

Recent Sales of Unregistered or Exempt Securities

Megawide has not sold any unregistered securities within the past three (3) years.

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

FY2023 vs FY2022

Results of Continuing Operations

Review of results for the year ended December 31, 2023 as compared with the results for the year ended December 31, 2022.

Revenues increased by 26% or PhP 3.8 billion

Consolidated revenues for the period amounted to P18.6 billion, 26% or P3.8 billion higher than the same period last year. The improvement was across all segments, driven primarily by construction operations and contribution from real estate operations.

Construction revenues amounted to P18.1 billion – 24% more than 2022 – and contributed 97% to total consolidated revenues. The segment benefitted from steady completion of existing projects, particularly Suncity's Westside City Resorts Complex and the Malolos Clark Railway Project Phase 1. New projects secured during the year included Hotel 101 in Libis and Lumbangan Solar Power Plant, bringing the order book to P43.1 billion as of end of the year.

Landport operations meanwhile delivered higher revenue of P347.8 million from office towers and commercial spaces, 35% more than the previous year, and contributed close to 2% to the total consolidated revenues due to Increasing foot traffic.

Direct Costs increased by 27% or PhP 3.5 billion

Consolidated direct costs amounted to P16.5 billion, 27% higher and consistent with the growth in revenues. Cost of construction comprised bulk of the increase in costs with landport related costs slightly lower, as a result of cost management amid a challenging office leasing environment. Cost of real estate operations amounted to P72.2 million and was mainly attributed to sales and marketing expenses associated with new project launches.

Gross Profit increased by 14% or PhP 260 million

Consolidated gross profit reached to P2.2 billion, translating to a consolidated gross profit margin of 12%. The construction business contributed P2.1 billion while real estate development chipped in P76.7 million – more than offsetting the P13.1 million loss incurred by landport operations.

Other Operating Expenses increased by 9% or PhP 108.9 million

Other Operating Expenses during the period amounted to P1.3 billion. The increase of P108.9 million is mainly due to increase in fixed costs in support of the Company growth plans for various infrastructure and development projects that it will be undertaking such as the execution of P18-billion CP104 of the Metro Manila Subway System Project, awarded to the Company, together with its Japanese consortium partners.

Impairment Losses decreased by 98% or PhP 1.7 billion

Impairment losses was down to P35.3 million from previous year's P1.7 billion, coming from discontinued projects arising from the pandemic. The Parent Company provided provisions and write-off on certain projects under contract asset during 2022, largely affected by the COVID-19 pandemic, which were not present in 2023.

Finance Costs increased by 24% or PhP 404.7 million
Finance costs amounted to P2.1 billion, higher by P404.7 million, attributed to a higher loan balance from newly drawn working lines and an elevated interest rate scenario throughout 2023.

Finance Income increased by 99% or PhP 521 million
Finance income by amounted to P1.05 billion and was P521 million more than the previous year. The improvement was attributed to more efficient treasury management via money market placements, taking advantage of attractive yields driven by higher interest rates.

Others – net increased by 215% or PhP 932.9 million
Others – net amounted to P499.2 million income and reversed the loss from the previous year, which was attributed to impairment losses on non-financial assets related to certain deferred fulfilment costs related to specific construction contracts and investments in associates that were affected by changes in the political and economic landscape in 2022.

Tax Expense increased by PhP 746.8 million or 108%
Consolidated profit before tax amounted to P326.8 million, reversing the pre-tax loss in 2022, which resulted in a tax expense of P57.6 million.

Consolidated Net Income amounted to PhP269 million
Consolidated net income from continuing operations amounted to P269 million, compared with a net loss of P1.9 billion in 2022. The performance was driven by recovery in construction operations and initial contribution from real estate operations, coupled with liability and treasury management, delivering a net interest income for the year.

Financial Condition

Review of financial conditions as of December 31, 2023 as compared with financial conditions as of December 31, 2022

ASSETS

Current Assets decreased by 7% or by PhP3.7 billion

The following discussion provides a detailed analysis of the increase in current assets:

Cash and Cash Equivalents decreased by 69% or PhP 10.9 billion
The decrease in cash and cash equivalents was mainly due to the retirement of preferred shares, acquisition of PH1 World Developers, as well as payment of interest cost and dividends and other working capital requirements.

Trade and Other Receivables increased by 4% or by PhP 795 million
The increase in trade and other receivables is related to timing difference in collections as substantial portion of work accomplishment has been billed towards the end of the year and hence are being reviewed by the client whereas some recently billed receivables are not yet due.

Construction Materials increased by 7% or PhP 153 million
The increase in inventory levels during the period was due to the new projects started during the period, as well as to comply with the Company's business strategy to maintain buffer levels of inventory at site.

Real estate inventories amounted to P3.9 billion
Real estate inventories pertain to cost incurred relating to the Group's development and construction of its residential condominium projects. On July 12, 2023, the Group executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5.2 billion. As a result of the acquisition of PH1, the acquisition date fair value of the real estate inventories amounting to P3.3 billion was recognized.

Contract assets increased by 10% or PhP 534 million
The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

Other Current Assets increased by 19% or by PhP 1.9 billion
The increase was mainly due to advances made to its suppliers and subcontractors for its new projects to lock in prices for major construction materials and scope of works. There is also increase in prepaid taxes related to the excess of creditable withholding tax payments over the current tax due.

Non-Current Asset Held for Sale remains at P2.9 billion
Total noncurrent assets held for sale pertains to the fair value of investment in GMCAC representing the Company's remaining 33 & 1/3% plus 1 share.

Non-Current Assets amounted to P16 billion

The following discussion provides a detailed analysis of the increase in non-current assets.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at P4 million
FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at P4 million for both periods.

Investments in Associates and Joint Ventures increased by 11% or by PhP 25.9 million
The increase is due to additional investment in data center business.

Property, Plant and Equipment decreased by 7% or by PhP 456 million
The Group recognized depreciation charges on property, plant and equipment amounting to P1.2 billion and procured certain pre-cast equipment to expand capacity of Pre-Cast and Construction Solutions and service units as well as various construction equipment to support specification requirement of the ongoing projects.

Investment Properties increased by 3% or by PhP 119.8 million
The increase is related to the additions in the landport property amounting to P25.8 million representing additional improvements in the commercial and parking area. The increase is also related to the additional land development cost amounting to P217.2 million. This was reduced by depreciation charges for the period amounting to PhP 123 million.

Deferred tax assets increased by PhP 8.4 million
The increase was mainly due to temporary difference arising from net operating loss carry over (NOLCO).

Goodwill amounted to P3.8 billion
On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1. The transaction resulted to a goodwill from acquisition as the consideration paid is higher than the fair value of net identifiable assets acquired.

Other Non-Current Assets increased by 18% or PhP 53.9 million
The increase was mainly due to the deposits for condominium units which represent initial downpayments made for the purchase of condominium units.

LIABILITIES AND EQUITY

Current Liabilities increased by 62% or PhP 14.8 billion

The following discussion provides a detailed analysis of the increase in current liabilities:

Interest-Bearing Loans and Borrowings-Current increased by 43% or by PhP 6.3 billion
The increase is due to availments made to support the working capital requirements of the Group and reclassification of the noncurrent portion of corporate note to current portion based on schedule payments within one year horizon. The increase was offset by the repayments of short-term loans and lease liabilities during the period.

Trade and Other Payables decreased by 13% or by PhP 679 million
The decrease was mainly due to volume and timing of purchases and payments to suppliers and subcontractors.

Contract liabilities – current increased by 37% or PhP 1.3 billion
The increase is related to downpayment from newly awarded projects such as Hotel 101 and Lumbangan Solar Power Plant. The increase is also due to the effect of consolidation of PH1. The acquisition date fair value of the contract liabilities amounting to P76.6 million was recognized during the period.

Exchangeable notes remains at PhP 7.8 billion
In 2022, the Parent Company issued Exchangeable notes in favor of AIC. The notes will mature on October 30, 2024 (exercise date) and are expected to be exchanged by AIC for the rest of the 33% puls 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

Other Current Liabilities increased by 17% or by PhP 50.6 million
The increase of P50.6 million is mainly due to the increase in tax liabilities of the Group including deferred revenue which represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period.

Non-Current Liabilities decreased by 53% or PhP 12.2 billion

The following discussion provides a detailed analysis of the decrease in non-current liabilities:

Loans and Borrowings-Non-Current decreased by 27% or PhP 3.5 billion
Noncurrent portion of finance lease payables and corporate note were reclassified to current loans based on scheduled payments within one year horizon. Meanwhile, the decrease was offset by the effect of consolidation of PH1.

Contract liabilities –non current decreased by 73% or PhP 1.0 billion
The decrease is mainly related to reclassification to current portion of customer advances upon recoupment based on construction schedule.

Post employment defined benefit obligation increased by 5% or by PhP 12 million
The post-employment defined benefit obligation increased due to experience adjustments and changes in financial assumptions.

Other non-current liabilities increased by 33% or PhP 122 million
The increase is mainly related to deposits and advances received from tenants to be applied on future rentals due on the lease of the Group's investment properties.

Equity attributable to Parent decreased by 17% or by PhP 3.3 billion
The decrease in equity was due to the declaration of cash dividends amounting to PhP 2.4 billion to preferred and common stock shareholders, retirement of preferred shares series 2A amounting to P2.6 million. The decrease was offset by the issuance of preferred shares series 5 amounting to P1.5 million net income amounting to P283 million.

FY2022 vs FY2021

The Group presented its construction and landport segment as part of its continuing operations whereas the airport and airport merchandising segments were presented as part of discontinuing operations following the sale of shares from GMCAC and GMI in 2022.

Results of Continuing Operations

Review of results for the year ended December 31, 2022 as compared with the results for the year ended December 31, 2021.

Revenues decreased by 1% or PhP 203 million
Consolidated revenues for the period amounted to P14.8 billion, 1% or P203 million lower than the same period last year. The decrease was due to slowdown of construction operations and lower occupancy rate in the landport segment.

Construction revenues amounted to P14.58 billion and contributed 98% to the consolidated revenues. The segment experienced slowdown of operations as certain contracts were under renegotiation due to the impact of rising raw material prices and interest rates. Despite this, the Company maintains a healthy orderbook as it continued to secure new contracts from Suntrust Home Developers' Suncity West Side City project, Landers Aseana, Hampton O&P, and the DOTr's Malolos Clark Railway Phase 1 Project – a joint venture project with Hyundai Engineering & Construction Co., Ltd., and Dong-ah Geological Engineering Company Ltd.

Landport operations meanwhile delivered revenue of P258 million from office towers and commercial spaces and contributed 2% to the total consolidated revenues. The clamp down on Philippine Offshore Gaming Operators (POGO) continue to put pressure on office vacancy and lease rates, affecting tenancy at PITX and translated to lower revenues from the same period last year.

PITX however continued to serve as a transportation convergence point to serve commuters to and from different places of work.

Direct Costs increased by 3% or PhP 422 million
Direct costs amounted to P12.9 billion and were higher by 3% or P422 million. The movement was mainly related to rising prices of raw materials, services and higher labor costs, along with higher fixed costs and depreciation expenses.

Gross Profit decreased by 25% or PhP 624 million
Consolidated gross profit amounted to P1.9 billion in 2022, translating to a consolidated gross profit margin of 13%. The construction business contributed P2 billion or 106% of the Group's gross profit. Terminal operations contributed P-106 million or -6% to the total gross profit.

Other Operating Expenses increased by 5% or PhP 61 million
Other Operating Expenses amounted to P1.19 billion. The increase of P61 million is mainly to due to various professional fees and registration fees incurred for its bond and preferred shares issuances.

Impairment Losses increased by 708% or PhP 1.5 billion
Impairment Losses amounted to P1.7 billion as of the end of 2022. The Parent Company provided provisions and write-off on certain projects under contract asset during 2022. Despite several attempts to renegotiate contracts which were affected by COVID, it became apparent to management in 2022 that claims from these projects can no longer be collected and decided to terminate the project to manage the financial impact to the Group.

Finance Costs increased by 9% or PhP 142 million
Finance costs amounted to PhP 1.6 billion. The increase of P142 million is mainly due to interest expense from bonds payable amounting to P118 million.

Finance Income increased by 11% or PhP 53 million
Finance income amounted to P526 million. The increase of P53 million is mainly due to interest income from advances to related parties. This relates to the financing provided for the Group's business expansion and diversification program.

Others - net decreased by 204% or PhP 848 million
Others – net amounted to P433 million. The decrease in other income (charges) is mainly due to Impairment losses on non-financial assets amounting to P916 million. This relates to certain deferred fulfilment costs related to specific construction contracts and investments in associates that have doubtful recoverability based on changes in political and economic conditions in 2022.

Tax Expense decreased by PhP 781 million or 845%
The Group realized a tax income amounting to P689 million mainly relating to temporary difference arising from net operating loss carry over (NOLCO) and impairment losses on contract assets.

Results of Discontinued Operations

The airport business remains optimistic of a turnaround as vaccination has contained the virus, encouraging global and local air travel. Revenue during the period amounted to P1.7 billion. Passenger volume more than doubled from last year's pandemic level, although still fell short of pre-pandemic levels, with domestic passenger volume, which comprised 90% of traffic, rising to 4.9 million from last year's 1.2 million and international passenger volume soaring to 666 thousand from previous year's 164 thousand. Airport merchandising segment, which is ancillary to airport operations, likewise experienced a 532% improvement in sales to P148 million from P23 million last year.

The direct cost of airport operations increased by 131% to P508.9 million. The movement of direct cost was consistent with the revenue performance of the airport segment, taking into consideration fixed costs and depreciation expenses, despite reduced passenger volumes. The airport segments gross profit increased by 323% to P605.9 million.

Operating expenses increased from last year's P437 million to this year's P1.92 billion mainly due to repair cost incurred to restore the facility after the typhoon Odette in December 2022. The impact was offset by recovery from insurance claims of P1.0 billion and the recognition of gain on deconsolidation of subsidiaries amounting to P6.6 billion.

Consolidated Net Income Increased by 417% or PhP 3.7 billion
Consolidated net income from continuing and discontinued operations amounted to P2.8 billion compared with the consolidated net loss of P893 million in 2021. This is mainly due to recognized gain on deconsolidation of a subsidiary amounting to P6.6 billion, though offset by impairment losses on financial and nonfinancial assets amounting to P1.7 billion and P916 million, respectively.

Financial Condition

Review of financial conditions as of December 31, 2022 as compared with financial conditions as of December 31, 2021

ASSETS

Current Assets increased by 35% or by PhP14 billion

The following discussion provides a detailed analysis of the increase in current assets:

Cash and Cash Equivalents increased by 170% or PhP 9.9 billion
The increase in cash and cash equivalents was due to the proceeds from sale of investment in airport segment amounting to P7.2 billion.

Trade and Other Receivables increased by 8% or by PhP 1.39 billion
The increase in contract receivables is related to milestone payments of contractual agreements with customers, special payment arrangements to key clients, and timing difference in collections, as substantial portion of work accomplishment has been billed towards the end of the quarter and hence are being reviewed by the client, whereas some recently billed receivables are not yet due. Balance of trade and other receivables of airport segment amounting to P968.4 million was derecognized upon disposal.

Inventory of Construction Materials increased by 4% or PhP 81 million
The increase in inventory levels during the period was due to the new projects started during the period, as well as to comply with the Company's business strategy to maintain buffer levels of inventory at site, considering longer procurement lead time during the quarantine period imposed by the government.

Contract assets increased by 7% or PhP 329 million
The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

Other Current Assets decreased by 6% or by PhP 569 million
In 2022, the Group has written-off related deferred fulfilment costs amounting to P328.6 million. The decrease is partially offset by the advances made by the Parent to its suppliers and subcontractors for its new projects to lock in prices for steel required for structural development. The related input VAT also increased as a result of payments made to subcontractors. Balance of other current asset of airport segment amounting to P1.2 billion was derecognized upon disposal.

Non-Current Asset Held for Sale increased by 100%% or P2.9 billion
Total noncurrent assets held for sale pertains to the total assets of airport segment amounting to P2.9 billion. The increase is mainly due to deconsolidation in 2022 and reclassification of fair-value of GMCAC assets to this account.

Non-Current Assets amounted to P12 billion

The following discussion provides a detailed analysis of the decrease in non-current assets.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at P4 million
FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at P4 million for both periods.

Investments in Associates and Joint Ventures decreased by 73% or by PhP 630 million
The decrease is a result of share in the net losses taken up on the Group's investment in various joint ventures and associates and the write-off of investment in 2022.

Property, Plant and Equipment decreased by 6% or by PhP 433 million
The Group recognized depreciation charges on property, plant and equipment amounting to PhP 1.31 billion and procured certain pre-cast equipment to expand capacity of construction support and service units and various specialized equipment to support specification requirement of the ongoing projects.

Investment Properties increased by 5% or by PhP 206 million
The increase is mainly related to the additions in the landport property amounting to P327 million representing additional improvements in the commercial and parking area. This was reduced by depreciation charges for the period amounting to PhP 121 million, respectively.

Deferred tax assets increased by PhP 664 million
The increase was mainly due to temporary difference arising from net operating loss carry over (NOLCO).

Other Non-Current Assets decreased by 87% or PhP 2.1 billion
Balance of other non-current asset of airport segment amounting to P1.8 billion was derecognized upon disposal. Whereas the decrease of P0.3 million was mainly due to decrease in the deferred input VAT balance of the Group.

LIABILITIES AND EQUITY

Current Liabilities decreased by 13% or PhP 3.4 billion

The following discussion provides a detailed analysis of the decrease in current liabilities:

Interest-Bearing Loans and Borrowings-Current decreased by PhP 72 million
The decrease is due to repayments of short-term loans and lease liabilities. This was offset additional borrowings made to support the working capital requirements of the Group.

Trade and Other Payables decreased by 38% or by PhP 3.3 billion
The decrease is due to progress billings on work in progress contracts. The balance of trade and other payables of airport segment amounting to P2.3 billion was derecognized upon disposal.

Contract liabilities – current decreased by 3% or PhP 113 million
The decrease is mainly related to recoupment of downpayments from client.

Other Current Liabilities decreased by 15% or by PhP 41 million
The balance of other current liabilities of airport segment amounting to P94 million was derecognized upon disposal. While increase of P63 million is due to the increase in tax liabilities of the Group such as withholding taxes and output VAT.

Non-Current Liabilities decreased by 44% or PhP 23.5 billion

The following discussion provides a detailed analysis of the increase in non-current liabilities:

Loans and Borrowings-Non-Current decreased by 62% or PhP 21.65 billion
The balance of non-current portion of the interest-bearing loans of borrowings of the airport segment amounting to P25.8 billion was derecognized upon disposal. Noncurrent portion of finance lease payables and corporate note were reclassified to current loans based on scheduled payments within one year horizon. Meanwhile, the decrease was offset by the bonds raised in August 2022 amounting to P4.0 billion.

Exchangeable notes increased by PhP 7.8 billion
In 2022, the Parent Company issued Exchangeable notes in favor of AIC. The notes will mature on October 30, 2024 (exercise date) and are expected to be exchanged by AIC for the rest of the 33% puls 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.
Contract liabilities –non current decreased by 32% or PhP 651 million
The decrease is mainly related to reclassification to current portion of customer advances upon recoupment based on construction schedule.

Post employment defined benefit obligation decreased by 21% or by PhP 63 million
The post-employment defined benefit obligation decreased due to experience adjustments and changes in demographic assumptions.

Deferred tax liabilities decreased by 100% or by PhP 873 million
The balance of deferred tax liabilities of the airport segment amounting to P971.6 million was derecognized upon disposal.

Other non-current liabilities decreased by 44% or PhP 288 million
The balance of other non-current liabilities of the airport segment amounting to P131.8 million was derecognized upon disposal as a result of the sale and deconsolidation of GMCAC. Landport also recognized reversal of deposit and advances from tenants during the year.

Equity attributable to Parent increased by 19% or by PhP 3.1 billion
The increase in equity was mainly due to total comprehensive income amounting to PhP 3.6 billion, dividend payments of PhP 490 million to preferred stock shareholders, deposits for future stock subscription of PhP 2.3 million, and increase in other reserves amounting to PhP 14.71 million.

FY2021 vs FY2020

<u>*Results of Operations*</u>

Review of results for the year ended December 31, 2021 as compared with the results for the year ended December 31, 2020.

Revenues increased by 21% or PhP 2.72 billion
Consolidated revenues for the period amounted to PhP 15.64 billion, 21% or PhP 2.72 billion higher from the same period last year. The construction segment revenue amounted to PhP 14.33 billion, 32% or PhP 3.49 billion above from year ago levels and contributed 91% to the consolidated revenues. From quarantine restrictions imposed by the government last March 16, 2020, construction segment slowly transitioned to normal levels starting 3rd quarter of 2020. In 2021 operations of on-going projects started to normalize and continued to ramp up due to the start of newly awarded projects such as Suntrust Home Developers' Suncity West Side City project, Megaworld's Newport Link project, and the DOTr's Malolos Clark Railway Phase 1 Project 3 which is a joint venture project with Hyundai Engineering & Construction Co., Ltd., and Dongah Geological Engineering Company Ltd.

Airport segment continues to struggle with 10% of the pre-pandemic air traffic volume though remains optimistic of a turnaround once the global vaccination program has been effectively rolled out. Revenue during the period amounted to PhP 576 million, 48% or PhP 532 million lower than the same period last year and contributed 4% to the total consolidated revenue due to the effect of international and local travel restrictions, beginning March 16, 2020 and persisted until December 31, 2021, as a means to control the spread of COVID-19. International passenger arrivals from COVID-19 affected countries like China, Japan, and Korea are still down while domestic volumes declined as the government declared a state of public emergency and placed Luzon under ECQ, which persisted during the MECQ and general community quarantine (GCQ) periods. Airport merchandising segment, which is ancillary to airport operations, likewise experienced a slowdown in sales due to reduced passenger traffic translating to 67% decline in revenue.

Landport operations delivered revenue of PhP 715 million from office towers and commercial spaces during the period and contributed 5% to the total consolidated revenues. Due to the restrictions in foreign travel, Philippine Offshore Gaming Operators (POGO) experienced indefinite disruption on their operations, resulting in lower office occupancy levels and translated to 21% or PhP 187 million lower revenue from the same period last year. PITX continued to serve as a transportation convergence point during ECQ and ever since terminal operations reopened last June 08, 2020 after Manila was placed under GCQ by the government and resumed near normalcy in operations to serve commuters going to different places of work.

Direct Costs increased by 24% or PhP 2.5 billion
Direct costs amounted to PhP 12.9 billion and were higher by 24% or PhP 2.5 billion. The movement was consistent with the revenue performance across all three segments, taking in consideration fixed costs and depreciation expenses despite reduced passenger volumes and lower occupancy rate at the airport and landport terminals.

Gross Profit increased by 9% or PhP 222 million
Consolidated gross profit amounted to PhP 2.74 billion in 2021, translating to a consolidated gross profit margin of 18%. The construction business contributed PhP 2.2 billion or 80% of the Group's gross profit. Terminal operations contributed PhP 327 million or 12% while airport operations and merchandising segment accounted for PhP 207 million or 8% to the total gross profit.

Other Operating Expenses increased by 16% or PhP 247 million
Net Other Operating Expenses amounted to PhP 1.78 billion. The increase of PhP 247 million is mainly related to impairment losses recognized on receivables amounting to P204 million.

Other Income (Charges) increased by 6% or PhP 88 million
Other charges - net, which consists of finance cost, finance income and other income (expenses) amounted to PhP 1.68 billion, 6% lower from year-ago levels. The reduction is due mainly to the recognition of gain on loan modification amounting to PhP 208 million in 2021 and mark-to-market gain on the airport segment's interest rate swap recognized this year compared to market-to-market loss on IRS booked on the same period last year recorded under other income (expense). However, this is offset by the unrealized foreign exchange loss recognized in 2021 from the USD loans under the airport segment due to the higher peso to dollar exchange rate compared to the unrealized foreign exchange gain recognized on the same period last year.

Tax Expense decreased by PhP 95 million or 36%
Total tax expense decreased in 2021 due to the decrease in tax expense in the is directly related to the reduction in tax rate from 30% to 25% under the CREATE law.

Consolidated Net Loss decreased by 2% or PhP 19 million
Consolidated net loss amounted to PhP 893 million compared to consolidated net loss of PhP 875 million in 2020. Marginal improvement is related to improvement in construction operations which posted a profit of P401 million compared with last year's loss of P497 million, though was offset by airport segment as minimal revenues were generated from airport and travel-related segments due to disrupted operations arising from the global response to the COVID-19 crisis.

Financial Condition

Review of financial conditions as of December 31, 2021 as compared with financial conditions as of December 31, 2020

ASSETS

Current Assets increased by 9% or by PhP3.34 billion

The following discussion provides a detailed analysis of the increase in current assets:

Cash and Cash Equivalents decreased by 19% or PhP 1.38 billion
The decrease in cash and cash equivalents was due to payment of PhP 2.6 billion finance cost, PhP 595 million dividends on preferred shares and various acquisitions of precast and construction equipment to ramp up capacity. This is offset by proceeds from the down payments of clients for newly awarded projects during the period and increase in operating cash flow from construction segment.

Trade and Other Receivables increased by 11% or by PhP 1.67 billion
The increase in contract receivables by PhP 581 million is related to milestone payment contractual arrangement with customers, special payment arrangements to key clients and timing difference in collections as substantial portion of work accomplishment has been billed towards the end of the quarter and hence are being reviewed by the client whereas some recently billed receivables are not yet due. Interest receivable increased by P444 million while retention receivable increased by P76 million. Receivable from airport operations increased by P129 million due to the increase in revenue during the month of December as economies opened and our country relaxed travel policies. Meanwhile, receivables from Terminal operations increased by PhP 319 million due to relaxation of payment schedule with the tenants in support to Bayanihan to Heal as One Act. To minimize credit risk, PITx as a matter of policy, ensures that there is sufficient amount of security deposits and advance rentals to cover unpaid balances.

Inventory of Construction Materials increased by 19% or PhP 326 million
The increase in inventory levels during the period was due to the new projects started during the period, as well as to comply with the Company's business strategy to maintain buffer levels of inventory at site, considering longer procurement lead time during the quarantine period imposed by the government.

Contract assets increased by 13% or PhP 546 million
The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

Other Current Assets increased by 27% or by PhP 2.18 billion
The increase was mainly due to advances made by the Parent to its suppliers and subcontractors for its new projects to lock in prices for steel required for the structural construction of Sun City Project and the advances to supplier amounting to PhP 163 million for MCRP. The related input VAT also increased as a result of payments made to subcontractors. This is offset by the decrease in creditable withholding taxes under the construction segment that is directly related to the increase in tax expense.

Non-Current Assets increased by 1% or PhP 493 million

The following discussion provides a detailed analysis of the decrease in non-current assets:

Investments in Associates and Joint Ventures decreased by 7% or by PhP 68 million
The decrease is a result of share in the net losses taken up on the Group's investment in various joint ventures and associates.

Concession Assets increased by 2% or by PhP 575 million
The increase in Concession Assets was attributed to capital investments of GMCAC related to its obligations under the concession agreement. Meanwhile, amortization charges for the period amounted to PhP 50 million.

Property, Plant and Equipment decreased by 1% or by PhP 73 million
The Group recognized depreciation charges on property, plant and equipment amounting to PhP 1.47 billion and procured certain pre-cast equipment to expand capacity of construction support and service units and various specialized equipment to support specification requirement of the ongoing projects.

Investment Properties increased by 3% or by PhP 115 million
The increase is mainly related to the additions in the landport property amounting to P230 million representing additional improvements in the commercial and parking area. This was reduced by depreciation charges for the period amounting to PhP 86 million.

Deferred tax assets increased by 156% or PhP 15 million
The increase was due to the reversal of deferred tax assets recognized by a foreign subsidiary and the resulting net deferred tax asset from construction segment as compared with the previous years due to deferred taxes on impairment loss recognized during the year and increase in deferred tax on the effect of PFRS 15 on significant financing component.

Other Non-Current Assets decreased by 3% or PhP 71 million
The decrease in Other Non-Current Assets was mainly due to decrease of P 238 million in investment in trust fund, the cash waterfall account for the airport segment loan but was offset increase in the deferred input VAT balance of the Group amounting to P 107 million as well as higher refundable deposits under MWM amounting to P 51 million.

LIABILITIES AND EQUITY

Current Liabilities increased by 15% or PhP 3.61 billion

The following discussion provides a detailed analysis of the decrease in current liabilities:

Interest-Bearing Loans and Borrowings-Current increased by PhP 1.65 billion or 13%
The increase is mainly related to additional borrowings for the period to support mainly the capital asset requirement of the construction segment and reclassification to current portion of long term loan based on the scheduled payment for the next year. The increase was offset by loans of GMCAC were reclassified from current to non-current amounting to PhP 824 million. On May 4, 2021, GMCAC and the lenders executed the second amendment to the amended and restated Omnibus Loan and Security Agreement (OLSA), revising and pushing the schedule of the principal repayment to 2024. As a result, the current portion of long-term loan recognized in the previous year were reclassified to non-current.

Trade and Other Payables increased by 4% or by PhP 325million
The increase is mainly due to the additional infusion of the minority shareholder to the airport operations to comply with the restated OLSA amounting to P308 million. This was offset by the payment of accrued interest. Under the amended OLSA previously discussed, 20% of the accrued interest related to the period was paid in May 2021, while the balance shall be paid on June 15, 2023 together with the interest accrued. For interest incurred from March 31, 2021 to December 15, 2021, 37% of the accrued interest related to the period shall be paid monthly starting May 15, 2021 until December 15, 2021, the balance shall be paid on December 2023 together with the interest accrued.

Contract liabilities – current increased by 75% or PhP 1.59 billion
The increase is mainly related to reclassification from noncurrent portion as accomplishments is expected to be higher in the next year which will result to higher recoupment of downpayments from client.

Other Current Liabilities increased by 22% or by PhP 48 million
The increase is due to the increase in tax liabilities of the Group such as withholding taxes and output VAT.

Non-Current Liabilities increased by 4% or PhP 1.54 billion

The following discussion provides a detailed analysis of the increase in non-current liabilities:

Interest-Bearing Loans and Borrowings-Non-Current increased by 6% or PhP 1.93 billion
On May 4, 2021, GMCAC and the lenders executed the second amendment to the amended and restated Omnibus Loan and Security Agreement, which revised the schedule of the principal repayments to 2024. As a result of this arrangement, interest bearing loans for GMCAC were increased by P2.1 billion. Meanwhile, current portion of finance lease payables amounting to P 91 million were reclassified to current loans based on scheduled payments within one year horizon.

Contract liabilities –non current decreased by 17% or PhP 422 million
The increase is mainly related to downpayments received in 2021 for newly awarded contracts such as SunCity and share in MCRP.

Post employment defined benefit obligation decreased by 13% or by PhP 43 million
The post employment defined benefit obligation decrease due to experience adjustments and changes in demographic assumptions.

Deferred tax liabilities increased by 9% or by PhP 71 million
The decrease in deferred tax liabilities was mainly due to construction segment which had a net deferred tax asset position of P10 million at the end of the year compared to last year deferred tax liability position amounting to P26 million. Other decrease is arising from the adjustment of tax rate from 30% to 25%.

Other non-current liabilities increased by 1% or PhP 8 million
The increase is due to the net movement in security deposits and advanced rent from the landport and airport segments during the period arising from new lease contracts.

Equity attributable to Parent decreased by 4% or by PhP 774 million
The decrease in equity was mainly due to dividend payments of PhP 506 million to preferred stock shareholders and P342 million net loss attributable to Parent for the year.

Material Events and Uncertainties

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

Other than the impact of COVID-19 on the business which is disclosed in Note 1.3 of the consolidated audited financial statements or **Exhibit** "**2**", 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.

Megawide has a capital commitment to utilize the proceeds from the issuance of its preferred shares amounting to One Billion Four Hundred Twenty-Seven Million Seven Hundred Eighty-Nine Thousand Two Hundred Thirty-Eight Pesos (PhP 1,427,789,238.36) for various PPP projects. Other than that, 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 material events subsequent to December 31, 2023 that have not been reflected in the consolidated audited financial statements or **Exhibit** "**2**" of the Company.

Liquidity and Capital Resources

As regards internal and external sources of liquidity, the Company's funding is sourced from internally generated cash flows, and from borrowings or available credit facilities from other local and international commercial banks.

There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business. Additionally, there is no significant element of income not arising from continuing operations.

There have not been any seasonal aspects that had a material effect on the financial condition or results of operations of Megawide.

Cash Flows

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

(Amounts in PhP Millions)	**For the years ended December 31**		
Cash Flow	**2023**	**2022**	**2021**
Net cash provided by operating activities	(1,863)	(2,907)	1,356
Net cash used in investing activities	(5,873)	5,074	(1,829)
Net cash provided by financing activities	(3,287)	8,000	(895)

Key Performance Indicators (KPIs)

Megawide's KPIs are as follows:

Amounts in Php Billion, except Ratios and Earnings per Share	2023	2022	2021
Construction Order Backlog	PhP 43.07	PhP 50.85	PhP 60.01
Current Ratio[1]	1.29	2.25	1.45
Net Debt to Equity Ratio[2]	1.52	0.61	2.27
Book Value Per Share[3]	3.32	3.69	2.13
Earnings per Share[4]	(0.06)	1.53	-0.42
Return on Assets[5]	0.00	0.04	-0.01
Return on Equity[6]	0.01	0.15	-0.04
Gross Profit Margin[7]	0.12	0.13	0.18

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 sources of production and revenues for Megawide. Construction Order Backlog tends to increase when booked construction contracts or orders increase. A larger Construction Order Backlog is indicative of higher profits in the future.

Risk Management Objectives and Policies

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

Megawide does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which it is exposed to are market risk, credit risk and liquidity risk. The detailed discussion of the impact of these risks are discussed in Note 32 of the consolidated audited financial statements or **Exhibit** "**2**".

Item 7. Financial Statements

Megawide's audited financial statements and the supplementary schedules to the same, which were submitted to the Bureau of Internal Revenue are attached hereto as **Exhibit** "**2**".

[1] Current Assets/Current Liabilities
[2] Interest bearing loans and borrowings less cash and cash equivalents and financial assets valued through profit or loss/Stockholder's Equity
[3] Total Equity/Issued and Outstanding Shares
[4] Net Profit/Issued and Outstanding Shares
[5] Net Profit/Average Shares
[6] Net Profit/Average Equity
[7] Gross Profit/Revenue

Item 8. Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

External Audit Fees and Services

The following table sets out the aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by Megawide's external auditors:

Particulars	Nature	Audit Fees (amounts in PhP) For the years ended December 31		
		2023	**2022**	**2021**
Punongbayan & Araullo	Audit of Financial Statements	3,885,000.00	3,885,000.00	3,535,000.00
Punongbayan & Araullo	Summary of Application of Proceeds on Preferred Shares	600,000.00 (Q1 to Q4)	600,000.00 (Q1 to Q4)	600,000.00 (Q1 to Q4)
Punongbayan & Araullo	Transfer Pricing Documentations and Review of Information Return	-	-	-
Punongbayan & Araullo	Agreed Upon Procedures (PCAB Renewal)	-	35,000.00	35,000.00
Punongbayan & Araullo	Agreed Upon Procedures (Schedule of Estimated Capital Cost)	124,000.00	-	-
Punongbayan & Araullo	Financial Statement Quarterly Consolidated Review and Prospectus Circle-Up	-	3,700,000.00	3,500,000.00
Punongbayan & Araullo	Tax Opinion on Development Projects	-	250,000.00	100,000.00

The Board's Audit and Compliance Committee (ACC) Pre-Approval Policy

The ACC is composed of Mr. Celso P. Vivas, *Chairman of the ACC*, Chief Justice Hilario G. Davide (Ret.), *Vice Chairman of the ACC*, and Mr. Oliver Y. Tan.

The ACC is required to pre-approve all audit and non-audit services to be rendered by independent accountants and approve the engagement fee and any other compensation to be paid to such independent accountants. When deciding whether to approve these items, the ACC 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 ACC communicates with the external auditors with regard to any relationship or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take the necessary action to ensure their independence.

Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

The name of the handling partner for the auditor of Megawide is as follows:

Auditor	Year	Handling Partner
Punongbayan & Araullo	2022 and 2021	2017 to 2022 *– Mailene Sigue-Bisnar*
Punongbayan & Araullo	2023	2023 – Present *– Endel Mata*

Megawide did not have any disagreements with its internal auditors or independent accountants on any matter of accounting principles or practices, financial statements, disclosures, or auditing scope or procedures.

PART III – CONTROL AND COMPENSATION INFORMATION

Directors and Executive Officers

As of December 31, 2023, Megawide is governed by a Board of six (6) directors, composed of the following:

1. Mr. Edgar B. Saavedra, *Chairman of the Board, CEO, and President*;
2. Mr. Manuel Louie B. Ferrer, *Vice-Chairman of the Board, Executive Director for Infrastructure Development;*
3. Mr. Oliver Y. Tan, *Director*;
4. Mr. Ramon H. Diaz, *Director and Group Chief Financial Officer*;
5. Former Chief Justice Hilario G. Davide, Jr., *Independent Director*; and
6. Mr. Celso P. Vivas, *Independent Director*.
7. Atty. Lilia De Lima*, *Independent Director*.

**Tenure ended May 12, 2023*

Moreover, Megawide's management team is also headed by Mr. Edgar B. Saavedra, a licensed civil engineer, who has been practicing for over twenty (20) years.

The 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 or, in case the same falls on a legal holiday, on the day following.

The Board 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 1 voting share of Megawide.

Pursuant to SEC Memorandum Circular (M.C.) No. 19, Series of 2016, the Company adopted its New Manual on Corporate Governance (Manual). In accordance with Section VI (5) (b) of the Manual, the Board shall have at least three (3) independent directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher. At present, two (2) members of the Board are independent directors. Nonetheless, the Amended By-Laws of Megawide provides that Megawide is required to only have at least two (2) independent directors or at least 20% of its board size, whichever is lesser, but in no case less than two (2).

Board of Directors

The following provides the information on each Member of Megawide's Board of Directors, as of December 31, 2023, including their current directorships and positions in other companies, previous business experience, and educational background:

i. **MR. EDGAR B. SAAVEDRA**
Age: 49
Citizenship: Filipino
Positions in Megawide: *Chairman of the Board, CEO, and President*
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies
Mr. Saavedra is currently the Chairman and President of Citicore Holdings Investment Inc. and Megawide Land, Inc. He is also the Chairman of Altria East Land Inc., MWM Terminals, Inc., Cebu2World Development, Inc., Citicore Power Inc., Citicore Energy REIT Corp., Citicore-Megawide Consortium, Inc., Tunnel Prefab Corporation, Wide-Horizons Inc., Megawide Terminals, Inc. and Citicore Renewable Energy Corporation. He also serves as Director of GMR Megawide Cebu Airport Corporation. In addition, he serves as the Chairman of PH1 World Developers, Inc. Further, he is a Trustee of Megawide Corporate Foundation, Inc.

Previous Business Experience and Educational Background
Mr. Saavedra's engineering experience spans over twenty (20) years. He received his Bachelor's degree in Engineering from De La Salle University. After obtaining his license as a Civil Engineer, he pursued special studies in Foundation Formworks in Germany, through the Philippine Institute of Civil Engineers.

ii. **MR. MANUEL LOUIE B. FERRER**
Age: 48

Citizenship: Filipino
Positions in Megawide: *Vice-Chairman of the Board and Executive Director for Infrastructure Development*
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies
Mr. Ferrer is the Chairman of the Board of Trustees of Megawide Corporate Foundation, Inc. Also, he serves as a Director and the President of Altria East Land Inc. and Megawide Terminals, Inc. He is also a Director of GMR Megawide Cebu Airport Corporation, Cebu2World Development, Inc., Citicore Holdings Investment Inc., MWM Terminals, Inc., Citicore Energy REIT Corp., and Megawide Land, Inc. He also serves as a Director and Vice-Chairman of the Board of PH1 World Developers, Inc. Further, he is a Director and the Treasurer of Citicore Power Inc. and Citicore Renewable Energy Corporation.

Previous Business Experience and Educational Background
Mr. Ferrer obtained his degree in Industrial Design from De La Salle University in 1996. He previously served as President of MWM Terminals, Inc.

iii. **MR. OLIVER Y. TAN**
Age: 46
Citizenship: Filipino
Position in Megawide: *Director*
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies
Mr. Tan serves as Director and President of Citicore Power Inc., Citicore Energy REIT Corp., Citicore Renewable Energy Corporation, and Citicore-Megawide Consortium, Inc. Further, he is a Director and the Vice President of Citicore Holdings Investment Inc. He also serves as Director and Treasurer of Megawide Land, Inc. and Megawide Terminals, Inc.

Previous Business Experience and Educational Background
Mr. Tan previously served as the Chief Finance Officer of Megawide Construction Corporation. He holds a degree in Business Administration from the Philippine School of Business Administration.

iv. **MR. RAMON H. DIAZ**
Age: 65
Citizenship: Filipino
Positions in Megawide: *Director and Group Chief Financial Officer**
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies
Mr. Diaz is a Director of Altria East Land Inc., Citicore Holdings Investment Inc., Citicore Power Inc., MWM Terminals, Inc. Megawide One Mobility Corporation (formerly "Citicore Infrastructure Holdings, Inc."), Citicore-Megawide Consortium, Inc., and Citicore Renewable Energy Corporation. Also, he serves as Director and Treasurer of Cebu2World Development, Inc.

Previous Business Experience and Educational Background
Mr. Diaz was previously President and Chief Operating Officer of Metro Pacific Zamboanga Hospital Corporation. He also served as Chief Finance Officer of PT Internux (Indonesia), East Manila Hospitals Managers Corporation, Mt. Kitanglad Agri Services, Inc., Actron Industries, Inc., and Isla Communications Company Inc. Further, he was Chief Operating Officer of PT Jababeka Infrastruktur. He obtained his Bachelor of Science degree in Commerce, Major in Accounting, Magna Cum Laude, from the University of San Carlos and his Masters in Business Management from the Asian Institute of Management, as a scholar of the Ford Motor Company. He is a Certified Public Accountant.

** Retired as Group Chief Financial Officer on January 16, 2024*

v. **RET. CHIEF JUSTICE HILARIO G. DAVIDE, JR**.
Age: 88
Citizenship: Filipino
Positions in Megawide: *Independent Director*
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies
Ret. Chief Justice Davide, Jr. is currently an Independent Director and Vice-Chairman of Manila Bulletin Publishing Corporation. He is also a Director and the Chairman of KOMPASS Credit and Financing Corporation. Further, he serves as Director of Philippine Trust Company (Philtrust Bank). He is also the Chairman of the Board of Trustees of Claudio Teehankee Memorial Foundation, Inc. and Heart of Francis Foundation, Inc. He is also a Trustee of Knights of Columbus of the Philippines Foundation, Inc., and Knights of Columbus Fr. George J. William, SJ Charities, Inc.

Previous Business Experience and Educational Background
Ret. Chief Justice Davide, Jr. served as Chief Justice of the Supreme Court of the Philippines from November 1998 to December 2005. Before serving as Chief Justice, he was appointed as Chairman of the Commission on Elections (COMELEC) and Chairman of the Presidential Fact-Finding Commission tasked to investigate various coup attempts against the government. After his retirement from the Supreme Court, he served as the Permanent Representative of the Republic of the Philippines to the United Nations (UN) in New York from February 2007 to March 2010. He was an educator, legislator, and presidential adviser before his appointment as the country's top diplomat to the UN. Further, he was a Delegate to the 1971 Constitutional Convention. He was likewise a Commissioner of the 1986 Constitutional Commission which drafted the 1987 Constitution of the Philippines. Recognized for his accomplishments in government service, he was conferred the Ramon Magsaysay Award in 2002. He obtained his Bachelor of Laws from the University of the Philippines.

vi. **MR. CELSO P. VIVAS**
Age: 76
Citizenship: Filipino
Position in Megawide: *Independent Director*
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies
Mr. Vivas is an Independent Trustee of Megawide Corporate Foundation, Inc. He is currently Lead Independent Director and Chairman of Audit and Risk Management Committee of Keppel Holdings, Inc. Further, he serves as Independent Director and Chairman of Audit and Risk Management Committee, Keppel Philippines Marine, Inc. He is also Independent Director and Member of Audit Committee of Keppel Philippines Properties, Inc. He also serves as Independent Director of Keppel Subic Shipyard, Inc. Also, he serves as Independent Director, Chairman of Governance, Nomination, and Remuneration Committee, and Member of Audit and Risk Management Committee of Republic Glass Holdings, Inc. Mr. Vivas is also the President of Marubeni Foundation, Inc.

Previous Business Experience and Educational Background
He was a Risk Consulting Partner and Assurance Business Advisory Partner of SGV & Co. until his retirement in 2001. He is a Certified Public Accountant and has over fifty (50) years of experience in the areas of audit, finance, enterprise risk management, and corporate governance. He obtained his Bachelor’s Degree in Business Administration (Cum Laude) from the University of the East. He also received a Master’s Degree in Business Management from the Asian Institute of Management (as a scholar of SGV & Co.). He is also a graduate of the Company Directors’ Course from the Australian Institute of Company Directors (as a scholar of the Institute of Corporate Directors).

vii. **ATTY. LILIA B. DE LIMA***
Age: 84
Citizenship: Filipino
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies
Ms. de Lima's tenure in Megawide ended on May 12, 2023 and is no longer serving as a Director of Megawide.

Previous Business Experience and Educational Background
Ms. de Lima was the Director General of the Philippine Economic Zone Authority ("PEZA") from 1995 to 2016. For her twenty-one (21) years of sustainable leadership and building a credible and efficient PEZA, she received The Ramon Magsaysay Award in 2017. She is the first woman to be honored as "Management Man of the Year" by the Management Association of the Philippines in 2010. Furthermore, in 2014, the Philippine-Japan Society recognized her Outstanding Achievement in the Promotion of Philippine-Japan Relation, the first (1st) woman to receive such award in thirty-six (36) years. Also, the Joint Foreign Chambers of Commerce of the Philippines awarded her The Arangkada Lifetime Achievement Award in 2014. She was awarded the Robert Storey International Award for Leadership by The Center for American and International Law in Dallas, Texas in 2013. She was awarded the ASEAN CEO Award in 2011, and in 2010 the Government of Japan bestowed on her the highest award given to a non-Head of State, the Order of the Rising Sun, Gold and Silver Star. She received the Presidential Medal of Merit from the Philippine government twice. Furthermore, she was recognized as Outstanding Women in the Nation's Service Award in the field of law in 1983. She was elected as a Delegate to the 1971 Constitutional Convention representing the 2nd District of Camarines Sur, served as Director of the Bureau of Domestic Trade, Executive Director of the Price Stabilization Council, Department of Trade and Industry, Chief Operating Officer of World Trade Center Manila and Commissioner of the National Amnesty Commission.

She earned her Associate in Arts from the Centro Escolar University and her Bachelor of Laws from the Manuel L. Quezon University and subsequently passed the Philippine Bar. She was conferred a Doctor of Laws Honoris Causa by Manuel L. Quezon University and is a fellow of the Center for American and International Law in Dallas, Texas, USA.

**Tenure ended on May 12, 2023*

Executive Officers Who Are Not Directors

The following provides the information on the officers of Megawide, as of December 31, 2023, including their current positions in other companies, previous business experience, and educational background:

i. **MR. RAYMUND JAY S. GOMEZ**
Age: 52
Citizenship: Filipino
Positions in the Company: *Chief Legal Officer, Compliance Officer, and Data Protection Officer*
Term of Office: Yearly

Current Positions Held in Other Companies
Mr. Gomez also serves as Director of MWM Terminals, Inc. Altria East Land Inc., Megawide Terminals, Inc, Cebu2World Development, Inc., Megawide OneMobility Corporation, Citicore-

Megawide Consortium, Inc. and Megawide Land, Inc. He also serves as the Compliance Officer of Citicore Energy REIT Corp.

Previous Business Experience and Educational Background
Before joining Megawide, Mr. Gomez was the Vice President of the Human Resources, Legal and Regulatory Affairs Department of Beneficial Life Insurance Company, Inc. He also served as Assistant Vice President of the Legal and Corporate Services Department of Aboitiz Equity Ventures, Inc., Director of the Corporate Legal Affairs and Litigation Department at JG Summit Holdings, Inc., Legal Counsel for Cebu Air, Inc. (Cebu Pacific Air), and an Associate Lawyer of Ledesma, Saludo and Agpalo Law Offices. He obtained his Bachelor of Laws degree from San Beda College.

ii. **MS. MARIA BELINDA B. MORALES**
Age: 65
Citizenship: Filipino
Positions in the Company: *Chief Human Resources Officer*
Term of Office: Yearly

Current Positions Held in Other Companies
Ms. Morales serves as Director of MWM Terminals, Inc., Megawide OneMobility Corporation, and Cebu2World Development, Inc.

Previous Business Experience and Educational Background
A seasoned HR leader, she has more than twenty-five (25) years of work experience in all aspects of Human Resources and Organization Transformation. Prior to joining Megawide she was a Former Head of Talent Management for Asia Pacific in Misys International Banking Systems, Former Senior Vice President of HR at Standard Chartered Bank, Philippines, Former Vice President for Training and Development at Citytrust Banking & Bank of the Philippine Islands. She was also an Executive Coach at Rockwell Land Corporation and has coached their senior executives and managers on leadership and professional development and work-life balance concerns. She graduated at St. Paul College, Manila with a Bachelor of Science degree in Psychology, and attained her Masters in Arts Major in Psychology from Ateneo De Manila University, Quezon City in 2010.

iii. **MR. CHRISTOPHER A. NADAYAG**
Age: 40
Citizenship: Filipino
Positions in the Company: *Treasurer*
Term of Office: Yearly

Current Positions Held in Other Companies
Mr. Nadayag is also the Treasurer of Megawide OneMobility Corporation, PH1 World Developers, Inc., MWM Terminals, Inc., and Citicore Holdings Investment Inc. He also serves as Director and Treasurer of Citicore-Megawide Consortium, Inc. and Altria East Land, Inc.

Previous Business Experience and Educational Background
Previously, Mr. Nadayag served as the Accounting Manager of Megawide. He worked for SGV & Co. as a Senior Associate Auditor. He received his Bachelor of Science in Accountancy degree from San Sebastian College.

iv. **MS. ZHEENA A. OCAMPO**
Age: 31
Citizenship: Filipino
Positions in the Company: *Acting Chief Audit Executive*
Term of Office: Yearly

Current Positions Held in Other Companies
Ms. Ocampo does not hold any position in other companies.

Previous Business Experience and Educational Background
Prior to joining Megawide, Ms. Ocampo held the position as Audit Supervisor in Deloitte Philippines. She is a Certified Public Accountant and holds an MBA degree from the Asian Institute of Management.

v. **MR. MARTIN MIGUEL FLORES**
Age: 40
Citizenship: Filipino
Positions in the Company: *Chief Risk Officer*
Term of Office: Yearly

Current Positions Held in Other Companies
Mr. Flores does not hold any position in other companies.

Previous Business Experience and Educational Background
Mr. Flores joined Megawide in 2015 as the Head of Planning. He is currently Megawide's Head of the Project Management Office (PMO), a role he has held since 2019. As Head of PMO, he supervises the integration of the Enterprise Risk Management process in the business operations and strategy in all business units. He is a licensed Civil Engineer and received his Bachelor of Science in Civil Engineering from De La Salle University-Manila.

vi. **MS. ABIGAIL JOAN R. COSICO**
Age: 50
Citizenship: Filipino
Positions in the Company: *Chief Investor Relations Officer*
Term of Office: Yearly

Current Positions Held in Other Companies
In a concurrent capacity, Ms. Cosico is the Chief Investor Relations and Corporate Communications Officer of Citicore Renewable Energy Corporation. She is also Director and Treasurer of Citicore Fund Managers, Inc. and Director and President of Citicore Property Managers, Inc. Ms. Cosico serves as Director of Cebu2World Development Inc. and Megawide OneMobility Corporation (formerly, Citicore Infrastructure Holdings, Inc.).

Previous Business Experience and Educational Background
Ms. Cosico has been the Company's Investor Relations Head since 2016. Prior to joining the Company, she held senior executive positions and performed various commercial and finance functions in her 15-year stint in one of the largest diversified conglomerates in the Philippines. This included heading Investor Relations for the real estate and property development company under the said conglomerate. Ms. Cosico obtained her Bachelor of Science degree in Management from Ateneo de Manila University. She also holds an MBA in Business Management, Major in Finance from the Asian Institute of Management.

vii. **ATTY. CHARLOTTE Y. KING***
Age: 35
Citizenship: Filipino
Positions in the Company: *Assistant Corporate Secretary*
Term of Office: Yearly

Current Positions Held in Other Companies
Ms. King resigned from her position as Megawide's Corporate Secretary on January 12, 2023.

Previous Business Experience and Educational Background
Ms. King joined Megawide in 2018 as an Associate Legal Counsel. She was admitted to the Philippine Bar in 2016 and started her legal career as a legal associate in a law firm. She obtained her Bachelor of Laws degree from San Beda College.

**Resigned on January 12, 2023, effective January 12, 2023*

viii. **ATTY. AL-SHWAID L. ISMAEL***
Age: 43
Citizenship: Filipino
Position in the Company: *Corporate Secretary*
Term of Office: Yearly

Current Positions Held in Other Companies
Mr. Ismael's tenure as Megawide's Corporate Secretary ended on July 12, 2023.

Previous Business Experience and Educational Background
Mr. Ismael was appointed as Megawide's Corporate Secretary, Assistant Compliance Officer, and Corporation Information Officer last January 12, 2023. Mr. Ismael previously served as Director of Corporate Legal Services of Tim Hortons Philippines, Consultant to the Asian Development Bank under its Office of Public-Private Partnership – Transaction Advisory Services, Regional Legal Manager for Europe, Middle East, Africa, and South Asia of International Container Terminal Services, Inc., Associate General Counsel of Aboitiz Equity Ventures, Inc., Legal Counsel of Gregorio Araneta, Inc., and Associate Lawyer at Migallos & Luna Law Offices.

Mr. Ismael obtained his Bachelor of Science in Accountancy (Cum Laude; Dr. Klevenhausen Scholar) from the University of San Carlos and his Juris Doctor degree (Magna Cum Laude; Salutatorian) from the University of Cebu School of Law. He was admitted to the Philippine Bar in 2007 (Ranked 8th). He was also admitted to the New York State Bar in 2018. He also holds a Master of Laws (Corporate Law) with Advanced Professional Certificate in Law and Business degree (Vanderbilt Medal; John Vogeltein Scholar) from the New York University School of Law.

**Appointed on January 12, 2023, effective January 12, 2023; Tenure ended July 12, 2023*

ix. **ATTY. TEODULO ANTONIO G. SAN JUAN, JR**.
Age: 56
Citizenship: Filipino
Positions in the Company: *Corporate Secretary, Assistant Compliance Officer, Corporate Information Officer*
Term of Office: Yearly

Current Positions Held in Other Companies

Mr. San Juan is currently a Partner at Gulapa & Lim. He is a faculty member of the University of the Philippines College of Law where he is a Senior Lecturer and the De La Salle University Tanada-Diokno College of Law where he is an Instructor. Mr. San Juan currently serves as a Legal Consultant to the Secretary of Energy and Independent Director of VFund Management, Inc. Mr. San Juan also currently serves as the Corporate Secretary of Altria East Land Inc., Cebu2World Development, Inc., Citicore-Megawide Consortium, Inc., Megawide Corporate Foundation, Inc., Megawide Land, Inc., MWM Terminals, Inc., and Wide-Horizons Inc.

Previous Business Experience and Educational Background

Mr. San Juan joined Megawide in 2023. He was Legal Counsel to the Secretary of Energy, from 2022 to 2023. Mr. San Juan was admitted to the Philippine Bar in 1997 (Ranked 7th).

**Elected on July 12, 2023*

x. **ATTY. SEAN JAMES B. BORJA***

Age: 31
Citizenship: Filipino
Positions in the Company: *Assistant Corporate Secretary*
Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Borja resigned from his position as Assistant Corporate Secretary last September 13, 2023.

Previous Business Experience and Educational Background

Mr. Borja joined Megawide as Assistant Corporate Secretary in 2023. He obtained his Bachelor of Laws degree from Ateneo de Manila University in 2018, where he graduated as Valedictorian. He was admitted to the Philippine Bar in 2019 (Ranked 1st). In 2022, Mr. Borja was recognized as the Recommended Lawyer in Projects & Energy by The Legal500.

**Appointed on January 12, 2023, effective January 12, 2023; Resigned on September 13, 2023 effective September 13, 2023*

xi. **ATTY. ANN DANZEL P. ALBAÑA***

Age: 30
Citizenship: Filipino
Positions in the Company: *Assistant Corporate Secretary*
Term of Office: Yearly

Current Positions Held in Other Companies

Atty. Albaña is a Senior Associate at Gulapa & Lim.

Previous Business Experience and Educational Background

Atty. Albana joined Megawide as Assistant Corporate Secretary in September 13, 2023. She obtained her Bachelor of Laws degree from Ateneo de Manila University in 2018, where she graduated with Second Honors. She was admitted to the Philippine Bar in 2019.

**Appointed on September 13, 2023, effective September 13, 2023*

Attendance of Directors to Board and Committee Meetings

The tables below set forth the attendance of Megawide's Directors to Board and Board Committee meetings held from January 01, 2023 to December 31, 2023:

Board Meetings

The Board held five (5) regular meetings and sixteen (16) special meetings, with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Edgar B. Saavedra	*Chairman of the Board, CEO, and President*	21	21
Manuel Louie B. Ferrer	*Vice-Chairman of the Board and Executive, Director, Infrastructure Development*	21	21
Oliver Y. Tan	*Director*	21	21
Ramon H. Diaz	*Executive Director and Group Chief Financial Officer*	21	21
Hilario G. Davide, Jr.	*Independent Director*	21	21
Celso P. Vivas	*Independent Director*	21	21
Lilia B. De Lima*	*Independent Director*	9	9

**Tenure ended May 12, 2023*

Finance Committee Meetings

The Finance Committee held one (1) regular meeting with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Ramon H. Diaz	*Chairman*	1	1
Oliver Y. Tan	*Vice-Chairman*	1	1
Hilario G. Davide, Jr.	*Member*	1	1
Celso P. Vivas	*Member*	1	1
Lilia B. De Lima*	*Member*	1	1

**Tenure ended May 12, 2023*

Audit and Compliance Committee Meetings

The Audit and Compliance Committee held five (5) regular meetings with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Celso P. Vivas	*Chairman*	5	5
Hilario G. Davide, Jr.	*Vice-Chairman*	5	5
Oliver Y. Tan	*Member*	5	5

Executive Committee Meetings

The Executive Committee held one (1) regular meeting sha with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Edgar B. Saavedra	*Chairman*	1	1
Manuel Louie B. Ferrer	*Vice-Chairman*	1	1
Oliver Y. Tan	*Member*	1	1
Ramon H. Diaz	*Member*	1	1

Significant Employees

No single person is expected to make a significant contribution to the business, since Megawide considers the collective efforts of all its employees as instrumental to the overall success of its performance.

Family Relationships

None of the directors are related to each other.

Involvement in Certain Legal Proceedings

In the past five (5) years until the present, Megawide is not aware of the occurrence of any of the following events that are material to the evaluation of the ability or integrity of any director or executive officer:

1. Any bankruptcy petition filed by or against any director, or any business of a director, nominee for election as director, or executive officer who was a director, general partner or executive officer of said business either at the time of the bankruptcy or within 2 years prior to that time;

2. Any director, nominee for election as director, or executive officer being convicted by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

3. Any director, nominee for election as director, or executive officer being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

4. Any director, nominee for election as director, or executive officer being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 9. Executive Compensation

All Directors and Officers as a Group

SUMMARY COMPENSATION TABLE
Annual Compensation
(In Php Millions)

Name and Position	Fiscal Year	Annual Salary	Bonus	Other Compensation
Edgar B. Saavedra Chairman, CEO, and President **Manuel Louie B. Ferrer** Chief Corporate Affairs and Branding Officer **Maria Belinda Morales** Chief Human Resources Officer **Ramon Diaz** Chief Financial Officer **Jaime Raphael Feliciano** Chief Business Development Officer				
CEO & Aggregate compensation paid to all other officers and directors as a group unnamed	2023	212.47	-	8.58
	2021	200.05	23.61	8.34
	2020	177.63	20.49	7.24

Compensation of Directors

Under the By-Laws of Megawide, by resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each Board meeting. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

On November 4, 2011, the Board, upon recommendation of the Governance, Nominations, and Compensation Committee, approved the giving of Twenty Thousand Pesos (PhP 20,000.00) Director's per diem, per Board meeting, and a Thirty Thousand Pesos (PhP 30,000.00) monthly allowance in the form of reimbursable expenses for each regular director.

Subsequently, on October 10, 2018, the Board resolved to increase the director's per diem, per Board meeting, to Forty-Four Thousand Pesos (PhP 44,000.00) for Executive Directors, Sixty-Two Thousand Pesos (PhP 62,000.00) for Non-Executive Directors, and Fifty-Eight Thousand Pesos (PhP 58,000.00) for Independent Directors. The total per diem paid to Directors for the year ending December 31, 2023 was Three Million One Hundred Fifty-Six Thousand Pesos (PhP3,156,000.00)

Standard Arrangements and Other Arrangements

There are no other arrangements for compensation either by way of payments for committee participation or special assignments other than reasonable per diem. There are also no outstanding warrants or options held by Megawide's CEO, other officers and/or directors.

Employment Contracts, Termination of Employment, Change-in-Control Arrangements

While the Company has no special retirement plans for its employees, it provides retirement benefits in accordance with R.A. No. 7641 or the "Retirement Pay Law", and other applicable laws, rules and regulations. The Company further adopted an Employee Stock Ownership Plan for its employees, which will serve as a performance incentive initiative under the Company's performance management system where shares of the Company may be awarded to eligible and qualified Company employees. For this purpose, the Company approved the allotment of up to 10,000,000 shares of stock for the implementation of the Employee Stock Ownership Plan.

Also, there is no existing arrangement with regard to compensation to be received by any executive officer from Megawide in the event of a change in control of the Company. Aside from its employees, Megawide has also entered into employment contracts with its foreign experts. The contracts with foreign nationals usually include benefits, such as housing, medical and group life insurance, vacation leaves, and company vehicle. Further, employment contracts include provisions regarding Megawide's ownership of any invention developed during the course of employment, liquidated damages in the event of contract pre-termination, and a non-compete clause prohibiting the employee, for a period of one (1) year after the termination of the contract, from engaging, directly or indirectly, for himself or on behalf of or in conjunction with any person, corporation, partnership or other business entity that is connected with the business of Megawide.

Warrants and Options

There are no outstanding warrants and options held by any of Megawide's directors and executive officers.

Item 10. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Owners of Record and Beneficial Owners

Owners of record of more than five percent (5%) of Megawide's shares of stock as of December 31, 2023 are as follows:

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizen ship	Number of Shares Held	Percent (%)
Common	**Citicore Holdings Investment Inc.** – Stockholder No. 20 N. Domingo Street, Barangay Valencia, Quezon City	Edgar B. Saavedra Mr. Saavedra is the majority stockholder of Citicore.	Filipino	712,925,501	35.41%
Common	**PCD Nominee Corporation (Filipino)** – Stockholder 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, corner Paseo de Roxas	Publicly-Held Shares	Filipino	1,221,514,551	60.67%
Common	**PCD Nominee Corporation (Non-Filipino)** – Stockholder 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, corner Paseo de Roxas	Publicly-Held Shares	Non-Filipino	31,205,805	01.55%

The following table sets forth the participants under the PCD account who owns more than five percent (5%) of the voting securities of Megawide as of December 31, 2023:

Name	Number of Shares Held	Percent (%)
Megacore Holdings, Inc.	617,709,197	30.68%
BDO Securities Corporation	664, 420,067	33.00%
CLSA Philippines, Inc.	382,920,604	19.02%

Security Ownership of Management

The following table sets forth the security ownership of Megawide's Directors and officers as of December 31, 2023:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Citizenship	Percentage
Common	**Edgar B. Saavedra** *Chairman of the Board, CEO, and President*	1 (Direct) 2 (Indirect)	Filipino	Nil
Common	**Manuel Louie B. Ferrer** *Vice-Chairman of the Board, Executive Director for Infrastructure Development*	1 (Indirect)	Filipino	Nil
Common	**Oliver Y. Tan** *Director*	18,767,852 (Indirect)	Filipino	0.94%
Common	**Ramon H. Diaz** *Director and Group Chief Financial Officer*	350,000 (Indirect)	Filipino	0.01%
Common	**Hilario G. Davide, Jr.** *Independent Director*	1 (Direct)	Filipino	Nil
Common	**Celso P. Vivas** *Independent Director*	1 (Direct)	Filipino	Nil
Common	**Lilia B. De Lima** *Independent Director* **Tenure ended on May 12, 2023*	1 (Direct)	Filipino	Nil
Common	**Christopher A. Nadayag** *Treasurer*	49 (Indirect)	Filipino	Nil
Common	**Raymund Jay S. Gomez** *Chief Legal Officer, Compliance Officer, and Data Protection Officer*	0	Filipino	Nil
Common	**Maria Belinda Morales** *Chief Human Resources Officer*	35,000 (Indirect)	Filipino	Nil
Common	**Zheena E. Ocampo** *Acting Chief Audit Executive*	7,500 (Indirect)	Filipino	Nil
Common	**Martin Miguel Flores** *Chief Risk Officer*	4,400 (Indirect)	Filipino	Nil
Common	**Abigail Joan R. Cosico** *Chief Investor Relations Officer*	0	Filipino	Nil
Common	**Charlotte Y. King** *Corporate Secretary* **Resigned on January 12, 2023; effective January 12, 2023*	0	Filipino	Nil
Common	**Al-Shwaid L. Ismael** *Corporate Secretary* ** Tenure ended July 12, 2023*	0	Filipino	0
Common	**Teodulo Antonio G. San Juan, Jr**.	0	Filipino	0

	Corporate Secretary			
Common	**Sean James B. Borja** *Assistant Corporate Secretary* **Resigned on September 13, 2023 effective September 13, 2023*	0	Filipino	0
Common	**Ann Danzel P. Albaña** *Assistant Corporate Secretary*	0	Filipino	0
Aggregate Shareholdings of Directors and Officers as a Group		**19,164,808**		**0.95%**

Voting Trust Holders of Five Percent (5%) or More

There is no voting trust arrangement executed among the holders of five percent (5%) or more of the issued and outstanding shares of common stock of Megawide.

Change in Control

There are no arrangements entered into by Megawide or any of its stockholders which may result in a change of control of Megawide.

Item 11. Certain Relationship and Related Transactions

Related Party Category	Amount of Transaction	Receivable (Payable)	Terms	Conditions
Ultimate Parent:				
Cash granted	-	3,089,095,108	Interest-bearing	Unsecured, Unimpaired
Interest receivable	255,750,000	1,213,998,661	On demand; non-interest bearing	Unsecured, Unimpaired
Rent Income	44,643	255,848	Normal credit terms	Unsecured, Unimpaired
Cash obtained	90,233,593	(90,233,593)	On demand; non-interest bearing	Unsecured, Unimpaired
Associate:				
Revenue from services	-	997,247,698	Normal credit terms	Unsecured, Unimpaired
Cash granted	212,624	9,392,420	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	-	(30,000,000)	On demand; non-interest bearing	Unsecured, Unimpaired
Rent income	44,643	388,572	Normal credit terms	Unsecured, Unimpaired
Joint Arrangement:				
Revenue from services	854,651,398	22,486,709	Normal credit terms	Unsecured, Unimpaired
Cash granted	614,391	901,012	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	(19,325,804)	-	On demand; non-interest bearing	Unsecured, Unimpaired

Shareholder:				
Revenue from services	17,857	682,513,352	Normal credit terms	Unsecured, Unimpaired
Cash granted	(148,119)	889,795	On demand; non-interest bearing	Unsecured, Unimpaired
Common Ownership:				
Rent income	5,896,866	35,090,074	Normal credit terms	Unsecured, Unimpaired
Revenue from services	14,433,489	71,654,288	Normal credit terms	Unsecured, Unimpaired
Cash granted	66,237,143	3,341,964,252	On demand; Interest-bearing and non-interest bearing	Unsecured, Unimpaired
Cash obtained	22,682,615	(24,403,632)	On demand; non-interest bearing	Unsecured, Unimpaired
Interest receivable	395,850,367	1,210,731,028	On demand; non-interest bearing	Unsecured, Unimpaired
Retirement fund	270,674	4,947,691	Upon retirement of beneficiaries	Partially funded
Advances to Officers and Employees	(78,592)	98,512,779	Upon liquidation, noninterest-bearing	Unsecured, Unimpaired
Key Management Compensation	249,645,711	-	On demand	Unsecured, Unimpaired

PART IV – CORPORATE GOVERNANCE

Item 12. Corporate Governance

It is the firm belief of Megawide that an organization that faithfully practices and implements the core principles of good corporate governance such as honesty, integrity, fairness, accountability, and transparency will, more often than not, outperform and outshine its competitors. Thus, Megawide is in full compliance with the rules and regulations of the SEC, the PSE, and all other relevant rules and regulations, especially those involving public-listed companies.

Below are some of the Company's policies and programs in relation to corporate governance:

1. In compliance with SEC M.C. No. 19, Series of 2016, Megawide adopted its New Manual and has taken several steps to apply its principles, such as constituting all the Board Committees required therein:

    i. Executive Committee;
    ii. Finance Committee;
    iii. Audit and Compliance Committee;
    iv. Board Risk Oversight Committee; and
    v. Governance, Nomination, and Compensation Committee.

The charters and compositions of the foregoing Board Committees are in accordance with the Manual.

2. As of December 2023, Megawide has elected two (2) Independent Directors to ensure that the Board will protect, not only the interests of the Company, but its shareholders as well.

3. To further its corporate governance initiatives, Megawide, in 2018, implemented its Code of Business Conduct and Ethics, Code of Conduct and Ethical Standards for Suppliers, Quality, Environment, Safety, and Health (QESH) Policy, Insider Trading Policy, and Conflict of Interest Policy Supplemental Guidelines and Conflict of Interest Disclosure Form. Further, Megawide actively rolled out its Whistleblowing Policy to its employees, suppliers, vendors, and clients, to encourage the disclosure of illegal and dishonest activities occurring within the Company.

4. In 2019, Megawide adopted its Anti-Fraud Policy, Board Self-Evaluation Policy, and introduced changes to its Related Party Transactions Policy in compliance with SEC M.C. No. 10 series of 2019. In the same year, Megawide released its New Manual on Corporate Governance effective April 3, 2019.

5. Megawide also conducted Advanced Corporate Governance Trainings with the assistance of the Institute of Corporate Directors in 2019, 2020, 2021, and 2022, which were attended by the Company's Directors and key officers.

6. The Board revised the Company's vision, mission, and values, which it launched in 2019.

7. To reinforce the Megawide's adherence to good corporate governance, and in compliance with its Manual and SEC M.C. No. 04, Series of 2019, attached is the Company's Sustainability Report as **Exhibit "3"**.

8. The Company received the 2019 ASEAN Asset Class PLCs (Philippines) award in relation to its 2019 ASEAN Corporate Governance Scorecard (ACGS), where Megawide obtained a score of ninety-eight and 47/100 (98.47). The Company was also recognized by the Institute of Corporate Directors (ICD) with two (2) Golden Arrow Awards and was identified as the most improved publicly-listed Company in the Philippines in terms of corporate governance.

9. Meanwhile, for the 2021 ACGS, Megawide received a Double Golden Arrow Award for its performance. The said award is given to publicly listed companies with a score of ninety (90) to ninety-nine (99) points.

10. Additionally, for 2020, Megawide amended its governance structure and created several management committees, including their charters and procedures, for the proper management and control of the Company. Similarly, Megawide established the governance structures of its subsidiaries, such as MWMTI, Cebu2World, and Wide-Horizons. Moreover, Megawide implemented an Enterprise Risk Management Framework and a Risk-Based Internal Audit approach. Megawide subsequently adopted an Enterprise Risk Management Manual to implement its Enterprise Risk Management Framework.

11. On November 17, 2020, the Company conducted a seminar on the Data Privacy Act and its implementing rules and regulations, to remind its employees of their obligations and responsibilities therein.

12. Pursuant to its annual compliance procedures, the Company, in 2020, required its employees to complete the Conflict of Interest Disclosure Form to ensure that all conflicts of interest are disclosed, and every year thereafter.
13. The results of the annual Board self-evaluation for 2020 was discussed and deliberated during the Governance, Nominations, and Compensation Committee held last March 04, 2021. The said results shall remain confidential. By company policy, this exercise is conducted on an annual basis.

14. Megawide is committed to complying with Republic Act No. 10173 or the Data Privacy Act, its Implementing Rules and Regulations, and other related government issuances (the "Data Protection Laws"). As such, Megawide continues to regard data privacy seriously by conducting orientation for new hires on the Data Protection Laws to guarantee employee awareness. During the said orientation, the Legal Department informs the new employees of their rights and obligations under the Data Protection Laws, including the data privacy measures being implemented by Megawide.

15. The Company also adheres with the regulatory requirements on corporate governance through the timely submission of its Integrated Annual Corporate Governance Report with the SEC and the regular updating of its corporate website (www.megawide.com.ph).

A full discussion on the corporate governance practices of Megawide are also provided and explained in its Integrated Annual Corporate Governance Report (I-ACGR).

PART V – EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

Exhibits

Exhibit "**1**"	List of PCD Participants as of December 31, 2023
Exhibit "**2**"	Consolidated Audited Financial Statements and Schedules
Exhibit "**3**"	Sustainability Report

Material Contracts

Megawide's principal contracts generally consist of construction contracts for its projects, PPP contracts, operating and finance lease commitments, contract of the lease of its office spaces, motor pool and equipment yard, surety arrangement and guarantees, and joint venture agreements. Megawide also has existing loan agreements. Other than these, Megawide is not a party to any contract of any material importance and outside the usual course of business, and the directors do not know of any such contract involving Megawide.

Construction Contracts

Majority of Megawide's contracts are general construction works and may be classified into several scopes, namely: site development, earthworks, structural and civil works, masonry works, architectural finishes, electrical works, plumbing and sanitary works, fire protection works, and mechanical works.

These construction contracts generally contain a warranty from Megawide that it shall be responsible for and shall indemnify and hold the customer free and harmless from and against all losses, expenses, judgments, court costs, attorney's fees, demands, payments, suits, actions, recoveries, decrees, execution and claims of every nature and description brought about and/or recovered through the said contracts. Payment of liquidated damages, computed at one-tenth (1/10) of one percent (1%) of the total contract price, up to a maximum of ten percent (10%) of the total contract amount, per calendar day of delay, is also stipulated.

As for the manner of payment, the customer generally pays the downpayment upon submission of certain documents (e.g. bonds) and subject to recoupment proportionately to the accomplishment while the balance is paid through monthly progress payments upon Megawide's submission of monthly progress billing. These monthly payments are subject to ten percent (10%) retention to be released upon the lapse of a certain amount of time after the completion and/or turn-over of the project.

Upon complete turn-over of the projects, Megawide, under the foregoing construction contracts, is required to post bonds to guarantee any defects, except those from the ordinary wear and tear or not attributable to Megawide, that may occur within 1 year from acceptance.

PPP Contracts

Megawide, on its own and through its subsidiaries and affiliates, executed the following agreements relative to its PPP Projects:

a. **Agreements executed by the Department of Education and CMCI for the PSIP I Projects**

   i. Build Lease Transfer Agreement (for Package B) dated October 8, 2012 with a contract price of Five Billion Two Hundred Twenty-Nine Million Eight Hundred Ninety-Nine Thousand One Hundred Thirty-Six Pesos (PhP 5,229,899,136.00) for the construction of school buildings in Region III; and

   ii. Build Lease Transfer Agreement (for Package C) dated October 8, 2012 with a contract price of Seven Billion Two Hundred Twenty-Nine Million Eight Hundred Ninety-Nine Thousand One Hundred Thirty-Six Pesos (PhP 7,229,899,136.00) for the construction of school buildings in Region IV-A;

   The PSIP involves the construction, maintenance and lease of school buildings under a Build-Lease Transfer (BLT) framework. Under the BLT, CMCI will build over seven thousand (7,000) classrooms then lease the same to DEPED for ten (10) years before transferring the school buildings to DEPED. Megawide finished the construction of these classrooms in 2015.

b. **Agreement executed by the Department of Education and Megawide for the PSIP II Projects**

   On October 17, 2013, Megawide executed a Build Transfer Agreement with the DEPED for the construction of school buildings in Regions I, II, III and CAR with contract price of Two Billion Two Hundred Fifty-Five Million Nine Hundred Twenty-Three Thousand Ninety-Six and 49/100 Pesos (PhP 2,255,923,096.49).

c. **Concession Agreement executed by GMCAC with DOTr and MCIAA**

The Concession Agreement, dated April 21, 2014, refers to the agreement entered into by GMCAC with DOTr and MCIA by virtue of Revised Implementing Rules and Regulations of R.A. No. 6957, "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and for Other Purposes", as Amended by R.A. No. 7718 (BOT Law). Under the said agreement, GMCAC was granted by DOTr and MCIA an exclusive right to design, develop, and undertake the MCIA Project; and enjoy complete and uninterrupted possession of all movable and immovable assets for purposes of implementing the Project, whether tangible or intangible pertaining to concessionaire Operations and Maintenance (O&M) Facilities such as the existing assets, project land, assets produced, installed, built and created pursuant to the Concession Agreement, commercial assets, among others, (collectively referred as Project Assets). The Concession Agreement is for a period of twenty-five (25) years commencing on O&M start date unless further extended pursuant to the Concession Agreement.

The MCIA Project is comprised of the following undertakings:

- Construction of Terminal 2 (T2), along with all Associated Facilities;
- Renovation and expansion, but not the demolition of Terminal 1 (T1) and Associated Facilities;
- Complete reconstruction of Terminal 2 Apron (T2 Apron);
- Capacity Augmentation;
- Development of Commercial Assets; and,
- Operation and Maintenance of the Concessionaire O&M Facilities and Commercial Assets.

d. **Concession Agreement executed between MWMTI and DOTr**

On April 24, 2015, MWMTI, entered into a BOT agreement with the DOTr to undertake the PITx project. Upon completion of the project, MWMTI shall operate and maintain the facility, which is divided into terminal and commercial areas, within the agreed concession period of thirty-five (35) years from the date of the completion of the construction, which is equivalent to eighteen (18) months. MWMTI shall then turnover the facility to the DOTr at the end of the concession period.

*Reports on SEC Form 17-C***

On March 17, 2020, the SEC issued a Notice for "Filing of Structured Reports, Current Reports and Communications with the Securities and Exchange Commission" dispensing the requirement of filing a separate SEC Form 17-C during the implementation of the community quarantine over the Philippines. Thus, all reports filed with the PSE during the community quarantine are considered as having been filed with the SEC.

All reports may be found on the PSE's EDGE:
https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=627

- Signature Page Follows -

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in QUEZON CITY on APR 12 2024.

By:

EDGAR B. SAAVEDRA
Chairman of the Board of Directors, Chief Executive Officer, and President

JEZ G. DELA CRUZ
Group Chief Financial Officer

CHRISTOPHER NADAYAG
Treasurer and Deputy Chief Financial Officer

TEODULO ANTONIO G. SAN JUAN, JR.
Corporate Secretary

SUBSCRIBED AND SWORN TO before me in QUEZON CITY on APR 12 2024, affiants exhibiting to me their respective valid I.D.s, as follows:

Name	Competent Evidence of Identity	Date Issued/Date of Expiration	Place Issued
Edgar B. Saavedra	Philippine Passport No. P6875140B	Expiring on: May 26, 2031	DFA Manila
Jez G. Dela Cruz	Philippine Passport No. P8477381B	Expiring on: December 15, 2031	DFA Manila
Christopher Nadayag	Philippine Passport No. P2790269B	Expiring on: August 14, 2029	DFA NCR East
Teodulo Antonio G. San Juan, Jr.	Driver's License No. N02-86-040987	Expiring on: August 03, 2033	Metro Manila

Doc. No. 151;
Page No. 32;
Book No. 1;
Series of 2024.

ATTY. NEIL KIRBY L. ADA
NOTARY PUBLIC
ROLL NO. 77893
QUEZON CITY, PHILIPPINES

NEIL KIRBY L. ADA
Notary Public for and in Quezon City
Notarial Commission No. NP-557 (2023-2024)
Until 31 December 2024
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Roll No. 77893
PTR No. 5573538 / 01.04.2024 / Quezon City
IBP No. 397718 / 01.04.2024 / Batangas Chapter
MCLE Compliance – Admitted to the BAR on 11 May 2022

Accounts Receivable Aging

	Not more than 3 mos.	More than 3 mos. but not more than 6 mos.	More than 6 mos.	More than 1 year	TOTAL
December 31, 2023					
Contract receivables	3,478,519,790	27,277,620	197,808,828	618,791,178	4,322,397,416
Rental receivables	345,729,767	58,265,555	85,545,831	767,273,553	1,256,814,706
	3,824,249,557	**85,543,175**	**283,354,659**	**1,386,064,731**	**5,579,212,122**

Exhibit "1"
List of PCD Participants as of 31 December 2023

MWIDE0000000 December 29, 2023

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2023

MWIDE0000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	15,602,947
A & A SECURITIES, INC.	980,351
ABACUS SECURITIES CORPORATION	17,939,343
PHILSTOCKS FINANCIAL INC	6,920,912
A. T. DE CASTRO SECURITIES CORP.	687,955
ALPHA SECURITIES CORP.	118,582
BA SECURITIES, INC.	100,037
AP SECURITIES INCORPORATED	3,010,501
ANSALDO, GODINEZ & CO., INC.	1,089,389
AB CAPITAL SECURITIES, INC.	5,445,398
SB EQUITIES,INC.	2,414,938
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	17,000
ASIASEC EQUITIES, INC.	2,245,500
ASTRA SECURITIES CORPORATION	64,822
CHINA BANK SECURITIES CORPORATION	3,030,800
BELSON SECURITIES, INC.	804,842
B. H. CHUA SECURITIES CORPORATION	872,000
JAKA SECURITIES CORP.	3,025
BPI SECURITIES CORPORATION	29,272,171
CAMPOS, LANUZA & COMPANY, INC.	126,152
SINCERE SECURITIES CORPORATION	7,800
CENTURY SECURITIES CORPORATION	223,151
CTS GLOBAL EQUITY GROUP, INC.	798,088
TRITON SECURITIES CORP.	43,265
IGC SECURITIES INC.	340,648
CUALOPING SECURITIES CORPORATION	17,965
DAVID GO SECURITIES CORP.	85,000
DIVERSIFIED SECURITIES, INC.	55,137
E. CHUA CHIACO SECURITIES, INC.	742,142
EAST WEST CAPITAL CORPORATION	1,100,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	799,559
EQUITIWORLD SECURITIES, INC.	121,400
EVERGREEN STOCK BROKERAGE & SEC., INC.	3,878,031
FIRST ORIENT SECURITIES, INC.	62,000
FIRST INTEGRATED CAPITAL SECURITIES, INC.	50,000
F. YAP SECURITIES, INC.	728,370
AURORA SECURITIES, INC.	456,337
GLOBALINKS SECURITIES & STOCKS, INC.	100,411
JSG SECURITIES, INC.	14,110
GOLDSTAR SECURITIES, INC.	251,251
GUILD SECURITIES, INC.	47,600

HDI SECURITIES, INC.	3,353,022
H. E. BENNETT SECURITIES, INC.	32,701
I. ACKERMAN & CO., INC.	8,169
I. B. GIMENEZ SECURITIES, INC.	60,491
INVESTORS SECURITIES, INC,	116,755
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	350,191
INTRA-INVEST SECURITIES, INC.	93,437
VALUE QUEST SECURITIES CORPORATION	415,000
STRATEGIC EQUITIES CORP.	551,000
LITONJUA SECURITIES, INC.	46,668
LUCKY SECURITIES, INC.	640,720
LUYS SECURITIES COMPANY, INC.	422,029
MANDARIN SECURITIES CORPORATION	454,502
COL Financial Group, Inc.	88,084,241
DA MARKET SECURITIES, INC.	3,118,564
MERCANTILE SECURITIES CORP.	450,942
MERIDIAN SECURITIES, INC.	692,795
MDR SECURITIES, INC.	51,000
REGIS PARTNERS, INC.	10
MOUNT PEAK SECURITIES, INC.	8,846
NEW WORLD SECURITIES CO., INC.	514,681
OPTIMUM SECURITIES CORPORATION	242,066
RCBC SECURITIES, INC.	7,491,116
PAN ASIA SECURITIES CORP.	690,000
PAPA SECURITIES CORPORATION	1,105,282
MAYBANK SECURITIES, INC.	5,186,948
PLATINUM SECURITIES, INC.	230,000
PNB SECURITIES, INC.	4,717,931
PREMIUM SECURITIES, INC.	30,020
SALISBURY SECURITIES CORPORATION	51,197
QUALITY INVESTMENTS & SECURITIES CORPORATION	1,186,346
R & L INVESTMENTS, INC.	4,791
ALAKOR SECURITIES CORPORATION	8,800
R. COYIUTO SECURITIES, INC.	542,412
REGINA CAPITAL DEVELOPMENT CORPORATION	2,918,017
R. NUBLA SECURITIES, INC.	4,278,458
AAA SOUTHEAST EQUITIES, INCORPORATED	2,772,075
R. S. LIM & CO., INC.	714,408
RTG & COMPANY, INC.	266,412
S.J. ROXAS & CO., INC.	200,841
SECURITIES SPECIALISTS, INC.	105,000
FIDELITY SECURITIES, INC.	298,800
SUMMIT SECURITIES, INC.	1,117,164
STANDARD SECURITIES CORPORATION	4,377,553
TANSENGCO & CO., INC.	807,186
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	214,400
TOWER SECURITIES, INC.	6,052,539

APEX PHILIPPINES EQUITIES CORPORATION	12,000
DRAGONFI SECURITIES, INC.	128,100
LANDBANK SECURITIES, INC.	3,377,937
VENTURE SECURITIES, INC.	106,251
FIRST METRO SECURITIES BROKERAGE CORP.	56,850,178
WEALTH SECURITIES, INC.	29,845,927
WESTLINK GLOBAL EQUITIES, INC.	454,999
BERNAD SECURITIES, INC.	1,909,000
WONG SECURITIES CORPORATION	185,000
YAO & ZIALCITA, INC.	953,911
YU & COMPANY, INC.	1,086,369
BDO SECURITIES CORPORATION	664,420,067
EAGLE EQUITIES, INC.	253,822
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	605,376
SOLAR SECURITIES, INC.	1,299,610
G.D. TAN & COMPANY, INC.	693,421
CLSA PHILIPPINES, INC.	382,920,604
PHILIPPINE EQUITY PARTNERS, INC.	5,468,939
UNICAPITAL SECURITIES INC.	2,917,894
SunSecurities, Inc.	318,401
TIMSON SECURITIES, INC.	1,225,500
STAR ALLIANCE SECURITIES CORP.	20,000
VC SECURITIES CORPORATION	380,000
CHINA BANKING CORPORATION - TRUST GROUP	105,000
CITIBANK N.A.	9,864,440
DEUTSCHE BANK MANILA-CLIENTS A/C	38,065,227
BANCO DE ORO - TRUST BANKING GROUP	19,090
BANK OF COMMERCE - TRUST SERVICES GROUP	1,417,300
RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	93,801
DEUTSCHE BANK MANILA-CLIENTS A/C	2
STANDARD CHARTERED BANK	16,783,072
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	104,900
UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	90,000
MBTC - TRUST BANKING GROUP	447,700
SOCIAL SECURITY SYSTEM	90,176,500
GOVERNMENT SERVICE INSURANCE SYSTEM	79,769,945
DEUTSCHE BANK MANILA-CLIENTS A/C	5
THE HONGKONG & SHANGHAI BANKING CORP. LTD. -OWN ACCOUNT	1
LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	23,200
UCPB GENERAL INSURANCE CO., INC.	211,500
UNITED FUND, INC.	387,200
MEGAWIDE CONSTRUCTION CORPORATION	121

Total	**1,638,736,766**

MWP2B0000000 December 29, 2023

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2023

MWP2B0000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	25,000
A & A SECURITIES, INC.	10,000
ABACUS SECURITIES CORPORATION	15,000
PHILSTOCKS FINANCIAL INC	48,500
ALPHA SECURITIES CORP.	6,500
AP SECURITIES INCORPORATED	40,480
AB CAPITAL SECURITIES, INC.	81,550
SB EQUITIES,INC.	63,830
ASTRA SECURITIES CORPORATION	136,440
CHINA BANK SECURITIES CORPORATION	237,080
BPI SECURITIES CORPORATION	303,390
CAMPOS, LANUZA & COMPANY, INC.	25,000
TRITON SECURITIES CORP.	16,890
DAVID GO SECURITIES CORP.	40,000
E. CHUA CHIACO SECURITIES, INC.	39,280
EASTERN SECURITIES DEVELOPMENT CORPORATION	58,050
EQUITIWORLD SECURITIES, INC.	6,180
F. YAP SECURITIES, INC.	65,270
AURORA SECURITIES, INC.	10,000
GLOBALINKS SECURITIES & STOCKS, INC.	6,000
JSG SECURITIES, INC.	20,000
GOLDSTAR SECURITIES, INC.	10,100
HDI SECURITIES, INC.	20,000
H. E. BENNETT SECURITIES, INC.	4,000
INVESTORS SECURITIES, INC,	5,000
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	46,580
LOPEZ, LOCSIN, LEDESMA & CO., INC.	31,870
MANDARIN SECURITIES CORPORATION	348,000
COL Financial Group, Inc.	317,110
OPTIMUM SECURITIES CORPORATION	3,000
RCBC SECURITIES, INC.	866,890
MAYBANK SECURITIES, INC.	438,000
PNB SECURITIES, INC.	2,648,390
QUALITY INVESTMENTS & SECURITIES CORPORATION	159,500
ALAKOR SECURITIES CORPORATION	11,000
R. COYIUTO SECURITIES, INC.	46,870
R. NUBLA SECURITIES, INC.	17,730
R. S. LIM & CO., INC.	46,870
RTG & COMPANY, INC.	20,000
SUMMIT SECURITIES, INC.	12,000
TANSENGCO & CO., INC.	46,870

THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	22,000
LANDBANK SECURITIES, INC.	1,600
FIRST METRO SECURITIES BROKERAGE CORP.	259,880
WEALTH SECURITIES, INC.	10,000
WESTLINK GLOBAL EQUITIES, INC.	5,000
BERNAD SECURITIES, INC.	2,000
WONG SECURITIES CORPORATION	44,000
YAO & ZIALCITA, INC.	54,600
BDO SECURITIES CORPORATION	3,288,150
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	6,190
SOLAR SECURITIES, INC.	80,800
G.D. TAN & COMPANY, INC.	15,000
UNICAPITAL SECURITIES INC.	16,400
COHERCO SECURITIES, INC.	140,000
CHINA BANKING CORPORATION - TRUST GROUP	1,398,410
CITIBANK N.A.	20,000
BANK OF COMMERCE - TRUST SERVICES GROUP	140,100
PNB TRUST BANKING GROUP	2,068,130
RCBC TRUST & INVESTMENT DIVISION	41,000
RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	2,453,800
STERLING BANK OF ASIA TRUST GROUP	13,900
STANDARD CHARTERED BANK	615,000
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	112,000
LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	50,000
EASTWEST BANKING CORPORATION - TRUST DIVISION	143,700

Total	**17,355,880**

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2023

MWP400000000

BPNAME	QUANTITY
BDO SECURITIES CORPORATION	10,041,520
RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	7,369,650
PNB TRUST BANKING GROUP	6,055,180
PNB SECURITIES, INC.	2,873,140
CHINA BANKING CORPORATION - TRUST GROUP	2,160,000
CHINA BANK SECURITIES CORPORATION	2,042,820
RCBC TRUST & INVESTMENT DIVISION	1,162,000
EASTWEST BANKING CORPORATION - TRUST DIVISION	1,131,090
PAPA SECURITIES CORPORATION	791,000
RCBC SECURITIES, INC.	760,940
STANDARD CHARTERED BANK	539,630
BANK OF COMMERCE - TRUST SERVICES GROUP	471,500
BPI SECURITIES CORPORATION	444,830
COL Financial Group, Inc.	419,710
FIRST METRO SECURITIES BROKERAGE CORP.	287,040
ASTRA SECURITIES CORPORATION	224,500
QUALITY INVESTMENTS & SECURITIES CORPORATION	212,770
LANDBANK SECURITIES, INC.	161,000
COHERCO SECURITIES, INC.	150,000
MAYBANK SECURITIES, INC.	149,000
ABACUS SECURITIES CORPORATION	142,930
SB EQUITIES,INC.	135,250
CITIBANK N.A.	133,000
SALISBURY SECURITIES CORPORATION	108,000
G.D. TAN & COMPANY, INC.	103,000
STERLING BANK OF ASIA TRUST GROUP	92,000
STRATEGIC EQUITIES CORP.	84,000
PHILSTOCKS FINANCIAL INC	78,270
RTG & COMPANY, INC.	73,250
AP SECURITIES INCORPORATED	73,000
H. E. BENNETT SECURITIES, INC.	68,000
SOLAR SECURITIES, INC.	66,100
E. CHUA CHIACO SECURITIES, INC.	60,000
R. S. LIM & CO., INC.	60,000
FIRST ORIENT SECURITIES, INC.	55,000
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	49,000
CAMPOS, LANUZA & COMPANY, INC.	48,000
SINCERE SECURITIES CORPORATION	48,000

EASTERN SECURITIES DEVELOPMENT CORPORATION	48,000
INTRA-INVEST SECURITIES, INC.	48,000
LOPEZ, LOCSIN, LEDESMA & CO., INC.	48,000
DA MARKET SECURITIES, INC.	48,000
SECURITIES SPECIALISTS, INC.	48,000
WONG SECURITIES CORPORATION	48,000
PHILIPPINE EQUITY PARTNERS, INC.	48,000
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	47,400
AURORA SECURITIES, INC.	46,930
PAN ASIA SECURITIES CORP.	45,000
TOWER SECURITIES, INC.	43,000
ALAKOR SECURITIES CORPORATION	42,000
UNICAPITAL SECURITIES INC.	39,380
F. YAP SECURITIES, INC.	36,900
R. NUBLA SECURITIES, INC.	36,680
AB CAPITAL SECURITIES, INC.	35,710
UPCC SECURITIES CORP.	33,500
TIMSON SECURITIES, INC.	31,000
WEALTH SECURITIES, INC.	30,000
ASIASEC EQUITIES, INC.	28,000
BA SECURITIES, INC.	25,000
ANSALDO, GODINEZ & CO., INC.	25,000
SunSecurities, Inc.	22,000
R. COYIUTO SECURITIES, INC.	20,060
BERNAD SECURITIES, INC.	20,000
DIVERSIFIED SECURITIES, INC.	18,000
ALPHA SECURITIES CORP.	12,000
GOLDSTAR SECURITIES, INC.	11,000
IGC SECURITIES INC.	10,000
OPTIMUM SECURITIES CORPORATION	10,000
SUPREME STOCKBROKERS, INC	10,000
TANSENGCO & CO., INC.	9,000
YAO & ZIALCITA, INC.	8,000
A & A SECURITIES, INC.	6,000
SARANGANI SECURITIES, INC.	5,000
EVERGREEN STOCK BROKERAGE & SEC., INC.	5,000
MERIDIAN SECURITIES, INC.	5,000
A. T. DE CASTRO SECURITIES CORP.	3,700
EAST WEST CAPITAL CORPORATION	3,000
JSG SECURITIES, INC.	3,000
APEX PHILIPPINES EQUITIES CORPORATION	3,000
VC SECURITIES CORPORATION	3,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	2,300
PLATINUM SECURITIES, INC.	2,000

HDI SECURITIES, INC.	1,450
MDR SECURITIES, INC.	1,000
GLOBALINKS SECURITIES & STOCKS, INC.	270
Total	**39,999,400**

MWP500000000 December 29, 2023

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2023

MWP500000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	33,000
A & A SECURITIES, INC.	18,720
ABACUS SECURITIES CORPORATION	138,370
PHILSTOCKS FINANCIAL INC	30,570
ALPHA SECURITIES CORP.	24,000
BA SECURITIES, INC.	24,000
AP SECURITIES INCORPORATED	66,000
ANSALDO, GODINEZ & CO., INC.	12,000
AB CAPITAL SECURITIES, INC.	64,590
SB EQUITIES,INC.	137,670
ASTRA SECURITIES CORPORATION	89,960
CHINA BANK SECURITIES CORPORATION	257,770
BPI SECURITIES CORPORATION	126,460
CAMPOS, LANUZA & COMPANY, INC.	25,000
SINCERE SECURITIES CORPORATION	4,000
CTS GLOBAL EQUITY GROUP, INC.	3,500
TRITON SECURITIES CORP.	2,000
IGC SECURITIES INC.	23,800
DAVID GO SECURITIES CORP.	24,000
DIVERSIFIED SECURITIES, INC.	17,000
E. CHUA CHIACO SECURITIES, INC.	69,960
EASTERN SECURITIES DEVELOPMENT CORPORATION	20,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	71,960
FIRST ORIENT SECURITIES, INC.	35,000
F. YAP SECURITIES, INC.	228,500
GLOBALINKS SECURITIES & STOCKS, INC.	36,000
GUILD SECURITIES, INC.	35,000
H. E. BENNETT SECURITIES, INC.	10,000
INVESTORS SECURITIES, INC,	6,100
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	22,460
STRATEGIC EQUITIES CORP.	5,200
LOPEZ, LOCSIN, LEDESMA & CO., INC.	17,300
COL Financial Group, Inc.	130,730
DA MARKET SECURITIES, INC.	23,500
MERCANTILE SECURITIES CORP.	17,000
MERIDIAN SECURITIES, INC.	13,000
NEW WORLD SECURITIES CO., INC.	13,000
RCBC SECURITIES, INC.	768,160
PAN ASIA SECURITIES CORP.	10,000
PAPA SECURITIES CORPORATION	18,960
MAYBANK SECURITIES, INC.	2,840

PNB SECURITIES, INC.	49,020
SALISBURY SECURITIES CORPORATION	5,590
QUALITY INVESTMENTS & SECURITIES CORPORATION	70,960
ALAKOR SECURITIES CORPORATION	5,500
REGINA CAPITAL DEVELOPMENT CORPORATION	5,000
R. NUBLA SECURITIES, INC.	25,800
AAA SOUTHEAST EQUITIES, INCORPORATED	22,960
R. S. LIM & CO., INC.	39,000
RTG & COMPANY, INC.	27,300
S.J. ROXAS & CO., INC.	18,000
SECURITIES SPECIALISTS, INC.	19,020
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	12,500
APEX PHILIPPINES EQUITIES CORPORATION	4,500
DRAGONFI SECURITIES, INC.	6,700
LANDBANK SECURITIES, INC.	17,450
FIRST METRO SECURITIES BROKERAGE CORP.	457,840
WEALTH SECURITIES, INC.	38,980
YAO & ZIALCITA, INC.	16,670
YU & COMPANY, INC.	16,000
BDO SECURITIES CORPORATION	346,750
EAGLE EQUITIES, INC.	10,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	24,000
SOLAR SECURITIES, INC.	44,000
G.D. TAN & COMPANY, INC.	50,710
PHILIPPINE EQUITY PARTNERS, INC.	70,960
SunSecurities, Inc.	9,650
COHERCO SECURITIES, INC.	40,000
ARMSTRONG SECURITIES, INC.	24,000
VC SECURITIES CORPORATION	24,000
CHINA BANKING CORPORATION - TRUST GROUP	357,000
CITIBANK N.A.	265,000
BANK OF COMMERCE - TRUST SERVICES GROUP	418,200
PNB TRUST BANKING GROUP	1,224,130
RCBC TRUST & INVESTMENT DIVISION	1,593,610
RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	6,431,620
STERLING BANK OF ASIA TRUST GROUP	30,000
STANDARD CHARTERED BANK	300,000
EASTWEST BANKING CORPORATION - TRUST DIVISION	200,000

Total	**15,000,000**

MEGAWIDE

April 12, 2024

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Megawide Construction Corporation and its subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo (P&A), the independent auditors appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

ENGR. EDGAR B. SAAVEDRA
President
195-661-064-000

JEZ G. DELA CRUZ
Group Chief Financial Officer
215-462-291-000

SUBSCRIBED AND SWORN TO before me this APR 12 2024 at QUEZON CITY affiants exhibiting to me their valid Tax Identification Numbers stated above.

Signed this 12th day of April 2024.

Doc. No. 159;
Page No. 33;
Book No. 1;
Series of 2024.

ATTY. NEIL KIRBY L. ADA
NOTARY PUBLIC
ROLL NO. 77893
QUEZON CITY, PHILIPPINES

NEIL KIRBY L. ADA
Notary Public for and in Quezon City
Notarial Commission No. NP-557 (2023-2024)
Until 31 December 2024
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Roll No. 77893
PTR No. 5573838 / 01.04.2024 / Quezon City
IBP No. 397718 / 01.04.2024 / Batangas Chapter
MCLE Compliance - Admitted to the BAR on 11 May 2022

FOR SEC FILING

Consolidated Financial Statements and Independent Auditors' Report

Megawide Construction Corporation and Subsidiaries

December 31, 2023, 2022 and 2021

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Megawide Construction Corporation and Subsidiaries
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia
Quezon City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRS, as modified by the financial reporting reliefs issued and approved by the SEC. The qualitative impact of the financial reporting reliefs on the consolidated financial statements are disclosed in Note 2 to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue and Cost Recognition on Construction Contracts

Description of the Matter

The Group's revenue from construction contracts and the related cost of construction amounting to P18,141.5 million and P16,025.1 million, respectively, represent 97% both of its total revenues and total direct costs from operations in 2023. The Group uses the percentage of completion method to determine the appropriate amount of contract revenues to be recognized for the reporting period. It uses the input method (i.e., based on the Group's efforts or inputs to the satisfaction of a performance obligation) in determining the percentage of completion in accordance with PFRS 15, *Revenue from Contracts with Customers.*

In our view, the revenue and cost recognition of construction contracts is significant to our audit due to the materiality of the contract revenues to the total revenues of the Group, the complexity of the application of PFRS 15 in construction contracts, and the application of significant management judgment and high estimation uncertainty in measuring construction revenue based on the stage of completion of the construction project. The determination of percentage of completion is dependent on the proper recognition of actual construction costs incurred and the reasonableness of estimated construction costs. An error in the application of the requirements of PFRS 15 and of management judgment and estimate could cause a material misstatement in the consolidated financial statements.

The basis of significant judgments and estimates are included in Notes 2 and 3 to the consolidated financial statements. In addition, the details of construction contract revenues and costs are disclosed in Notes 21 and 22 to the consolidated financial statements, respectively.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue and cost recognition on construction contracts, which was considered to be a significant risk, included the following:

- Testing the design and operating effectiveness of the Group's processes and controls over the recognition and measurement of contract revenues and costs, including the related information technology general and application controls;

- Evaluating the appropriateness of the Group's revenue recognition on construction contracts based on the requirements of PFRS 15 which include the following:

    - reviewing significant construction contracts, including contractual terms and conditions to ensure these contracts are appropriately accounted for in accordance with PFRS 15;

    - evaluating whether the methodology by which management determines the percentage of completion (i.e., input method) is appropriate and consistent with the Group's satisfaction of its performance obligation;

    - determining proper accounting for contract costs whether these are considered as incremental costs of obtaining a contract, costs to fulfil the contract or mobilization costs; and,

    - determining whether performance obligations are distinct for proper allocation of transaction price.

- Testing the schedules of contracts completed and on-going projects as of the end of the reporting period such as, but not limited to, verifying the mathematical accuracy of the schedules, agreeing beginning balances on a per project basis, recalculating ending balances based on incurred contract costs for the current period, and agreeing contract prices, on a sample basis, to construction contracts;

- Testing the completeness and accuracy of contract costs by examining, on a sample basis, contract costs incurred during the period and tracing these costs to supporting documents such as bill of materials, billing invoices and receipts recognized and searching for unrecorded costs by examining subsequent disbursements related to the projects;

- Comparing the percentage of completion used by the Group to the percentage of total costs incurred to date over the total estimated costs on the project and reconciling variances;

- Recomputing total estimated cost as the product of total contract price and cost ratio derived from the examined contracts and comparing with project cost estimates certified by the Group's engineers. In testing the reasonableness of budgetary estimates, we have ascertained the capability, competence and objectivity of projects engineers who prepared the budgets;

- Performing physical inspection of selected construction projects to assess if the completion based on costs is consistent with the physical completion of the project;

- Performing cut-off procedures to determine whether contract revenues and costs are recognized in the correct period by examining billing and supplier invoices near the end of the reporting period; and,

- Performing analytical review procedures on contract revenues and costs, prior period estimates and consistency with the developments during the current period, stage of completion, and final forecast project results based on our expectations and investigating variances from our expectations.

(b) Expected Credit Loss Assessment on Contract, Retention, and Real Estate Sales Receivables, Advances to Related Parties and Contract Assets

Description of the Matter

As at December 31, 2023, the carrying amounts of the Group's contract, retention and real estate sales receivables (collectively as trade receivables), advances to related parties (including accrued interest) and contract assets amounted to P7,890.1 million, P8,956.2 million and P5,640.2 million, respectively. These financial assets totalling to P22,486.5 million which are disclosed in Notes 6 and 9 to the consolidated financial statements represent 34% of the total assets of the Group as at the end of the reporting period. The Group's management exercises significant judgment and makes estimates in determining when the trade receivables, advances to and receivables from related parties and contract assets are impaired and in measuring impairment losses to be recognized in accordance with the expected credit loss (ECL) requirements under PFRS 9, *Financial Instruments*. The Group's material accounting policies, management judgment and estimates, are described in Notes 2 and 3 to the consolidated financial statements, while the disclosures relating to credit risk applicable to these financial assets are disclosed in Note 32 to the consolidated financial statements.

We identified the ECL assessment and measurement of the Group's trade receivables, advances to and receivables from related parties and contract assets as a key audit matter because of the complexity of the requirement of PFRS 9 in determining ECL and the high level of uncertainties involved in management's use of judgment and estimates.

How the Matter was Addressed in the Audit

Our audit procedures to determine the appropriateness of the ECL computation adopted by the Group, the recoverability of trade receivables, advances to related parties and contract assets, and the adequacy of the related allowance for credit losses on these assets included, among others, the following:

- Evaluating appropriateness of the Group's ECL computation based on the requirements of the financial reporting standard and the related policies and procedures of the Group;

- Identifying customers, on a sample basis, with financial difficulty and/or breach of contract resulting in default on payments through discussion with management, inspecting the customers' payment history, and determining any related retention liability that can be recovered by the Group in settlement of the selected past due or delinquent customers' accounts;

- For advances to and receivables from related parties, evaluating the capacity of the related parties to pay by assessing their liquidity and whether there are any valid business purposes on which these advances were made;

- For contract assets, identifying whether such costs are recoverable and subsequently billable based on the terms of the specific contract;

- Evaluating the appropriateness and reasonableness of underlying assumptions, including forward-looking information and the sufficiency, reliability and relevance of the data used by the Group;

- Checking the mathematical accuracy of the provision matrix applicable to the ECL computation, including testing of aging of trade receivables; and,

- Evaluating the sufficiency and appropriateness of disclosures in the Group's consolidated financial statements in accordance with PFRS 9.

(c) Accounting for Business Combination under Common Control

Description of the Matter

On July 12, 2023, the Megawide and its parent company, Citicore Holdings Investment, Inc. (Citicore), executed a Share Purchase Agreement (SPA) for Megawide to acquire 100% of the outstanding capital stock of PH1 World Developers, Inc. (PH1) from Citicore for a total cash consideration of P5,200.0 million. Prior to the transaction, PH1 was a wholly-owned subsidiary of Citicore. As a result of the acquisition, the Megawide Group obtained controlling interest over PH1.

As guided by the Philippine Interpretations Committee Q&A 2011-02: *PFRS 3.2 – Common Control Business Combinations*, the Group elected to apply the acquisition method to account for the transaction under PFRS 3, *Business Combinations*. We considered the business combination to be a key audit matter due to the significance of the amount involved, complexity of the accounting for business combination under common control and estimation involved in the determination of fair values.

The Group's disclosures of the business combination are included in Note 7 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the business combination included, among others, the following:

- obtaining an understanding of the terms of the transaction by reading the relevant minutes of meeting and executed SPA;
- determining the appropriateness of the application of the acquisition method, including evaluating whether the transaction has commercial substance;
- testing the reasonableness of the fair value of the identifiable assets and liabilities of PH1 at acquisition date;
- evaluating the competence, capability and objectivity of the Group's third-party valuation expert engaged for the acquisition, and involving our Firm's valuation specialist to assist us in reviewing the work of the management and such third-party valuation expert;
- examining the supporting documents for the cash consideration transferred by Megawide to Citicore;
- determining appropriateness and accuracy of the goodwill recognized from the transaction by comparing the total of cash consideration transferred and amount of non-controlling interest against the acquisition-date fair value of the net assets of PH1; and,
- evaluating sufficiency of the disclosures in accordance with PFRS 3.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is John Endel S. Mata.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until financial period 2023)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes		2023		2022
A S S E T S					
CURRENT ASSETS					
Cash and cash equivalents	5	**P**	**4,878,885,375**	P	15,758,197,239
Trade and other receivables - net	6		**19,155,918,525**		18,360,999,611
Construction materials	8		**2,279,339,095**		2,126,166,237
Real estate inventories	8		**3,872,921,997**		-
Contract assets - net	9		**5,640,188,614**		5,106,307,785
Other current assets	12		**11,413,433,469**		9,563,285,300
			47,240,687,075		50,914,956,172
Non-current asset classified as held for sale	10		**2,879,769,625**		2,879,769,625
Total Current Assets			**50,120,456,700**		53,794,725,797
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income			**3,544,472**		3,544,472
Investments in associates	11		**257,238,656**		231,295,805
Property, plant and equipment - net	14		**6,277,619,514**		6,734,023,493
Investment properties - net	15		**4,818,851,826**		4,699,071,474
Goodwill	7		**3,797,069,546**		-
Deferred tax assets - net	26		**697,716,301**		689,304,708
Other non-current assets	12		**354,643,437**		300,790,305
Total Non-current Assets			**16,206,683,752**		12,658,030,257
TOTAL ASSETS		**P**	**66,327,140,452**	P	66,452,756,054

	Notes	2023	2022
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	**P 21,043,827,635**	P 14,707,801,548
Trade and other payables	17	**4,653,528,987**	5,332,737,951
Contract liabilities	19	**4,901,660,540**	3,590,333,090
Exchangeable notes	10	**7,763,200,000**	-
Other current liabilities	20	**357,162,259**	306,528,558
Total Current Liabilities		**38,719,379,421**	23,937,401,147
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	**9,558,175,928**	13,071,219,958
Contract liabilities	19	**373,702,943**	1,405,179,227
Post-employment defined benefit obligation	24	**249,417,261**	237,400,671
Exchangeable notes	10	**-**	7,763,200,000
Other non-current liabilities	20	**493,691,152**	371,474,463
Total Non-current Liabilities		**10,674,987,284**	22,848,474,319
Total Liabilities		**49,394,366,705**	46,785,875,466
EQUITY	27		
Equity attributable to shareholders of the Parent Company:			
Capital stock		**2,545,302,137**	2,528,052,137
Additional paid-in capital		**18,460,789,667**	16,987,855,617
Deposit on future stock subscription		**-**	2,250,000
Treasury shares		**(11,237,703,576)**	(8,615,690,576)
Revaluation reserves - net		**175,787,119**	149,758,638
Retained earnings		**6,471,907,771**	8,612,106,239
Total equity attributable to shareholders of the Parent Company		**16,416,083,118**	19,664,332,055
Non-controlling interests		**516,690,629**	2,548,533
Total Equity		**16,932,773,747**	19,666,880,588
TOTAL LIABILITIES AND EQUITY		**P 66,327,140,452**	P 66,452,756,054

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
CONTINUING OPERATIONS				
REVENUES	21			
Construction operations		P 18,141,512,176	P 14,583,321,979	P 14,329,463,579
Landport operations		347,752,350	258,328,537	715,039,460
Real estate operations		148,891,156	-	-
		18,638,155,682	14,841,650,516	15,044,503,039
DIRECT COSTS	22			
Cost of construction operations		16,025,103,508	12,557,581,615	12,130,698,076
Costs of landport operations		360,846,338	364,306,388	369,473,673
Costs of real estate operations		72,152,014	-	-
		16,458,101,860	12,921,888,003	12,500,171,749
GROSS PROFIT		2,180,053,822	1,919,762,513	2,544,331,290
INCOME AND EXPENSES				
Finance costs	25	(2,061,753,031)	(1,657,069,895)	(1,515,276,560)
Other operating expenses	23	(1,302,452,109)	(1,193,636,156)	(1,132,227,913)
Finance income	25	1,047,012,781	526,021,744	472,499,105
Impairment losses on receivables and contract assets	6, 9, 23	(35,268,976)	(1,722,576,955)	(213,281,637)
Others - net	25	499,182,645	(433,680,564)	415,160,145
		(1,853,278,690)	(4,480,941,826)	(1,973,126,860)
PROFIT (LOSS) BEFORE TAX		326,775,132	(2,561,179,313)	571,204,430
TAX INCOME (EXPENSE)	26	(57,618,451)	689,157,079	(92,508,265)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS		269,156,681	(1,872,022,234)	478,696,165
DISCONTINUED OPERATIONS				
PROFIT (LOSS) BEFORE TAX	10	-	4,888,130,450	(1,294,986,187)
TAX EXPENSE	26	-	(183,362,300)	(76,864,397)
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		-	4,704,768,150	(1,371,850,584)
NET PROFIT (LOSS)		P 269,156,681	P 2,832,745,916	(P 893,154,419)
Net Profit (Loss) Attributable To:				
Shareholders of the Parent Company:				
Continuing operations		P 283,490,119	(P 1,871,908,063)	P 478,704,913
Discontinued operations		-	5,449,613,779	(821,690,147)
		283,490,119	3,577,705,716	(342,985,234)
Non-controlling interests:				
Continuing operations		(14,333,438)	(114,172)	(8,748)
Discontinued operations		-	(744,845,629)	(550,160,437)
		(14,333,438)	(744,959,801)	(550,169,185)
		P 269,156,681	P 2,832,745,915	(P 893,154,419)
Earnings (Loss) per Share	30			
Continuing operations		(P 0.06)	(P 1.17)	(P 0.01)
Discontinued operations		-	2.71	(0.41)
		(P 0.06)	P 1.54	(P 0.42)

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
NET PROFIT (LOSS)		**P 269,156,681**	P 2,832,745,915	(P 893,154,419)
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently profit or loss				
Foreign currency translation adjustment		**(5,740,368)**	(17,785,487)	23,225,513
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of post-employment defined benefit plan	24	**42,358,465**	106,253,260	108,948,597
Tax expense	26	**(10,589,616)**	(25,535,309)	(26,719,556)
		31,768,849	80,717,951	82,229,041
Other Comprehensive Income – net of tax		**26,028,481**	62,932,464	105,454,554
TOTAL COMPREHENSIVE INCOME (LOSS)		**P 295,185,162**	P 2,895,678,379	(P 787,699,865)
Total Comprehensive Income (Loss) Attributable To:				
Shareholders of the Parent Company:				
Continuing operations		**P 309,518,600**	(P 1,808,975,599)	P 581,635,816
Discontinued operations		**-**	5,447,968,969	(821,658,231)
		309,518,600	3,638,993,370	(240,022,415)
Non-controlling interests:				
Continuing operations		**(14,333,438)**	(114,172)	2,514,399
Discontinued operations		**-**	(743,200,819)	(550,191,849)
		(14,333,438)	(743,314,991)	(547,677,450)
		P 295,185,162	P 2,895,678,379	(P 787,699,865)

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Attributable to Shareholders of the Parent Company (See Note 27)										
	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit on future stock subscription	Treasury Shares	Revaluation Reserves	Other Reserves	Retained Earnings	Total	Non-controlling Interests (See Note 27)	Total
Balance at January 1, 2023	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P 2,250,000	(P 8,615,690,576)	P 149,758,638	P -	P 8,612,106,239	P 19,664,332,055	P 2,548,533	P 19,666,880,588
Retirement of preferred shares (Series 2A)	-	-	-	-	(2,622,013,000)	-	-	-	(2,622,013,000)	-	(2,622,013,000)
Declaration of cash dividends	-	-	-	-	-	-	-	(2,423,688,587)	(2,423,688,587)	-	(2,423,688,587)
Issuance of preferred shares (Series 5)	-	15,000,000	1,472,934,050	-	-	-	-	-	1,487,934,050	-	1,487,934,050
Issuance of preferred shares (Series 3)	-	2,250,000	-	(2,250,000)	-	-	-	-	-	-	-
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	528,475,534	528,475,534
Total comprehensive income (loss) for the year	-	-	-	-	-	26,028,481	-	283,490,119	309,518,600	(14,333,438)	295,185,162
Balance at December 31, 2023	**P 2,399,426,127**	**P 145,876,010**	**P 18,460,789,667**	**P -**	**(P 11,237,703,576)**	**P 175,787,119**	**P -**	**P 6,471,907,771**	**P 16,416,083,118**	**P 516,690,629**	**P 16,932,773,747**
Balance at January 1, 2022	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P -	(P 8,615,690,576)	P 94,011,896	(P 22,474,837)	P 5,555,676,962	P 16,527,431,199	P 2,673,476,480	P 19,200,907,679
Declaration of cash dividends	-	-	-	-	-	-	-	(489,629,428)	(489,629,428)	-	(489,629,428)
Deposit on future stock subscription	-	-	-	2,250,000	-	-	-	-	2,250,000	-	2,250,000
Effect of disposal of subsidiaries	-	-	-	-	-	(5,540,912)	37,187,923	(31,647,011)	-	(2,734,679,232)	(2,734,679,232)
Increase in non-controlling interest from conversion of shareholder loans to capital stock	-	-	-	-	-	-	-	-	-	816,875,000	816,875,000
Increase in other reserves during the year	-	-	-	-	-	-	(14,713,086)	-	(14,713,086)	(9,808,724)	(24,521,810)
Total comprehensive income (loss) for the year	-	-	-	-	-	61,287,654	-	3,577,705,716	3,638,993,370	(743,314,991)	2,895,678,379
Balance at December 31, 2022	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P 2,250,000	(P 8,615,690,576)	P 149,758,638	P -	P 8,612,106,239	P 19,664,332,055	P 2,548,533	P 19,666,880,588
Balance at January 1, 2021	P 2,399,426,127	P 87,001,010	P 13,057,711,509	P -	(P 4,615,690,576)	(P 8,950,923)	(P 22,474,837)	P 6,404,291,624	P 17,301,313,934	P 3,221,153,930	P 20,522,467,864
Issuance of preferred shares (Series 4)	-	40,000,000	3,930,144,108	-	-	-	-	-	3,970,144,108	-	3,970,144,108
Declaration of cash dividends	-	-	-	-	-	-	-	(505,629,428)	(505,629,428)	-	(505,629,428)
Subscription of preferred shares (Series 3)	-	1,625,000	-	-	-	-	-	-	1,625,000	-	1,625,000
Retirement of preferred shares (Series 1)	-	-	-	-	(4,000,000,000)	-	-	-	(4,000,000,000)	-	(4,000,000,000)
Total comprehensive income (loss) for the year	-	-	-	-	-	102,962,819	-	(342,985,234)	(240,022,415)	(547,677,450)	(787,699,865)
Balance at December 31, 2021	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P -	(P 8,615,690,576)	P 94,011,896	(P 22,474,837)	P 5,555,676,962	P 16,527,431,199	P 2,673,476,480	P 19,200,907,679

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		**P 326,775,132**	P 2,326,951,136	(P 723,781,757)
Adjustments for:				
Finance costs	10, 16, 18, 20, 24	**2,061,753,031**	3,377,239,001	2,809,511,249
Depreciation and amortization	10, 12, 14, 15	**1,413,957,948**	1,713,375,467	1,470,073,791
Finance income	5, 10, 20, 28	**(1,047,012,781)**	(539,605,711)	(482,013,897)
Equity in net losses on associates and joint ventures	10, 11, 25	**35,748,149**	15,743,230	67,682,803
Impairment losses	6, 9, 11, 12, 25	**35,268,976**	2,638,252,142	-
Gain on disposals of property, plant and equipment	14	**(8,038,783)**	(3,407,646)	(24,279,017)
Gain on deconsolidation of subsidiaries	10	**-**	(6,569,065,060)	-
Unrealized mark-to-market gain in interest rate swap	10, 18	**-**	(43,247,266)	(78,648,688)
Gain on loan modification	10, 18	**-**	-	(207,829,510)
Operating profit before working capital changes		**2,818,451,672**	2,916,235,293	2,830,714,974
Decrease (increase) in trade and other receivables		**940,865,816**	(1,869,952,921)	(1,219,654,784)
Increase in construction materials		**(153,172,858)**	(95,910,817)	(326,116,521)
Increase in real estate inventories		**(592,185,240)**	-	-
Increase in contract assets		**(533,880,829)**	(2,036,208,937)	(546,104,612)
Increase in other current assets		**(2,022,822,885)**	(265,358,921)	(2,120,473,836)
Decrease in other non-current assets		**173,158,846**	395,472,512	63,294,203
Increase (decrease) in contract liabilities		**99,146,589**	(932,931,503)	1,107,650,558
Increase (decrease) in trade and other payables		**(2,678,748,302)**	(954,258,825)	1,642,452,631
Increase (decrease) in other liabilities		**43,631,299**	(21,517,953)	55,629,272
Increase (decrease) in post-employment defined benefit obligation		**43,785,439**	(39,389,743)	62,177,399
Cash generated from (used in) operations		**(1,861,770,453)**	(2,903,821,815)	1,549,569,284
Cash paid for income taxes		**(1,051,801)**	(3,920,211)	(193,910,390)
Net Cash From (Used in) Operating Activities		**(1,862,822,254)**	(2,907,742,026)	1,355,658,894
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of a subsidiary	7	**(5,200,000,000)**	-	-
Acquisitions of property, plant and equipment, and computer software license	12, 14	**(825,940,002)**	(1,109,762,695)	(1,098,783,120)
Interest received		**395,412,414**	62,995,548	38,352,323
Acquisitions of investment properties	15	**(242,898,606)**	(327,602,398)	(229,228,015)
Proceeds from sale of property, plant and equipment	14	**35,002,256**	105,252,731	86,082,882
Financing granted to related parties	28	**(66,916,040)**	-	(8,950,004)
Investment in an associate	11	**(61,691,000)**	-	-
Financing collected from related parties	28	**93,590,404**	54,389,121	761,922
Proceeds from sale of subsidiaries	10	**-**	7,236,799,800	-
Additions to concession assets	13	**-**	(730,769,591)	(625,279,308)
Decrease in investment in trust fund		**-**	(163,541,216)	-
Net Cash From (Used in) Investing Activities		**(5,873,440,574)**	5,127,761,300	(1,837,043,320)
Balance carried forward		**(P 7,736,262,828)**	P 2,220,019,274	(P 481,384,426)

	Notes	2023	2022	2021
Balance brought forward		**(P 7,736,262,828)**	P 2,220,019,274	(P 481,384,426)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans and borrowings	18, 34	**15,962,201,900**	20,482,038,343	4,291,987,360
Repayment of loans and borrowings	18, 34	**(13,648,402,830)**	(16,612,813,627)	(2,294,147,502)
Redemption of preferred shares	27	**(2,622,013,000)**	-	(4,000,000,000)
Dividends paid	27	**(2,447,047,836)**	(436,629,428)	(505,629,428)
Interest paid	18, 34	**(2,019,607,748)**	(3,227,733,770)	(2,350,860,782)
Proceeds from issuance of preferred shares	27	**1,487,934,050**	-	3,971,769,108
Proceeds from issuance of exchangeable notes	10	**-**	7,763,200,000	-
Payment of debt and equity issuance cost		**-**	(24,521,810)	-
Deposit on future stock subscription	27	**-**	2,250,000	-
Net Cash From (Used in) Financing Activities		**(3,286,935,464)**	7,945,789,708	(886,881,244)
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents		**(14,925,696)**	(9,436,680)	(11,796,212)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(11,038,123,988)**	10,156,372,302	(1,380,061,882)
EFFECT OF CONSOLIDATION (DECONSOLIDATION) OF SUBSIDIARIES	7, 10	**158,812,124**	(244,263,093)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**15,758,197,239**	5,846,088,030	7,226,149,912
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 4,878,885,375**	P 15,758,197,239	P 5,846,088,030

Supplemental Information on Non-cash Investing and Financing Activities :

1) In 2023, 2022 and 2021, the Group recognized right-of-use assets and lease liabilities amounting to P23.8 million, P113.0 million and P187.3 million, respectively (see Note 16).

2) As a result of the acquisition of 100% interest in the outstanding capital stock of PH1 World Developers, Inc. (PH1) in 2023, the Group recognized the assets and liabilities of PH1 in the consolidated financial statements as of December 31, 2023 (see Note 7).

3) As a result of the sale and deconsolidation of subsidiaries disposed of in 2022, the Group derecognized the assets and liabilities of the subsidiaries from the consolidated financial statements as of December 31, 2022 (see Note 10).

4) In 2023, 2022, and 2021, the Group declared dividends with total amount of P2,423.7 million, P489.6 million, and P505.6 million, respectively, of which the P53.0 million remained outstanding as of December 31, 2022. Such has been paid in 2023.

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Incorporation and Operations

Megawide Construction Corporation (Megawide or the Parent Company) was incorporated in the Philippines on July 28, 2004 and is engaged in the general construction business, including constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures. It performs other allied construction business like the construction and sale of precast items, concrete production, and purchase sale and/or lease of formworks system and construction equipment.

On January 28, 2011, the Philippine Stock Exchange (PSE) and the Securities Exchange Commission (SEC) approved the Parent Company's application for the listing of its common stock. The approval covered the initial public offering (IPO) of 292.0 million unissued common shares of the Parent Company at P7.84 offer price per share and the listing of those shares in PSE's main board on February 18, 2012. On December 3, 2014, the Parent Company made a primary offer of 40.0 million preferred shares at an offer price of P100.0 per share. These preferred shares are also listed in the PSE (see Note 27.1). Moreover, the Parent Company also made follow-on offerings in 2020, 2021, and 2023 (see Note 27.1).

The Parent Company remains a subsidiary of Citicore Holding Investment, Inc. (Citicore) which owns and controls 35.41% of the issued and outstanding capital stock of the Parent Company as of December 31, 2023 and 2022, because Citicore still directs the overall business operations of the Parent Company through its Chief Executive Officer and President, who is also the President of Citicore. Moreover, Citicore also appoints majority of the board members and remains as the single largest stockholder controlling the Board of Directors (BOD).

Citicore is a company incorporated in the Philippines and is engaged in the business of a holding company through buying and holding shares of other companies. The registered address of Citicore and the Parent Company, which is also their principal place of business, is at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

1.2 Subsidiaries, Associates and Joint Arrangements

The Parent Company holds ownership interest in the following subsidiaries, associates and joint arrangements (together with the Parent Company, collectively hereinafter referred to as the Group):

Subsidiaries/Associates/Joint Operations/Joint Ventures	Notes	Percentage of Effective Ownership		
		2023	2022	2021
Subsidiaries:				
PH1 World Developers, Inc. (PH1)	a	**100%**	-	-
PH1 World Landscapes Inc. (PH1-WL)	a	**100%**	-	-
Famtech Properties, Inc. (Famtech)	a	**49%**	-	-
Megawatt Clean Energy, Inc. (MCEI)	b	**70%**	70%	70%
Globemerchants, Inc. (GMI)*	c	**-**	-	50%
Megawide Land, Inc. (MLI)		**100%**	100%	100%
Megawide Cold Logistics, Inc. (MCLI)	d	**60%**	60%	60%
Megawide Construction (BVI) Corporation (MCBVI)	e	**100%**	100%	100%
Megawide Construction DMCC (DMCC)	e	**100%**	100%	100%
Megawide Infrastructure DMCC (MW Infrastructure)	e	**100%**	100%	100%
MWM Terminals, Inc. (MWMTI)	f	**100%**	100%	100%
Megawide Terminals, Inc. (MTI)	g	**100%**	100%	100%
Megawide International Limited (MIL)	h	**100%**	100%	100%
Megawide Construction (Singapore) Pte. Ltd. (MC-SG)	h	**100%**	100%	100%
Cebu2World Development, Inc. (CDI)	i	**100%**	100%	100%
Wide-Horizons, Inc. (WHI)	j	**100%**	100%	100%
Tiger Legend Holdings Limited (TLH)	k	**100%**	100%	100%
Megawide OneMobility Corporation (MOMC)	l	**80%**	80%	-
Tunnel Prefab Corporation (TPC)	m	**90%**	90%	-
Accounted for as Asset Acquisition –				
Altria East Land, Inc. (Altria)	n	**100%**	100%	100%
Associates:				
Megawide World Citi Consortium, Inc. (MWCCI)	o	**51%**	51%	51%
Citicore Megawide Consortium, Inc. (CMCI)	o	**10%**	10%	10%
GMR Megawide Cebu Airport Corporation (GMCAC)*	p	**33%**	33%	60%
Evolution Data Centres Philippines, Inc. (EDC)	q	**49%**	-	-
Joint Operations:				
Megawide GISPL Construction Joint Venture (MGCJV)	r	**50%**	50%	50%
Megawide GMR Construction Joint Venture, Inc. (MGCJVI)	s	**50%**	50%	50%
HDEC- Megawide-Dongah JV (HMDJV)	t	**35%**	35%	35%
Tokyu-Tobishima-Megawide Joint Venture (TTM-JV)	u	**30%**	-	-
Joint Ventures:				
Mactan Travel Retail Group Corp. (MTRGC)	v	**-**	-	25%
Select Service Partners Philippines Corp. (SSPPC)	w	**-**	-	25%

**No longer subsidiaries of the Group in 2023 and 2022 (see Note 10)*

a) PH1

On July 12, 2023, the Parent Company and Citicore executed a Share Purchase Agreement (SPA) for the Parent Company to acquire 100% of the outstanding capital stock of PH1 from Citicore. The fulfilment of the conditions precedent under the SPA such as the transfer of 579,457,844 common shares from Citicore to the Parent Company, and the payment by the Parent Company to Citicore for the purchase price of P5,200.0 million were fulfilled on July 27, 2023 that resulted in the closing of the transaction (see Note 7).

PH1 was registered with the SEC on February 6, 2009 primarily to engage in the business of buying, selling, leasing, developing and managing real estate properties. The registered office address of PH1, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

PH1 has a wholly owned subsidiary, PH1-WL. PH1-WL, which was registered on September 16, 2022, is engaged in real estate business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 also has a 49% ownership in Famtech, a company incorporated in the Philippines and was established to engage in real estate development. Famtech is consolidated in the Group's financial statements as the management considers that the Group has de facto control over Famtech even though it effectively holds less than 50% ownership interest [see Note 3.1(h)]. The registered office of Famtech is located at 5th Floor Pro-Friends Center, 55 Tinio Street, Brgy. Additional Hills, Mandaluyong City.

b) MCEI

MCEI was incorporated in 2014 to engage in the development of clean or renewable energy sources for power generation. Its registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. As of December 31, 2023, MCEI has not yet started operations.

c) GMI

GMI was incorporated in the Philippines in 2016 and is primarily engaged in general merchandise operations. GMI's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City. GMI started its commercial operations in March 2017.

Prior to its sale in 2022, GMI was 50% owned by the Parent Company and was consolidated in the Group's financial statements as the management considers that the Group has de facto control over GMI even though it effectively holds 50% ownership interest [see Note 3.1(h)].

In December 2022, the Parent Company sold its ownership interest with GMI to GMCAC (see Note 10).

d) MLI

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. MLI has not commenced its operations as of December 31, 2023.

MLI has a 60% ownership interest in MCLI, a company incorporated in the Philippines and was established to engage in cold and dry storage business. The registered office address of MCLI, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

e) MCBVI

On June 20, 2017, the Parent Company acquired 100% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. MCBVI's registered address, which is also its principal place of business, is Marcy Building, 2nd floor, Purcell Estate, Road Town Tortola, British Virgin Islands. In 2018, MCBVI commenced business operations.

MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW Infrastructure have not commenced operations as of December 31, 2023.

f) MWMTI

MWMTI is a joint venture arrangement formed on February 10, 2015 by the Parent Company and MTI, both exercising joint control to direct the relevant activities of MWMTI. The joint venture undertakes the development and implementation of the Parañaque Integrated Terminal Exchange (PITX) Project granted by the Philippine Government to MWMTI under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr (see Note 29.2). In November 2018, MWMTI commenced commercial operations.

g) MTI

On August 9, 2018, the Parent Company acquired 344.5 million shares or 100% ownership interest in MTI from existing shareholders of MTI for P344.1 million. MTI owns 49% interest over MWMTI.

MTI is an entity incorporated and registered on November 11, 2011 to establish, own, manage, administer, operate, maintain, and carry the business of providing property management services, either directly or through third parties, but not limited to the services of rent collection, tenant and lease management, marketing and advertising, repair and maintenance, liaison and other similar services. MTI's registered address and principal place of business is at 20 N. Domingo Street Brgy. Valencia, Quezon City.

h) MIL

MIL, whose registered office is at Marcy Building, 2nd Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross Street #24-03/04 Manulife Tower Singapore. MIL has not commenced operations as of December 31, 2023.

i) CDI

CDI, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust.

j) WHI

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of December 31, 2023, WHI has not yet started commercial operations.

k) TLH

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of December 31, 2023.

l) MOMC

MOMC, whose registered address is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated in the Philippines and registered with SEC on March 11, 2015 to engage in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other stockholders by way of assignment in private sale. In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of December 31, 2023.

m) TPC

TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects. TPC has not yet started commercial operations as of December 31, 2023.

n) Altria

The Parent Company's acquisition of Altria is accounted for as an asset acquisition since it does not constitute an acquisition of business (see Note 11.2).

o) MWCCI and CMCI

MWCCI was incorporated in the Philippines on January 16, 2014 and is primarily established to undertake and implement the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital (New Hospital Facility), under the Modernization of the Philippine Orthopedic Center (MPOC) Project. MWCCI's registered office, which is also its principal place of business, is at 20 N. Domingo Street, 1112 Valencia, Quezon City.

CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business. CMCI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Group's investments in MWCCI and CMCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities [see Notes 3.1(f), 3.1(h) and 11.1].

Significant assets of MWCCI pertain to its receivables from the Department of Health (DOH) from the Build-Operate-Transfer Agreement [see Note 11.1(a)]. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group has wrote off its investment in MWCCI in 2022 [see Note 11.1(a)].

p) GMCAC

GMCAC was incorporated in the Philippines and registered in the SEC in 2014. GMACAC's primary purpose is to construct, develop, operate and maintain the Mactan Cebu International Airport (MCIA), including the commercial assets there of and all allied businesses for the operation and maintenance of said airport facility (MCIA Project). GMCAC started commercial operations on November 1, 2014.

GMACAC was established for the purpose of implementing the provisions of the Concession Agreement (see Note 9) that was signed on April 22, 2014 between the Parent Company and GMR Infrastructure Limited (GIL) or GMR, and the Department of Transportation and Communications (currently, the Philippine Department of Transportation or DOTr) and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors).

GIL is an entity duly organized and registered in India. DOTr and MCIAA are the agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA Project. GMCAC's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City.

In 2022, the Parent Company sold a portion of its ownership interest in GMCAC that resulted in the loss of the Group's controlling interest in GMCAC. After the sale transaction, Group's ownership interest in GMCAC was reduced to 33.3% as of December 31, 2022. The remaining ownership interest in GMCAC is classified and presented as Non-current Asset Classified as Held for Sale in the consolidated statements of financial position (see Note 10).

q) ***EDC***

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of technological services. As of December 31, 2023, the Parent Company has 49% ownership interest in EDC [see Note 11.1(c)]. EDC has not yet started commercial operations as of December 31, 2023.

r) ***MGCJV***

MGCJV is an unincorporated joint venture formed in 2014 by the Parent Company and GMR Infrastructure (Singapore) PTE Limited – Philippines Branch (GISPL) each owning 50% interest and exercising joint control. MGCJV was established to provide construction of works for the renovation and expansion of the MCIA Project and other airport related construction projects of the Group (see Note 11.4). MGJCV began to operate in 2015.

s) ***MGCJVI***

MGCJVI is an incorporated joint arrangement formed in January 2018 by the Parent Company owning 50% interest and GISPL with 45% interest and GMR Holdings Overseas (Singapore) PTE Limited owning the remaining 5%. The Parent Company and GISPL both exercising joint control. MGCJVI was established to provide general construction business including construction, improvement and repair of Clark Airport project (see Note 11.4). MGJCVI began to operate in 2018.

t) ***HMDJV***

HMDJV is an unincorporated joint venture formed on October 27, 2020, by the Parent Company owning 35% and Hyundai Engineering & Construction Co., Ltd. and Dong-ah Geological Engineering Company Ltd. Owning 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDJV was established to provide construction works for the civil structures, viaducts, bridges, and stations of Malolos-Clark Railway Project. HMDJV began to operate in 2021.

u) ***TTM-JV***

TTM-JV is an unincorporated joint venture formed on May 31, 2022, by the Parent Company owning 30% and Tokyu Construction Co., Ltd. and Tobishima Corporation owning 40%, and 30% interest, respectively, and exercising joint control over the assets and liabilities of the arrangement. TTM-JV was established to provide construction works construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. TTM-JV began to operate in 2023.

v) MTRGC

MTRGC was incorporated and registered with the SEC on March 21, 2018 to develop, set-up, operate, maintain and manage the duty paid outlets at the locations in the Mactan Cebu International Airport (see Note 11.3). It started operations in 2018.

w) SSPPC

SSPPC was incorporated and registered with the SEC on March 13, 2018 to develop, set-up, operate, maintain and manage food and beverage outlets at specified locations in Terminal 1 and Terminal 2 of Mactan Cebu International Airport and the provision of related services thereto (see Note 11.3). It started operations in 2018.

1.3 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2023 (including the comparative consolidated financial statements as of December 31, 2022 and for the years ended December 31, 2022 and 2021) were authorized for issue by the Parent Company's BOD on April 12, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these consolidated financial statements are discussed below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The financial reporting reliefs availed of by the Group are disclosed in detail in the succeeding pages. PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are fully described in the accounting policies that follow.

(b) *SEC Financial Reporting Reliefs Availed by the Group*

In relation to the Group's real estate operations following the acquisition of PH1 in 2023, the Group has availed of several financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers,* affecting the real estate industry under following Memorandum Circular (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*

SEC MC No. 08-2021, A*mendment to SEC MC No. 14-2018, MC No. 03-2019, MC No.04-2020, and MC No. 34-2020 to Clarify Transitory Provision,* provides real estate companies the accounting policy option of applying either the full retrospective approach or the modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncement.

Discussed below and in the succeeding page are the financial reporting reliefs availed of by the Group, including the descriptions of the implementation issues and their estimated qualitative impact to the consolidated financial statements. The Group opted to avail the reliefs until the end of the deferment period as provided under the relevant MC.

(i) *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry* (deferred until December 31, 2023)

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

Had the Group elected not to defer the IFRIC Agenda Decision, it would have the following impact in the consolidated financial statements:

- interest expense would have been higher;
- cost of real estate inventories would have been lower;
- total net profit and total comprehensive income would have been lower;
- retained earnings would have been lower; and,
- the carrying amount of real estate inventories would have been lower.

(ii) PIC Q&A No. 2018-12-D, *Concept of the Significant Financing Component in the Contract to Sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments* (deferred until December 31, 2023)

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

Had the Group elected not to defer this provision of the standard, it would have an impact in the consolidated financial statements as there would have been a significant financing component when there is a difference between the percentage of completion (POC) of the real estate project and the right to the consideration based on the payment schedule stated in the contract. The Group would have recognized an interest income when the POC of the real estate project is greater than the right to the consideration and interest expense when lesser. Both interest income and expense will be calculated using the effective interest rate method.

This will impact the retained earnings, real estate sales, and profit or loss in the year of adoption and in comparative periods presented. Furthermore, these would have impacted the cash flows from operations and cash flows from financing activities for the applicable years presented since the year of PH1 acquisition in case of a full retrospective approach. Should the Group elect to apply the modified retrospective approach as allowed by MC No. 2021-08, this will impact the opening retained earnings in the year of adoption.

(c) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group opted to present a separate consolidated statement of income and consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

(d) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of Amended Standards

(a) *Effective in 2023 that are Relevant to the Group*

The Group adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

PAS 1 and PFRS Practice Statement 2 (Amendments)	:	Presentation of Financial Statements – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Definition of Accounting Estimates
PAS 12 (Amendments)	:	Deferred Tax Related to Assets and Liabilities from Single Transaction

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) PAS 1 and PFRS Practice Statement 2 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies*. The amendments replaced the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial, that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The application of these amendments is reflected in the Group's consolidated financial statements under Notes 2 and 3.

(ii) PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*. The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iii) PAS 12 (Amendments), *Income Taxes - Deferred Tax Related to Assets and Liabilities from a Single Transaction*. The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Group's consolidated financial statements.

(b) Effective in 2023 that are not Relevant to the Group

Among the amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*, are not relevant to the Group's consolidated financial statements.

(c) Effective Subsequent to 2023 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)

(iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)

(iv) PFRS 16 (Amendments), *Leases – Lease Liabilities in a Sale and Leaseback* (effective from January 1, 2024)

(v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries, after the elimination of material intercompany transactions. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Acquired subsidiaries are accounted for using the acquisition method of accounting. Business combination arising from transfer of interests in an entity that is under the common control of the principal stockholder is also accounted for under the acquisition method of PFRS 3 following the guidance of Philippine Interpretations Committee (PIC) Q&A 2011-02: PFRS 3.2 – *Common Control Business Combinations*, when the business combination has commercial substance.

Acquired investment in associate is subject to the purchase method.

2.4 Non-current Asset Classified as Held for Sale and Discontinued Operations

Non-current asset classified as held for sale relates to the Group's remaining ownership interest in GMCAC that the Group intends to sell (see Note 10). A non-current asset classified as held for sale is measured at the lower of its carrying amount, immediately prior to its classification as held for sale, and its fair value less costs to sell. The Group shall recognize an impairment loss for any initial or subsequent write-down of the asset at fair value less cost to sell.

Discontinued operations are presented as a single amount in the consolidated statement of income comprising of the post-tax profit or loss from discontinued operations and the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operations.

2.5 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Parent Company commits to purchase or sell the asset).

Classification, Measurement and Reclassification of Financial Assets

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income (FVOCI), and at fair value through profit or loss.

(i) Financial Assets at Amortized Cost

The Group's financial assets at amortized cost are presented as Cash and Cash Equivalents, Trade and Other Receivables (excluding Advances to officers and employees), Refundable security and bond deposits (presented under Other Current Assets account) and Refundable security deposits (presented under Other Current and Non-current Assets account) in the consolidated statement of financial position.

(ii) *FVOCI*

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated certain equity instruments as at FVOCI on initial recognition.

(iii) *FVTPL*

Equity securities are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL pertain to a debt security which is held by the Group for trading purposes and designated as at FVTPL, respectively.

(b) *Financial Liabilities*

Financial liabilities, which include interest-bearing loans and borrowings, trade and other payables [except output value-added tax (VAT) and other taxes payable], and other non-current liabilities (except unearned rent income) are recognized when the Group becomes a party to the contractual terms of the instrument.

(c) *Impairment of Financial Assets*

The Group applies the simplified approach in measuring expected credit loss (ECL), which uses a lifetime expected loss allowance, for trade receivables and contract assets. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In applying this approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Group uses the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables and contract assets. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due [see Note 32.2(b)].

On the other hand, the Group applies a general approach in relation to advances to and receivables from related parties. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded.

Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of advances to related parties can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized. For financial assets other than trade and other receivables and contract assets, the Group determines whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition.

2.6 *Inventories*

(i) Construction Materials

The cost of construction materials is determined using the weighted average method. The cost of construction materials includes all costs directly attributable to acquisition such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities. The net realizable value of construction materials is the current replacement cost.

(ii) Real Estate Inventories

The costs of development and construction of the residential condominium projects of the Group are accumulated in the Real Estate Inventories account in the consolidated statement of financial position. Borrowing costs on certain loans incurred during the development of the real estate properties are also capitalized by the Group as part of the real estate inventories. The cost of real estate property sold before completion of the development is determined based on the actual costs incurred to date which includes acquisition costs of the land plus the costs incurred for its development, improvement and construction.

Costs of properties and projects accounted for as real estate inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revision in the total project cost estimates in the year in which these changes become know.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized plus any amount to be refunded to customers and the cost of the repossessed property is recognized in the consolidated statement of income.

2.7 *Property, Plant and Equipment*

Property, plant and equipment, except land and construction in progress, are carried at acquisition cost or construction cost less subsequent depreciation and any impairment losses (see Note 2.13). Land held for use in operations or administration is stated at cost less any impairment losses.

Depreciation is computed on straight-line basis over the estimated useful lives of the assets as follows:

Building	25 years
Precast factory	25 years
Precast and construction equipment	3-15 years
Office furniture, fixtures and equipment	3-10 years
Transportation equipment	5-8 years

Construction in progress includes cost of construction of the Group's building, batching plant and precast factory, and any applicable borrowing costs.

2.8 Investment Properties

Properties held for lease under operating lease agreements and/or for capital appreciation are carried at cost less accumulated depreciation and any impairment loss except for land, which is carried at cost less any impairment in value (see Note 2.13). Construction in progress pertains to the accumulated costs of putting up the assets, additions or improvements including the applicable borrowing costs.

Pursuant to the Concession Agreement for the PITX Project, the Group is granted the exclusive right and obligation to construct and develop the commercial area of the PITX Project (see Notes 1.2 and 29.2), which shall be held for rentals and rendering of any incidental service or facility from the use of commercial areas. Accordingly, the Group accounts for the construction and development of commercial area as Investment Property.

The investment property related to PITX project is depreciated using the straight-line method from the date the asset became available for its intended use. Depreciation is computed over the remaining concession period of 30 years.

2.9 Intangible Assets

The Group's intangible assets currently include acquired software licenses and concession assets as described in more detail as follows:

(a) Concession Assets

The Group accounts for its Concession Agreement in relation to the MCIA Project [see Notes 1.2(p) and 13] under the intangible asset model as it receives the right (license) to charge users of the public service. The concession asset is recognized initially at cost.

The concession asset consists of:

(i) Upfront fees payments on the Concession Agreement, including the related borrowing costs;
(ii) Directly attributable costs related to the acquisition of the concession assets; and,

(iii) Cost of infrastructure constructed and under construction in accordance with the terms and conditions of the Concession Agreement. These are not recognized as property, plant and equipment of the Group but as an intangible asset.

Following initial recognition, concession assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The service concession asset is amortized using the unit-of-production method which reflects the asset's usage-based on passenger volume and usage of their airport activities over the concession period. Management believes that usage-based method best reflects the pattern of consumption of the concession asset.

The amortization expense on the concession asset is recognized in the consolidated statement of income in the expense category consistent with the function of the concession asset.

Concession assets not yet in use are initially recognized at cost and assessed for impairment at least annually based on the asset's value-in-use. Amortization of the assets will commence only when it becomes available for use.

(b) Acquired Computer Software Licenses

Acquired computer software license (shown as part of Other Non-current Assets) is accounted for under the cost model. Capitalized costs are amortized on a straight-line basis over the estimated useful lives of three to five years as the lives of these intangible assets are considered finite.

(c) Goodwill

Goodwill is recognized in a business combination if the consideration transferred, the amount of any NCI in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree are in excess of the acquisition-date fair value of identifiable net assets acquired. Negative goodwill, as in the case of a bargain purchase, is recognized if the consideration transferred is less than the fair value of the net assets of the subsidiary acquired; such difference is recognized directly as gain in consolidated statement of income.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

2.10 Revenue and Expense Recognition

Revenue arises mainly from rendering of construction operations, landport operations, real estate operations, airport operations, and trading operations.

In 2022 and 2021, revenue, costs and expenses from airport operations and trading operations were presented under discontinued operations in the consolidated statements of income following the loss of control of the Group over GMCAC and the sale of the Group's ownership interest in GMI to GMCAC [see Notes 1.2(c)(p), 2.4 and 10].

The Group enters into transactions involving construction services, airport operations, airport merchandising operations, landport operations, real estate operations, and other contracts containing performance obligations with counterparties. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(b).

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the asset or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied. The Group's normal credit terms ranges from 35 to 60 days after billing.

In addition, the following specific recognition criteria for each identified performance obligation must also be met before revenue is recognized:

Continuing Operations

(a) *Construction operations revenue* – This includes revenue from construction activities such as construction works, sale of construction materials, management fee and rental of construction equipment.

i. *Contract revenues* – This includes revenue from construction services and is recognized over time as the service is provided. The Group uses the percentage of completion method to determine the appropriate amount to recognize as contract revenue in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

ii. *Sale of construction materials* – Revenue from sale of ready mixed concrete and precast materials are recognized over time as goods are manufactured as there are no alternate use for these construction materials.

iii. *Consultancy and management fees* – This is recognized on a time-and-materials basis as the services are provided. Customers are invoiced monthly as work progresses, which are due upon receipt by the customers. Any amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

iv. *Rental revenue* – Revenue from rentals arising from the lease of its construction equipment is recognized on the straight-line basis over the lease term based on the provisions of the covering lease contracts, including any minimum rent-free period therein, plus additional rent free period as mutually agreed by the contracting parties [see Note 2.11(b)]. This is outside the scope of PFRS 15.

(b) *Landport operations revenue* – Landport operations revenue is recognized under the cost-recovery method in accordance with PFRS 15. Rendering of operating services is one of the Group's performance obligations under the Concession Agreement. After the recovery of construction costs, revenues are recognized based on the landport operations of the PITX Project (see Note 29.2) up to the extent of the annual grantor payment (AGP).

(c) *Real estate operations revenue*

i. *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales on pre-completed real estate properties is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales on pre-completed real estate properties is presented as part of Real estate operations under Revenues in the consolidated statement of income (see Note 21).

ii. *Real estate sales on completed real estate properties* – Revenue from real estate sales on completed real estate properties is recognized at a point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales on completed real estate properties is presented as part of Real estate operations under Revenues in the consolidated statement of income (see Note 21).

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented as part of Reservation deposits under Trade and Other Payables in the consolidated statement of financial position (see Note 17).

For tax reporting purposes, revenue on sale and cost of real estate sold are recognized in full when more than 25% of the contract price is collected within the taxable year; otherwise, revenue and cost of residential condominium units sold are recognized based on the percentage of collections over the contract price, excluding VAT.

(d) *Common use service area (CUSA) charges* – CUSA is recognized over time when the performance of contractually agreed task has been rendered. Furthermore, recoveries from utility expenses are recognized net of related expenses as the Group acts only as an agent of the utility companies.

Discontinued Operations

(a) *Airport operations revenue* – Revenue from airport operations pertains to revenue from services related to aeronautical and non-aeronautical activities in the MCIA, which are further classified as follows:

   i. *Aeronautical revenue* – Aeronautical revenues pertain mainly to passenger service charges which are recognized as revenue over time when the related airport services have been rendered, the rates for such fees are provided under Administrative Order (AO) No. 2, Series of 2011, issued by MCIAA. On the other hand, revenues from ancillary services such as parking, tacking, and lighting services are recognized at a point in time upon availment of service.

   ii. *Concession revenue* – Concession revenues are generated through airport concessionaires, tenants or airport service providers who pay monthly fees for the right to use or access airport facilities to offer their goods and services to the general public and air traveling community. Airport facilities and parking spaces are not specific in the license agreement and the Group still has control over which are available for rental. Payments are in accordance with the negotiated agreements with these parties, and are based on either a minimum monthly guarantee or on gross receipts as applicable. Concession revenue is recognized over time when the related sale of concessionaire is earned.

   iii. *Commercial revenue* – Commercial revenues comprise advertising charges, car parking and car rental revenues. Car parking revenue comprises time-based charges from the operation of car parking services. Car rental revenue comprises concession charges from car rental companies. Revenue is recognized over time when the related services are provided.

(b) *Trading operations revenue* – Airport merchandising operations revenues relates to sale of food and non-food items within the premise of MCIA. Airport merchandising operations revenues are recognized at a point in time when the control over the goods have passed to the buyer.

(c) *Check-in counter revenue* – This comprises rental of check-in counter charged to airline companies and space rental charged to tenants. The Group bills the airlines based on the number of passengers. The rate per passenger varies on the annual number of passengers reached by each airline per cycle. Revenue from check-in counters is recognized over the period when the related services have been rendered.

(d) *Sale of food and non-food items* – This is recognized at a point in time upon transferring control of the promised goods or services to a customer.

The Group presents a contract asset when it transfers control of goods or performs services before the customer pays consideration or before payment is due. A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer.

The Group presents a contract liability when a customer pays the consideration, or the Group has the right to an amount of consideration that is unconditional (i.e., a receivable), before the Group transfers goods or performs services to the customer. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract liability also includes cash received from customers which are applied to subsequent progress billings for construction contracts. The Group considers the effect of significant financing component in the contract which is recognized as part of Construction Operation Revenues and Finance Costs in the consolidated statement of income [see Note 3.1(b)].

The Group assesses its revenue agreement against the specific criteria in order to determine if it is acting as a principal or an agent [see Note 3.1(c)]. Billing from common area, air conditioning and other dues are presented at gross amounts since the Group acts as a principal. Other revenues from electricity and water dues, in with the Group acts as an agent, are presented in excess of actual charges and consumption.

The Group incurs incremental costs in obtaining customer contracts (i.e., biddings costs on construction contracts). These costs are expensed when incurred as these are incurred regardless whether the contract is obtained. However, the incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

The Group also incurs costs in fulfilling contracts with customers. These costs are divided into: (i) costs that give rise to an asset; and, (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group first considers any other applicable standards [see Note 2.6(a) and 2.7]. If other standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to deferred fulfilment costs, the Group applies the following criteria, which, if met, result in capitalization:

(a) the costs directly relate to a contract or to a specifically identifiable anticipated contract;
(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and,
(c) the costs are expected to be recovered.

Deferred fulfilment costs recognized as part of Other Current Assets in the consolidated statement of financial position are subsequently included as part of construction costs and considered in determining the stage of completion of the project. Furthermore, these are derecognized either upon disposal or when no further economic benefits are expected to flow from its use or disposal.

2.11 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

The Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented as part of Property, Plant and Equipment and Interest-bearing Loans and Borrowings accounts, respectively.

(b) Group as Lessor

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.12 Foreign Currency Transactions and Translation

The operating results and financial position of offshore subsidiaries (see Note 1.2), which are measured using the United States ("U.S.") dollar, are translated to Philippine pesos, the Parent Company's functional currency.

All resulting translation adjustments are recognized in other comprehensive income and as part of Revaluation Reserves in the consolidated statement of changes in equity.

The translation of the financial statements into Philippine peso should not be construed as a representation that the foreign currency amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

2.13 Impairment of Non-financial Assets

The Group's goodwill, investments in associates and joint ventures, property, plant and equipment, intangible assets, investment properties, non-current asset held for sale, deferred fulfilment costs and other non-financial assets are subject to impairment testing. All non-financial assets, except intangible assets not yet available for use which are tested for impairment at least annually, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.14 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the judgments below and in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determination of Timing of Satisfaction of Performance Obligations

Continuing Operations

(i) Construction Operations Revenues

The Group determined that its revenue from construction services shall be recognized over time in accordance with the percentage-of-completion method. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the construction services that create or enhance an asset that the customer controls as the asset is created or enhanced. This demonstrates that the customer obtains the benefits of the Group's rendering of construction service as it performs.

In determining the best method of measuring the progress of the Group's rendering of construction services, management considers the input method (i.e., based on the Group's inputs to the satisfaction of a performance obligation) under PFRS 15 because of the direct relationship between the Group's effort, in terms of incurred labor hours, and the transfer of service to the customer.

(ii) Landport Operation Revenues

The Group has the control over the landport area and the right to collect concessionaire revenue. The Group determined that its revenue from landport operation services shall be recognized using the cost-recovery method in accordance with PFRS 15 since services rendered is one of the Group's performance obligations under Concession Agreement. After the recovery of construction costs, revenues are recognized based on the landport operations costs of the PITX Project (see Note 29.2) up to the extent of the AGP.

(iii) Real Estate Operations Revenues

The Group exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group determines that its performance obligation for pre-completed real estate properties is satisfied over time, since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments. Conversely, the Group's performance obligation for sale of completed real estate properties is satisfied at a point in time.

Discontinued Operations

(i) Airport Operations Revenues

The Group determined that its revenue from airport services shall be recognized over time as the services are being rendered and at a point in time for ancillary services (e.g., parking, tacking, and lighting services) that are provided for a short span of time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the services without the need of reperformance of other entities. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of aeronautical and non-aeronautical services as it performs.

(ii) Trading Operations Revenues

In determining the appropriate method to use in recognizing the Group's revenues from airport merchandising operation revenues, which include sale of food and non-food items in the premises of MCIA, management determines that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e. generally when the customer acknowledged delivery of goods.

(b) *Determination of Transaction Price and Amounts Allocated to Performance Obligations*

The transaction price for a contract is allocated amongst the material right and other performance obligations identified in the contract based on their stand-alone contract prices. The transaction price for a contract excludes any amounts collected on behalf of third parties (e.g. VAT).

In determining the transaction price, the Group adjusts the amount of consideration for the effects of time value of money for payments received prior to rendering construction services when the construction period is more than one year. This circumstance indicates that the contract contains significant financing component. The Group uses the prevailing interest rate at the time of receipt of advance payments, which approximates the Group's borrowing rate.

(c) *Evaluating Principal Versus Agent Consideration*

The Group exercises judgment to determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e., the Group is a principal) or to arrange for the other party to provide those goods or services (i.e., the Group is an agent). Failure to make the right judgment will result in misstatement of revenues and expenses accounts. The Group assessed that it is only acting as an agent for utility transactions of its tenants under operating leases. Moreover, the Group also assessed that it is the principal in its revenue arrangements pertaining to CUSA and air-conditioning charges in its office and retail spaces.

(d) *Accounting for Service Concession Arrangement*

IFRIC 12, *Service Concession Arrangements*, outlines an approach to account for contractual arrangements arising from entities providing public services. It provides that the operator or concessionaire should not account for the infrastructure under PAS 16 as property, plant and equipment, but recognize a financial asset and/or an intangible asset if the conditions below are met:

- The Grantor controls or regulates what services the operator or concessionaire must provide with the infrastructure, to whom it must provide them, and at what price; and,
- The Grantor controls through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement.

Mactan-Cebu International Airport Project

As discussed in Note 1.2(p), the Philippine Government, acting through the DOTr and MCIAA, executed a Concession Agreement with GMCAC whereby GMCAC was given an exclusive right to design, develop, and undertake the MCIA Project; and, enjoy complete and uninterrupted possession of the MCIA Project Assets for the purpose of implementing the MCIA Project.

At the end of the concession period, GMCAC shall hand-over the MCIA Project and the Project Assets to the Grantors without cost, free from any liens and encumbrances, including all improvements made to the airport facilities, commercial assets, works in progress, and right to receive revenues. In addition, GMCAC shall be entitled to collect and receive concession revenue consisting of revenues on account of passenger service charge, airport parking fees, and tacking fees; other apron charges; and, revenues from commercial charges. GMCAC may apply for an increase of such fees following the procedures as set forth in the Concession Agreement.

The Group has identified that the Concession Agreement is within the scope of IFRIC 12 and shall be accounted for using the intangible asset model, wherein the service concession asset is recognized as an intangible asset in accordance with PAS 38, *Intangible Assets*. The intangible asset is amortized using the usage-based method over the life of the concession agreement as management believes that straight-line method best reflects the pattern of consumption of the concession asset.

In April 2014, GMCAC paid upfront fees to the Philippine Government amounting to P14,404.6 million to undertake the implementation and operation of the MCIA Project in accordance with the Concession Agreement (see Note 13). The Group identified certain significant and key activities related to the MCIA Project, as also set forth in the Concession Agreement. As such, the upfront fees were allocated among these key activities using proportionate rates based on the expected construction/renovation costs as follows: (i) existing Terminal 1 infrastructure; (ii) construction of new passenger Terminal; (iii) renovation and expansion of Terminal; and, (iv) capacity augmentation. Subsequent project development costs shall be capitalized as incurred on the specific key activities related to the Project. In 2022, following the sale and deconsolidation of GMCAC, the Concession Assets was derecognized from the consolidated statement of financial position (see Note 10).

Parañaque Integrated Terminal Exchange Project

As discussed in Note 29.2, the Philippine Government acting through the DOTr executed a Concession Agreement on February 25, 2015 with MWMTI whereby the latter was given an exclusive right to design, develop, and undertake the PITX Project and enjoy complete and uninterrupted possession of the Project Assets for the purpose of implementing the PITX Project.

At the end of the concession period, MWMTI shall hand over the PITX Project and Project Assets to the Grantor without cost, free from any liens and encumbrances, including all improvements made to the landport facilities, commercial assets, works in progress, and right to receive revenue.

The PITX Project is composed of separately identifiable landport and commercial areas under a certain development plan with different degrees of control between the Grantor and MWMTI. The landport area is controlled by the Grantor while the commercial area is controlled by MWMTI. In addition, MWMTI shall be entitled to collect and receive the concessionaire revenue from the commercial area while it will be receiving fixed payments from the Grantor for the landport area in the form of AGP.

MWMTI has identified that the Concession Arrangement with respect to the landport area of the PITX Project is within the scope of Philippine Interpretation IFRIC 12 and shall be accounted for using the financial asset model, wherein the concession asset arising from the component of landport area is recognized as financial asset in accordance with PFRS 9.

On the other hand, the Group determined that the component with respect to the commercial area of the PITX Project is not within the scope of IFRIC 12, and therefore, shall be accounted for using the applicable accounting standard based on the control and purpose of the operation, hence, PAS 40, *Investment Property* (see Notes 2.8 and 15).

The related concession asset accounted for under the financial asset model is presented as part of Contract Assets in the consolidated statements of financial position, which includes the recoverable accumulated costs incurred for the development and construction of the PITX Project as determined in accordance with PFRS 15 and equivalent to the fair value of construction services and other considerations provided (see Notes 2.5 and 9).

(e) *Distinction Between Business Acquisition and Asset Acquisition*

The Group determines whether the acquisition of an entity constitute a business acquisition or an asset acquisition. The accounting treatment for the acquisition is determined by assessing whether the transaction involved a purchase of a business, as defined in PFRS 3, taking into consideration the substance of the transaction. Failure to make the right judgment will result in misstatement of assets.

On the basis of the assessment made by management, the acquisition of ownership in Altria was accounted for as asset acquisition (see Note 11.2) since it does not constitute a purchase of business. Conversely, the equity ownership in PH1, PH1-WL, Famtech, MCEI, GMI, MLI, MCBVI, MIL, MWMTI, MTI, MC-SG, WHI, CDI, TLH, MOMC, and TPC are accounted for as investments in subsidiaries.

(f) *Non-consolidation of Entities in which the Group holds more than 50% ownership*

In prior years, the Parent Company's ownership interest in MWCCI was accounted for as an associate even though it held 51% ownership interest as the Parent Company has no control over the relevant activities of MWCCI. Management considers that Citicore has control since it entered into a management agreement with MWCCI, whereby Citicore shall provide management services to MWCCI for the administration of its activities under the MPOC Project. In 2022, the Group has wrote-off its investments in MWCCI [see Note 11.1(a)]. Hence, for both years, MWCCI balances were not included in the consolidated balances.

(g) *Loss of control over GMCAC and presentation of the retained ownership interest as Non-current Asset Classified as Held for Sale*

After the sale of GMCAC in 2022, the Parent Company's ownership interest in GMCAC was reduced from 60% to 33%. Management believes that the Parent Company has lost its controlling interest over GMCAC as it no longer has the majority participation in the BOD of GMCAC. Accordingly, GMCAC's assets and liabilities were deconsolidated from the Group's consolidated financial statements.

The remaining ownership interest in GMCAC is presented as Non-current Asset Held for Sale as it will eventually be exchanged as settlement for the exchangeable notes issued by the Parent Company upon maturity in 2024 (see Note 10). While the terms of exchangeable notes allow the Parent Company to settle the notes by paying cash, the possibility of the Parent Company choosing the cash option is remote considering the significance of the interest rate at 19% per annum. Accordingly, the exchange in 2024 is highly probable. PFRS 5, provides that an entity that is committed to a sale plan involving loss of control of a subsidiary shall classify all the assets and liabilities of that subsidiary as held for sale when the criteria set out in PFRS 5, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale.

(b) Determination of Control, Joint Control and Significant Influence

Judgment is exercised in determining whether the Group has joint control of an arrangement or significant influence over an entity. In assessing each interest over an entity, the Group considers voting rights, representation on the BOD or equivalent governing body of the investee, participation in policy-making process and all other facts and circumstances, including terms of any contractual arrangement.

Prior to the sale in 2022 [see Notes 1.2(c) and 10], management considers that the Group had de facto control over GMI even though it effectively holds 50% of the ordinary shares. The Parent Company exercised control over the entity because major decisions involving entering and negotiating Supply and Delivery Agreements with Duty Free Philippines Corporation rests with the Parent Company. In line with this, the Parent Company had control over GMI's operations prior to its sale in 2022. Management also considers that the Group has control over Famtech despite owning 48% of its outstanding capital stock as the Group directs the overall business operations of Famtech through its Vice Chairman who is also the President of the Parent Company.

Further, the Group believes to have significant influence over CMCI, due to the Group's ability to participate over the entity's relevant activities based on the rights and powers of the Parent Company over the management of CMCI exercised through a seat in the BOD of CMCI. Taking this into consideration, the Group concluded that it has significant influence over the investee; accordingly, the investment is accounted for as an investment in an associate. Hence, the investee is considered as an associate (see Note 11.1). In addition, the Group determined that it does not have a significant influence, but has a joint control over MGCJV, MGCJVI, MTRGC, SSPPC and HMDJV due to the contractually agreed sharing of control over these investees wherein decision on relevant activities require unanimous consent between the Group and its co-venturers. The Parent Company's interests in MGCJV, MGCJVI, HMDJV and TTM-JV are recognized as joint operations (see Note 11.4). Prior to its sale and deconsolidation from the Group, GMCAC recognized its interest in MTRGC and SSPPC as joint ventures (see Note 11.3).

On the other hand, the Parent Company determined that its ownership interest in Silay Solar Power Inc. (SSPI) does not result in control or significant influence over SSPI which is presented as part of Financial Assets at Fair Value Through Other Comprehensive Income in the consolidated statements of financial position.

(i) Distinction Between Operating and Finance Leases for Contracts where the Group is the Lessor

The Group has entered into various lease agreements for check-in counters and space rental. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(j) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. If the renewal options and/or periods are not enforceable (i.e., if the lessee cannot enforce the extension without the agreement of the lessor), it would not be considered in determining the lease term.

For leases of construction and transportation equipment, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group included the renewal period as part of the lease term for of construction and transportation equipment, due to the significance of these assets to its operations. These leases have a short, non-cancellable lease period (i.e., four to ten years) and there will be a significant negative effect on production if a replacement is not readily available. However, the renewal options for leases of transportation equipment were not included as part of the lease term because the Group has historically exercises its option to buy these transportation equipment at the end of the lease term.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(k) Determination of ECL on Trade and Other Receivables, Refundable Security and Bond Deposits, and Contract Assets

The Group uses a provision matrix to calculate ECL for trade and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating). The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's trade and other receivables and contract assets are disclosed in Note 32.2(b).

With respect to refundable security and bond deposits, management does not expect significant risks of collectibility since the same can be applied to the last period rentals at the option of the Group.

(l) Determining Whether Loan Modifications are Substantial Modifications

Judgment is exercised by management to determine whether changes in the terms of the financial liabilities constitute a substantial modification (extinguishment of debt) or not of the related financial liabilities. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of the new liability, and the difference in the respective carrying amounts is recognized as gain or loss in profit or loss. For non-substantial modifications, the existing liability is remeasured to the present value of future cash flows and any resulting gain or loss is recognized in profit or loss. Based on management's assessment, GMCAC's loan modification in 2021 does not represent a substantial modification of terms [see Note 18.2(a)].

(m) Distinction Between Investment Property and Owner-occupied Property

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the performance of the Group's construction activities and its supply process.

(n) Capitalization of Borrowing Costs

The Group determines whether the amount of borrowing costs qualify for capitalization as part of the cost of the qualifying asset or expensed outright. The accounting treatment for the borrowing costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time to get the asset ready for its intended use. Failure to make the right judgment will result in misstatement of assets and net profit.

(o) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 29.

(p) Evaluation Whether a Common Control Business Combination has Commercial Substance

Following the guidance under PIC Q&A 2011-02, management exercises judgment over common control business combinations which is accounted for using either the pooling of interests method or the acquisition method under PFRS 3. Where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity. In evaluating whether the business combination has commercial substance, management considers the purpose of the transaction, involvement of outside parties, whether or not the transaction is conducted at fair value, the existing activities of the entities involved in the transaction, and the extent to which an acquiring entity's future cash flows are expected to significantly change as a result of the business combination.

Management has determined that the acquisition of PH1 has commercial substance as the business combination is expected to accelerate the Parent Company's, and ultimately, the Group's growth momentum with consolidated net margins expected to improve on the back of better margins and price appreciation upside associated with property development in the long-term. With PH1's ongoing and pipeline real estate projects, the Group expects to earn stable revenues and improved margins that would result in better net cash inflows for the Group. Accordingly, the Group has applied the acquisition method under PFRS 3 (see Note 7).

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 32.2.

(b) Determining the Fair Value of the Remaining Ownership Interest to GMCAC

Under PFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Judgment is exercised by management to determine the valuation technique and related assumptions in measuring the fair value of the remaining ownership interest in GMCAC at the date it was classified as noncurrent asset classified as held for sale. The fair value of the non-current asset classified as held for sale is determined by using the cash flow projections from the financial model approved by senior management covering the remaining life of the concession period of 17 years from the date the remaining interest in GMCAC was classified as non-current asset held for sale. PFRS 5 requires an entity to measure a non-current asset classified as held for sale at the lower of their carrying amount and fair value less costs to sell (see Note 2.4).

Costs to sell relate to expenses the Group incurs to dispose of the non-current asset classified as held for sale. When the sale is expected to occur beyond one year, the Group measures the costs to sell at their present value. Any increase in the present value of the costs to sell that arises from the passage of time is presented in profit or loss as a financing cost.

(c) Estimation of Useful Lives of Intangible Assets, Property, Plant and Equipment, and Investment Property

The Group estimates the useful lives of computer software and property, plant and equipment based on the period over which the assets are expected to be available for use. The related estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation, and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. There were no changes in the estimated useful lives of property, plant and equipment and intangible assets in 2023 and 2022.

Prior to the sale of GMCAC in 2022, the Group applied the usage-based method based on passenger volume and usage of the airport activities over the concession period as it reflected the pattern in which the concession's future economic benefits are expected to be consumed by the Group and will be applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits [see Note 2.9(a)]. In 2021, passenger volume significantly declined compared with pre-pandemic levels due to travel and quarantine restrictions imposed by the government. Although amortization expense reduced substantially in 2021, management assessed that the reduced passenger volume is temporary.

In 2022, as the quarantine restrictions eased up, passenger volume showed improvements from December 2021 levels. The positive changes are expected to continue until full recovery of pandemic losses by 2024, hence, amortization expense will eventually normalize. In 2022 and 2021, amortization expense recognized relating to concession assets amounted to P220.6 million and P50.2 million, respectively.

The carrying amounts of intangible assets are analyzed in Notes 12.5 and 13. The carrying amount of property, plant and equipment is analyzed in Note 14.

(d) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset, and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(e) Determination of Net Realizable Value of Inventories

In determining the net realizable value of construction materials and real estate inventories, management takes into account the most reliable evidence available at the time the estimates are made.

(i) Construction Materials

The Group periodically reviews its construction materials for possible damaged and obsolete items. Items identified as obsolete are provided with impairment allowance.

Management has assessed that no allowance for obsolescence is required to be recognized on construction materials in 2023, 2022 and 2021.

(ii) Real Estate Inventories

The future realization of the carrying amounts of real estate inventories is affected by price changes for the cost to complete, and upon completion, the selling prices in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's real estate inventories within the next reporting period.

The carrying value of Group's real estate inventories amounted to P3,872.9 million as of December 31, 2023 (see Note 8.1).

(f) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Management assessed that the deferred tax assets recognized as at December 31, 2023 and 2022 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 26.4.

(g) Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the Group's financial assets carried at FVTPL and FVOCI, and the amounts of applicable fair value changes recognized on those assets are disclosed in Note 33.4.

(h) Principal Assumption for Estimation of Fair Value of Investment Properties

The Group's investment properties composed of land and commercial area of the PITX Project comprising of asset held for lease and are carried at cost less accumulated depreciation and any impairment in value. Although investment properties are measured using the cost model, the financial reporting standard requires the disclosure of its fair value.

The fair value of the commercial area is determined by using the discounted cash flows valuation technique. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and, appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

On the other hand, the Group determines the fair value of the land through appraisals by independent external appraisers.

The fair value disclosures related to the investment properties are further discussed in Note 33.5.

(i) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset, or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.13). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on the Group's non-financial assets in 2023, 2022 and 2021, except for the investment in MWCCI and deferred fulfilment costs which were assessed to be impaired [see Notes 1.2(o), 11.1(a), 12.6 and 25.3].

(j) *Valuation of Post-employment Defined Benefit*

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase.

A significant change in any of these actuarial assumptions may generally affect the recognized expense and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment defined benefit obligation and expense and an analysis of the movements in the estimated present value of DBO, as well as the significant assumptions used in estimating such obligation are presented in Note 24.2.

(k) *Determining Percentage-of-Completion for Construction Contracts and Real Estate Transactions*

(i) *Construction Contracts*

The Group recognizes its revenue from construction contracts based on percentage-of-completion method of the project whereby the performance obligations are satisfied over time. The Group's application of the percentage-of-completion method is based on its efforts or inputs (i.e., actual costs incurred) to the satisfaction of a performance obligation relative to the total expected construction costs. Review of the benchmarks set by management necessary for the determination of percentage-of-completion is done regularly. Actual data is being compared to the related benchmarks and critical judgment is exercised to assess the reliability of the percentage of completion procedures which are currently in place and make the necessary revisions in the light of current progress.

(ii) Real Estate Transactions

In determining the amount of revenue to be recognized for real estate transactions involving sale of residential condominium units wherein performance obligations are satisfied over time, the Group measures progress based on the input method that measures the percentage of total costs incurred to date over the estimated costs to complete the projects. The Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and applies changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

The Group recognized revenues from sale of residential condominium units amounting to P148.9 million and is presented as Real estate operations under Revenues in the 2023 consolidated statement of income (see Note 21.3).

(l) Estimating Probability of Collection for Revenue Recognition

The Group exercises judgment in evaluating the probability of collection (as one of the gating criteria) of transaction price on customer or counterparty contracts wherein revenue is recognized over time or specific point in time. The Group uses historical payment pattern of customers and counterparties in establishing a percentage of collection threshold, or in some instances, when the Group is certain that the sale or contract will not be cancelled (i.e., considering financial capacity, credit worthiness, and business interests of the customer or counterparty) even if the collection is below such threshold but which the Group determines that collection of the transaction price is reasonably assured.

The percentage benchmark used by the Group in determining whether collection of the transaction price is reasonably assured is 10% or more of collection of the total contract price for sale of residential condominium units and 25% of the total contract price for the construction contracts. Management believes that the established collection thresholds are appropriate based on the collection history and credit worthiness of customers in each revenue segment. Buyer's interest in the property (i.e., residential condominium unit) is considered to have vested when the payment of the applicable percentage benchmark of the contract price has been received from the buyer and the Group has ascertained the buyer's commitment and ability to complete the payment of the total contract price.

(m) Accounting for Business Combinations

On initial recognition, the assets and liabilities of any acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in profit or loss in the subsequent period.

4. SEGMENT REPORTING

The Group's operating businesses are recognized and managed separately according to the nature of services provided with a segment representing a strategic business unit. The Group's business segments follow:

4.1 Business Segments

(a) *Construction Operations* – principally refers to general construction business, including constructing and sale of precast items and concrete production and rental of construction equipment.

(b) *Landport Operations* – principally relates to the development and implementation of the PITX Project.

(c) *Real Estate Operations* – mainly pertains to the to the development and sale of residential condominium units.

(d) *Airport Operations* – mainly relate to the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining the MCIA, including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility. This segment also has merchandising operations of food and non-food items. In 2022, as a result of the sale and deconsolidation of GMCAC and GMI, the Group's airport operations segment is presented as discontinued operations (see Notes 2.4 and 10.2).

Other operations of the Group comprise the operations and financial control groups. These segments are also the basis of the Group in reporting to its executive committee for its strategic decision-making activities. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

4.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred taxes.

4.3 *Analysis of Segment Information*

Presented below are the relevant operating segment information about the results of operations and financial position of the Group's business segments as of December 31, 2023, 2022 and 2021, and for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands).

	Continuing Operations										Discontinued Operations	
	Construction			Landport			Real Estate	Total			Airport	
	2023	2022	2021	2023	2022	2021	2023	2023	2022	2021	2022	2021
Results of operations												
Sales to external customers	P 18,141,512	P 14,583,322	P 14,329,464	P 347,752	P 258,329	P 715,039	P 148,891	P 18,638,155	P 14,841,651	P 15,044,503	P 1,838,929	P 599,468
Intersegment sales	56,206	3,020	26,905	-	-	-	-	56,206	3,020	26,905	-	-
Segment revenues	18,197,718	14,586,342	14,356,369	347,752	258,329	715,039	148,891	18,694,361	14,844,671	15,071,408	1,838,929	599,468
Cost and other operating expenses:												
Cost excluding depreciation and amortization	14,983,629	11,457,496	11,124,688	135,749	132,964	149,440	72,152	15,191,530	11,590,460	11,274,128	753,488	353,949
Depreciation and amortization	1,149,883	1,206,491	1,133,162	235,770	241,674	413,871	9,709	1,395,362	1,448,165	1,547,033	261,527	102,510
Interest income	(1,008,903)	(526,003)	(464,851)	(37,237)	(18)	(7,614)	(861)	(1,047,002)	(526,021)	(472,465)	(13,584)	(9,515)
Interest expense	1,795,499	1,502,096	1,364,842	259,301	154,332	148,144	2,214	2,057,014	1,656,428	1,512,986	1,720,169	1,294,235
Equity share in profit or loss and joint ventures	35,748	(4,572)	10,633	-	-	-	-	35,748	(4,572)	10,633	-	-
Other income	(127,188)	(4,154,173)	(171,387)	(134,265)	(117,741)	(133,884)	(18,356)	(279,808)	(4,271,914)	(305,271)	(7,646,246)	(231,886)
Tax expense (income)	125,987	(617,976)	67,012	(64,004)	(82,715)	21,124	100	62,083	(700,691)	88,136	183,363	76,866
Other expenses	801,724	3,432,199	939,703	156,928	172,001	46,398	140,904	1,099,556	3,604,200	986,101	1,875,444	385,160
	17,756,379	12,295,558	14,003,802	552,242	500,497	637,479	205,862	18,514,483	12,796,055	14,641,281	(2,865,839)	1,971,319
Segment Net Profit (Loss)	P 441,339	P 2,290,784	P 352,567	(P 204,490)	(P 242,168)	P 77,560	(P 56,971)	P 179,878	P 2,048,616	P 430,127	P 4,704,768	(P 1,371,851)
Consolidated Statements of Financial Position												
Total Segment Assets	P 59,670,393	P 61,577,831	P 48,988,040	P 6,314,353	P 6,638,544	P 6,727,959	P 4,850,161	P 70,834,907	P 68,216,375	P 55,715,999	P -	P 34,980,098
Total Segment Liabilities	P 43,460,554	P 42,283,646	P 32,351,079	P 4,879,962	P 4,978,471	P 4,826,617	P 3,303,419	P 51,643,935	P 47,262,117	P 37,177,696	P -	P 28,100,062
Capital Expenditures	P 667,594	P 946,624	P 631,034	P 200	P 6,746	P 80,688	P 4,994	P 672,789	P 953,370	P 711,722	P -	P 1,310
Investment in associates and joint ventures accounted for by the equity method	P 257,239	P 231,296	P 813,793	P -	P -	P -	P -	P 257,239	P 231,296	P 813,793	P -	P 47,720

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements (amounts in thousands).

	2023	2022	2021
Continuing operations:			
Revenues			
Segment revenues	P 18,694,361	P 14,844,671	P 15,071,408
Intersegment sales	(56,206)	(3,020)	(26,905)
Revenues as reported in the consolidated statements of income	P 18,638,155	P 14,841,651	P 15,044,503
Profit or loss			
Segment net profit	P 179,878	P 2,048,616	P 430,127
Other unallocated income (charges) – net	89,279	(3,920,639)	48,569
Net profit (loss) from continuing operations as reported in the consolidated statements of income	P 269,157	(P 1,872,023)	P 478,696
Discontinued operations:			
Profit or loss			
Segment net income (loss) and net income (loss) from discontinued operations as reported in the consolidated statements of income	P -	P 4,704,768	(P 1,371,851)

	2023	2022
Assets		
Total segment assets	P 70,834,907	P 68,216,375
Elimination of intercompany accounts	(16,188,182)	(10,579,021)
Other unallocated assets	11,680,415	8,815,402
Total assets as reported in the consolidated statements of financial position	P 66,327,140	P 66,452,756
Liabilities		
Total segment liabilities	P 51,643,935	P 47,262,117
Elimination of intercompany accounts	(4,846,653)	(3,948,773)
Other unallocated liabilities	2,597,085	3,472,531
Total liabilities as reported in the consolidated statements of financial position	P 49,394,367	P 46,785,875

4.4 Other Segment Information

The Group has not identified any segment based on geographical location since the Group's operation is concentrated in one country of location.

The revenues from three major customers of the construction operations segment in 2023, 2022 and 2021 that accounted for 29%, 39%, and 36%, respectively, of the total revenues from continuing operations are as follows:

	2023	2022	2021
Customer A	**P 4,105,354,788**	P3,206,597,804	P2,084,313,919
Customer B	**3,095,908,636**	1,372,220,669	1,767,782,385
Customer C	**2,035,380,827**	1,154,917,530	1,586,261,904
	P 9,236,644,251	P5,733,736,003	P5,438,358,208

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	2023	2022
Cash on hand	**P 6,232,631**	P 6,075,392
Cash in banks	**4,050,299,984**	15,066,921,254
Short-term placements	**822,352,760**	685,200,593
	P 4,878,885,375	P15,758,197,239

Cash in banks generally earn interest based on daily bank deposit rates.

Short-term placements are made for varying periods from 14 to 90 days and earn annual average effective interest of 5% in 2023 and 2022.

The interest income earned from these financial assets amounted to P358.2 million, P24.1 million and P23.9 million in 2023, 2022 and 2021, respectively, and are presented as part of Finance income under Income and Expenses section in the consolidated statements of income (see Note 25.2). The interest income earned from discontinued operations is presented as part of Other income (charges) under Discontinued Operations section in the consolidated statements of income [see Note 10.2(f)(ii)].

Accrued interest receivable from these financial assets amounted to P89.2 and P8.3 million as of December 31, 2023 and 2022, respectively, and is presented as part of Accrued interest receivable under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

6. TRADE AND OTHER RECEIVABLES

This account consists of the following:

	Notes	2023	2022
Contract receivables:			
Third parties		**P 3,287,521,576**	P 3,178,047,746
Related parties	28.1	**1,034,875,840**	1,875,612,784
		4,322,397,416	5,053,660,530
Retention receivables:			
Third parties		**2,290,413,594**	1,913,812,064
Related parties	28.1	**739,026,207**	736,905,666
		3,029,439,801	2,650,717,730
Real estate sales receivables		**538,294,511**	-
Advances to:			
Related parties	28.4	**6,442,242,587**	6,375,326,547
Officers and employees	28.3	**98,512,779**	98,591,371
		6,540,755,366	6,473,917,918
Rental receivables:	21.2		
Lease receivable – per contract		**1,025,536,402**	905,481,286
Lease receivable – effect of straight-line method		**231,278,304**	415,637,728
		1,256,814,706	1,321,119,014
Accrued interest receivables	5, 28.4	**2,513,922,379**	1,944,838,291
Other receivables	28.2, 28.5	**1,216,405,984**	1,143,588,790
		19,418,030,163	18,587,842,273
Allowance for impairment		**(262,111,638)**	(226,842,662)
		P 19,155,918,525	P 18,360,999,611

Retention receivables pertain to progress billings which are withheld by the project owners equivalent to 5.0% or 10.0% as provided in the respective construction contract of each project. These will only be collected after a certain period of time upon acceptance by project owners of the certificate of completion.

Real estate sales receivables pertain to the balance of uncollected portion of the contract price of completed units sold that are subject for collection from customers through their respective bank financing, which is normally completed within one to two months.

Rental receivables include those unpaid rentals from third party tenants of the Group, and the related rent receivables arising from the difference between the cash basis rent income and the straight-line rent income of all lease contracts with fixed payments as of the end of the reporting period.

Trade and other receivables except certain advances to related parties do not bear any interest.

All receivables, except advances to officers and employees which are subject to liquidation, are subject to credit risk exposure. The Group's trade and other receivables have been reviewed for impairment using the provision matrix as determined by the management [see Note 32.2(b)].

The total allowance for impairment for contract and retention provided by the Group amounted to P262.1 million and P226.8 million as of December 31, 2023 and 2022, respectively.

A reconciliation of the allowance for impairment at the beginning and end of 2023 and 2022 is shown below.

	Notes	**2023**	2022
Balance at beginning of year		**P 226,842,662**	P 231,765,011
Additional ECL for the year	23	**35,268,976**	14,970,945
Effect of disposal of subsidiaries	10.1	**-**	(19,893,294)
Balance at end of year		**P 262,111,638**	P 226,842,662

The amount of impairment losses is presented as part of Impairment losses on receivables and contract assets under Income and Expenses section and Other Operating Expenses under Discontinued Operations section of the consolidated statements of income [see Notes 10.2(e) and 23].

7. GOODWILL

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1, which was accounted for under the acquisition method [see Note 3.1(p)]. The business combination is expected to integrate the innovative approaches of the Parent Company and PH1 in terms of construction and engineering to the residential projects of PH1 with respect to sustainability and technological advancement in living and community spaces.

At the date of acquisition, PH1 owns 100% and 49% of the outstanding capital stock of PH1-WL and Famtech, respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famtech [see Note 1.2(a)]. There were no contingent considerations arrangements and indemnification assets recognized by the Parent Company related to the business combination.

Presented in the succeeding page is the breakdown of the acquisition-date fair value of the assets and liabilities, including the cost of investment.

Assets:		
Cash	P	158,812,124
Contract and other receivables		1,058,277,667
Real estate inventories		3,280,736,757
Property and equipment		33,002,846
Right-of-use assets		9,312,106
Other assets		233,084,701
		4,773,226,201
Liabilities:		
Trade and other payables	P	1,688,417,798
Interest-bearing loans and borrowings		508,475,383
Reservation deposits		322,954,005
Contract liabilities		76,644,783
Lease liabilities		8,412,681
Deferred tax liabilities		107,696,473
Other liabilities		129,219,090
		2,841,820,213
Fair value of net assets		1,931,405,988
Cash consideration		5,200,000,000
Non-controlling interest		528,475,534
		5,728,475,534
Goodwill	**P**	**3,797,069,546**

Based on the management's assessment, the gross contractual amounts of receivable approximate the fair values as of the acquisition date. The best estimate of the contractual cash flows not expected to be collected at acquisition date is also deemed immaterial.

There were no significant acquisition-related costs incurred from this transaction. Subsequent to the acquisition date, the Group recognized revenues and net loss from the real estate operations segment amounting to P148.9 million and P57.0 million, respectively, which are presented in the 2023 consolidated statement of income.

Had the acquisition occurred at the beginning of the year, the Group would have recognized revenues and net loss from real estate operations segment amounting to P241.7 million and P134.8 million, respectively.

The goodwill recognized from the foregoing acquisition reflects the opportunity to strengthen the Group's position in the real estate market, the synergies and economies of scale expected from combining the operations of the Group as a contractor and real estate developer. This also reflects the opportunity to accelerate the Group's growth momentum associated with property development in the long term [see Note 3.1(p)].

The Group performed impairment testing of goodwill as of December 31, 2023 by using value-in-use in determining the recoverable amount. The value-in-use of the cash generating unit was determined using cash flow projections for 13 years, which reflects the timing of the development and completion of the residential projects including the collection period. The management applied a discount rate of 10.2% and growth rate of 3.8% which are the key assumptions used in determining the value-in-use of the cash-generating unit.

The recoverable amount of the cash-generating unit was determined to be higher than its carrying amount. Management believes that any reasonably possible change of +/-1% in the discount rate and +/-1% in the growth rate would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount; hence, management assessed that there is no impairment loss required to be recognized on goodwill as of December 31, 2023.

8. INVENTORIES

8.1 Real Estate Inventories

As of December 31, 2023, real estate inventories consist of the following:

Land and land development	P 1,928,308,874
Construction costs	1,944,613,123
	P 3,872,921,997

Construction costs include actual costs of construction and related engineering, architectural and other consultancy fees, and capitalized borrowing costs [see Note 18.2(c)]. In 2023, the Group capitalized borrowing cost of P103.6 million. Borrowing cost are capitalized at 5.9%. All cost incurred relating to the Group's development and construction of its residential condominium projects are recorded under Real Estate Inventories account. The cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized.

There were no inventory write-downs recognized in relation to real estate inventories.

8.2 Construction Materials

At the end of 2023 and 2022, construction materials were stated at cost which is lower than net realizable value. This account consists of the following:

	2023	2022
Consumables and spare parts	**P 1,275,412,094**	P 861,088,090
Work in progress	**805,324,986**	1,076,814,430
Hardware	**71,444,583**	76,311,848
Precast	**54,725,955**	38,625,244
Rebars	**30,079,375**	29,834,799
Mechanical electrical plumbing and fireproof materials	**8,076,631**	13,332,324
Others	**34,275,471**	30,159,502
	P 2,279,339,095	P 2,126,166,237

Work in progress inventories pertains to various construction materials delivered to project warehouses and are yet to be installed or used by its subcontractors.

Others pertain to construction materials which include collapsible container office, sand, cement, painting materials, nails and adhesive items.

9. CONTRACT ASSETS

The breakdown of contract assets is as follows:

	2023	2022
Construction contracts	**P 6,034,871,659**	P 5,596,222,556
Terminal operations	**692,732,257**	597,500,531
	6,727,603,916	6,193,723,087
Allowance for impairment	**(1,087,415,302)**	(1,087,415,302)
	P 5,640,188,614	P 5,106,307,785

The significant changes in the contract assets balances during the reporting periods are as follows:

	Note	2023	2022
Balance at beginning of year		**P 6,193,723,087**	P 5,065,871,418
Increase as a result of changes in measurement of progress		**6,452,369,216**	9,681,091,164
Decrease as a result of reversal to trade receivables		**(5,918,488,387)**	(7,644,882,227)
Write-off	23	**-**	(908,357,268)
		6,727,603,916	6,193,723,087
Allowance for impairment		**(1,087,415,302)**	(1,087,415,302)
Balance at end of year		**P 5,640,188,614**	P 5,106,307,785

A reconciliation of the allowance for impairment at the beginning and end of 2023 and 2022 is shown below.

	Note	2023	2022
Balance at beginning of year		**P 1,087,415,302**	P 288,166,560
Impairment loss for the year	23	**-**	799,248,742
Balance at end of year		**P 1,087,415,302**	P 1,087,415,302

Contract assets pertains to the gross amount due from customers for contract works of all contracts in progress and the portion arising from the real estate operations, which are not yet billed (see Note 2.10). Contract assets also include the cost of the landport area of the PITX Project will be recovered through the Grantor payments [see Notes 3.1(d) and 15].

The Group satisfies its performance obligation when the full completion of the project and benefit therefrom can be derived by the customers. Invoices are due once related accomplishments for the month is complete.

The Group recognizes contract assets, due to timing difference of billings and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Changes in the contract assets are recognized by the Group when a right to receive payment is already established.

In 2022, the Group wrote-off certain contract assets amounting to P908.4 million related to costs incurred on three big projects that management decided to discontinue due to irreconcilable claims and lack of reasonable expectation that such costs will be recovered. The onset of COVID suspended non-essential construction activities and affected a number of projects in the Group's order book. To maintain strong business relationships, the Group constantly reached out and negotiated with these three customers as early as late 2020, when the impact of COVID through higher input costs and delayed supply chain affected the pricing and performance for these projects. While the Group continued to hold several discussions and negotiations in 2021 and 2022, it became apparent to management in 2022 that the presented claims from these projects can no longer be collected and decided that progress on the remaining works can no longer be continued to manage the financial impact to the Group. The Group, however, is of the opinion that it complied with all the provisions of the contracts and, after exhausting all means available, had sufficient grounds to terminate the contracts.

Also in 2022, the Group provided an allowance for impairment for certain projects which have doubtful recoverability in addition to the contract assets which was written off.

The total impairment loss on contract assets is presented as part of Impairment losses on receivables and contract assets under Income and Expenses section in the 2022 consolidated statement of income. There was no additional impairment loss recognized in 2023.

10. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

10.1 Non-current Asset Classified as Held for Sale

On September 2, 2022 (Execution date), the Parent Company, GMR Airports International BV (GAIBV) and Aboitiz InfraCapital, Inc. (AIC) executed a Share Subscription and Transfer Agreement (the Agreement) for AIC to acquire shares in GMCAC. Subject to the fulfillment of the conditions precedent under the Agreement, the following occurred on December 16, 2022 (Closing date):

1. For a total amount of P9,473.6 million, AIC obtained 33 and 1/3% minus 1 share of the outstanding capital stock of GMCAC. The Parent Company retained 33 and 1/3% plus 1 share, while GAIBV retained 33 and 1/3%; and,

2. The Parent Company and GAIBV issued Exchangeable Notes (Notes) in favor of AIC in the total amount of P15,526.4 million. The Notes will mature on October 30, 2024 (Exercise date) and will be exchanged by AIC for the rest of the 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company and GAIBV.

   On the Exercise date, the Parent Company and GAIBV shall assign, transfer and convey the remaining GMCAC shares to AIC in exchange for the full discharge of the Notes. The Notes is unsecured and non-interest-bearing. At least 10 business days prior to the Exercise date, the Parent Company and GAIBV may exercise the option to pay the Notes in cash and they shall have no obligation to assign, transfer and convey the remaining GMCAC shares. In the event that the Parent Company and GAIBV exercise the cash option, they shall pay the principal amount of the Notes, plus a cash option interest of 19% per annum on the principal amount calculated from the Execution date to the Exercise date. The accrual of the cash option interest and the obligation to pay shall only arise upon exercise of the cash option.

Prior to the closing date, GMCAC converted its shareholders' loans totalling to P2,040.0 million, of which P1,224.0 million came from the Parent Company, to common stock of GMCAC. In addition, GMCAC issued 555.4 million new shares to AIC. The issuance of new shares to AIC resulted in the reduction in the Parent Company's ownership interest in GMCAC from 60.0% to 55.8%.

The transaction closed on December 16, 2022 wherein:

- AIC paid cash amounting to P6,623.6 million to the Parent Company for 1,781.4 million common shares, equivalent to 22.5% of the outstanding capital stock of GMCAC; and,

- the Parent Company issued the Notes for a cash consideration of P7,763.2 million, which will be exchanged by AIC for the rest of the Parent Company's remaining 2,643.3 million common shares, equivalent to 33.3% of the outstanding capital stock of GMCAC, on the Exercise date.

At closing date, the Parent Company retained 33.3% ownership interest in GMCAC.

As a result of the preceding transactions, the Group lost its control over GMCAC [see Note 3.1(g)]. Accordingly, the remaining ownership interest was remeasured at fair value at the date of sale which amounted to P2,879.8 million. The fair value was determined using the discounted cash flow method [see Note 3.2(b)]. The related remeasurement gain amounting to P568.8 million is presented as part of Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income [see Note 10.2(f)(iii)].

Relative to management's intention to sell the remaining shares held in GMCAC, as evidenced by the issuance of the Notes, the remaining ownership interest in GMCAC amounting to P2,879.8 million is presented as Non-current Asset classified as Held for Sale in the consolidated statements of financial position. No cost to sell was recognized as the expenses incurred in relation to the issuance of the Notes was shouldered by AIC. On the other hand, the Notes amounting to P7,763.2 million is presented as Exchangeable Notes under the Non-current Liabilities section in the 2022 consolidated statement of financial position.

As of December 31, 2023, the Group remains committed to sell the remaining ownership interest in GMCAC. As the transaction is expected to be completed in 2024, the Exchangeable Notes was presented under Current Liabilities in the 2023 consolidated statement of financial position.

The fair values of the identifiable assets and liabilities of GMCAC as at the Closing Date in 2022 were as follows:

Assets:	
Cash and cash equivalents	P 230,051,713
Trade and other receivables – net	865,264,321
Concession assets – net	31,760,874,551
Property and equipment – net	215,513,796
Investment in subsidiaries and joint ventures	1,737,804,166
Investment in trust fund	26,266,008
Deferred input VAT	1,741,663,880
Refundable security and bond deposits	710,829,793
Other assets	528,501,802
	37,816,770,030
Liabilities:	
Interest-bearing loans and borrowings	25,702,185,130
Trade and other payables	2,261,189,055
Retirement obligation	21,689,826
Deferred tax liabilities	970,422,069
Other liabilities	221,975,078
	29,177,461,158
Fair value of net assets	P 8,639,308,872

The gain on deconsolidation of a subsidiary is determined as follows:

Cash consideration received	P	6,623,600,000
Fair value of remaining ownership interest		2,879,769,625
		9,503,369,625
Less:		
Carrying amount of net assets sold		6,182,052,349
Carrying amount of non-controlling interest		(2,670,649,101)
		3,511,403,248
Gain on deconsolidation of a subsidiary		5,423,202,187
Gain on remeasurement of remaining ownership interest		568,764,190
	P	5,991,966,377

The gain on deconsolidation of a subsidiary amounting to P5,992.0 million is presented as part of Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income [see Note 10.2(f)(iii)].

In addition to the above transaction, in 2022, the Group sold its shareholdings in GMI to GMCAC [see Note 1.2(c)], wherein the Group recognized a gain on deconsolidation of a subsidiary amounting to P577.1 million which represents the excess of the cash consideration received amounting to P613.2 million over the carrying value of GMI's net assets as of the date of sale amounting to P36.1 million.

The total gain amounting to P6,569.1 million is presented as Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income [see Note 10.2(f)(iii)].

10.2 Discontinued Operations

In 2023, there is no profit or loss and other comprehensive income arising from discontinued operations as the remaining investment in GMCAC was classified as a non-current asset held for sale (see Note 10.1).

In 2022 and 2021, the net loss related to the operations of GMCAC and GMI is presented separately in the consolidated statements of income consolidated statements of comprehensive income as Net Profit (Loss) from Discontinued Operations.

The analysis of the revenue and expenses of the discontinued operations is as follows:

	2022	2021
Airport operations revenue	P 1,690,774,870	P 576,042,561
Trading operations revenue	148,154,108	23,425,514
	1,838,928,978	599,468,075
Cost of airport operations	(896,975,376)	(388,164,590)
Cost of trading operations	(77,087,277)	(15,969,198)
	(974,062,653)	(404,133,788)
Gross profit	864,866,325	195,334,287
Other operating expenses	(1,916,396,787)	(437,486,126)
Operating loss	(1,051,530,462)	(242,151,839)
Other income (charges) – net	5,939,660,912	(1,052,834,348)
Profit (loss) before tax	4,888,130,450	(1,294,986,187)
Tax expense	(183,362,300)	(76,864,397)
Net profit (loss)	P 4,704,768,150	(P 1,371,850,584)

In 2022, and 2021, other comprehensive income from discontinued operations amounted to P4.1 million and P6.2 million, respectively.

10.2(a) Airport Operations Revenue

The details of this account for the period ended December 31 are composed of the revenues from:

	2022	2021
Aeronautical	P 807,098,656	P 190,468,401
Concession	254,273,126	102,599,621
Rental	216,572,580	62,709,047
Others	412,830,508	220,265,492
	P 1,690,774,870	P 576,042,561

10.2(b) Trading Operations Revenue

The details of this account for the years ended December 31 are as follows:

	2022	2021
Sale of food	P 121,650,323	P 21,540,063
Sale of non-food items	26,503,785	1,885,451
	P 148,154,108	P 23,425,514

10.2(c) Cost of Airport Operations

The following is the breakdown of cost of airport operations:

	Note		2022		2021
Amortization of concession asset	13	P	220,574,128	P	50,184,461
Utilities			165,927,493		97,665,013
Repairs and maintenance			102,322,957		64,242,458
Outside services			98,839,665		31,778,939
Insurance			55,215,473		38,415,345
Salaries and employee benefits			51,909,600		47,843,471
Airline collection charges			33,203,341		7,132,347
Airport operator's fee			22,952,332		7,462,095
Technical service charge			18,940,323		14,007,049
Others			127,090,064		29,433,412
		P	896,975,376	P	388,164,590

Other expenses include carpark, supplies, and other operating costs of the airport segment.

10.2(d) Costs of Trading Operations

The following is the breakdown of cost of airport merchandising operations for the years ended December 31:

		2022		2021
Cost of goods sold:				
Food	P	66,477,647	P	13,266,924
Non-food		10,609,630		2,702,274
	P	77,087,277	P	15,969,198

10.2(e) Other Operating Expenses

The following is the breakdown of other operating expenses of GMCAC and GMI for the years ended December 31:

	Notes		2022		2021
Repairs and maintenance		P	1,391,243,887	P	17,823,178
Salaries and wages			173,150,930		163,244,997
Taxes and licenses			121,567,982		124,255,827
Depreciation and amortization			40,953,400		52,325,848
Selling expense			39,971,317		6,208,188
Professional fees			35,498,774		27,905,131
Outside services			33,007,011		18,781,494
Office supplies			28,239,721		3,133,331
Impairment loss	6		15,480,581		9,490,896
Travel and transportation			11,496,284		2,922,623
Rentals	16.3		9,303,788		6,636,968
Advertising and promotions			2,400,944		2,149,440
Representation and travel			1,467,112		757,407
Insurance			230,732		316,854
Training and seminar			167,839		258,036
Miscellaneous			12,216,485		1,275,908
		P	1,916,396,787	P	437,486,126

10.2(f) Other Income (Charges)

10.2(f)(i) Finance costs

The following is the breakdown of finance costs for the years ended December 31:

	Note	2022	2021
Interest expense from:			
Bank loans	18.2	P 1,320,853,226	P 1,058,982,312
Lease liabilities		165,599	415,652
Foreign currency losses - net		394,230,692	233,623,370
Bank charges		4,919,589	1,213,356
		P 1,720,169,106	P 1,294,234,690

10.2(f)(ii) Finance income

The following is the breakdown of finance income for the years ended December 31:

	2022	2021
Interest income from cash in banks	P 8,242,012	P 8,737,045
Foreign currency gains - net	5,341,955	777,747
	P 13,583,967	P 9,514,792

10.2(f)(iii) Others – Net

The following is the breakdown of others - net for the years ended December 31:

	Note	2022	2021
Gain on deconsolidation of subsidiaries		P 6,569,065,060	P -
Recovery from insurance claims		1,045,888,018	-
Unrealized gain on interest rate swap	18.2	43,247,266	78,648,688
Equity in net losses of joint venture		(20,315,608)	(57,050,179)
Gain on loan modification	18.2	-	207,829,510
Others – net		8,361,315	2,457,531
		P 7,646,246,051	P 231,885,550

In 2022, GMCAC recognized insurance claims with respect to the carrying value of the airport infrastructure damaged by typhoon Odette amounting to P1,045.9 million. There was no similar transaction in 2021.

10.2(g) Cash Flows from Discontinued Operations

The following relates to the cash flows of the disposal group:

	2022	2021
Net cash from (used in):		
Operating activities	P 438,671,014	(P 635,552,678)
Investing activities	(1,633,349,283)	210,371,589
Financing activities	1,131,768,262	(319,524,813)
Net cash outflow	(P 62,910,007)	(P 744,705,902)

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE AND ACQUISITION OF ASSETS

The Group's associates and joint venture are not listed in the local stock exchange; hence, the fair value of the shares cannot be determined reliably. However, management believes that the carrying amounts of the investments are fully recoverable based on either the prospect of the business or the recoverable amount from the net assets of these associates and joint ventures.

The significant commitments related to the associates and joint venture are discussed in Note 29.2, 29.3, and 29.4.2.

11.1 Investments in Associates

The components of the carrying values of this account are as follows:

	Notes	**2023**	2022
Acquisition cost:			
CMCI		**P 200,000,000**	P 200,000,000
EDC		**61,691,000**	-
		261,691,000	200,000,000
Equity share in net profit (losses):			
Balance at beginning of year		**31,295,805**	9,330,545
Equity in net profit (loss) for the year	25.3	**(35,748,149)**	4,572,378
Effect of write-off of investment in MWCCI	11.1(a), 25.3	**-**	17,392,882
Balance at end of year		**(4,452,344)**	31,295,805
		P 257,238,656	P 231,295,805

The equity in net profit (loss) includes catch-up adjustments in 2023 and 2022 to reflect the audited balances of the associates; hence, might not be equal to the amount of the Group's share in net profit based on the financial information presented in the succeeding pages.

These associates do not have any other comprehensive income or loss in 2023 and 2022.

(a) MWCCI

As of December 31, 2023 and 2022, the Parent Company has 51% ownership interest in MWCCI.

In 2016, MWCCI sent a Notice of termination of its BOT Agreement with the DOH, which was accepted by DOH. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment, as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group wrote-off its investment in MWCCI in 2022. The impairment loss amounting to P587.1 million is presented as part of Impairment losses on non-financial assets under Others – net under Income and Expenses section in the 2022 consolidated statement of income (see Note 25.3).

(b) CMCI

The Parent Company, together with Citicore, formed CMCI as a consortium for the construction of classrooms in Regions 3 and 4 under the build-lease-transfer Public Private Partnership (PPP) agreement with the Philippine Department of Education (DepEd) ownership interest (see Note 29.2).

As of December 31, 2023 and 2022, the Parent Company owns 10% interest in CMCI.

(c) EDC

In 2023, the Parent Company subscribed to 616,910 new shares or equivalent to 49% ownership interest in EDC for a total subscription price of P61.7 million. The rights and powers of the Parent Company over the management and control of EDC are exercised through a seat in the BOD of EDC. Taking this into consideration, the Parent Company concluded that it has significant influence over the investee; accordingly, the investment is accounted for as an investment in an associate.

The table below presents the financial information of MWCCI, CMCI and EDC as of and for years ended December 31, 2023, 2022 and 2021 of the associates (amounts in thousands of PHP).

	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Profit (Loss)
2023:						
MWCCI *(Unaudited)*	**P 338,947**	**P 847,397**	**P 87,447**	**P -**	**P -**	**P -**
CMCI *(Unaudited)*	**3,483,905**	**647,993**	**1,883,019**	**68,024**	**112,257**	**112,257**
EDC *(Audited)*	**58,252**	**595,769**	**89,267**	**537,935**	**-**	**(49,956)**
2022:						
MWCCI *(Unaudited)*	P 87,447	P 847,397	P 87,447	P -	P -	P -
CMCI *(Audited)*	4,237,695	972,960	2,251,256	615,844	196,639	50,788
2021:						
MWCCI *(Unaudited)*	P 338,947	P 847,398	P 87,447	P -	P -	P -
CMCI *(Audited)*	4,316,943	1,920,181	2,343,502	1,588,158	196,639	38,091

A reconciliation of the above summarized financial information to the carrying amount of the investments in associates is shown below (amounts in thousands of PHP).

	% Interest Held	Net Asset Value	Share in Net Asset	Carrying Value of Investments
2023				
CMCI	10%	P 2,180,855	P 218,085	P 220,026
EDC	49%	20,819	10,201	37,213
Total			**P 228,286**	**P 257,239**
2022				
CMCI	10%	P 2,343,555	P 234,555	P 231,296

Management determined that the difference between the respective share in the net assets of the associates and the carrying amount of the investment in EDC and CMCI is not material to the consolidated financial statements.

As of December 31, 2023 and 2022, the Parent Company did not receive any dividends from its associates.

11.2 Acquisition of Assets of Altria

On December 26, 2012, pursuant to a memorandum of agreement dated December 17, 2012, the Parent Company acquired 100% ownership interest in Altria. Altria is a company incorporated in the Philippines and holds an investment property in the form of land. The registered office of Altria, which is also its principal place of business, is located at Coastal Road Bangiad, San Juan, Taytay, Rizal.

As of December 31, 2023 and 2022, Altria has no operations and its assets mainly pertain to the land where the Parent Company's precast and batching facilities are constructed (see Note 14). In accordance with Group's policy, the transaction is treated by the Group as an asset acquisition since the transaction does not constitute a business combination.

The purchase price upon acquisition was allocated among the following accounts based on their relative fair values:

Cash in bank	P 486,426
Bond deposits	1,500,958
Land	303,468,569
Accrued expenses	(100,000)
	P 305,355,953

Subsequent to the date of acquisition, any changes in the carrying value of the net assets acquired in the books of Altria, including the expenses incurred in administering the property (i.e, property taxes), shall be updated in the books of the Parent Company on a line-by-line basis, as if they are consolidated into a single entity. The difference shall be charged directly to profit or loss as part of Others – net account under the Income and Expenses section in the consolidated statements of income (see Note 25.3). The Parent Company charged P1.4 million, P1.5 million and P2.3 million in 2023, 2022 and 2021, respectively, to profit or loss to account for the expenses incurred by Altria, net of changes in cash in bank, bond deposits and accrued expenses.

11.3 Interest in Joint Ventures

This account includes the carrying values of the following components, prior to the sale and deconsolidation of GMCAC in 2022.

Acquisition costs:	
MRTGC	P 58,324,000
SSPPC	58,324,000
	116,648,000
Equity share in net losses:	
Balance at beginning of year	(68,928,226)
Equity in net loss for the year	(20,315,608)
	(89,243,834)
Effect of disposal of a subsidiary	(27,404,166)
	P -

These joint ventures do not have any other comprehensive income or loss in 2022 and 2021.

GMCAC has 42% interest in MTRGC and SSPPC, which are primarily engaged in the set-up, operation and management of duty paid retail, food and beverage outlets and provision of related services thereto in the airport terminals (T1 and T2).

In 2022, as a result of the sale and deconsolidation of GMCAC, the carrying amount of the investment in joint ventures amounting to P27.4 million was derecognized from the Group's consolidated statement of financial position.

11.4 Interest in Joint Operations

As discussed in Note 1.2(r), 1.2(s), 1.2(t), and 1.2(u), MGCJV shall undertake the construction works for the renovation and expansion of the MCIA Project in Cebu, MGCJVI shall undertake the construction works of the Clark Airport, HMDJV shall undertake the construction works of the Malolos-Clark Railway, while TTM-JV shall undertake the construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. The Parent Company's interests in MGCJV, MGCJVI, HMDJV and TTM-JV are accounted for as joint arrangement – joint operation, as such, the Parent Company accounts for its interest in the relevant assets, liabilities, revenues, and expenses of MGCJV, MGCJVI, HMDJV and TTM-JV.

The capital commitments of the joint operations are disclosed in Note 29.4.2

As of and for the years ended December 31, 2023 and 2022, the relevant financial information of the Group's interest in MGCJV, MGCJVI, HMDJV and TTM-JV which are included in the appropriate accounts in the Group's consolidated statements of financial position and consolidated statements of income are presented in the next page.

	Before Elimination	Elimination	After Elimination
December 31, 2023			
Assets:			
Cash and cash equivalents	P 1,465,203,181	P -	P 1,465,203,181
Trade and other receivables	1,660,260,512	-	1,660,260,512
Other current assets	427,964,824	-	427,964,824
Property, plant, and equipment – net	89,739,417	-	89,739,417
	P 3,643,167,934	**P -**	**P 3,643,167,934**
Liabilities:			
Trade and other payables	P 2,762,001,970	P -	P 2,762,001,970
Due to related parties	1,052,953	-	1,052,953
Other liabilities	292,620,286	-	292,620,286
	P 3,055,675,209	**P -**	**P 3,055,675,209**
Revenues and Expenses:			
Contract revenues	P 3,054,674,720	P -	P 3,054,674,720
Contract costs	(2,786,337,472)	-	(2,786,337,472)
Other operating expenses	(13,650,491)	-	(13,650,491)
Finance income	76,174,848	-	76,174,848
	P 330,861,605	**P -**	**P 330,861,605**
December 31, 2022			
Assets:			
Cash and cash equivalents	P 839,332,137	P -	P 839,332,137
Trade and other receivables	900,463,755	(31,658,362)	868,805,393
Other current assets	1,363,930,141	-	1,363,930,141
Property, plant, and equipment – net	98,397,517	-	98,397,517
	P 3,202,123,550	(P 31,658,362)	P 3,170,465,188
Liabilities:			
Trade and other payables	P 1,333,719,347	P -	P 1,333,719,347
Due to related parties	1,291,021	-	1,291,021
Other liabilities	204,126,853	-	204,126,853
	P 1,539,137,221	P -	P 1,539,137,221
Revenues and Expenses:			
Contract revenues	P 1,788,109,336	P -	P 1,788,109,336
Contract costs	(1,625,734,945)	-	(1,625,734,945)
Other operating expenses	23,902,039	-	23,902,039
Finance income	29,561,116	-	29,561,116
	P 215,837,546	P -	P 215,837,546

12. OTHER ASSETS

This account is composed of the following:

	Notes	2023	2022
Current:			
Advances to contractors and suppliers	12.1	**P 8,334,686,068**	P 7,165,831,527
Prepaid taxes	12.4	**1,345,802,495**	825,300,844
Deferred input VAT	12.2	**590,050,596**	393,356,994
Input VAT	12.2	**453,492,959**	601,721,836
Deferred fulfilment costs - net	12.6	**335,684,686**	306,350,738
Prepaid insurance		**157,533,800**	64,343,994
Refundable security and bond deposits		**141,133,290**	179,839,066
Prepaid rent		**13,979,861**	14,731,784
Prepaid debt issuance cost	29.3.1	**13,135,255**	-
Deferred commission		**5,320,264**	-
Prepaid subscription		**982,976**	4,363,721
Miscellaneous		**21,631,219**	7,444,796
		11,413,433,469	9,563,285,300
Non-current:			
Deposits for condominium units	12.3	**233,837,468**	192,537,467
Refundable security deposits		**38,590,885**	36,950,951
Computer software license – net	12.5	**27,178,891**	33,251,614
Prepaid debt issuance cost	29.3.1	**22,007,046**	-
Deferred input VAT	12.2	**17,436,879**	38,050,273
Deferred commission		**15,592,268**	-
		354,643,437	300,790,305
		P 11,768,076,906	P 9,864,075,605

12.1 Advances to Contractors and Suppliers

Advances to contractors and suppliers pertain to down payments made by the Group based on a certain percentage of the contract price. The initial payment will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the contractors and supplier. These advances are classified as current since it would be applied as payments for subcontractors. This also includes materials and supplies provided by the Group to subcontractors which will be deducted to the progress billings of the subcontractors upon installation. The risk of loss on these materials and supplies are borne by the subcontractors.

Impairment of advances to contractors and suppliers was assessed through determining the financial position of the contractors and suppliers on their capacity to comply according to their performance obligation. Despite the impact of COVID-19, the Group deemed the advances to be recouped by qualifying contractors and suppliers through their work progress as well as using outstanding liability of the Group to the contractors and suppliers as leverage.

12.2 Input VAT

Input VAT under other current assets pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months. Deferred input VAT pertains to the unamortized input VAT on purchases of capital goods exceeding P1.0 million.

Input VAT arising from the purchase of capital goods exceeding P1.0 million starting January 1, 2022 are not amortized. The related input VAT on purchase of capital goods exceeding P1.0 million shall be allowed as credit against output tax outright pursuant to Republic Act (R.A.) No. 10963, known as the *Tax Reform for Acceleration and Inclusion (TRAIN) Law*.

The balance of deferred input VAT non-current pertains to unamortized portion of purchases of capital goods exceeding P1.0 million prior to January 1, 2022.

12.3 Deposits for Condominium Units

Deposits for condominium units represent initial downpayments made for the purchase of condominium units. These will be reclassified to investment property upon execution of contract to sell and deed of sale.

12.4 Prepaid Taxes

Prepaid taxes pertain to the excess of quarterly income tax payments over the current tax due during the year and creditable withholding taxes.

12.5 Computer Software License

The details of this account are presented below.

	2023	2022	2021
Cost	**P 166,108,499**	P 151,491,418	P 154,805,624
Accumulated amortization	**(138,929,608)**	(118,239,804)	(115,021,711)
	P 27,178,891	P 33,251,614	P 39,783,913

In 2022, as a result of the sale and deconsolidation of GMCAC, the balance of computer software license amounting to P4.9 million was derecognized from the Group's 2022 consolidated statement of financial position.

A reconciliation of the carrying amounts of computer software license at the beginning and end of the reporting periods is shown below.

	Notes	**2023**	2022
Balance at beginning of year		**P 33,251,614**	P 39,783,913
Additions		**14,617,081**	25,076,061
Amortization expense for the year	23	**(20,689,804)**	(26,685,505)
Effect of disposal of a subsidiary	10	**-**	(4,922,855)
Balance at end of year		**P 27,178,891**	P 33,251,614

The related amortization charges were recorded as part of Depreciation and amortization under Other Operating Expenses account in the consolidated statements of income [see Notes 10.2(e) and 23].

12.6 Deferred Fulfilment Costs

Deferred fulfilment costs pertain to costs that are directly related to a specific construction contract, generate or enhance resources that will be used to fulfill a performance obligation of the Group in the future, and are recoverable under the contract. Such costs include, but are not limited to, mobilization costs of equipment and labor, engineering and design costs, insurance and depreciation of equipment related to a specific contract.

The policy on initial and subsequent measurement of these deferred fulfilment costs is discussed in Note 2.10.

The movements of deferred fulfilment costs are shown below:

	Note	**2023**	2022
Balance at beginning of year		**P 634,955,943**	P 743,947,850
Additions		**33,780,530**	2,654,723
Amortization		**(4,446,582)**	(111,646,630)
		664,289,891	634,955,943
Allowance for impairment	25.3	**(328,605,205)**	(328,605,205)
Balance at end of year		**P 335,684,686**	P 306,350,738

As of December 31, 2023 and 2022, based on the Group's assessment, certain deferred fulfilment costs related to specific construction contracts have doubtful recoverability. In 2022, the Group recognized impairment losses amounting to P328.6 million which is presented as part of Impairment losses on non-financial assets under Others – net under Income and Expenses section in the 2022 consolidated statement of income (see Note 25.3). There was no additional impairment loss recognized in 2023.

13. CONCESSION ASSETS

Concession Agreement refers to the agreement entered into by the Parent Company and GIL with DOTr and MCIA by virtue of Revised Implementing Rules and Regulations of R.A. No. 6957, "*An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and for Other Purposes*", as amended by R.A. No. 7718 (referred to as the *"BOT Law"*). Under the said agreement, GMCAC was granted by DOTr and MCIA an exclusive right to design, develop, and undertake the MCIA Project; and, enjoy complete and uninterrupted possession of all movable and immovable assets for purposes of implementing the Project, whether tangible or intangible pertaining to concessionaire Operations and Maintenance (O&M) Facilities such as the existing assets, project land, assets produced, installed, built and created pursuant to the Concession Agreement, commercial assets, among others, (collectively referred as Project Assets) [see Note 1.2(a)]. The Concession Agreement is for a period of 25 years commencing on O&M start date unless further extended pursuant to the Concession Agreement.

The MCIA Project comprises the following undertaking:

- Construction of Terminal 2 (T2), along with all Associated Facilities;
- Renovation and expansion, but not the demolition of Terminal 1 (T1) and Associated Facilities;
- Complete reconstruction of T2 Apron;
- Capacity augmentation;
- Development of commercial assets; and,
- Operation and maintenance of the concessionaire O&M facilities and commercial assets.

The cost of concession assets includes upfront fees, which pertain mainly to the bid premium paid by GMCAC to the Philippine Government for the MCIA Project, and cost of airport infrastructure which pertains mainly to the design and renovation of passenger terminals and development works of the MCIA Project.

In 2022 and 2021, additions to concession assets amounted to P730.8 million and P625.3 million, respectively. Amortization of the concession assets amounted to P220.6 million and P50.1 million in 2022 and 2021, respectively, and is presented part of Cost of airport operations under Discontinued Operations section in the statements of income [see Note 10.2(c)].

In 2022, as a result of the sale and deconsolidation of GMCAC, the carrying amount of the Concession Assets amounting to P31,014.0 million was derecognized from the Group's 2022 consolidated statement of financial position.

14. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation at the beginning and end of December 31, 2023, 2022, and 2021 are shown below.

	Land	Building	Precast Factory	Office Furniture, Fixture and Equipment	Transportation Equipment	Precast and Construction Equipment	Construction in Progress	Right of Use Assets (see Note 16)	Total
December 31, 2023									
Cost	P1,523,642,836	P 501,428,345	P 959,445,657	P1,174,188,914	P 1,026,946,404	P 7,673,082,690	P 1,388,139,720	P1,047,300,454	P15,294,175,020
Accumulated depreciation	-	(230,496,587)	(487,134,695)	(939,039,664)	(858,974,049)	(5,976,604,724)	-	(524,305,787)	(9,016,555,506)
Net carrying amount	**P1,523,642,836**	**P 270,931,758**	**P 472,310,962**	**P 235,149,250**	**P 167,972,355**	**P 1,696,477,966**	**P 1,388,139,720**	**P 522,994,667**	**P 6,277,619,514**
December 31, 2022									
Cost	P1,395,942,836	P 494,726,377	P 953,278,581	P1,057,172,869	P 990,534,022	P 7,574,498,192	P 985,949,946	P1,134,711,679	P14,586,814,502
Accumulated depreciation	-	(192,163,927)	(428,697,792)	(752,397,094)	(738,974,984)	(5,231,178,414)	-	(509,378,798)	(7,852,791,009)
Net carrying amount	P1,395,942,836	P 302,562,450	P 524,580,789	P 304,775,775	P 251,559,038	P 2,343,319,778	P 985,949,946	P 625,332,881	P 6,734,023,493
December 31, 2021									
Cost	P 994,081,255	P 507,066,792	P 941,719,545	P 950,957,136	P 938,470,789	P 7,921,789,256	P 749,563,344	P1,034,765,485	P14,038,413,602
Accumulated depreciation	-	(169,052,251)	(362,704,584)	(797,714,371)	(659,693,534)	(4,482,579,201)	-	(399,802,319)	(6,871,546,260)
Net carrying amount	P 994,081,255	P 338,014,541	P 579,014,961	P 153,242,765	P 278,777,255	P 3,439,210,055	P 749,563,344	P 634,963,166	P 7,166,867,342

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of 2023, 2022, and 2021 is shown below.

	Land	Building	Precast Factory	Office Furniture, Fixture and Equipment	Transportation Equipment	Precast and Construction Equipment	Construction in Progress	Right of Use Asset (see Note 16)	Total
Balance at January 1, 2023, net of accumulated depreciation	P 1,395,942,836	P 302,562,450	P 524,580,789	P304,775,775	P 251,559,038	P2,343,319,778	P 985,949,946	P 625,332,881	P6,734,023,493
Additions	127,700,000	6,266,216	6,167,076	84,169,487	26,426,488	167,715,985	402,189,774	23,807,414	844,442,440
Disposals	-	-	-	-	(1,240,441)	(25,723,031)	-	-	(26,963,472)
Pre-termination	-	-	-	-	-	-	-	(36,735,903)	(36,735,903)
Effect of consolidation of subsidiaries	-	-	-	23,427,723	263,017	-	-	9,312,106	33,002,846
Depreciation charges for the year	-	(37,896,908)	(58,436,903)	(177,223,735)	(109,035,747)	(788,834,766)	-	(98,721,831)	(1,270,149,890)
Balance at December 31, 2023, net of accumulated depreciation	**P 1,523,642,836**	**P270,931,758**	**P 472,310,962**	**P235,149,250**	**P 167,972,355**	**P1,696,477,966**	**P1,388,139,720**	**P 522,994,667**	**P6,277,619,514**
Balance at January 1, 2022, net of accumulated depreciation	P 994,081,255	P 338,014,541	P 579,014,961	P153,242,765	P 278,777,255	P3,439,210,055	P 749,563,344	P 634,963,166	P7,166,867,342
Additions	401,861,581	808,027	11,559,036	72,793,533	95,382,089	189,640,143	312,642,225	112,966,905	1,197,653,539
Disposals	-	(5,281,728)	-	(399,225)	(1,986,716)	(17,921,793)	(76,255,623)	-	(101,845,085)
Reclassification	-	12,081,243	-	450,063,459	-	(462,144,702)	-	-	-
Effect of sale of subsidiaries	-	(5,611,311)	-	(148,556,927)	(25,051,867)	(1,785,714)	-	(3,405,389)	(184,411,208)
Depreciation charges for the year	-	(37,448,322)	(65,993,208)	(222,367,830)	(95,561,723)	(803,678,211)	-	(119,191,801)	(1,344,241,095)
Balance at December 31, 2022, net of accumulated depreciation	P 1,395,942,836	P 302,562,450	P 524,580,789	P304,775,775	P 251,559,038	P 2,343,319,778	P 985,949,946	P 625,332,881	P 6,734,023,493
Balance at January 1, 2021, net of accumulated depreciation	P 994,061,255	P 372,436,118	P 406,846,993	P240,059,638	P 298,883,167	P 3,922,979,557	P 396,213,893	P 608,380,974	P 7,239,861,595
Additions	20,000	7,255,043	67,614,416	137,116,782	107,848,715	151,313,091	619,846,870	187,575,152	1,278,590,069
Disposals	-	-	-	(396,854)	(29,045,197)	(18,287,460)	(13,147,930)	(926,423)	(61,803,864)
Reclassification	-	-	190,544,803	-	-	62,804,686	(253,349,489)	-	-
Depreciation charges for the year	-	(41,676,620)	(85,991,251)	(223,536,801)	(98,909,430)	(679,599,819)	-	(160,066,537)	(1,289,780,458)
Balance at December 31, 2021, net of accumulated depreciation	P 994,081,255	P 338,014,541	P 579,014,961	P 153,242,765	P 278,777,255	P 3,439,210,055	P 749,563,344	P 634,963,166	P 7,166,867,342

Construction in progress pertains to accumulated costs incurred in constructing a new precast warehouse, workers' barracks and logistics department facility which are located in Taytay, Rizal.

In 2023, 2022 and 2021, certain property, plant and equipment were sold for P35.0 million, P105.3 million and P86.1 million, respectively. As a result, the Group recognized gains amounting to P8.0 million, P3.4 million, and P24.3 million in 2023, 2022 and 2021, respectively, and are presented as Gain on disposals of property and equipment as part of Others – net under Income and Expenses section in the consolidated statements of income (see Note 25.3).

Depreciation expense is charged to the following accounts in the consolidated statements of income:

	Notes	**2023**	2022	2021
Contract costs	22.1	**P 1,072,674,779**	P 1,100,085,666	P 1,006,018,603
Cost of landport operations	22.2	**101,978,627**	109,468,007	105,768,446
Other operating expenses	23	**95,496,484**	134,687,422	177,993,409
		P 1,270,149,890	P 1,344,241,095	P 1,289,780,458

15. INVESTMENT PROPERTIES

The gross carrying amounts and the accumulated depreciation of investment properties at the beginning and end of the reporting periods are shown below.

	Land	Commercial Area	Construction in Progress	Total
December 31, 2023				
Cost	P 993,128,189	P 4,334,450,080	P -	P 5,327,578,269
Accumulated depreciation	-	(508,726,443)	-	(508,726,443)
Net carrying amount	**P 993,128,189**	**P 3,825,723,637**	**P -**	**P 4,818,851,826**
December 31, 2022				
Cost	P 775,959,455	P 4,162,976,628	P 145,743,580	P 5,084,679,663
Accumulated depreciation	-	(385,608,189)	-	(385,608,189)
Net carrying amount	P 775,959,455	P 3,777,368,439	P 145,743,580	P 4,699,071,474
December 31, 2021				
Cost	P 530,896,780	P 4,080,436,904	P 145,743,580	P 4,757,077,264
Accumulated depreciation	-	(263,733,450)	-	(263,733,450)
Net carrying amount	P 530,896,780	P 3,816,703,454	P 145,743,580	P 4,493,343,814

A reconciliation of the carrying amounts of investment property at the beginning and end of the reporting periods is shown below and in the succeeding page.

	Land	Commercial Area	Construction in Progress	Total
Balance as of January 1, 2023, net of accumulated depreciation and amortization	P 775,959,455	P 3,777,368,439	P 145,743,580	P 4,699,071,474
Additions	217,168,734	25,729,872	-	242,898,606
Reclassification	-	145,743,580	((145,743,580)	-
Depreciation and amortization	-	(123,118,254)	-	(123,118,254)
Balance at December 31, 2023	**P 993,128,189**	**P 3,825,723,637**	**P -**	**P 4,818,851,826**
Balance as of January 1, 2022, net of accumulated depreciation and amortization	P 530,896,780	P 3,816,703,454	P 145,743,580	P 4,493,343,814
Additions	245,062,675	82,539,723	-	327,602,398
Depreciation and amortization	-	(121,874,738)	-	(121,874,738)
Balance at December 31, 2022	P 775,959,455	P 3,777,368,439	P 145,743,580	P 4,699,071,474

	Land	Commercial Area	Construction in Progress	Total
Balance as of January 1, 2021, net of accumulated depreciation and amortization	P 502,509,171	P 3,618,385,194	P 257,486,729	P 4,378,381,094
Additions	28,387,609	55,096,826	145,743,580	229,228,015
Reclassifications	-	257,486,729	(257,486,729)	-
Depreciation and amortization	-	(114,265,295)	-	(114,265,295)
Balance at December 31, 2021	P 530,896,780	P 3,816,703,454	P 145,743,580	P 4,493,343,814

Investment properties account includes parcels of land that are not used by the Group for administrative and supply of goods or services of the business and only held for capital appreciation. Based on management's assessment, the carrying amounts of these assets are fully recoverable, hence, no impairment loss is required in both years. The fair value these assets as of December 31, 2023 and 2022 amounted to P1,915.9 million (see Note 33.5).

As discussed in Note 3.1(d), MWMTI was granted an exclusive right and obligation under the Concession Agreement. Relative to the arrangement, MWMTI incurred costs necessary to construct the facility. The separately identifiable accumulated costs incurred in the development of the PITX Project are allocated based on development and implementation plan for the landport and commercial areas. Any change in the allocation arising from the necessary revisions in the implementation plan is accounted for prospectively in the consolidated financial statements. The Group determined that the component with respect to commercial area of PITX Project is not within the scope of Philippine Interpretation of IFRIC 12, and therefore shall be accounted for using the applicable accounting standard based on the purpose and current use of the assets; hence, were recognized under PAS 40, as these assets are held to earn rentals.

The allocation of cost as of the end of the reporting periods are as follows:

	2023	2022
Landport area (see Note 9)	**P 692,732,257**	P 597,500,531
Commercial area	**3,825,723,637**	3,777,368,439
	P4,518,455,894	P4,374,868,970

Costs incurred for the landport area are presented as part of Contract Assets account in the consolidated statements of financial position (see Note 9). Contract assets in relation to the landport area is recognized to the extent of actual cost incurred for the period. Meanwhile, costs incurred for the commercial area are presented as part of Investment Properties in the consolidated statements of financial position.

In March 2019, the Group started to depreciate the investment property using straight-line method as the asset is already readily available for its intended use. Depreciation is computed over the concession period of 33 years.

Rental revenues recognized in 2023, 2022 and 2021 amounted to P252.5 million, P171.0 million and P715.0 million, respectively, and are presented as part of Landport Operations account under the Revenues section of the consolidated statements of income (see Note 21.2). Depreciation charges substantially represent the direct costs in leasing these properties. Other operating costs in leasing these properties include Real property taxes amounting to P78.3 million, P106.0 million, and P119.4 million in 2023, 2022, and 2021, respectively, and Repairs and maintenance amounting to P6.1 million, P12.0 million, and P14.7 million in 2023, 2022, and 2021, respectively. Real property taxes is included as part of Taxes and licenses while Repairs and maintenance is presented under Repairs and maintenance under Other Operating Expenses in the consolidated statements of income (see Note 23).

As of December 31, 2023 and 2022, the fair value of the Commercial area amounted to P3,985.2 million and P3,581.2 million, respectively (see Note 33.5).

16. LEASES

The Group has leases for parcel of land, construction equipment and transportation equipment. With the exception of short-term leases and leases of low-value underlying assets, each right-of-use asset and lease liability from leases are reflected on the consolidated statements of financial position as part of property, plant and equipment and interest-bearing loans and borrowings, respectively. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over warehouses and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated statements of financial position.

	Number of right-of-use assets leased	Range of remaining term	Number of average remaining lease term	Number of leases with extension options	Number of leases with options to purchase	Number of leases with termination options
2023:						
Transportation equipment	209	1 – 5 years	2 years	-	53	-
Precast and construction equipment	169	1 – 5 years	2 years	-	55	-
Parcel of land	1	4 years	2 years	-	-	-
2022:						
Transportation equipment	204	1 – 5 years	2 years	-	49	-
Precast and construction equipment	168	1 – 5 years	3 years	-	54	-
Parcel of land	1	4 years	3 years	-	-	-

16.1 *Right-of-use Assets*

The carrying amounts of the Group's right-of-use assets (see Note 14) as at December 31, 2023, 2022, and 2021 and the movements during the periods are shown below.

	Land	Precast and Construction Equipment	Transportation Equipment	Total
Balance at January 1, 2023	P 33,981,877	P 483,852,652	P 107,498,352	P 625,332,881
Additions	-	570,808	23,236,606	23,807,414
Pre-termination	-	(36,735,903)	-	(36,735,903)
Effect of sale of subsidiaries	-	-	9,312,106	9,312,106
Depreciation and amortization	(16,990,938)	(56,700,723)	(25,030,170)	(98,721,831)
Balance at December 31, 2023	**P 16,990,939**	**P 390,986,834**	**P 115,016,894**	**P 522,994,667**
Balance at January 1, 2022	P 50,972,815	P 456,854,097	P 127,136,254	P 634,963,166
Additions	-	101,437,500	11,529,405	112,966,905
Effect of disposal of subsidiaries	-	-	(3,405,389)	(3,405,389)
Depreciation and amortization	(16,990,938)	(74,438,945)	(27,761,918)	(119,191,801)
Balance at December 31, 2022	P 33,981,877	P 483,852,652	P 107,498,352	P 625,332,881
Balance at January 1, 2021	P -	P 440,424,375	P 167,956,599	P 608,380,974
Additions	67,963,753	118,058,865	1,552,534	187,575,152
Disposals	-	-	(926,423)	(926,423)
Depreciation and amortization	(16,990,938)	(101,629,143)	(41,446,456)	(160,066,537)
Balance at December 31, 2021	P 50,972,815	P 456,854,097	P 127,136,254	P 634,963,166

16.2 *Lease Liabilities*

Lease liabilities are presented in the consolidated statements of financial position as part of Interest-bearing Loans and Borrowings (see Note 18) as at December 31, 2023 and 2022 as follows:

	2023	2022
Current	**P 124,425,289**	P 182,832,962
Non-current	**45,161,433**	98,986,265
	P 169,586,722	P 281,819,227

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's business strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As of December 31, 2023, and 2022, the Group has not committed to any leases which had not commenced.

16.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses pertaining to short-term leases and low-value assets amounted to P66.4 million, P63.7 million and P50.3 million in 2023, 2022 and 2021, respectively, and is as Rentals under Other Operating Expenses in the consolidated statements of income (see Note 23). Rentals amounting to P9.3 million and P6.6 million in 2022 and 2021, respectively, is presented as part of Other operating expenses under Discontinued Operations section in the consolidated statements of income [see Note 10.2(e)].

16.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P107.7 million, P296.8 million and P254.5 million in 2023, 2022 and 2021, respectively, and is presented as part of Repayment of Loans and Borrowings in the consolidated statements of cash flows (see Note 34). Interest expense in relation to lease liabilities amounted to P28.6 million, P37.3 million and P45.0 million in 2023, 2022 and 2021, respectively, and is presented as part of Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1).

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities as at December 31, 2023, 2022 and 2021 is as follows:

	Note	**2023**	2022	2021
Within one year		**P 151,099,807**	P 203,589,207	P 248,374,420
One to two years		**39,505,947**	74,683,304	169,959,559
Two to three years		**18,093,997**	25,054,940	84,711,884
Three to four years		**18,439,337**	11,370,394	8,765,243
Four to five years		**15,160,222**	1,147,381	-
	23	**P 242,299,310**	P 315,845,226	P 511,811,106

17. TRADE AND OTHER PAYABLES

This account consists of the following:

	Notes	2023	2022
Trade payables		**P 1,303,943,480**	P 2,945,348,221
Retention payable		**2,324,103,239**	1,989,492,062
Reservation deposits		**369,930,983**	-
Interest payable	18.4	**208,484,648**	166,339,365
Due to related parties	28.4	**144,637,225**	51,046,821
Accrued expenses		**124,131,302**	83,040,832
Security deposits	20	**40,191,076**	66,767,236
Others		**138,107,034**	30,703,414
		P 4,653,528,987	P 5,332,737,951

Retention payable pertains to amounts withheld from payments made to subcontractors to ensure compliance and completion of contracted projects ranging from 5% to 10% of every billing made by the contractor. Upon completion of the subcontracted projects, the amounts are returned to the subcontractors.

Reservation deposits pertain to the payments received from the buyers of condominium units which have not yet reached the collection threshold for revenue recognition (see Note 2.10).

Accrued expenses include mainly unpaid utilities.

Others include accrued salaries and other non-trade payables.

18. INTEREST-BEARING LOANS AND BORROWINGS

The details of short-term and long-term interest-bearing loans and borrowings are as follows:

	Notes	2023	2022
Current:			
Bank loans	18.2, 29.3	**P 17,391,402,346**	P 14,524,968,586
Notes payable	18.1, 29.3	**3,528,000,000**	-
Lease liabilities	16.2	**124,425,289**	182,832,962
		21,043,827,635	14,707,801,548
Non-current:			
Notes payable	18.1, 29.3	**1,860,000,000**	5,444,000,000
Bonds payable	18.3	**3,953,869,786**	3,940,233,693
Bank loans	18.2, 29.3	**3,699,144,708**	3,588,000,000
Lease liabilities	16.2	**45,161,434**	98,986,265
		9,558,175,928	13,071,219,958
		P 30,602,003,563	P 27,779,021,506

18.1 Notes Payable

(a) 2013 Notes Facility

On February 19, 2013, the Parent Company executed a notes facility agreement with a local universal bank. In this agreement, the Parent Company desired to offer and issue fixed-rate corporate notes in the aggregate principal amount of P4,000.0 million. The net proceeds of the notes after deducting direct issue costs, such as underwriting fees and commissions, documentary stamp tax and other expenses associated with the issuance, amounted to P3,957.3 million.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued in three tranches with terms of five to ten years and interest rates referring to Philippine Dealing System Treasury (PDST) Fixing rates plus an interest spread of 1.5% to 1.75%. As at December 31, 2022, the notes were fully settled.

The Parent Company had complied with all the debt covenants set forth in the notes facility agreement.

(b) 2016 Various Notes Facility

In 2016, the Parent Company entered into various notes facility arrangement with a local bank to refinance the corporate note issued in 2011 and to finance its capital expenditure and general corporate requirements.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued with the following details:

Date Issued	Principal	Term in years	Interest Rate
September 16, 2016	P 650,000,000	10	5.50%
December 05, 2016	350,000,000	10	6.37%
December 16, 2016	1,000,000,000	10	6.37%
	P 2,000,000,000		

These 10-year corporate notes bear an interest rate based on the closing per annum rates of a ten (10)-year PDST-R2 rate on the PDS Group website plus a certain spread. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.1.

On August 10, 2017, the Parent Company sent a letter to the bank requesting the waiver of one of the loan negative covenants that prohibits the stockholdings of Citicore in the Parent Company to fall below 51% or enter into profit sharing, partnership or joint venture whereby its profits are shared with any other person that may have a material adverse effect (see Note 1.1). In September 2017, the request was granted by the bank.

As of December 31, 2023 and 2022, the Parent Company has complied with all the debt covenants set forth in the notes facility agreement.

(c) 2020 Various Notes Facility

On February 19, 2020, the Parent Company signed a P5,000.0 million corporate note facility, the proceeds of which will be used by the Parent Company to (a) retire maturing debt obligations, (b) to fund growth projects, and (c) for general corporate purposes.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes will be issued in five tranches as follows:

	Principal
Tranche A	P 3,600,000,000
Tranche B	350,000,000
Tranche C	350,000,000
Tranche D	350,000,000
Tranche E	350,000,000
	P 5,000,000,000

These 4.5-year corporate notes bear a fixed interest rate based on the closing per annum rates of a 4.5-year PHP BVAL reference rate on the PDS Group website plus a certain spread, subject to a floor rate of 5%. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.10. Debt pertains to all interest-bearing loans and borrowing.

As of December 31, 2023 and 2022, the carrying amount of all the corporate notes are P5,388.0 million and P5,444.0 million, respectively.

The total interest on these notes payable amounted to P316.4 million, P347.3 million and P328.5 million in 2023, 2022 and 2021, respectively, and is as Interest expense from notes payable under Finance Costs account (see Note 25.1). Unpaid interest as of December 31, 2023 and 2022 amounting to P29.8 million and P31.9 million, respectively is presented as part of Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

The Parent Company is in compliance with all covenants required to be observed under the loan facility agreement as of December 31, 2023 and 2022.

18.2 Bank Loans

(a) Omnibus Loan and Security Agreement – December 17, 2014

On December 17, 2014, GMCAC entered into a P20,000.0 million (which at GMCAC's option may be increased up to P23,300.0 million) OLSA with various local universal banks, as onshore lenders. On January 26, 2015, the parties amended the facility to include another universal bank as offshore lender to contribute US $75.0 million (or equivalent to P3,500.0 million) into the facility. On June 22, 2018, GMCAC amended the Amended and Restated OLSA increasing the facility by P870.0 million. The additional loan facility will be used to finance the investment related to the Fuel Hydrant System Infrastructure.

The facility had an original term of 15 years, the repayment of which starts in 2019 and shall continue every year thereafter until 2030; and, interest requirements that are payable annually. In 2021, GMCAC renegotiated the terms of its loan agreements with its lenders.

The modifications in the contractual cash flows are not substantial and therefore did not result in the derecognition of the affected financial liabilities. In 2021, total modification gain recognized a result of these modifications amounted to P207.8 million and is presented under Others – net under Discontinued Operations section in the 2021 consolidated statement of income (see Note 10.2).

GMCAC was in compliance with all covenants required to be observed based on the terms of the loan as of December 31, 2021.

In order to hedge the interest rate exposure on this floating rate US dollar-denominated loan, GMCAC entered into an interest rate swap transaction. Prior to the sale and deconsolidation of GMCAC, the derivative liability amounted to P98.1 million. Unrealized gain from changes in the fair value of the interest rate swap amounting to P43.2 million and P78.6 million in 2022 and 2021, is presented as part of Others – net under Discontinued Operations section in the consolidated statements of income.

Total interest on these loans recognized as expense, including the amortization of debt issue costs, amounted to P1,320.9 million and P1,059.0 million in 2022 and 2021, respectively, and is presented as part of Others – net under Discontinued Operations section in the consolidated statements of income [see Note 10.2(f)(i)]. Capitalized borrowings amounted to P719.0 million prior to the sale and deconsolidation of GMCAC at a capitalization rate of 4.99%.

In 2022, as a result of the sale and deconsolidation of GMCAC, the outstanding balance of the loan amounting to P25,702.2 million was derecognized from the Group's 2022 consolidated statement of financial position (see Note 10).

(b) OLSA for PITX project

In 2015, MWMTI entered into an Omnibus Loan and Security Agreement (OLSA) with a local universal bank for a loan facility amounting to P3,300.0 million to finance the construction of the ITS Project. In 2019, MWMTI requested the lender to increase the loan by P600.0 million making the total principal loan to P3,900.0 million. In 2017, MWMTI made its first drawdown amounting to P825.0 million while the remaining loan facility was fully drawn in 2019 in tranches amounting to P3,075.0 million. The loan principal shall be amortized quarterly over 15 years and the first principal repayment is due on January 16, 2021. The interest-bearing loan is secured by the Joint Venturers and bears annual interest rates ranging from 4.9% to 7.6%, 2.8% to 6.9%, and 3.55% in 2023, 2022, and 2021, respectively.

The interest-bearing loan requires the MWMTI to maintain a maximum debt-to-equity ratio of 70:30. In addition, the MWMTI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.25.

In 2023 and 2022, MWMTI complied with all affirmative and negative covenants indicated in the OLSA.

Total interest expense on these loans, including the amortization of debt issue costs, amounted to P254.4 million, P143.7 million, and P138.0 million in 2023, 2022 and 2021, respectively, and is presented as part of Interest expense from bank loans under Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1). Total accrued interest amounting to P54.7 million and P28.7 million as of December 31, 2023 and 2022, respectively, is presented as part of Interest payable under Trade and Other Payables in the consolidated statements of financial position (see Note 17).

The current portion of the bank loans of MWMTI as of December 31, 2023 and 2022 amounted to P195.0 million and P136.5 million, while the non-current portion amounted to P3,393.0 million and P3,588.0 million, respectively.

(c) Other Bank Loans

As a result of acquisition of PH1, the Group recognized bank loans amounting to P508.5 million (see Note 7). Subsequent to the acquisition, the PH1 obtained additional bank loans amounting to P400.0 million in 2023.

As of December 31, 2023 and 2022, the Group obtained various bank loans with total outstanding balance of P17,502.5 million and P14,388.5, respectively, representing unsecured short-term loans from other local banks. The loans bear fixed average annual interest rates of 6% in 2023 and 2022.

Total interest on these bank loans amounted to P928.3 million, P804.9 million and P635.9 million in 2023, 2022 and 2021, respectively, and is presented as part of Interest expense from bank loans under Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1). The unpaid portion of these interest amounted to P110.4 million and P67.9 million as of December 31, 2023 and 2022, respectively, and is presented as part of Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

18.3 Bonds Payable

On August 17, 2022, the Parent Company listed fixed-rate bonds in the total amount of P4,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series A (P1.6 billion maturing in three years and six months from issue date at rate of 6.9506%) and Series B (P2.4 billion maturing in five years from issue date a rate of 7.9663%).

The net proceeds of the fixed-rate bonds shall be used by the Parent Company primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements. The bonds require the Parent Company to maintain a debt-to equity ratio of not more than 2.33 and a debt service coverage ratio of not less than 1.10.

As of December 31, 2023 and 2022, the Parent Company is in compliance with these covenants.

Bond issue cost capitalized as part of the bonds amounted to P64.6 million. As of December 31, 2023 and 2022, amortization amounted to P13.6 million and P4.9 million while its net carrying value amounted to P46.1 million and P59.8 million, respectively. Total interest on these bonds payable amounted to P316.0 million and P118.3 million in 2023 and 2022 and is presented part of Interest expense from bank loans under Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1). Unpaid interest as of December 31, 2023 and 2022 amounting to P13.6 million and P37.8 million is presented as Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

18.4 Finance Cost, Events of Default and Covenant Compliance

Total interest on interest-bearing loans and borrowings amounted to P1,815.1 million, P1,414.1 million and P1,102.4 million in 2023, 2022 and 2021, respectively, and is presented as Interest expense from bank loans, notes payable and bonds payable under Finance Costs account in the consolidated statements of income (see Note 25.1). Unpaid interest as of December 31, 2023 and 2022 amounting to P208.5 million and P166.3 million, respectively and is presented as Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

The Group is in compliance with all covenants required to be observed under the loan facility agreements.

19. CONTRACT LIABILITIES

The breakdown of contract liabilities is as follows:

	2023	2022
Construction contracts	**P 5,080,265,478**	P 4,995,512,317
Real estate sales	**195,098,005**	-
	P 5,275,363,483	P 4,995,512,317

These are presented and classified in the consolidated statements of financial position as at December 31 as follows:

	2023	2022
Current	**P 4,901,660,540**	P 3,590,333,090
Non-current	**373,702,943**	1,405,179,227
	P 5,275,363,483	P 4,995,512,317

The significant changes in the contract liabilities balances during the reporting periods are as follows:

	2023	2022
Balance at beginning of year	**P 4,995,512,317**	P 5,759,391,320
Increase due to billings excluding amount recognized as revenue during the year	**4,007,630,723**	3,608,178,155
Revenue recognized that was included in contract liability at the beginning of the year	**(3,904,142,791)**	(4,541,087,798)
Effect of consolidation of subsidiaries	**76,644,783**	-
Effect of financing component	**99,718,451**	169,030,640
Balance at end of year	**P 5,275,363,483**	P 4,995,512,317

20. OTHER LIABILITIES

The details of this account are as follows:

	2023	2022
Current:		
Deferred output VAT	**P 126,267,249**	P 118,719,439
Deferred revenue	**118,093,655**	99,459,645
Withholding taxes	**79,832,158**	53,705,510
Government liabilities	**23,246,496**	26,619,984
Others	**9,722,701**	8,023,980
	357,162,259	306,528,558
Non-current:		
Security deposits	**260,963,874**	186,164,653
Unearned rent income	**232,727,278**	185,309,810
	493,691,152	371,474,463
	P 850,853,411	P 678,003,021

Deferred revenue represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period.

The Group also received security deposits upon full operations of MWMTI's PITX. These deposits on lease agreements will be refunded at the end of the lease terms, which ranges from one to six years. The resulting day one gain amounting to P32.0 million and P0.5 million in 2023 and 2021, respectively, is presented as part of Finance Income in the 2021 consolidated statements of comprehensive income (see Note 25.2). There was no similar transaction in 2022.

Interest expense, arising from the unwinding of discount on these deposits, amounted to P4.7 million, P10.6 million and P10.1 million in 2023, 2022 and 2021, respectively, is presented as accretion of security deposits under Finance Costs in the consolidated statements of comprehensive income (see Note 25.1).

Unearned rent income pertains to the difference between the fair value and principal amount of security deposits received at the inception of the lease with concessionaires, which are amortized over the corresponding lease term.

21. REVENUES

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Notes 2.10 and 4.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's management can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15 [except for rentals accounted for under PFRS 16 and disclosed herein as additional information], which is to disaggregate revenue from contracts with customers and other counterparties into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

As a result of the sale and deconsolidation of GMCAC in 2022, the results of airport operations and trading operations were presented as Discontinued Operations in the Group's consolidated statements of income.

A summary of additional disaggregation from the segment revenues and other unallocated income for continuing operations are shown below and in the succeeding page.

	Note	Point in time	Over time	Short-term	Long-term	Total
2023:						
Construction operations:	21.1					
Contract revenues		P -	P 16,606,453,713	P -	P 16,606,453,713	P 16,606,453,713
Sale of ready-mix concrete		-	635,336,732	635,336,732	-	635,336,732
Sale of precast		-	552,490,105	552,490,105	-	552,490,105
Equipment rental		-	347,231,626	347,231,626	-	347,231,626
		-	18,141,512,176	1,535,058,463	16,606,453,713	18,141,512,176
Landport operations:	21.2					
Rental revenue – per contract		-	436,880,047	-	436,880,047	436,880,047
Rental revenue – effect of straight-line method		-	(184,359,424)	-	(184,359,424)	(184,359,424)
Revenue from grantor payments		-	95,231,727	-	95,231,727	95,231,727
		-	347,752,350	-	347,752,350	347,752,350
Real Estate operations – Real estate revenue	21.3	-	148,891,156	-	148,891,156	148,891,156
		P -	**P 18,638,155,682**	**P 1,535,058,463**	**P 17,103,097,219**	**P 18,638,155,682**

	Note	Point in time	Over time	Short-term	Long-term	Total
2022						
Construction operations:	21.1					
Contract revenues		P -	P 13,862,957,060	P -	P 13,862,957,060	P 13,862,957,060
Sale of ready mix concrete		-	247,376,586	247,376,586	-	247,376,586
Sale of precast		-	392,303,843	392,303,843	-	392,303,843
Equipment rental		-	80,684,490	80,684,490	-	80,684,490
		-	14,583,321,979	720,364,919	13,862,957,060	14,583,321,979
Landport operations:	21.2					
Rental revenue – per contract		-	407,895,995	-	407,895,995	407,895,995
Rental revenue – effect of straight-line method		-	(236,926,470)	-	(236,926,470)	(236,926,470)
Revenue from grantor payments		-	87,359,012	-	87,359,012	87,359,012
		-	258,328,537	-	258,328,537	258,328,537
		P -	P 14,841,650,516	P 720,364,919	P 14,121,285,597	P 14,841,650,516
2021:						
Construction operations:	21.1					
Contract revenues		P -	P 13,334,034,527	P -	P 13,334,034,527	P 13,334,034,527
Sale of ready mix concrete		-	170,512,543	170,512,543	-	170,512,543
Sale of precast		-	616,053,269	616,053,269	-	616,053,269
Equipment rental		-	208,863,240	208,863,240	-	208,863,240
		-	14,329,463,579	995,429,052	13,334,034,527	14,329,463,579
Landport operations:	21.2					
Rental revenue – effect of straight-line method		-	586,711,216	-	586,711,216	586,711,216
Rental revenue – per contract		-	128,328,244	-	128,328,244	128,328,244
		-	715,039,460	-	715,039,460	715,039,460
		P -	P 15,044,503,039	P 995,429,052	P 14,049,073,987	P 15,044,503,039

21.1 Construction Operation Revenues

The details of this account for the years ended December 31, 2023, 2022 and 2021 are composed of the revenues from:

	2023	2022	2021
Contracts in progress	**P 16,513,142,806**	P 13,095,315,463	P 12,413,132,561
Completed contracts	**1,628,369,370**	1,488,006,516	1,916,331,018
	P 18,141,512,176	P 14,583,321,979	P 14,329,463,579

21.2 Landport Operations Revenues

The PITX Project undertaken by the Group with the DOTr gives the Group the control over the landport area and the right to collect concessionaire revenue. As disclosed in Note 9, contract assets include unbilled receivables which pertain to the cost of the landport area which is to be recovered through the Grantor payments (see Note 29.3).

The construction of the PITX Project was completed in 2019 and the Group has no unsatisfied performance obligations as of December 31, 2023 and 2022.

The details of landport operations revenue for the years ended December 31, 2023, 2022 and 2021 are composed of the revenues from:

	2023	2022	2021
Rental revenue - per contract	**P 436,880,047**	P 407,895,995	P 586,711,216
Rental revenue - effect of straight-line method	**(184,359,424)**	(236,926,470)	128,328,244
Revenue from grantor payments	**95,231,727**	87,359,012	-
	P 347,752,350	P 258,328,537	P 715,039,460

21.3 Real Estate Operations Revenues

Real estate operations revenues comprise of residential condominium units sold in 2023 amounting to P148.9 million.

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2023 is P790.2 million. As of December 31, 2023, the Group expects to recognize revenue from unsatisfied contracts as follows:

Within one year	P 321,950,777
More than one year to three years	468,237,706
	P 790,188,483

22. DIRECT COSTS

22.1 Cost of Construction Operations

The following is the breakdown of this account for the years ended December 31:

	Notes	**2023**	2022	2021
Materials		**P 6,216,252,626**	P 4,646,305,198	P 4,487,949,063
Outside services		**6,180,269,482**	4,520,729,381	4,367,458,345
Salaries and employee benefits	24.1	**1,837,520,518**	1,758,941,217	1,354,772,256
Depreciation	14	**1,072,674,779**	1,100,085,666	1,006,018,603
Project overhead		**718,386,103**	531,520,153	914,499,809
	23	**P 16,025,103,508**	P 12,557,581,615	P 12,130,698,076

Project overhead includes insurance, repairs and maintenance, gas and oil, travel and transportation, professional fees, utilities, municipal permits, taxes, security services, office supplies and various rental expenses of staging areas.

22.2 Cost of Landport Operations

The following is the breakdown of cost of landport operations:

	Notes	**2023**	2022	2021
Depreciation and amortization	14, 15	**P 225,096,881**	P 231,342,745	P 220,033,741
Terminal costs		**95,231,727**	63,703,570	123,478,825
Others		**40,517,730**	69,260,073	25,961,107
	23	**P 360,846,338**	P 364,306,388	P 369,473,673

22.3 Cost of Real Estate Operations

Cost of real estate operations include allocated land and development costs aggregating to P72.2 million in 2023 (see Note 23).

23. EXPENSES BY NATURE

The details of expenses for continuing operations by nature are shown below.

	Notes	2023	2022	2021
Outside services		**P 6,287,426,068**	P 4,605,722,251	P 4,516,798,808
Materials, supplies, and facilities		**6,291,513,207**	4,651,044,695	4,496,296,907
Salaries and employee benefits	24.1	**2,267,418,912**	2,144,693,362	1,621,245,140
Finance costs	25.1	**2,061,753,031**	1,657,069,895	1,515,276,560
Depreciation and amortization	12.5, 14, 15	**1,413,957,948**	1,451,847,939	1,367,563,482
Project overhead		**718,386,103**	531,520,153	914,499,809
Taxes and licenses	15	**171,881,755**	253,593,588	236,260,148
Rentals	16.3, 28.2	**66,411,213**	63,732,951	50,320,752
Professional fees		**58,171,189**	67,772,597	97,994,628
Advertising		**55,034,436**	10,172,446	3,423,303
Utilities		**36,565,224**	27,083,222	73,149,075
Impairment losses on receivables and contract assets	6, 9	**35,268,976**	814,219,687	213,281,637
Travel and transportation		**19,134,308**	21,836,421	15,282,050
Insurance		**15,745,246**	14,654,890	37,705,784
Security services		**15,277,375**	14,190,574	10,306,007
Representation		**13,129,213**	10,843,055	24,182,471
Repairs and maintenance	15	**8,422,273**	15,516,082	21,819,966
Gas and oil		**1,167,527**	769,665	701,985
Miscellaneous		**320,911,972**	230,530,268	144,849,347
		P19,857,575,976	P16,586,813,741	P15,360,957,859

Miscellaneous includes certain construction reworks and warranty cost for certain projects already completed.

These expenses for continuing operations are classified in the consolidated statements of income as follows:

	Notes	2023	2022	2021
Cost of construction operations	22.1	**P 16,025,103,508**	P12,557,581,615	P12,130,698,076
Cost of landport operations	22.2	**360,846,338**	364,306,388	369,473,673
Cost of real estate operations	22.3	**72,152,014**	-	-
Finance costs	25.1	**2,061,753,031**	1,657,069,895	1,515,276,560
Impairment losses on receivables and other assets	6, 9	**35,268,976**	814,219,687	213,281,637
Other operating expenses		**1,302,452,109**	1,193,636,156	1,132,227,913
		P 19,857,575,976	P16,586,813,741	P15,360,957,859

24. SALARIES

24.1 Salaries and Employee Benefits Expense

Expenses recognized for salaries and employee benefits for continuing operations are presented below.

	Notes	2023	2022	2021
Short-term employee benefits		**P 2,228,236,311**	P2,093,624,924	P1,571,434,600
Post-employment benefit	24.2	**39,182,601**	51,068,438	49,810,540
	23	**P 2,267,418,912**	P2,144,693,362	P1,621,245,140

The expenses for continuing operations are allocated in the consolidated statements of income as follows:

	Notes	2023	2022	2021
Contract costs	22.1	**P 1,837,520,518**	P1,758,941,217	P1,354,772,256
Other operating expenses		**429,898,394**	385,752,145	266,472,884
	23	**P 2,267,418,912**	P2,144,693,362	P1,621,245,140

24.2 Post-employment Benefit

(a) Characteristics of Defined Benefit Plan

The Group maintains a partially funded and non-contributory post-employment defined benefit plan covering all regular full-time employees. The Group conforms to the minimum regulatory benefit under the R.A. No. 7641, *Retirement Pay Law*, which is of the defined benefit type and provides a retirement benefit in lump sum equal to 22.5-day pay for every year of credited service. The regulatory benefit is paid in a lump sum upon retirement. The normal retirement age is 60 with a minimum of 5 years of credited service.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2023, 2022 and 2021.

The amounts of post-employment DBO in the consolidated statements of financial position are determined as follows:

	2023	2022
Present value of the DBO	**P 254,364,952**	P 242,077,688
Fair value of plan assets	**(4,947,691)**	(4,677,017)
	P 249,417,261	P 237,400,671

The movements in the present value of the DBO are as follows:

	2023	2022
Balance at beginning of year	**P 242,077,688**	P 304,816,782
Current service cost	**39,182,601**	53,923,923
Interest cost	**17,627,971**	15,576,527
Benefits paid directly from book reserve	**(2,092,224)**	(2,424,932)
Effect of disposal of a subsidiary	**-**	(21,689,826)
Net released liability due to employee transfers	**-**	(1,721,017)
Remeasurement/actuarial losses (gains) arising from:		
Changes in demographic assumptions	**(54,828,666)**	-
Changes in financial assumptions	**34,364,098**	(84,073,862)
Experience adjustments	**(21,966,516)**	(22,329,907)
Balance at end of year	**P 254,364,952**	P 242,077,688

Actuarial losses arising from experience adjustments pertain to the net effect of differences between previous actuarial assumptions and what actually incurred.

The movements in the fair value of plan assets are presented below.

	2023	2022
Balance at beginning of year	**P 4,677,017**	P 4,691,732
Interest income	**343,293**	135,794
Loss on plan assets (excluding amounts included in net interest)	**(72,619)**	(150,509)
Balance at end of year	**P 4,947,691**	P 4,677,017

The plan assets as of December 31, 2023 and 2022 consist mainly of unit investment trust fund (UITF) and government securities amounting to P4.9 million and P4.7 million, respectively. The Group has 2,070 participation units on UITF managed by the trust department of a certain universal bank. Actual gain or loss on plan assets amounted to P3.3 million and P0.2 million loss in 2023 and 2022, respectively.

The components of amounts recognized in consolidated statements of income and in the consolidated statements of comprehensive income in respect of the defined benefit post-employment plan are as follows:

	2023	2022	2021
Recognized in consolidated profit or loss from continuing operations:			
Current and past service cost	**P 39,182,601**	P 51,068,438	P 49,810,540
Net interest expense	**17,284,678**	14,384,733	12,500,223
	P 56,467,279	P 65,453,171	P 62,310,763
Recognized in consolidated other comprehensive income:			
Actuarial gains (losses) arising from:			
Changes in demographic assumptions	**P 54,828,666**	P -	P 90,220,999
Changes in financial assumptions	**(34,364,098)**	84,073,862	(9,897,354)
Experience adjustments	**21,966,516**	22,329,907	28,750,969
Loss on plan assets (excluding amounts included in net interest)	**(72,619)**	(150,509)	(126,017)
	P 42,358,465	P 106,253,260	P 108,948,597

Current service costs are included as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of income. The net interest expense is included as part of Finance Costs account in the consolidated statements of income (see Note 25.1).

Amounts recognized in other comprehensive income (loss) are presented under item that will not be reclassified subsequently to profit or loss.

In determining the amounts of the post-employment DBO, the following significant actuarial assumptions were used:

	2023	2022	2021
Discount rate	**6.12%**	7.34%	5.17%
Expected return on plan assets	**3.00%**	3.50%	3.50%
Employee turn-over rate	**8.00%**	3.00%	3.00%
Salary increase rate	**6.00%**	6.00%	6.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 21 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Defined Benefit Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan and if the return on plan asset falls below this rate, it will create a deficit in the plan. As of December 31, 2023 and 2022, the plan has short-term investments managed through UITF and government securities.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, and the timing and uncertainty of future cash flows related to the post-employment defined benefit plan are described in the succeeding page.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment DBO as of December 31:

	Impact on Post-Employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2023:			
Discount rate	**+/- 1%**	**(P 23,776,302)**	**P 38,912,962**
Salary growth rate	**+/- 1%**	**39,780,296**	**(24,978,668)**
2022:			
Discount rate	+/- 1%	(P 832,082)	P 59,474,909
Salary growth rate	+/- 1%	64,494,631	(6,072,130)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the DBO as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the DBO has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the post-employment DBO recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Funding Arrangements and Expected Contributions

The retirement plan trustee has no specific matching strategy between the plan assets and the plan liabilities.

The Group is not required to pre-fund the future defined benefits payable under the plan assets before they become due. For this reason, the amount and timing of contributions to the plan assets are at the Group's discretion. However, in the event a benefit claim, the shortfall will be due and payable from the Group to the plan assets.

The maturity profile of undiscounted expected benefit payments within 10 years from the end of the reporting periods follows:

	2023	2022
More than 1 year to 5 years	**P 38,777,177**	P 43,130,318
More than 5 years to 10 years	**140,682,896**	152,413,209
	P 179,460,073	P 195,543,527

The weighted average duration of the DBO at the end of the reporting period is 16.0 years.

25. OTHER INCOME (CHARGES)

25.1 Finance Costs

The breakdown of this finance costs for continuing operations is as follows:

	Notes	2023	2022	2021
Interest expense from:				
Bank loans	18.2	**P 1,182,676,825**	P 948,580,319	P 773,861,040
Notes payable	18.1	**316,369,998**	347,316,608	328,542,199
Bonds payable	18.3	**316,036,896**	118,252,289	-
Lease liabilities	16.4	**28,630,703**	37,311,233	44,966,662
Accretion of security deposit	20	**4,729,498**	10,592,994	10,056,267
		1,848,443,920	1,462,053,443	1,157,426,168
Finance cost – PFRS 15		**104,059,794**	169,052,500	285,376,164
Bank charges		**89,893,480**	11,579,219	51,030,844
Interest expense on retirement obligation – net	24.2	**17,284,678**	14,384,733	12,500,223
Foreign currency losses – net		**2,071,159**	-	8,943,161
		P 2,061,753,031	P 1,657,069,895	P 1,515,276,560

Finance cost – PFRS 15 pertains to the portion of the transaction price regarded as interest expense due to the significant financing components within contracts [see Notes 2.10 and 3.1(b)]. This is the adjustment to the transaction price due to the time value of money. A contract is considered to have a significant financing component if the timing of payments agreed to by the parties provides the customer or the entity with a significant benefit of financing the transfer of goods or services.

25.2 Finance Income

The details of finance income for continuing operations are the following:

	Notes	2023	2022	2021
Interest income from:				
Advances to related parties	28.4	**P 651,600,367**	P 480,228,269	P 441,000,000
Short-term placements	5	**267,108,672**	8,893,172	9,228,276
Cash in banks	5	**91,054,427**	15,208,876	14,657,040
Foreign currency gains – net		**-**	21,672,978	-
Day one gain	20	**31,978,005**	-	516,268
Other finance income		**5,271,310**	18,449	7,097,521
		P 1,047,012,781	P 526,021,744	P 472,499,105

25.3 Others

This account from continuing operations consists of the following:

	Notes	2023	2022	2021
Income from scrap sales		**P 93,868,692**	P 63,469,096	P -
Utility recoveries		**76,402,851**	30,123,802	23,450,364
Equity in net profit (losses) of associates	11.1	**(35,748,149)**	4,572,378	(10,632,625)
Common usage service area (CUSA) charges		**29,747,077**	60,245,281	109,916,695
Gain on disposals of property and equipment	14	**8,038,783**	3,407,646	24,279,017
Impairment losses on non-financial assets	11.1(a), 12.6	**-**	(915,675,187)	-
Others – net	11.2, 28.2	**326,873,391**	320,176,420	268,146,694
		P 499,182,645	(P 433,680,564)	P 415,160,145

CUSA pertains to fees charged used to maintain the common areas such as restroom, lobby, and other shared spaces that can be used by all tenants of the building and its customer. The recognition of CUSA was made by MWMTI by grossing up charges to reflect the income and expense arising from these transactions as management determined that the MWMTI is acting as a principal on transactions.

Utility recoveries include aircon repair and maintenance charges which are charged based on leasable area for the month and other such utility recovery billings such as electricity, water, fuel and bioaugmentation.

Others – net represent various technical, and management services provided by the Group arising from the execution of its contract with the customers. The amount also includes various other charges arising from settlement agreement with suppliers.

26. TAXES

26.1 Registration with the Board of Investments

Parent Company

On May 29, 2015, the BOI approved the Parent Company's application for registration of its projects as PPP for School Infrastructure Project Phase 2 – Contract Package A pursuant to Build-Lease-Transfer Agreement with the Philippine DepEd on a nonpioneer status under the Omnibus Investment Code of 1987. Under such registration, the Parent Company is entitled of the following incentives:

(a) Income tax holiday (ITH) for a period of four years from May 30, 2015 or actual start of commercial operations, whichever is earlier;

(b) Importation of capital equipment, spare parts and accessories at zero duty for a period of five years from May 30, 2015;

(c) Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment; and,

(d) Employment of foreign nationals which will hold supervisory, technical or advisory positions for five years from May 30, 2015.

On June 13, 2019, the BOI has approved the Parent Company's request for extension of the ITH incentive from May 28, 2019 to February 28, 2021 in relation to its PPP for School Infrastructure Project Phase 2.

On September 22, 2020, the Parent Company filed another request for extension of the ITH incentive with the BOI until February 28, 2022, due to delays in obtaining ownership documents and necessary permits as condition for release of Certificate of Final Acceptance.

On February 22, 2019, the BOI approved the Parent Company's application for registration as New Producer of Housing Components (Hollow Core Precast Pre-Stressed Slab) on a Non-Pioneer Status under the Omnibus Investments Code of 1987 (Executive Order No. 226). As such, the Parent Company is entitled to the following incentives:

(a) ITH for a period of four years from February 2019 or actual start of commercial operations, whichever is earlier;

(b) Importation of capital equipment, spare parts and accessories at zero-duty under Executive Order No. 57 and its Implementing Rules and Regulations:

(c) Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment; and,

(d) Employment of foreign nationals which will hold supervisory, technical or advisory positions for five years from the date of registration.

GMCAC

On June 20, 2016, GMCAC was registered with the BOI as a PPP Project for the GMCAC Phase 2 – Operation and maintenance of Terminal 2 (Phase 2 O&M of T2) under the Concession Agreement with the DOTr and MCIA as an expansion Project on a Non-pioneer status under the Omnibus Investment Code of 1987 (Executive Order No. 226).

Under the registration, GMCAC is entitled, among others, to ITH incentives for three years from December 2018 and July 2018 for Phase 1 and Phase 2, respectively, or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration. GMCAC has informed the BOI that the actual start of commercial operations of Phase I is on January 1, 2016 for ITH purposes.

Also, GMCAC is entitled to additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the Board. This may be availed for the first five years from date of registration but not simultaneously with ITH.

GMCAC voluntarily waived the ITH incentive for Phase 2 O&M of T2 for the taxable year 2020. For the period starting January 1, 2021 to June 30, 2021, the end of ITH period, GMCAC filed with the BOI a formal notice of its intention to waive the ITH incentive for Phase 2 O&M of T2 on April 16, 2021. The formal notice was acknowledged as received by the BOI on the same date. GMCAC subjected all revenues and expenses of Phase 2 to RCIT for the year ended December 31, 2021.

PH1

On August 26, 2016, the BOI approved the PH1's application for registration as a New Developer of Economic and Low Cost Housing Project on a non-pioneer status relative to the Towers A and B of "The Hive" project.

On July 27, 2017, the BOI approved the PH1's application for registration as an Expanding Developer of Economic and Low Cost Housing Project on a non-pioneer status relative to the Towers C and D of "The Hive" project.

26.2 Registration with Clark Freeport Zone

MGCJVI was registered as Clark Freeport Zone (CFZ) enterprise on April 12, 2018 with registration number C2018-169. On April 26, 2007, R.A. 9400 or "An Act Amending R.A. 7227 as Amended, otherwise known as the Bases Conversion and Development Act of 1992 and for Other Purposes" was approved.

One of the major amendments to R.A. 7227, now embodied in R.A. 9400, is the official declaration of Clark, which used to be a Special Economic Zone, as a Freeport Zone that would cover 4,400 hectares of the former Clark Air Base. Under R.A. 9400, the CFZ shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital equipment within, into and exported out of Clark, as well as provide incentives such as tax and duty-free importation of raw materials and capital equipment. However, exportation or removal of goods from the territory of Clark to other parts of the country will also be subjected to customs duties and taxes under the Tariff and Customs Code of the Philippines, as amended by the National Internal Revenue Code. As a CFZ-registered enterprise, in lieu of paying the regular corporate income tax rate of 30%, MGCJVI shall pay 5% tax on gross income earned, divided as follows: 3% to the national government and 2% to the municipality or city where the zone is located. In addition, it is exempt from other internal revenue tax dues for its registered activities within the Freeport Zone, such as business tax, VAT and excise tax.

Under Revenue Regulation No. 02-01, enterprises registered pursuant to the Bases Conversion and Development Act of 1992 under R.A. 7227, as well as other enterprises duly registered under special economic zones declared by law which enjoy payment of special tax rate on their registered operations or activities in lieu of other taxes, are not subject to improperly accumulated earnings tax.

26.3 CREATE Act

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Group:

- regular corporate income tax (RCIT) rate was reduced from 30% to 25% starting July 1, 2020;
- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

As a result of the application of the lower RCIT rate of 25% starting July 1, 2020, the current income tax expense and income tax payable would be lower by P6.2 million than the amount presented in the 2020 consolidated financial statements and such amount was charged to 2021 profit or loss. In 2021, the recognized net deferred tax liabilities as of December 31, 2020 was remeasured to 25%. This resulted in a decline in the recognized net deferred tax liabilities in 2020 by P139.7 million and such was recognized in the 2021 profit or loss amounting to P139.0 million and in other comprehensive income or loss amounting to P0.7 million.

26.4 Current and Deferred Taxes

The components of tax expense (income) as reported in profit or loss and other comprehensive income in the consolidated statements of income and consolidated statements of comprehensive income are presented below and in the succeeding page.

	2023	2022	2021
Continuing operations:			
Reported in consolidated profit or loss			
Current tax expense:			
RCIT at 25%	**P 107,063,041**	P 37,349,630	P 126,984,852
Final tax at 20% and 7.5%	**48,607,593**	3,923,899	2,901,949
MCIT at 1%	**36,066,884**	21,991,057	6,756,827
Other corporate tax of foreign subsidiaries at 42% or 17%	**2,759,728**	11,534,299	8,329,060
Gross income tax (GIT) at 5%	**521,721**	3,658,363	1,772,148
Effect of change in income tax rate	**-**	-	(6,227,434)
Balance carried forward	**P 195,018,967**	P 78,457,248	P 140,517,402

	2023	2022	2021
Balance brought forward	**P 195,018,967**	P 78,457,248	P 140,517,402
Deferred tax income arising from origination and reversal of temporary differences	**(137,400,516)**	(767,614,327)	(34,492,120)
Effect of change in income tax rate	**-**	-	(13,517,017)
	(137,400,516)	(767,614,327)	(48,009,137)
	P 57,618,451	(P 689,157,079)	P 92,508,265
Reported in consolidated other comprehensive income (loss)			
Deferred tax expense (income) relating to origination and reversal of temporary differences	**P 10,589,616**	P 25,535,309	P 25,134,358
Effect of change in income tax rate	**-**	-	(596,630)
	P 10,589,616	P 25,535,309	P 24,537,728
Discontinued operations:			
Reported in consolidated profit or loss			
Current tax expense: RCIT at 25%	**P -**	P 9,102,392	(P 167,492)
Deferred tax expense (income) arising from origination and reversal of temporary differences	**-**	174,259,908	202,492,660
Effect of change in income tax rate	**-**	-	(125,460,771)
	-	174,259,908	77,031,889
	P -	P 183,362,300	P 76,864,397
Reported in consolidated other comprehensive income (loss)			
Deferred tax expense relating to origination and reversal of temporary differences	**P -**	P -	P 2,260,865
Effect of change in income tax rate	**-**	-	(79,037)
	P -	P -	P 2,181,828

A reconciliation of tax on pretax profit (loss) computed at the applicable statutory rates to tax expense for the year ended December 31 is as follows:

	2023	2022	2021
Continuing operations:			
Tax on pretax profit (loss) at 25%	**P 81,693,783**	(P 640,294,829)	P 142,801,108
Adjustment for income subjected to lower tax rates	**(48,167,398)**	(32,830,245)	(15,641,140)
Tax effects of:			
MCIT applied	**14,318,330**	2,382,718	3,551,780
Non-deductible expenses	**8,817,532**	4,158,616	10,712,298
Unrecognized deferred tax asset	**5,404,102**	-	9,747
Non-taxable net profit under ITH	**(5,342,044)**	(33,533,722)	(31,460,089)
Non-taxable income	**894,146**	10,960,383	2,279,011
Effect of change in income tax rate	**-**	-	(19,744,450)
	P 57,618,451	(P 689,157,079)	P 92,508,265
Discontinued operations:			
Tax on pretax profit (loss) at 25%	**P -**	P1,222,032,613	(P 323,746,547)
Adjustment for income subjected to lower tax rates	**-**	-	(1,538,647)
Tax effects of:			
Non-taxable income	**-**	(1,642,266,315)	71,619,549
Unrecognized deferred tax asset	**-**	603,596,002	439,287,124
Effect of change in income tax rate	**-**	-	(125,460,771)
Non-deductible expenses	**-**	-	16,703,689
	P -	P 183,362,300	P 76,864,397

The amount of deferred tax assets and deferred tax liabilities presented in the consolidated statements of financial position as at December 31, 2023 and 2022 are as follows:

	2023	2022
Deferred tax assets	**P 806,185,082**	P 689,304,708
Deferred tax liabilities	**(108,468,781)**	-
	P 697,716,301	P 689,304,708

In 2023, the Parent Company, BVI and MWM have reported net deferred tax assets while PH1 reported net deferred tax liabilities. In 2022, all subsidiaries reported net deferred tax assets.

The details of net deferred tax assets (liabilities) as of December 31, 2023 and 2022 are as follows:

	2023	2022
Net operating loss carry over	**P 380,638,101**	P 349,596,903
Impairment losses on contract assets	**212,170,038**	212,170,038
Right-of-use assets	**(130,748,667)**	(156,333,220)
Deferred fulfilment costs	**(128,431,388)**	(121,097,901)
Difference between tax reporting base and financial reporting base used in sales recognition	**(108,468,781)**	-
Impairment losses on trade receivables	**104,077,467**	97,581,442
Lease liabilities	**87,895,179**	107,907,908
Impairment losses on deferred fulfilment costs	**81,688,295**	81,688,295
Post-employment defined benefit obligation	**64,012,656**	60,485,452
Rent received in advance	**59,061,278**	(56,212,110)
Excess MCIT	**55,675,223**	19,685,665
Effect of significant financing component	**32,789,140**	54,060,275
Uncollected non-taxable income*	**(32,612,101)**	25,207,474
Unrealized foreign currency losses – net	**20,126,180**	14,720,806
Others	**(156,319)**	(156,319)
	P 697,716,301	P 689,304,708

**This pertains to the excess of revenue recognized under percentage of completion over collection of non-taxable revenues under ITH.*

The deferred tax expense (income) recognized in the consolidated statements of income and consolidated statements of comprehensive income for December 31 relate to the following:

	Profit or Loss			Other Comprehensive Income		
	2023	2022	2021	**2023**	2022	2021
Uncollected non-taxable income*	**(P 46,089,856)**	P -	P 5,041,495	**P -**	P -	P -
Excess MCIT	**(36,066,884)**	(19,685,666)	-	**-**	-	-
NOLCO	**(31,438,759)**	(346,056,221)	175,396	**-**	-	-
Right-of-use assets	**(25,584,553)**	(2,407,572)	6,645,548	**-**	-	-
Construction revenue – PFRS 15	**21,271,135**	43,878,950	(29,937,575)	**-**	-	-
Lease liabilities	**20,785,037**	36,489,591	7,792,958	-	-	-
Rent received in advance	**(13,710,555)**	(63,079,663)	13,501,584	**-**	-	-
Post-employment defined benefit obligation	**(13,694,604)**	(16,363,293)	861,766	**10,589,616**	25,535,309	24,537,728
Unrealized foreign currency gains (losses) – net	**(10,125,230)**	986,826	(632,483)	**-**	-	-
Impairment losses on trade receivables	**(10,079,734)**	(3,583,709)	(45,362,005)	**-**	-	-
Deferred fulfilment cost	**7,333,487**	(103,935,237)	(2,105,918)	**-**	-	-
Impairment losses on contract assets	**-**	(212,170,038)	-	**-**	-	-
Impairment losses on deferred fulfilment costs	**-**	(81,688,295)	-	**-**	-	-
Others	**-**	-	(3,989,903)	**-**	-	-
Deferred tax expense (income):						
Continuing operations	**(P 137,400,516)**	(P 767,614,327)	(P 48,009,137)	**P 10,589,616**	P 25,535,309	P 24,537,728
Discontinued operations	**P -**	P 174,259,908	P 77,031,889	**P -**	P -	P 2,181,828

The Group is subject to the MCIT, which is computed at 1.5% and 1% of gross income in 2023 and 2022, respectively, as defined under the tax regulations, or RCIT, whichever is higher.

In 2023, 2022 and 2021, the Group opted to claim itemized deductions in computing for its income tax due.

27. EQUITY

27.1 Capital Stock

Capital stock consists of:

	Shares			Amount		
	2023	2022	2021	**2023**	2022	2021
Common shares – P1 par value						
Authorized	**4,930,000,000**	4,930,000,000	4,930,000,000	**P 4,930,000,000**	P 4,930,000,000	P4,930,000,000
Subscribed and paid in:	**2,399,426,127**	2,399,426,127	2,399,426,127	**P 2,399,426,127**	P2,399,426,127	P2,399,426,127
Less: Treasury shares						
Balance at beginning of year and end of year	**386,016,410**	386,016,410	386,016,410	**P 4,615,690,576**	P 4,615,690,576	P4,615,690,576
Issued and outstanding	**2,013,409,717**	2,013,409,717	2,013,409,717			
Preferred shares – P1 par value						
Authorized						
Balance at beginning of year	**150,000,000**	150,000,000	124,000,000	**P 150,000,000**	P 150,000,000	P 124,000,000
Increase during the year	**36,000,000**	-	26,000,000	**36,000,000**	-	26,000,000
Balance at end of year	**186,000,000**	150,000,000	150,000,000	**186,000,000**	150,000,000	150,000,000
Subscribed and paid in:						
Balance at beginning of year:						
Series 1	**40,000,000**	40,000,000	40,000,000	**40,000,000**	40,000,000	40,000,000
Series 2A	**26,220,130**	26,220,130	26,220,130	**26,220,130**	26,220,130	26,220,130
Series 2B	**17,405,880**	17,405,880	17,405,880	**17,405,880**	17,405,880	17,405,880
Series 3	**20,000,000**	20,000,000	13,500,000	**20,000,000**	20,000,000	13,500,000
Series 4	**40,000,000**	40,000,000	-	**40,000,000**	40,000,000	-
Issuance during the year:						
Series 3	**9,000,000**	-	6,500,000	**9,000,000**	-	6,500,000
Series 4	**-**	-	40,000,000	**-**	-	40,000,000
Series 5	**15,000,000**	-	-	**15,000,000**	-	-
	167,626,010	143,626,010	143,626,010	**167,626,010**	143,626,010	143,626,010
Less: Subscription receivable:						
Balance at beginning of year	**15,000,000**	15,000,000	10,125,000	**15,000,000**	15,000,000	10,125,000
Subscription – Series 3	**6,750,000**	-	4,875,000	**6,750,000**	-	4,875,000
Balance at end of year	**21,750,000**	15,000,000	15,000,000	**21,750,000**	15,000,000	15,000,000
Balance at end of year	**145,876,010**	128,626,010	128,626,010	**P 145,876,010**	P 128,626,010	P 128,626,010
Less: Treasury shares:						
Balance at beginning of year	**40,000,000**	40,000,000	-	**4,000,000,000**	4,000,000,000	-
Redemption of Series 1	**-**	-	40,000,000	-	-	4,000,000,000
Redemption of Series 2A	**26,220,130**	-	-	**2,622,013,000**	-	-
Balance at end of year	**66,220,130**	40,000,000	40,000,000	**P 6,622,013,000**	P 4,000,000,000	P4,000,000,000
Issued and outstanding	**79,655,880**	88,626,010	88,626,010			

On September 22, 2014, the SEC approved the Parent Company's amendment of articles of incorporation, which includes: (i) the Parent Company's power to extend corporate guarantees to its subsidiaries and affiliates; and, (ii) the increase in its authorized capital stock of P5,000.0 million divided into 4,930.0 million common shares and 70.0 million cumulative, non-voting, non-participating, non-convertible to common shares and redeemable, at the option of the Parent Company, perpetual preferred shares
Both common and preferred shares have a par value of P1.00 per share.

On August 16, 2017, Megacore Holdings, Inc. (Megacore) acquired 313,786,575 shares representing 14.7% ownership over the Parent Company from Citicore. This resulted in a decrease in Citicore's ownership from 66.7% to 51.0%.

On December 20, 2017, the state-owned Social Security System acquired a total of 110,532,500 shares or equivalent to 5.2% interest of the Parent Company through purchase of 3.45% stake held by Megacore and the remaining interest from the public.

On December 22, 2017, Megacore further acquired additional shares from Citicore which resulted in an increase in Megacore's equity interest to the Parent Company equivalent to 28.9% or 617,709,197 as of December 31, 2017.

On September 22, 2020, the SEC has approved the increase of the authorized capital stock of the Parent Company increasing the total authorized capital stock of the Parent Company to P5,054,000,000, divided into the following classes:

a. 4,930,000,000 voting common shares with the P1 par value; and
b. 124,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares with the P1 par value

The Preferred Shares shall be issued in series, sub-series or in tranches as the BOD may determine, and authority is hereby expressly granted to the BOD, to establish and designate the series, sub-series or tranches of the Preferred Shares, fix the issue price and the number of shares in each sub-series or tranche, establish the specific terms and conditions of each sub-series or tranche and determine the manner by which the Preferred Shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering.

Preferred shares of stock shall be cumulative, non-voting, non-participating, non-convertible, perpetual; Provided, that no share will be issued below par value. The preferred shares shall have the following features, rights and privileges:

a. The issue value of shares shall be determined by the BOD at the time of the issuance of the shares;
b. The BOD shall declare a dividend rate equivalent to the 7-year benchmark rate or any other rate determined by the BOD as of issue date, payable on a date to be set by the BOD in accordance with Philippine laws, rules and regulations;
c. Preferred shares shall be non-convertible into common shares;
d. Preference over holders of common stock in the distribution of the corporate assets in the event of dissolution and liquidation of the corporation and in the payment of the dividend at the rate specified at the time of issuance;
e. Preferred shares shall be cumulative;
f. Preferred shares shall be non-participating in any other or further dividends beyond that specifically payable on the shares;
g. Holders of preferred shares shall have no pre-emptive rights to any issue of shares, common or preferred; and,
h. The preferred shares may be redeemed by the corporation at the sole option of the BOD at the price to be determined by the BOD.

On September 30, 2020, the Parent Company entered into a Subscription Agreement with Citicore whereby Citicore subscribed to 13,500,000 preferred shares of the Parent Company at P1.00 each and paid 25% of such subscription in cash amounting to P3.4 million.

On November 5, 2020, the SEC has approved the Parent Company's offer and sale of Series 2 preferred shares which are to be issued in two subseries: Series 2A and Series 2B preferred shares, at a subscription price of P100.00. As of December 31, 2020, preferred shares of 26,220,130 and 17,405,880 for Series 2A and 2B, respectively, were subscribed and listed in the PSE. As a result, the Parent Company recognized additional paid-in capital amounting to P4,281.4 million, arising from the excess of subscription price over par value of the issuance of Series 2A and 2B preferred shares. The Parent Company also recognized issuance-related costs amounting to P37.1 million which was charged against the additional paid in capital recorded from the issuance of Series 2A and 2B preferred shares.

On February 26, 2021, the Parent Company's BOD approved the resolution increasing the Parent Company's authorized capital stock on preferred shares by 26.0 million shares, to a total of 150.0 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares at a par value of P1.00 per share, thereby increasing the Parent Company's total authorized capital stock to P5,080.0 million. At the same date, the BOD approved the offer and sale of up to 40.0 million preferred shares from the unissued authorized capital stock of the Parent Company and the issuance of 6.5 million shares to Citicore. On September 9, 2021, the SEC has approved the increase in capital stock of preferred shares.

On July 23, 2021, the Parent Company filed with the SEC a registration statement and preliminary prospectus relating to its offer and sale of up to 40.0 million Series 4 preferred shares with a par value of P1.00 per share, composed of a base offer of 30.0 million shares and an oversubscription option of up to 10.0 million shares, at an offer price of P100.00 per share. On September 30, 2021, the SEC has approved the Parent Company's offer and sale of Series 4 preferred shares. As a result, the Parent Company recognized additional paid-in capital amounting to P3,930.1 million, arising from the excess of subscription price over par value related to the issuance of Series 4 preferred shares. Transaction costs from the issuance amounting to P29.9 million was charged against the additional paid in capital relating to this issuance. The proceeds from such issuance were used for the redemption of the outstanding Series 1 preferred shares as discussed in the succeeding paragraphs.

On September 10, 2021, Citicore subscribed to additional 6.5 million preferred shares at a price of P1.00 per share and paid P1.6 million in cash representing the 25% of such subscription. As of December 31, 2021, Citicore has subscribed to a total of 20.0 million preferred shares at a par value of P1.00 per share, and has paid 25% of such subscription.

On October 19, 2021, the BOD approved the redemption of the Parent Company's Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000.0 million. The cost of the redemption was considered temporarily as part of treasury shares until such time that the SEC approves the decrease in authorized capital stock of the Parent Company to reflect such redemption wherein the redemption price will be charged against the paid-up capital arising from the original issuance. The details of the redemption are as follows:

Ex-date	November 4, 2021
Record date	November 9, 2021
Redemption date	December 3, 2021

On November 4, 2022 and December 20, 2022, the Parent Company's BOD and stockholders, respectively, has approved the following increase in its authorized capital stock:

	Common Shares		Preferred Shares	
	Number of shares	Amount	Number of shares	Amount
FROM –				
Authorized – P1 par value	**4,930,000,000**	P 4,930,000,000	**150,000,000**	P 150,000,000
TO –				
Authorized – P1 par value	**4,930,000,000**	P 4,930,000,000	**186,000,000**	P 186,000,000

Common shares – Voting
Preferred shares – Cumulative, non-voting, non-participating, non-convertible, perpetual

On December 23, 2022, the Parent Company received deposits from Citicore amounting to P2.3 million equivalent to 25% of the subscription price of 9.0 million shares of stock of the Parent Company at par value of P1.00 per share. The deposit is presented as Deposits on Future Stock Subscription under Equity section in the 2022 consolidated statement of financial position.

On January 6, 2023, the Company filed with the SEC a Registration Statement and Preliminary Prospectus relating to its offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual preferred shares with a par value of P1.0 per share (the Offer Shares). The Offer Shares is for a total of 15.0 million Series 5 Preferred Shares, which shall be issued at a subscription price of P100.0 per share.

On February 15, 2023, the Parent Company's application for the increase in authorized capital stock was approved by the SEC. In 2023, the deposits on future stock subscription were converted to preferred shares (Series 3).

As of December 31, 2023, and 2022, the Parent Company has 35 and 29 holders of its common equity securities owning at least one board lot of 100 shares listed in the PSE, respectively, and its share price closed as of such dates at P3.1 and P3.1 per share in 2023 and 2022, respectively. The Parent Company has 2,399.4 million common shares traded in the PSE as of December 31, 2023, and 2022.

As of December 31, 2023, and 2022, the Parent Company has the following preferred shares traded in the PSE:

	2023		2022	
	No of Shares	Closing Price	No of Shares	Closing Price
Series 2A	**26,220,130**	**P 97.0**	26,220,130	P 95.0
Series 2B	**17,405,880**	**93.8**	17,405,880	99.6
Series 4	**40,000,000**	**92.0**	40,000,000	97.9
Series 5	**15,000,000**	**101.5**	-	-

27.2 Retained Earnings

27.2.1 Common Shares Dividends

On February 6, 2023 and May 12, 2023, the Parent Company's BOD approved the declaration of cash dividends for common shares in the amount of P0.50 per share or equivalent to P1,006.7 million each declaration date to all stockholders of record as of March 6, 2023 and May 26, 2023, payable on March 24, 2023 and June 16, 2023, respectively. No dividends were paid to common stockholders in 2022 and 2021.

27.2.2 Preferred Shares Dividends

a) Series 1 Preferred Shares

In 2021, the Parent Company's BOD approved the declaration of cash dividends of P1.76 per share or equivalent to P70.3 million per quarter (total of P281.0 million per year) to holders of Series 1 preferred shares, which were taken out of the unrestricted earnings as of December 31, 2020. In 2021, the BOD also approved the redemption of the Parent Company's Series 1 Preferred Shares.

The dividends on Series 1 preferred shares bear cumulative, non-participating cash dividends based on the issue price, payable quarterly in arrears every dividend payment date, at the fixed rate of 7.03% per annum from listing date.

The series of record dates and payments are as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2021:				
Series 1 Preferred Shares:				
Approval dates	January 11, 2021	April 8, 2021	June 30, 2021	October 19, 2021
Record dates	February 8, 2021	May 18, 2021	August 9, 2021	November 9, 2021
Payment dates	March 1, 2021	June 3, 2021	September 3, 2021	December 3, 2021

b) Series 2A and Series 2B Preferred Shares

In 2023 and 2022, the Parent Company's BOD approved the declaration of cash dividends of P1.2 per share and P1.4 per share or equivalent to P31.1 million and P25.0 million per quarter (total of P124.5 million and P100.1 million) to holders of Series 2A and Series 2B preferred shares, respectively, which were taken out of the unrestricted earnings as of December 31, 2022 and 2021, respectively.

The series of record dates and payments are as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2023:				
Series 2A Preferred Shares:				
Approval dates	February 6, 2023	April 26, 2023	-	-
Record dates	February 20, 2023	May 12, 2023	-	-
Payment dates	February 27, 2023	May 29, 2023	-	-
Series 2B Preferred Shares:				
Approval dates	February 6, 2023	April 26, 2023	August 1, 2023	October 19, 2023
Record dates	February 20, 2023	May 12, 2023	August 16, 2023	November 7, 2023
Payment dates	February 27, 2023	May 29, 2023	August 29, 2023	November 28, 2023
2022:				
Series 2A Preferred Shares:				
Approval dates	January 18, 2022	April 21, 2022	July 22, 2022	October 19, 2022
Record dates	February 4, 2022	May 9, 2022	August 8, 2022	November 7, 2022
Payment dates	February 28, 2022	May 27, 2022	August 30, 2022	November 28, 2022

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Series 2B Preferred Shares:				
Approval dates	January 18, 2022	April 21, 2022	July 22, 2022	October 19, 2022
Record dates	February 4, 2022	May 9, 2022	August 8, 2022	November 7, 2022
Payment dates	February 28, 2022	May 27, 2022	August 30, 2022	November 28, 2022
2021:				
Series 2A Preferred Shares:				
Approval dates	January 18, 2021	April 8, 2021	June 30, 2021	October 19, 2021
Record dates	February 3, 2021	May 4, 2021	August 5, 2021	November 5, 2021
Payment dates	March 3, 2021	May 27, 2021	August 27, 2021	November 29,2021
Series 2B Preferred Shares:				
Approval dates	January 18, 2021	April 8, 2021	June 30, 2021	October 19, 2021
Record dates	February 3, 2021	May 4, 2021	August 5, 2021	November 5, 2021
Payment dates	March 3, 2021	May 27, 2021	August 27, 2021	November 29,2021

c) Series 4 Preferred Shares

In 2023 and 2022, the Parent Company's BOD approved the declaration of cash dividends of P1.3 per share or equivalent to P53.0 million per quarter (total of P212.0 million per year) to holders of Series 4 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as of December 31, 2023 and 2022, respectively. In 2021, dividends were declared only for the fourth quarter amounting to P53.0 million, which were taken out of the unrestricted earnings of as of December 31, 2020.

The series of record dates and payments are as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2023:				
Series 4 Preferred Shares:				
Approval dates	March 21, 2023	July 12, 2023	September 13, 2023	-
Record dates	April 11, 2023	July 26, 2023	October 10, 2023	-
Payment dates	May 2, 2023	July 31, 2023	October 30, 2023	-
2022:				
Series 4 Preferred Shares:				
Approval dates	March 22, 2022	June 23, 2022	September 23, 2022	December 21, 2022
Record dates	April 6, 2022	July 8, 2022	October 10, 2022	January 9, 2023
Payment dates	April 29, 2022	July 29, 2022	October 29, 2022	January 30, 2023
2021:				
Series 4 Preferred Shares:				
Approval dates	-	-	-	December 23, 2021
Record dates	-	-	-	January 10, 2022
Payment dates	-	-	-	January 29, 2022

d) Series 5 Preferred Shares

In 2023, the Parent Company's BOD approved the declaration of cash dividends of P1.98 per share or equivalent to P29.6 million per quarter (total of 88.8 million per year) to holders of Series 5 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as of December 31, 2022. In 2023, dividends were declared only for the second to fourth quarter.

The series of record dates and payments are as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Series 5 Preferred Shares:				
Approval dates	-	July 12, 2023	September 11, 2023	December 11, 2023
Record dates	-	July 17, 2023	September 26, 2023	December 27, 2023
Payment dates	-	July 17, 2023	October 17, 2023	January 17, 2024

The Group's retained earnings are restricted up to the extent of the cost of its treasury shares, except those treasury shares acquired in the redemption of redeemable preferred shares amounting to P6,622.0 million and P4,000.0 million as of December 31, 2023 and 2022, respectively.

Under Section 4(1) of the SEC's 1982 Rules Governing Redeemable and Treasury Shares, the amount of unrestricted retained earnings equivalent to the cost of the treasury shares being held, other than those acquired in accordance with the exceptions provided in Section 3(1) of these rules, shall be restricted from being declared and issued as dividends. Section 3(1) provides that redeemed redeemable shares, although part of treasury shares, is not subtracted from the unrestricted retained earnings to determine the Retained Earnings Available for Dividend Declaration provided that the corporation must still have sufficient assets to cover debts and liabilities inclusive of capital stock, after redemption of the redeemable preferred shares.

27.3 Treasury Shares

On July 20, 2016, the Parent Company's BOD approved the buy-back of 410.8 million common shares held by Sybase Equity Investment Corporation at a price equal to the seven-trading day volume weighted average price ending on July 28, 2016 or equivalent to P10.03 per share. Total purchase price of the treasury shares including incidental cost of the buy-back amounted P4,138.8 million.

On October 20, 2016, the Parent Company's BOD approved the sale of its 150.0 million treasury shares at P14.90 per share. Net proceeds of the sale of treasury share amounted to P2,181.7 million, net of incidental cost of the transaction. Outstanding balance of the treasury shares after the sale is 260.8 million treasury shares at cost of P2,627.7 million.

On October 1, 2018, the Company's BOD approved a share buyback program worth up to P2.0 billion over a period of two years. Total cost to acquire treasury shares in 2020 and 2019 amounted to P703.1 million and P457.8 million, respectively, which is equivalent to 50.2 million and 26.1 million shares, respectively.

On March 3, 2020, the Parent Company's BOD approved an additional P3.0 billion to its share buyback program, making it a total of P5.0 billion and removal of the period within which to execute the program, making it open-ended. Total cost of acquired treasury shares in 2020 amounted to P703.1 million, which is equivalent to 50.2 million shares. There are no buyback transactions in 2022 and 2021.

On October 19, 2021, the Parent Company's BOD approved the redemption of its Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000 million.

On April 26, 2023, the Parent Company's BOD approved the redemption of its Series 2A Preferred Shares, on May 29, 2023, at a redemption price of P100.00 per share, increasing the treasury shares by P2,622.0 million.

27.4 Non-controlling Interest

Noncontrolling interests pertain to the equity ownership of minority stockholders in GMCAC, GMI, MCLI, MCEI, MOMC, TPC, and Famtech. The Group determined that only the minority interest in GMCAC is considered as a material non-controlling interest, prior to its sale and deconsolidation from the Group in 2022.

Upon incorporation, the Parent Company acquired 15.0 million shares of GMCAC. The purchase of the shares is part of the shareholders' agreement to execute, undertake, and implement the Project in accordance with the concession agreement. The shares acquired represent 60% of the total issued and outstanding shares of GMCAC (see Note 1.2). The non-controlling interest represents 38.24% ownership of GMR Infrastructure (Singapore) Pte. Ltd. (GISPL) and 1.66% ownership of GIL in GMCAC.

As of December 31, 2023, 2022 and 2021, the non-controlling interests amounting to P516.7 million, P2.5 million, and P2,673.5 million, respectively, as presented in the consolidated statements of financial position.

There were no dividends declared to non-controlling interests in 2023, 2022, and 2021.

The relevant financial information of GMCAC as of and for the year ended December 31, 2021 are as follows:

Current assets	P 1,289,783,173
Non-current assets	33,568,753,075
Total assets	P 34,858,536,248
Current liabilities	P 1,042,499,202
Non-current liabilities	24,433,999,569
Total liabilities	25,476,498,771
Equity	9,382,037,477
Total liabilities and equity	P 34,858,536,248
Revenues	576,042,561
Net loss	(1,357,648,552)
Total comprehensive loss	(1,351,419,215)
Equity in NCI:	
Beginning balance	P 3,152,592,405
Net loss allocated to NCI	(540,567,686)
Ending balance	P 2,612,024,719

In 2022, as a result of the sale and deconsolidation of GMCAC, the non-controlling interest in GMCAC was derecognized in the 2022 consolidated statement of financial position (see Note 10).

27.5 Revaluation Reserves

The movements of this account which are attributable to the shareholders of the Parent Company are as follows:

	Retirement Benefit Obligation (see Note 24.2)	Foreign Currency Translation (see Note 2.12)	Total
Balance as of January 1, 2023	P 144,252,813	P 5,505,825	P 149,758,638
Remeasurements of post-employment defined benefit plan	42,358,465	-	42,358,465
Foreign currency translation	-	(5,740,368)	(5,740,368)
Other comprehensive income (loss) before tax	42,358,465	(5,740,368)	36,618,097
Tax expense	(10,589,616)	-	(10,589,616)
Other comprehensive income (loss) after tax	31,768,849	(5,740,368)	26,028,481
Balance as of December 31, 2023	**P 176,021,662**	**(P 234,543)**	**P 175,787,119**
Balance as of January 1, 2022	P 70,720,584	P 23,291,312	P 94,011,896
Remeasurements of post-employment defined benefit plan	106,253,260	-	106,253,260
Foreign currency translation	-	(17,785,487)	(17,785,488)
Other comprehensive income before tax	106,253,260	(17,785,487)	88,467,773
Tax expense	(25,535,309)	-	(25,535,309)
Other comprehensive income after tax	80,717,951	(17,785,487)	62,932,464
Non-controlling interest	(1,644,810)	-	(1,644,810)
Effect of disposal of a subsidiary	(5,540,912)	-	(5,540,912)
Balance as of December 31, 2022	P 144,252,813	P 5,505,825	P 149,758,638

	Retirement Benefit Obligation (see Note 24.2)	Foreign Currency Translation (see Note 2.12)	Total
Balance as of January 1, 2021	(P 9,016,722)	P 65,799	(P 8,950,923)
Remeasurements of post-employment defined benefit plan	108,948,597	-	108,948,597
Foreign currency translation	-	23,225,513	23,225,513
Other comprehensive income before tax	108,948,597	23,225,513	132,174,110
Tax expense	(26,719,556)	-	(26,719,556)
Other comprehensive income after tax	82,229,041	23,225,513	105,454,554
Non-controlling interest	(2,491,735)	-	(2,491,735)
Balance as of December 31, 2021	P 70,720,584	P 23,291,312	P 94,011,896

28. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company and other shareholders, subsidiaries, associates, joint venture, parties related to the Parent Company by common ownership and key management personnel.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the Parent Company's BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock.

For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

The summary of the Group's transactions with related parties for December 31, 2023 is as follows:

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Terms	Conditions
Ultimate Parent Company:					
Cash advance granted	6, 28.4	P -	P 3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	255,750,000	1,213,998,661	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	44,643	255,848	Normal credit terms	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	90,233,593	(90,233,593)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Associate:					
Revenue from services	6, 21.1, 28.1	-	997,247,698	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	212,624	9,392,420	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	-	(30,000,000)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	44,643	388,572	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	6, 21.1, 28.1	854,651,398	22,486,709	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	614,392	901,012	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	(19,325,804)	-	On demand; Noninterest-bearing	Unsecured; Unimpaired
Shareholder:					
Revenue from services	6, 28.1	17,857	682,513,352	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	(148,119)	889,795	On demand; Noninterest-bearing	Unsecured; Unimpaired
Related Parties Under Common Ownership:					
Rent income	6, 28.2	5,896,866	35,090,074	Normal credit terms	Unsecured; Unimpaired
Revenue from services	6, 21.1, 28.1	14,433,489	71,654,288	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	66,237,143	3,341,964,252	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	22,682,615	(24,403,632)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	395,850,367	1,210,731,028	On demand; Noninterest-bearing	Unsecured; Unimpaired
Retirement fund	24.2	270,674	4,947,691	Upon retirement of beneficiaries	Partially funded; Unimpaired
Advances to Officers and Employees	6, 28.3	(78,592)	98,512,779	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
Key Management Personnel – Compensation	28.6	249,645,711	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for December 31, 2022 is as follows:

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Terms	Conditions
Ultimate Parent Company:					
Cash advance granted	6, 28.4	(P 200,000)	P 3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	220,500,000	958,248,661	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	53,571	211,205	Normal credit terms	Unsecured; Unimpaired
Associate:					
Revenue from services	6, 21.1, 28.1	-	997,248,017	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	(32,999,250)	9,179,796	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	10,000,000	(30,000,000)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	57,321	343,929	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	6, 21.1, 28.1	819,482,059	69,836,004	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	(334,734)	286,620	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	19,325,804	(19,325,804)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Shareholder:					
Revenue from services	6, 28.1	254,814,248	613,013,120	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	1,037,914	1,037,914	On demand; Noninterest-bearing	Unsecured; Unimpaired
Related Parties Under Common Ownership:					
Rent income	6, 28.2	10,719,541	29,193,207	Normal credit terms	Unsecured; Unimpaired
Revenue from services	6, 21.1, 28.1	728,155,948	932,421,309	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	(11,055,137)	3,275,727,109	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	1,721,017	(1,721,017)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	259,728,269	978,257,203	On demand; Noninterest-bearing	Unsecured; Unimpaired

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Terms	Conditions
Retirement fund	24.2	(P 14,715)	P 4,677,017	Upon retirement of beneficiaries	Partially funded; Unimpaired
Advances to Officers and Employees	6, 28.3	12,793,296	98,591,371	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
Key Management Personnel – Compensation	28.6	302,992,110	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for December 31, 2021 is as follows:

Related Party Category	Notes	Outstanding Amount of Transaction	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company –					
Cash advance granted	6, 28.4	P -	P 3,089,295,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	220,500,000	726,037,823	On demand; Noninterest-bearing	Unsecured; Unimpaired
Associate:					
Revenue from services	6, 21.1, 28.1	-	1,105,839,908	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	(26,922)	42,179,046	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	-	(20,000,000)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	53,571	286,607	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	6, 21.1, 28.1	356,773,700	80,247,052	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	(735,000)	621,354	On demand; Noninterest-bearing	Unsecured; Unimpaired
Related Parties Under Common Ownership:					
Rent income	6, 28.2	3,804,016	18,473,666	Normal credit terms	Unsecured; Unimpaired
Revenue from services	6, 21.1, 28.1	378,457,534	1,057,734,512	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	8,950,004	3,286,782,246	On demand; Interest-bearing and noninterest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	220,500,000	726,037,823	On demand; Noninterest-bearing	Unsecured; Unimpaired
Management and consultancy	6, 28.5	103,280,955	103,280,955	Normal credit terms	Unsecured; Unimpaired
Retirement fund	24.2	57,053	4,691,732	Upon retirement of beneficiaries	Partially funded; Unimpaired
Advances to Officers and Employees	6, 28.3	11,316,768	85,798,075	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
Key Management Personnel – Compensation	28.6	286,309,661	-	On demand	Unsecured; Unimpaired

28.1 Rendering of Services

In the normal course of business, the Group provides construction services to its associate, a certain previous shareholder, and other related parties. The related revenue from these transactions amounted to P869.1 million, P1,802.5 million and P735.2 million and in 2023, 2022 and 2021, respectively, and is recognized as part of Construction Operation Revenues account in the consolidated statements of income (see Note 21.1). Services rendered to the above related parties are based on normal terms similar to terms that would be available to non-related parties.

The outstanding contract receivables from these transactions, which are generally unsecured and settled through cash within three to six months, and the related retention receivables, which can only be collected after a certain period of time upon acceptance by project owners of the certificate of completion, are as part of Contract and Retention receivables under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

Through application of the ECL model based on the lifetime expected credit loss where in the Group used its historical experience, external indicators and forward-looking information to calculate the ECL using the provision matrix, no impairment losses was required to be recognized for the years ended December 31, 2023, 2022 and 2021.

28.2 Rental of Land and Building

The Group is a lessee of certain parcels of land and building owned by related parties under common ownership.

The Parent Company also leases out its office space to its associates and related parties under common ownership. As a result, the Group recognized rent income amounting to P6.0 million, P10.8 million, and P3.8 million in 2023, 2022 and 2021, respectively, from the lease of its office building to several related parties. This is recognized as part of Others – net under Income and Expenses section in the consolidated statements of income (see Note 25.3). The outstanding balances arising from these transactions are presented as part of Other receivables under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

28.3 Advances to Officers and Employees

Advances to officers and employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are to be liquidated 60 days from the date the cash advances were received. The outstanding receivables from these transactions are presented as part of Trade and Other Receivables (see Note 6).

No impairment losses were recognized in 2023, 2022 and 2021 for these advances.

28.4 Advances to and from Related Parties

The Group has provided unsecured, interest-bearing, and noninterest-bearing cash advances to its associates and certain related parties under common ownership for their working capital requirements. Interest income arising from advances to related parties amounted to P651.6 million, P480.2 million and P441.0 million in 2023, 2022 and 2021, respectively, are presented under Finance income (see Note 25.2). Outstanding interest receivable relating to advances to related parties amounting to P2,424.7 million and P1,936.5 million in 2023 and 2022, are presented as part of Accrued interest receivables under Trade and Other Receivables (see Note 6). In 2023 and 2022, the Parent Company provided bridge financing to its parent and associates for the Group's business expansion and diversification program.

Ultimate Parent Company
In 2022, the Group collected advances to its Ultimate Parent Company amounting to P0.2 million. There was no similar transaction in 2023. The outstanding balance of the Group's advances to its Ultimate Parent Company as of December 31, 2023 and 2022 amounted to P3,089.1 million.

In 2023, the Group obtained advances from its Ultimate Parent Company amounting to P90.2 million. There was no similar transaction in 2022. The outstanding balance of the Group's advances from its Ultimate Parent Company as of December 31, 2023 amounted to P90.2 million.

Associates
In 2023, the Group granted advances to its associates amounting to P0.2 million. In 2022, the Group collected advances from its associates amounting to P33.0 million. The outstanding balance of the Group's advances to its associates as of December 31, 2023 and 2022 amounted to P9.4 million and P9.2 million, respectively.

On the other hand, the Group received advances from its associates amounting to P10.0 million in 2022. There was no similar transaction in 2023. The outstanding balance of advances from associates as of December 31, 2023 and 2022 amounted to P30.0 million.

Joint arrangement
In 2023 and 2022, the Group granted and collected advances to entities under joint arrangement amounting to P0.6 million and P0.2 million, respectively. The outstanding balance of the Group's advances to entities under joint arrangement as of December 31, 2023 and 2022 amounted to P0.9 million and P0.3 million, respectively.

In 2023 and 2022, the Group paid and obtained advances from entities under joint arrangement both amounting to P19.3 million. The outstanding balance of the Group's advances from entities under joint arrangement as of December 31, 2022 amounted to P19.3 million. There is no outstanding balance as of December 31, 2023.

Shareholders
In 2023 and 2022, the Group collected and granted advances to shareholders amounting to P0.1 million and P1.0 million, respectively. The outstanding balance of the Group's advances to shareholders as of December 31, 2023 and 2022 amounted to P0.9 million and P1.0 million, respectively.

Related parties under the common ownership
In 2023 and 2022, the Group granted and collected advances to its related parties under common ownership amounting to P66.2 million and P11.1 million, respectively. The outstanding balance of the Group's advances to its related parties under common ownership as of December 31, 2023 and 2022 amounted to P3,342.0 million and P3,275.7 million, respectively.

In 2023 and 2022, the Group obtained advances from its related parties under common ownership amounting to P22.7 and P1.7 million, respectively. The outstanding balance of the Group's advances from its related parties under common ownership as of December 31, 2023 and 2022 amounted to P24.4 million and P1.7 million, respectively.

The breakdown of the outstanding balances are as follows:

	2023	2022
Advances to related parties (see Note 6):		
Related party under common ownership	**P 3,341,964,252**	P 3,275,727,109
Ultimate parent company	**3,089,095,108**	3,089,095,108
Associates	**9,392,420**	9,179,796
Shareholder	**889,795**	1,037,914
Joint arrangement	**901,012**	286,620
	P 6,442,242,587	P 6,375,326,547
Due to related parties (see Note 17):		
Ultimate parent company	**P 90,233,593**	P -
Associates	**30,000,000**	30,000,000
Related party under common ownership	**24,403,632**	1,721,017
Joint arrangement	**-**	19,325,804
	P 144,637,225	P 51,046,821

Further, upon assessment of recoverability based on the capacity to pay and expected collectability of these advances, no impairment losses were recognized in 2023, 2022 and 2021.

The Group's outstanding receivables from and payables to the same related parties as presented can be potentially offset to the extent of their corresponding outstanding balances (see Note 33.2).

28.5 Others

The Parent Company's retirement plan is in the form of a bank-trustee managed account. The fair value of the retirement plan totalled P4.9 million and P4.7 million as of December 31, 2023 and 2022, respectively. The details of the retirement plan are presented in Note 24.2.

In 2021, the Parent Company provided certain project management and consultancy services to a related party under common ownership amounting to P103.3 million. The amount is outstanding as of December 31, 2021 and is presented as part of other receivables (see Note 6). There were no similar transactions in 2023 and 2022.

28.6 Key Management Compensation

The compensation of key management personnel is broken down as follows:

	2023	2022	2021
Short-term employee benefits	**P 249,645,711**	P 295,782,971	P 276,313,110
Post-employment benefits	**7,937,659**	7,209,139	9,996,551
	P 257,583,370	P 302,992,110	P 286,309,661

29. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

29.1 Lease Commitments - Group as Lessor

The Group is a lessor under operating leases covering rentals from lease of office and commercial spaces presented in the consolidated statements of financial position as Investment Properties. Rental income earned amounted to P252.5 million, P171.0 million and P715.0 million in 2023, 2022 and 2021, respectively, which is recognized under Landport Operations Revenues in the consolidated statements of income (see Note 21.2).

The future minimum lease receivables under the non-cancellable operating leases as of the end of 2023 and 2022 are as follows:

	2023	2022
Within one year	**P 934,323,368**	P 718,240,810
After one year but not more than two years	**464,619,623**	597,558,121
After two years but not more than three years	**156,452,529**	57,612,103
After three years but not more than four years	**107,558,713**	44,495,004
After four years but not more than five years	**63,320,658**	21,796,458
More than five years	**16,921,373**	29,022,155
	P 1,743,196,264	P 1,468,724,651

Variable rent, which pertains to a certain percentage share in the lessees' sales, is included as part of total rent income amounting to P162.5 million, P81.8 million, and P32.5 million in 2023, 2022, and 2021 respectively.

The Group is subject to risks associated with the rights it retains in the properties it leases, such as alterations made by the lessee that may impair the value of the leased properties. To manage the exposure on such risks, the Group exercises strict control over the fit-out process through Construction and Fitout Guidelines and closure of construction punch lists prior to opening. No alterations are allowed to be made without prior approval of the Group. Approvals are accorded based on submission of Architectural, Mechanical, Electrical, Plumbing and Fire Protection Plans and as per guidelines of the regulatory authorities. Moreover, the Group retains its right to inspect the leased properties over the lease term and cite violations on the House rules of the Complex. In case of expiration of lease term or early termination due to the default of the lessee, the Group is entitled to the improvements installed on the leased properties without any obligation to reimburse the lessee for the costs of improvements.

29.2 Build-Operate-Transfer Agreement

On February 25, 2015, MWMTI entered into a BOT agreement with the DOTr to undertake the PITX Project. Upon completion of the project, MWMTI shall operate and maintain the facility, which is divided into landport and commercial areas, within the agreed concession period of 35 years from the date of the completion of the construction, which is equivalent to 18 months.

The development and implementation of the PITX Project is divided into landport and commercial areas and related developments therein for a total lot area of 193.4 hectares (the Project Assets). Specifically, the PITX Project to be undertaken by MWMTI, as the concessionaire, consists of the following:

- The design, engineering and construction of the PITX Terminal, access road and the pedestrian connections between the PITX Terminal and Asia World Station concourse within 18 months from the construction date;
- From its completion until the end of the concession period, the operation and maintenance of the PITX Terminal in accordance with the Concession Agreement;
- The collection and remittance to the Grantor of landport fee from users of the PITX Terminal;
- The financing of the above activities;
- The design, financing, engineering, and construction of commercial assets, carrying out of the commercial business, and collection of any commercial revenue at the concessionaire’s option; and,
- Turn-over of the Project Assets to the Grantor at the end of the Concession Period.

Pursuant to the Concession Agreement, MWMTI shall be entitled to collect and receive the concessionaire revenue comprising of AGP, commercial revenue, and any applicable grantor compensation payments. The AGP is collectible from the Grantor at the end of every anniversary year from the construction completion date thereof. For commercial revenue, MWMTI is free to impose and collect commercial charges from the use of commercial areas. On the other hand, the Grantor shall be entitled to the landport fee revenue from the users of the public service and other charges.

At the end of the concession period, MWMTI shall hand-over the PITX Project Assets to the Grantor without cost, free from any liens and encumbrances, including all improvements made to the landport facilities, commercial assets, works in progress and right to receive commercial revenues.

On November 5, 2018, MWMTI opened the landport while the construction of commercial areas and related developments were completed in 2019.

29.3 Credit Lines and Guarantees

29.3.1 Credit Lines

In 2023, CDI entered into a P3,000.0 million facility agreement with a local bank which can be drawn within 2023 to 2029. As of December 31, 2023, there was no drawdown made yet. CDI incurred debt issuance costs amounting to P35.1 million which is presented as Prepaid debt issuance cost under Other Assets in the 2023 consolidated statement of financial position (see Note 12).

The Group has existing credit lines with local banks totalling P22,880.0 million and P21,055.0 million as of December 31, 2023 and 2022.

In 2023 and 2022, the Group has availed additional bank loans amounting P15,962.2 million and P16,541.8 million, respectively (see Notes 18.2 and 34). Unused credit lines as of December 31, 2023 and 2022 amounted to P2,385.9 million and P6,666.0 million, respectively.

29.3.2 Guarantees and Others

On December 26, 2019 the BOD approved the issuance of corporate guaranty in the amount of P4.5 billion in favor of Citicore. Subsequently on March 28, 2020, the BOD of the Parent Company approved the reduction of the amount of corporate guaranty from P4.5 billion to P1.5 billion. The approval is part of the governance initiative of the Parent Company and is deemed a regular corporate transaction to provide assistance, as needed, to new and other businesses to help them mature and produce strong and predictable cash flows to become stable and consistent contributors to the Group. These include forward integration opportunities in real estate development such as affordable housing segment and mid to high-end residential developments as well as in high-growth potential and fast-growing industries to support Group's long-term goal of strengthening its portfolio to provide additional legs for next level of growth.

On March 23, 2015, CMCI, with the Parent Company as guarantor, executed a Receivable Purchase Agreement (RPA) with certain local commercial banks, whereby the CMCI shall offer an outstanding finance lease receivable arising from PPP school infrastructure project within the purchase period on a limited recourse basis such as upon the occurrence of certain repurchase event under the RPA. Pursuant to the continuing obligations of the CMCI under the RPA, CMCI has been in compliance with the RPA during the reporting periods.

In 2015, MWMTI entered into an OLSA with a local universal bank, with the Parent Company as guarantor, for a loan facility amounting to P3,300.0 million to finance the construction of the PITX Project. In 2019, the Parent Company requested the lender to increase the loan facility by P600.0 million making the total principal loan to P3,900.0 million [see Note 18.2(b)].

29.4 Capital Commitments on Use of Proceeds and Joint Operations

29.4.1 Use of Proceeds

The Parent Company has capital commitments to utilize the proceeds from the issuance of its preferred shares amounting to P4,362.6 million for various expansion of its facilities and construction of infrastructure projects as stated in the use of proceeds report. As of December 31, 2023 and 2022, the balance of the unutilized proceeds amounted to P1,427.8 million and P1,555.8 million, respectively.

29.4.2 Joint Operations

As of December 31, 2023, HMDJV has capital commitments to purchase equipment amounting P217.5 million for the construction works of the Malolos-Clark Railway Project which is expected to be fully utilized upon the completion of the project. There are no commitments pertaining to MGCJV and MGCJVI as the related projects are already completed.

29.5 Others

Apart from the foregoing significant commitments, and the Group's construction commitments with various counterparties under the ordinary course of business, there are other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's consolidated financial statements, taken as a whole.

There are other pending claims, tax assessment, and other legal actions filed by the Group or against the Group arising from the normal course of business. There are no related provisions recognized in the consolidated financial statements as management believes that the Group has strong legal positions related to such claims. Moreover, management believes that the ultimate liability, if any, with respect to such litigations, claims and disputes will not materially affect the financial position and results of operations of the Group.

30. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share is calculated as Company's profit divided by the outstanding shares of its common stock and computed as follows:

	2023	2022	2021
Continuing Operations:			
Net profit (loss) attributable to shareholders of the Parent Company	**P 283,490,119**	(P 1,871,908,063)	P 478,704,913
Dividends on cumulative preferred shares	**(410,278,870)**	(489,629,428)	(505,629,428)
Net loss available to common shareholders of the Parent Company	**(126,788,751)**	(2,361,537,491)	(26,924,515)
Divided by weighted average number of outstanding common shares	**2,013,409,717**	2,013,409,717	2,013,409,717
Basic and diluted earnings (loss) from continuing operations per share	**(P 0.06)**	(P 1.17)	(P 0.01)
Discontinued Operations:			
Net profit (loss) available to common shareholders of the Parent Company	**P -**	P5,449,613,779	(P 821,690,147)
Divided by weighted average number of outstanding common shares	**-**	2,013,409,717	2,013,409,717
Basic and diluted earnings (loss) from discontinued operations per share	**P -**	P 2.71	(P 0.41)
Basic and diluted earnings (loss) per share	**(P 0.06)**	P 1.54	(P 0.42)

The Group does not have dilutive potential common shares outstanding as of December 31, 2023, 2022 and 2021; hence, diluted earnings (loss) per share is equal to the basic earnings (loss) per share.

31. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Parent Company's BOD approved the declaration of dividends on the following dates which shall be taken out of the unrestricted earnings of the Parent Company as of December 31, 2023.

	1st Quarter	2nd Quarter	Amount per share for each approval date	
Series 4 Preferred shares:			P	1.33
Approval dates	January 5, 2024	March 22, 2024		
Record dates	January 22, 2024	April, 2024		
Payment dates	January 29, 2024	April 29, 2024		
Series 2b Preferred shares:			P	1.44
Approval dates	January 16, 2024	-		
Record dates	February 7, 2024	-		
Payment dates	February 27, 2024	-		
Series 5 Preferred shares:			P	1.98
Approval dates	March 13, 2024	-		
Record dates	April 2, 2024	-		
Payment dates	April 17, 2024	-		

On April 12, 2024, the Parent Company's BOD has authorized the offering of Philippine Peso denominated fixed rate bonds in the amount of up to P5.0 billion Offer Bonds with an aggregate issue size of up to P5.0 billion consisting of the Base Offer of up to P4.0 billion and the Oversubscription Option of up to P1.0 billion in up to three series, at the discretion of the Parent Company, namely: (i) 3-year Series C Bonds due 2027; (ii) 5-year Series D Bonds due 2029; and (iii) 7-year Series E Bonds due 2031, under such terms and conditions as may be approved by the Parent Company's BOD and subject to the registration requirements of the SEC and the listing requirements of the Philippine Dealing and Exchange Corp.

32. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to its financial instruments. The Group's financial assets and financial liabilities by category are summarized in Note 33. The main types of risk are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated with the Group's Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The relevant financial risks to which the Group is exposed to are described below and in the succeeding pages.

32.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from its operating, investing, and financing activities.

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. The Group also holds US dollar denominated cash in banks. The Group does not have any financial liabilities denominated in foreign currency.

Foreign currency denominated cash in banks, translated into Philippine pesos at the closing rate amounted to P213.9 million and P1,560.7 million as of December 31, 2023 and 2022, respectively.

If the Philippine peso had strengthened by 16.06% and 15.94% in 2023 and 2022, respectively, against the US dollar, with all other variables held constant, profit before tax in 2023 and loss before tax in 2022 would have decreased by P34.4 million and increased by P246.0 million, respectively. If the Philippine peso had weakened by the same percentages against the US dollar, then the impact on profit before tax in 2023 and 2022 would have increased and decreased by the same amounts, respectively. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months, estimated at 99% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held as at December 31, 2023 and 2022, with effect estimated from the beginning of the year.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing.

As at December 31, 2023 and 2022, the Group is exposed to changes in market rates through its cash in banks and short-term placements, amounting to P4,878.9 million and P15,758.2 million, respectively (see Note 5). All other financial assets and financial liabilities have fixed rates or are noninterest bearing.

The sensitivity of the profit (loss) before tax is analyzed based on a reasonably possible change in interest rates of +/-232.1, +/-369.2 and +/-156.0 basis points in 2023, 2022 and 2021, respectively, based on observation of current market conditions with effect from the beginning of the year. The changes in interest rates have been determined based on the average market volatility in interest rates for each period using standard deviation and the financial instruments held at the end of each reporting period that are sensitive to changes in interest rates.

All other variables held constant, if the interest rates increased by 232.1 basis points, 369.2 basis points and 156.0 basis points in 2023, 2022 and 2021, respectively, profit before tax in 2023 and 2022 and loss before tax in 2021 would have increased by P818.3 million, P486.7 million and P20.9 million, respectively. Conversely, if the interest rates decreased by the same basis points, profit before tax in 2023 and 2022 would have been higher by the same amounts, while the loss before tax in 2021 would also have been lower by the same amount.

32.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, such as the granting of loans and receivables to customers and related parties and placing deposits with local banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the related assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as summarized below.

	Notes	**2023**	2022
Cash and cash equivalents	5	**P 4,878,885,375**	P 15,758,197,239
Trade and other receivables – net	6	**19,057,405,746**	18,262,408,240
Contract assets	9	**5,640,188,614**	5,106,307,785
Refundable security and bond deposits	12	**179,724,175**	216,790,017
		P 29,756,203,910	P 39,343,703,281

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents, as described below and in the succeeding pages.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) Trade and Other Receivables and Contract Assets

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables and contract assets.

To measure the ECL, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Group also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of 36 months before December 31, 2023 or 2022 respectively, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the interest rate in the Philippines to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor. The additional ECL in 2023 and 2022 is presented as part of Impairment loss under General and Administrative Expenses (see Note 23).

The Group identifies a default when the receivables become credit impaired or when the customer has not been able to settle the receivables when due, depending on the terms with customers or after completion and acceptance of the stage of completion as represented by the billings. In making the assessment, the Group considers the net position of the customer after advances and deposits received from the customer, reason for non-payment (i.e. dispute related to quality of work completed has been raised by the customer) and the credit standing of the customer. In addition, the Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty. When customer is unlikely to pay a past due account in the next year due to financial difficulty, an ECL is recognized in the books.

The Group has determined that the credit standing and liquidity of the significant portion of its receivables and customers from the construction segment are not affected severely by COVID-19 as these customers have reputable cash management strategies.

On that basis, the loss allowance as at December 31, 2023 and 2022 was determined based on months past due, as follows, for both trade and other receivables:

	Not more than 3 months	More than 3 mos. but not more than 6 mos.	More than 6 mos. but not more than 1 year	More than 1 year	Total
December 31, 2023:					
Expected credit loss rate	-	-	-	*18.91%*	
Contract receivables	P 4,016,814,301	P 27,277,620	P 197,808,828	P 618,791,178	P4,860,691,927
Lease receivables	345,729,767	58,265,555	85,545,831	767,273,553	1,256,814,706
	4,362,544,068	85,543,175	283,354,659	1,386,064,731	6,117,506,633
Loss allowance	**P -**	**P -**	**P -**	**P 262,111,638**	**P 262,111,638**
December 31, 2022:					
Expected credit loss rate	-	-	-	*22.47%*	
Contract receivables	P 4,092,166,912	P 124,746,943	P 180,932,226	P 628,540,736	P5,026,386,817
Lease receivables	568,078,686	98,066,282	274,013,536	380,960,512	1,321,119,016
	4,660,245,598	222,813,225	454,945,762	1,009,501,248	6,347,505,833
Loss allowance	P -	P -	P -	P 226,842,662	P 226,842,662

The Group recognized an allowance for ECL amounting to P1,087.4 million representing unbilled costs incurred by the Group and assessed to be not recoverable. In 2022, the Group wrote-off certain contract assets amounting to P908.4 million (see Note 9). No impairment losses on contract assets have been recognized in 2023 and 2021.

The real estate sales receivables account pertaining to PH1 is secured to the extent of the fair value of the residential condominium units sold (i.e., based on current prices less estimated cost to sell) since the title to the real estate properties remains with the Group until the real estate sales receivables are fully collected. In 2023, estimated fair value of collaterals held against the real estate sales receivables of PH1 exceeded the gross maximum exposure amounting to P538.3 million; hence, the related credit risk exposure is deemed immaterial, and the expected loss given default on real estate sales receivables is nil.

The Group's rental receivables are secured to the extent of advance rentals and security deposits received from lessees. Furthermore, in case of delay in collection of rentals from lessees, the Group imposes penalties pursuant to its standard lease agreements.

ECL for advances to and receivable from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Group does not consider any significant risks in the advances to and receivable from related parties since the related parties have enough capacity to pay the advances and receivables upon demand.

(c) Refundable Security and Bond Deposits

The Group is not exposed to any significant credit risk exposures to its lessors as lease agreements were executed with reputable entities. The Group can negotiate, before the end of the lease term, to apply deposit to rentals due.

32.3 Liquidity Risk

The Group 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 Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term placements. 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.

	Current		**Non-current**
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**
December 31, 2023:			
Interest-bearing loans and borrowings	P 17,082,878,391	P4,167,091,185	P10,839,396,032
Trade and other payables	4,283,598,004	-	-
Security deposits*	-	-	260,963,874
	P 21,366,476,395	**P4,167,091,185**	**P 11,100,359,906**
December 31, 2022:			
Interest-bearing loans and borrowings	P 13,599,699,523	P1,887,695,437	P15,147,467,405
Trade and other payables	5,332,737,951	-	-
Security deposits*	-	-	186,164,653
	P 18,932,437,474	P 1,887,695,437	P15,333,632,058

**Under Other Non-Current Liabilities only, current portion of security deposits is included as part of Trade and Other Payables*

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of reporting periods.

33. CATEGORIES, OFFSETTING AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

	Notes	2023 Carrying Values	2023 Fair Values	2022 Carrying Values	2022 Fair Values
Financial Assets					
At amortized cost:					
Cash and cash equivalents	5	**P 4,878,885,375**	**P 4,878,885,375**	P 15,758,197,239	P 15,758,197,239
Trade and other receivables – net	6	**19,057,405,746**	**19,057,405,746**	18,262,408,240	18,262,408,240
Refundable security and bond deposits	12	**179,724,175**	**179,724,175**	216,790,017	216,790,017
		24,116,015,296	**24,116,015,296**	34,237,395,496	34,237,395,496
Financial assets at FVOCI:					
Club shares		**1,044,472**	**1,044,472**	1,044,472	1,044,472
Investment in SSPI		**2,500,000**	**2,500,000**	2,500,000	2,500,000
		3,544,472	**3,544,472**	3,544,472	3,544,472
		P 24,119,559,768	**P 24,119,559,768**	P 34,240,939,968	P 34,240,939,968
Financial Liabilities					
At amortized cost:					
Interest-bearing loans and borrowings	18	**P 30,602,003,563**	**P 27,735,555,609**	P 27,779,021,506	P 24,797,804,953
Trade and other payables	17	**4,283,598,004**	**4,283,598,004**	5,332,737,951	5,332,737,951
Security deposits*	20	**260,963,874**	**260,963,874**	186,164,653	186,164,653
		P 35,146,565,441	**P 32,280,117,487**	P 33,297,924,110	P 30,316,707,557

**Under Other Non-Current Liabilities only, current portion of security deposits is included as part of Trade and Other Payables*

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 32.

33.1 Offsetting of Financial Assets and Financial Liabilities

Currently, all other financial assets and financial liabilities are settled on a gross basis and no offsetting of financial instruments has been made in 2023 and 2022. However, each party to the financial instrument (particularly related parties) will have the option to settle amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 28 can be potentially offset to the extent of their corresponding outstanding balances.

33.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

33.3 Financial Instruments Measured at Fair Value

Since the fair value of the Group's financial assets through FVOCI approximates the cost amounting to P3.5 million both as of December 31, 2023 and 2022, respectively, the fair value change is deemed immaterial. The Parent Company's financial assets through FVOCI are under Level 2 and 3 of the fair value hierarchy.

As of December 31, 2023, and 2022, instrument included in Level 2 comprise equity securities classified as financial assets at FVOCI. These securities were valued based on their fair market values by reference on published share prices of golf club shares and as at December 31, 2023 and 2022, respectively. These are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

The Group has equity interest of 1% in SSPI as of December 31, 2023 and 2022. These securities were valued based on entity specific estimate, thus included in Level 3.

The Group has no financial liabilities measured at fair value as of December 31, 2023 and 2022.

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years.

33.4 Financial Instruments Measured at Amortized Cost

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
2023:				
Financial assets:				
Cash and cash equivalents	P 4,878,885,375	P -	P -	P 4,878,885,375
Trade and other receivables - net	-	-	19,057,405,746	19,057,405,746
Refundable security and bond deposits	-	-	179,724,175	179,724,175
	P 4,878,885,375	**P -**	**P 19,237,129,921**	**P 24,116,015,296**
Financial liabilities:				
Interest-bearing loans and borrowings	P -	P -	P 27,735,555,609	P 27,735,555,609
Trade and other payables	-	-	4,283,598,004	4,283,598,004
Security deposits	-	-	260,963,874	260,964,874
	P -	**P -**	**P 32,280,117,487**	**P 32,280,117,487**
2022:				
Financial assets:				
Cash and cash equivalents	P 15,758,197,239	P -	P -	P 15,758,197,239
Trade and other receivables - net	-	-	18,262,408,240	18,262,408,240
Refundable security and bond deposits	-	-	216,790,017	216,790,017
	P 15,758,197,239	P -	P 18,479,198,257	P 34,237,395,496
Financial liabilities:				
Interest-bearing loans and borrowings	P -	P -	P 24,797,804,953	P 24,797,804,953
Trade and other payables	-	-	5,332,737,951	5,332,737,951
Security deposits	-	-	186,164,653	186,164,653
	P -	P -	P 30,316,707,557	P 30,316,707,557

33.5 Fair Value Measurement for Investment Property Carried at Cost

The table below shows the fair value of the Group's investment property measured at cost but for which fair value is disclosed and determined under the Level 3 fair value hierarchy.

	Note	2023	2022
Building for lease	15	**P 3,985,165,000**	P 3,581,201,711
Land	15	**1,915,926,447**	1,915,926,447
		P 5,901,091,447	P 5,497,128,158

The fair value of certain parcels of land are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location. On the other hand, the fair value of other parcels of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Both valuation process was applied as sale comparable method.

In estimating the fair value of investment property, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use. In 2023 and 2022, the Level 3 fair value of commercial area under investment properties was determined using the income approach which utilized discounted cash flow method to convert future cash flows to be generated by the non-financial assets in reference to the value of expected income, net of cost of services, other operating expenses and income taxes.

The significant unobservable inputs used in the valuation of the property were future annual free cash flows ranging from P520.0 million to P2,400.0 million for average period of 29 years. The discount rates applied in determining the present value of future annual free cash flows is 12%. The management has determined that a reasonably possible change in the unobservable inputs to a different amounts or rates would not cause the fair values of the non-financial assets to be increase or decrease significantly.

There has been no other change to the valuation techniques used by the Group for its non-financial assets. Also, there were no transfers into or out of Level 3 fair value hierarchy in 2023 and 2022.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Bank Loans (Note 18)	Notes Payable (Note 18)	Lease Liabilities (Note 16)	Bonds Payable (Note 18)	Exchangeable Notes (Note 10)	Total
Balance as of January 1, 2023	P18,112,968,586	P 5,444,000,000	P 281,819,227	P 3,940,233,693	P 7,763,200,000	P 35,542,221,506
Cash flows from financing activities:						
Additional borrowings	15,962,201,900	-	-	-	-	15,962,201,900
Repayment of borrowings	(13,484,686,134)	(56,000,000)	(107,716,696)	-	-	(13,648,402,830)
Non-cash financing activities:						
Effect of consolidation of a subsidiaries	500,062,702	-	8,412,681	-	-	508,475,383
Pre-termination	-	-	(36,735,903)	-	-	(36,735,903)
Additional lease liabilities	-	-	23,807,414	-	-	23,807,414
Amortization of deferred charges	-	-	-	13,636,093	-	13,636,093
Balance as of December 31, 2023	**P21,090,547,054**	**P 5,388,000,000**	**P 169,586,723**	**P 3,953,869,786**	**P 7,763,200,000**	**P 38,365,203,563**
Balance as of January 1, 2022	P43,466,007,561	P 5,569,791,232	P 465,697,699	P -	P -	P 49,501,496,492
Cash flows from financing activities:						
Additional borrowings	16,541,804,650	-	-	3,940,233,693	7,763,200,000	28,245,238,343
Repayment of borrowings	(16,190,177,018)	(125,791,232)	(296,845,377)	-	-	(16,612,813,627)
Non-cash financing activities:						
Effect of deconsolidation	(25,704,666,607)	-	-	-	-	(25,704,666,607)
Additional lease liabilities	-	-	112,966,905	-	-	112,966,905
Balance as of December 31, 2022	P18,112,968,586	P 5,444,000,000	P 281,819,227	P 3,940,233,693	P 7,763,200,000	P 35,542,221,506
Balance as of January 1, 2021	P39,796,906,098	P 5,590,791,232	P 532,667,977	P -	P -	P 45,920,365,307
Cash flows from financing activities:						
Additional borrowings	4,291,987,360	-	-	-	-	4,291,987,360
Repayment of borrowings	(2,018,602,072)	(21,000,000)	(254,545,430)	-	-	(2,294,147,502)
Non-cash financing activities:						
Effect of modification	1,118,939,962	-	-	-	-	1,118,939,962
Unrealized forex on dollar valuation	241,381,113	-	-	-	-	241,381,113
Amortization of debt issuance costs	35,395,100	-	-	-	-	35,395,100
Additional lease liabilities	-	-	187,575,152	-	-	187,575,152
Balance as of December 31, 2021	P43,466,007,561	P 5,569,791,232	P 465,697,699	P -	P -	P 49,501,496,492

35. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented on the consolidated statements of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, re-issuance of treasury shares or sell assets to reduce debt.

	Note	**2023**	2022
Interest-bearing loans and borrowings *(excluding lease liabilities)*	18	**P 30,432,416,841**	P 27,497,202,279
Total equity		**16,932,773,747**	19,666,880,588
		1.80: 1.00	1.40: 1.00

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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The Board of Directors and Stockholders
Megawide Construction Corporation and Subsidiaries
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia
Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group) for the year ended December 31, 2023, on which we have rendered our report dated April 12, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 of the Philippine Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until financial period 2023)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
LIST OF SUPPLEMENTARY INFORMATION
December 31, 2023

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MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
Schedule A
Financial Assets - Fair Value Through Profit or Loss, Fair Value Through Other Comprehensive Income and Amortized Cost
December 31, 2023

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds or Notes	Amount Shown in the Statement of Financial Position as of Reporting Period	Valued Based on Market Quotation at End of Reporting Period	Income Received and Accrued (iii)
Fair Value through Other Comprehensive Income (FVTOCI)				
Investment in Club shares - The City Club, Alphaland Makati Place	P -	P 1,044,472	P 1,044,472	P -
Investment in Silay Solar Power, Inc.	-	2,500,000	2,500,000	-
TOTAL	**P -**	**P 3,544,472**	**P 3,544,472**	**P -**
Financial Assets at Amortized Costs				
Cash and cash equivalents	P -	P 4,878,885,375	P 4,878,885,375	P 358,163,099
Trade and other receivables - net	-	19,057,405,746	19,057,405,746	651,600,367
deposits	-	179,724,175	179,724,175	-
Investment in trust fund	-	-	-	-
TOTAL	**P -**	**P 24,116,015,296**	**P 24,116,015,296**	**P 1,009,763,466**

Supplementary Information on FVTOCI –

This investment represents equity instrument wherein the Group neither exercises control or significant influence as discussed in the notes to the consolidated financial statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
AILEEN DEL ROSARIO	P 35,000	P 3,000	(P 35,000)	P -	P 3,000	P -	P 3,000
ALBERT SAAVEDRA	172,997	485,294	(67,200)	-	591,091	-	591,091
ALLAN M. VELASCO	62,350	111,500	(62,350)	-	111,500	-	111,500
ANNA KARENINA SALGADO	6,868	-	-	-	6,868	-	6,868
BERNADETTE LAURENTE	61,719	-	-	-	61,719	-	61,719
CARL KENNETH C. CASTILLO	58,221	(9,324)	(14,720)	-	34,178	-	34,178
CHESTER NEIL R. CARBONELL	294,134	-	-	-	294,134	-	294,134
CHITO BILOG	6,500	-	-	-	6,500	-	6,500
CRISTELLE MAE AMORIN	73,000	58,945	-	-	131,945	-	131,945
DARYL JOHN LOPEZ	43,600	-	-	-	43,600	-	43,600
DEBBIE MAY PURIFICACION	135,276	-	(29,500)	-	105,776	-	105,776
DEWEY S. OLAYA	775,325	26,500	(30,000)	-	771,825	-	771,825
DONABELLE SISON	42,600	4,600	(37,200)	-	10,000	-	10,000
DONNA MAY VILLENA	33,500	-	-	-	33,500	-	33,500
ELEAZAR SANCHEZ	19,840	2,185,124	(748,000)	-	1,456,964	-	1,456,964
EMILIA CORAZON DE HITTA	299,640	-	(222,000)	-	77,640	-	77,640
ENRIQUE VALENZUELA JR.	27,911	19,972	(14,400)	-	33,483	-	33,483
ERICANDO GALANG	336,768	-	(70,300)	-	266,468	-	266,468
EXEQUIEL A ISMAEL	763,820	372,535	(1,036,905)	-	99,450	-	99,450
FEBELYN JOY MANAHAN	295,900	489,924	(84,000)	-	701,824	-	701,824
FREDERICK TAN	197,153	-	-	-	197,153	-	197,153
GILBERT TUGADE	144,000	-	-	-	144,000	-	144,000
GRANT LEE FELLOWES	1,307,240	-	(635,387)	-	671,853	-	671,853
HANNAH NICOLE Q. BAUTISTA	196,810	68,262	(22,540)	-	242,532	-	242,532
HAZELLE SILVERIO	33,996	28,200	(43,060)	-	19,136	-	19,136
JANE MARIE VELADO	18,600	-	-	-	18,600	-	18,600
JANELLE C. MONJARDIN	114,227	9,000	-	-	123,227	-	123,227
JAY ONG	180,900	8,500	(146,401)	-	42,999	-	42,999
JEFFREY MIRANDILLA	187,800	-	-	-	187,800	-	187,800
JENEFER G. ALBA	1,264,000	17,725	(639,000)	-	642,725	-	642,725
JERICHA JAN PRIETO	38,531	-	-	-	38,531	-	38,531
JESUS ARIMBUYUTAN	626,095	261,990	(160,585)	-	727,500	-	727,500
JIEZL FLORALDE	83,220	-	(57,785)	-	25,435	-	25,435
JOANA MANGAHAS	54,572	-	-	-	54,572	-	54,572
JOEMAR SALINAS	14,510	69,270	-	-	83,780	-	83,780
JOHN ARMAN SERENUELA	777,000	-	-	-	777,000	-	777,000
JOSE CARLO CHAVEZ	679,104	30,355	(165,600)	-	543,859	-	543,859
JOWELYN ROSARIO	76,130	-	-	-	76,130	-	76,130
LAMBERTO BANSIL III	150,220	-	(150,220)	-	-	-	-
LUIS RAYMOND ILAGAN	102,536	1,437,922	(112,000)	-	1,428,458	-	1,428,458
MA. ABIGAEL JANE LIBRANDO	248,000	55,000	-	-	303,000	-	303,000
MA. GLORIA JENNIFER ONTE	315,024	219,358	(149,654)	-	384,728	-	384,728
MANUEL CRUZ	70,400	-	-	-	70,400	-	70,400
MARIO LOPE PAR	1,030,959	861,831	(363,384)	-	1,529,406	-	1,529,406
MARVIN GLORIA	201,414	-	-	-	201,414	-	201,414
NELSON LEGARDE	32,785	-	-	-	32,785	-	32,785
NELSON M. CASADO	43,980	-	-	-	43,980	-	43,980
NIDA H. GREFALDO	39,275	67,000	-	-	106,275	-	106,275
NOEL M. BERANA	18,501	-	(12,600)	-	5,901	-	5,901
OLIVER BERMEJO	7,500	-	-	-	7,500	-	7,500
PAMELA PEREZ	5,975	3,500		-	9,475	-	9,475
RACQUEL H. VERZOSA	33,000	-	-	-	33,000	-	33,000
REGOR TITO	-	-	-	-	-	-	-
RIZA MEJIA	31,500	-	-	-	31,500	-	31,500
ROGELIO TUBIG JR.	404,939	(260,727)		-	144,212	-	144,212
RONALD ASUNCION	1,848,806	-	(1,848,806)	-	-	-	-
SARAH ROSE O. TRAJADA	14,850	-	-	-	14,850	-	14,850
SHARE TREATS INNOVATION CORPOR	224,611	-	-	-	224,611	-	224,611
TRISHA MAY S. MANALO	43,500	15,900	-	-	59,400	-	59,400
VALERIE AYRA RAMOS	30,000	-	-	-	30,000	-	30,000
YVONNE M. RUAYA	24,000	30,872	(14,046)	-	40,826	-	40,826
ZYRA FACTURAN	103,000	54,400	-	-	157,400	-	157,400
A3E TRADING	276,250	-	-	-	276,250	-	276,250
ABNER CATACUTAN	10,343	10,750	(21,030)	-	63	-	63
ABONDIO MAGCUHA JR.	1,650	-	-	-	1,650	-	1,650
Balance forwarded	P 14,851,872	P 6,737,177	(P 6,993,672)	P -	P 14,595,377	P -	P 14,595,377

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 14,851,872	P 6,737,177	(P 6,993,672)	P -	P 14,595,377	P -	P 14,595,377
ACE B. VISENTADO	1,475	18,000	(18,321)	-	1,154	-	1,154
ACHAS, VICENTE JESSIE E	-	16,446	-	-	16,446	-	16,446
ACHAS, VICENTE JESSIE E.	4,839	-	(3,629)	-	1,210	-	1,210
ACUT, WILFRED	-	-	-	-	-	-	-
ADDISON D. CASTA	29,700	-	-	-	29,700	-	29,700
ADLIH EMPAL	11,400	-	-	-	11,400	-	11,400
ADONIE NILE NASTOR	-	160,655	-	-	160,655	-	160,655
ADONIS GONZALES	8,365	59,000	(58,944)	-	8,421	-	8,421
ADRIAN ANDAYA	91,800	-	-	-	91,800	-	91,800
ADRIAN B. LLANO	1,650	-	-	-	1,650	-	1,650
AGA VELASCO	55,000	427,900	(28,830)	-	454,070	-	454,070
AGUILUS, ARIEL	716	443	-	-	1,159	-	1,159
AILEEN CATES OLICIA	12,000	-	-	-	12,000	-	12,000
Aileen P. Del Rosario	7,680	-	-	-	7,680	-	7,680
AILEEN ROSALES	1,800	-	-	-	1,800	-	1,800
AILEN HONEY ABITONG	8,400	-	-	-	8,400	-	8,400
AILENE W. ROSALES	7,140	-	-	-	7,140	-	7,140
AISA MARIA TRICCIA E. ESTACIO	1,151	131,000	(131,463)	-	689	-	689
AISA MARIA TRICCIA ESTACIO	(521)	521	-	-	-	-	-
AL I. FLORES	1,650	-	-	-	1,650	-	1,650
AL JAY A. PARAGOSO	3,498	-	-	-	3,498	-	3,498
ALARCON, IZER JOHN	52	-	-	-	52	-	52
ALARCON, TERISSE JANE M	-	10,964	(10,964)	-	-	-	-
ALBERN GALLO	(215)	215	-	-	-	-	-
ALBERT A. MARTEL	-	2,280	(2,280)	-	-	-	-
ALBERT BACULI	-	18,000	-	-	18,000	-	18,000
ALBERT ESTRABELA	28,650	-	-	-	28,650	-	28,650
ALBERT MARTEL	5,961	877	(6,838)	-	-	-	-
ALBERTO LORIO	1,650	-	-	-	1,650	-	1,650
ALCRIE OPEÑA	-	-	-	-	-	-	-
ALDEN R. SANTANA	-	8,973	-	-	8,973	-	8,973
ALDRIN ESMANE	(272)	272	-	-	-	-	-
ALDRIN KIM PADILLA	7,175	-	-	-	7,175	-	7,175
ALDRIN LOMIBAO	7,385	-	-	-	7,385	-	7,385
ALDRIN M. ESMANE	8,400	-	-	-	8,400	-	8,400
ALDWIN B. DAIRO	3,850	-	-	-	3,850	-	3,850
ALEGADO, RENATO	2,340	-	-	-	2,340	-	2,340
ALEJANDRO R. GAYTANO	1,650	-	-	-	1,650	-	1,650
ALEJANDRO, MA. ROCHELLE	34	-	-	-	34	-	34
ALETH NOLAN C. VAPOR	13,050	-	-	-	13,050	-	13,050
ALEX SAGAYLE	4,725	-	-	-	4,725	-	4,725
ALEXANDER E. LEONOR	960	-	-	-	960	-	960
ALEXANDER PAUL DORO	7,735	-	-	-	7,735	-	7,735
ALEXIS LUSANTA	(150)	150	-	-	-	-	-
ALFE E. SUAZO	57,600	-	-	-	57,600	-	57,600
ALFRED SALINAS	5,450	-	-	-	5,450	-	5,450
ALFREDO DE LEON JR.	12,480	-	(692)	-	11,788	-	11,788
ALIJANDRO FRANCISCO JR.	10,050	-	-	-	10,050	-	10,050
ALLAN ABISO	9,950	-	-	-	9,950	-	9,950
ALLAN B. JAMOSO	-	-	-	-	-	-	-
ALLAN LLOYD J. UNGOS	-	-	-	-	-	-	-
ALLAN NICKO C. DEGUINIO	11,788	-	-	-	11,788	-	11,788
ALLAN P. MAMANAO	1,650	-	-	-	1,650	-	1,650
ALLAN RANDA	-	-	-	-	-	-	-
ALLAN ROSARIO	(193)	193	-	-	-	-	-
ALLAREY COLLADO	(475)	475	-	-	-	-	-
ALMA P. GARCIA	128,459	-	-	-	128,459	-	128,459
ALMA, RUEL	-	-	-	-	-	-	-
ALMASIN, JOVEN G	-	10,964	(10,964)	-	-	-	-
ALMASIN, JOVEN G.	3,226	-	(3,226)	-	0	-	0
ALVA MONICA A. ESTIPONA	-	20,000	(14,500)	-	5,500	-	5,500
ALVIN R. NICANOR	3,300	-	-	-	3,300	-	3,300
ALWIN G. CALZADO	1,650	-	(455)	-	1,195	-	1,195
Alyssa Agustina F. Lazol	32,000	-	-	-	32,000	-	32,000
ALYSSA GERVACIO	(230)	230	-	-	-	-	-
ALYSSA SIONGCO	(230)	230	-	-	-	-	-
AMADO, ARNULFO	1,763	-	-	-	1,763	-	1,763
Balance forwarded	P 15,470,832	P 7,624,965	(P 7,284,778)	P -	P 15,811,020	P -	P 15,811,020

Name	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Written Off	Ending Balance: Current	Ending Balance: Non-current	Balance at End of Period
Balance carried forward	P 15,470,832	P 7,624,965	(P 7,284,778)	P -	P 15,811,020	P -	P 15,811,020
AMBROSIO CHAVEZ	16,800	-	-	-	16,800	-	16,800
AME E. BODIONGAN	1,650	-	-	-	1,650	-	1,650
AMOS, MA. DOLORES	-	4	-	-	4	-	4
ANA MARIE ARAÑES	-	106,642	-	-	106,642	-	106,642
Analyn V. Bravo	960	-	-	-	960	-	960
ANASTACIO CALUAG JR.	14,400	-	-	-	14,400	-	14,400
ANDREA NICOLE GOMEZ	7,875	-	-	-	7,875	-	7,875
ANDRES ALUNAN Jr.	(240)	240	-	-	-	-	-
ANDREW PUNGTILAN	41,000	864,600	-	-	905,600	-	905,600
ANGELA CLAIRE D. GELLA	30,000	-	(30,000)	-	-	-	-
ANGELES, YSRAEL	-	-	-	-	-	-	-
ANGELICA RUTH ICARO	-	92,900		-	92,900	-	92,900
ANGELIKA T. BINO	124,412	85,830	(112,532)	-	97,710	-	97,710
ANGELITO PANTALEON	1,925	-	-	-	1,925	-	1,925
ANGELO OCAMPO	5,950	-	-	-	5,950	-	5,950
ANGELO PANTALEON	4,200	-	-	-	4,200	-	4,200
ANGELO PUNSALAN	(240)	240	-	-	-	-	-
ANJANETTE VICTORIA	4,200	-	-	-	4,200	-	4,200
Anna Karenina Salgado	374,382	-	-	-	374,382	-	374,382
ANNA LEA M. GALOLO	-	-	-	-	-	-	-
ANNE CHRISTINE C. MARCIA	80,208	-	(68,250)	-	11,958	-	11,958
ANNE CHRISTINE MARCIA	(290)	290	-	-	-	-	-
Annie Joy Galang	4,500	-	-	-	4,500	-	4,500
ANNJETH AVANCEÑA	15,000	-	-	-	15,000	-	15,000
Antel-Serenity Tower	-	-	-	-	-	-	-
ANTHONY A. SEDANO	12,960	-	-	-	12,960	-	12,960
ANTHONY C. GALLOS	-	-	-	-	-	-	-
ANTHONY CRUZ	5,375	-	-	-	5,375	-	5,375
ANTHONY M. GOROBAT	12,000	-	-	-	12,000	-	12,000
ANTHONY MANA-AY	20,000	-	-	-	20,000	-	20,000
ANTHONY SAURO	3,798	-	-	-	3,798	-	3,798
ANTONINO B. LA CUMBIS	1,550	-	-	-	1,550	-	1,550
ANTONIO A. RIVERA	7,910	-	-	-	7,910	-	7,910
ANTONIO ALIPANTE	6,435	-	-	-	6,435	-	6,435
ANTONIO BARDAJE Jr.	(288)	288	-	-	-	-	-
ANTONIO G. PAREDES	25,200	-	-	-	25,200	-	25,200
ANTONIO LASTRA	-	-	-	-	-	-	-
ANTONIO R. BARANGGAN	3,498	-	-	-	3,498	-	3,498
ANTONIO SOROAN	3,360	-	-	-	3,360	-	3,360
APOLINARIO LERIT JR.	1,200	-	-	-	1,200	-	1,200
APOLINARIO V. ARGUDO	43,200	-	-	-	43,200	-	43,200
APOSTOL, RYAN	4,347	664	-	-	5,011	-	5,011
ARA C. AMORES	-	122,956	-	-	122,956	-	122,956
ARABELLE VALENCIA	60,567	1,241	(61,808)	-	0	-	0
ARBIE R. ATIENZA	-	-	-	-	-	-	-
ARDINE GEROLD ANACIETO	6,860	-	-	-	6,860	-	6,860
AREVALO, JEFF	2,679	-	-	-	2,679	-	2,679
ARIEL C. AGUILUS	7,800	-	-	-	7,800	-	7,800
ARIEL MACASLING	1,650	-	-	-	1,650	-	1,650
ARIEL O. PEREZ	7,770	-	-	-	7,770	-	7,770
ARIEL ODTOJAN	6,573	-	-	-	6,573	-	6,573
ARIES BACUAJON	3,185	-	-	-	3,185	-	3,185
ARIES RYAN MORADA	-	3,045	(3,045)	-	-	-	-
ARIS SAN JOSE	14,325	-	-	-	14,325	-	14,325
ARLENE JOYCE OBLEPIAS	-	-	-	-	-	-	-
ARLENE JOYCE OBLEPIAS/ KHRISTIAN	5,000	-	(5,000)	-	-	-	-
ARLYN MALALAY	5,075	-	-	-	5,075	-	5,075
ARMANDO A. TRASADO	13,955	-	-	-	13,955	-	13,955
ARMANDO BARRAL	33,600	-	-	-	33,600	-	33,600
ARMANDO C. RAMOS	11,700	-	-	-	11,700	-	11,700
ARMANDO CAHAYAG	-	26,725	-	-	26,725	-	26,725
ARNALDO A. DATO JR.	1,650	-	-	-	1,650	-	1,650
ARNEL ALI	7,945	3,000	-	-	10,945	-	10,945
ARNEL DIPOLOG	(240)	240	-	-	-	-	-
ARNEL MALIGAT	10,500	-	-	-	10,500	-	10,500
ARNEL SISA	3,950	-	-	-	3,950	-	3,950
ARNEL SOLOMON	8,400	-	-	-	8,400	-	8,400
ARNIL JAMITO	(240)	7,306	(7,067)	-	-	-	-
ARNOLD D. DOMINGO	-	-	-	-	-	-	-
ARNOLD DOMINGO	-	134	-	-	134	-	134
ARNOLD E. RIZALDA	8,400	-	-	-	8,400	-	8,400
ARNOLD FAMILARAN	(12,000)	396,624	(36,984)	-	347,640	-	347,640
ARNOLD G. ANACAYA	4,038	-	-	-	4,038	-	4,038
ARNOLD P. DAVILA	7,560	-	-	-	7,560	-	7,560
	-	-	-				
Balance forwarded	P 16,568,773	P 9,337,935	(P 7,609,464)	P -	P 18,297,244	P -	P 18,297,244

Name	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Written Off	Ending Balance: Current	Ending Balance: Non-current	Balance at End of Period
Balance carried forward	P 16,568,773	P 9,337,935	(P 7,609,464)	P -	P 18,297,244	P -	P 18,297,244
ARNULFO AMADO	-	215,572	-	-	215,572	-	215,572
Arthaland (Superstructure)	93,503	-	-	-	93,503	-	93,503
ARTHUR C. SUMAWAY	1,650	-	-	-	1,650	-	1,650
ARTHURO MERCADO	3,360	-	-	-	3,360	-	3,360
ARVIN SALVADOR	7,800	-	-	-	7,800	-	7,800
ASHLY SOLIMAN	14,400	-	-	-	14,400	-	14,400
ASLIAH T. TOMIE	3,920	-	-	-	3,920	-	3,920
ASRS Cold Storage Taguig	224,692	-	-	-	224,692	-	224,692
AUTOCITY INC.	8,036	-	-	-	8,036	-	8,036
AVELINO JR, SANTIAGO	1,796	-	-	-	1,796	-	1,796
AYATON, BALINTINO	-	-	-	-	-	-	-
BALDOVINO, RUDY	-	644	(610)	-	34	-	34
BALINGASA, ROBIN	386	-	-	-	386	-	386
BALINTINO B. AYATON	27,800	-	-	-	27,800	-	27,800
BALMORES, BERNIE	-	-	-	-	-	-	-
BALTAZAR DIONG	9,480	-	-	-	9,480	-	9,480
BARBADILLO, BRIGIDO Jr. E.	4,462	21,551	(26,013)	-	-	-	-
BART V. CAINDOC	551	-	-	-	551	-	551
BASENCE, JOSELITO C	-	7,309	(7,309)	-	-	-	-
BASENCE, JOSELITO C.	2,150	-	(2,150)	-	0	-	0
BASIL C. VARGAS	2,853	-	-	-	2,853	-	2,853
BATAN, RADITH	12,838	-	-	-	12,838	-	12,838
BAUTISTA, DOMINIC	6,240	-	-	-	6,240	-	6,240
BAYLON ,JAKE	-	531	(494)	-	38	-	38
BAYLON, JAKE	-	58	-	-	58	-	58
BDO RENTAL, INC.	1,719,833	-	-	-	1,719,833	-	1,719,833
BELIJOE BOMBAY	14,925	-	-	-	14,925	-	14,925
BENA KRISTIE U. BALANDRA	17,900	-	-	-	17,900	-	17,900
BENJAMIN MIGUEL Jr.	(240)	240	-	-	-	-	-
BENNY JOHN R. DALAGUIT	1,650	-	-	-	1,650	-	1,650
BENRAME SALAPANG	23,986	-	-	-	23,986	-	23,986
BERMUDO ,MICHAEL	-	1,071	-	-	1,071	-	1,071
BERMUDO, MICHAEL	150,000	3,389	-	-	153,389	-	153,389
BERNA CLARRICE PANCHO	8,400	-	-	-	8,400	-	8,400
BERNABE C. LAGUNAY	1,475	-	-	-	1,475	-	1,475
BERNARD MANLAPAZ	(159)	159	-	-	-	-	-
BERNARDO REBAMBA	(248)	248	-	-	-	-	-
BERNIE VIAJE	(240)	240	-	-	-	-	-
BERTGIN MADURO	3,010	-	-	-	3,010	-	3,010
BESA, CHRIS NOMYR V.	-	14,037	(14,037)	-	-	-	-
BIANCA MAE A. ECALDRE	-	62,125	-	-	62,125	-	62,125
BIENVENIDO P. MIPARANUM	8,400	-	-	-	8,400	-	8,400
BIENVINIDO E. VILLANCA JR.	1,650	-	-	-	1,650	-	1,650
BILL ROBERT GOTO	18,000	-	-	-	18,000	-	18,000
BINOS, JOHN CARLO B	-	7,309	(7,309)	-	-	-	-
BINOS, JOHN CARLO B.	2,150	-	(2,150)	-	0	-	0
BOBBY Q. BANZON	7,125	-	-	-	7,125	-	7,125
BOBERTO B. CARLOTO JR.	10,925	-	-	-	10,925	-	10,925
BOLETCHE, RENIEL B	-	7,309	(7,309)	-	0	-	0
BOLONIA ,CHRIS	-	2,685	-	-	2,685	-	2,685
BOLONIA, CHRIS	-	1,336	-	-	1,336	-	1,336
BORRES, MARK ANTHONY S	-	18,273	(13,490)	-	4,783	-	4,783
BORRES, MARK ANTHONY S.	6,451	-	(4,839)	-	1,613	-	1,613
BOTIS, MARY JOY	(635)	719	(84)	-	-	-	-
BOYET ORCA	5,355	-	-	-	5,355	-	5,355
BRANDO DIONG	5,400	-	-	-	5,400	-	5,400
BRAVO JR., RAMON S.	2,150		(2,150)	-	0	-	0
BRIAN BALASABAS	-	20,079		-	20,079	-	20,079
BRIAN GERVACIO	4,950	-	-	-	4,950	-	4,950
BRIANNE AGPOON	(174)	174	-	-	-	-	-
BRIGIDO BARBADILLO JR.	(855)	59,855	(40,000)	-	19,000	-	19,000
BRYAN B. REGAÑON	1,650	-	-	-	1,650	-	1,650
BRYAN BALISI	15,675	-	-	-	15,675	-	15,675
BRYAN JESS BACO	10,000	95,290	(3,043)	-	102,247	-	102,247
BRYAN M. CORITANA	14,325	-	-	-	14,325	-	14,325
BRYAN M. DELOS SANTOS	8,400	-	-	-	8,400	-	8,400
BRYAN MALINAO	29,400	-	-	-	29,400	-	29,400
BRYAN RALPH M. DABUET	1,650	-	-	-	1,650	-	1,650
BRYAN SEVILLANO	3,760	-	-	-	3,760	-	3,760
Balance forwarded	P 19,090,735	P 9,878,137	(P 7,740,451)	P -	P 21,228,421	P -	P 21,228,421

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 19,090,735	P 9,878,137	(P 7,740,451)	P -	P 21,228,421	P -	P 21,228,421
BRYAN TIOXON	-	94,190	-	-	94,190	-	94,190
CABICO, RACHEL	-	-	-	-	-	-	-
CABRERA, JESSIE B.	5,961	3,798	(9,467)	-	292	-	292
CALICCO, NOEL	196	-	-	-	196	-	196
CALLEJA, JOHN LESTER	-	596	-	-	596	-	596
CALVIN D. RICON	7,770	-	-	-	7,770	-	7,770
CAMILLE JOY C. PEREDO	48,841	407,706	(411,553)	-	44,994	-	44,994
CAMILLE JOY PEREDO	119,665	-	-	-	119,665	-	119,665
CANDY MAE GUANIO	5,400	-	-	-	5,400	-	5,400
CAPUTOLAN, INOCENTES C.	5,961	3,506	(9,467)	-	-	-	-
CARLO D. SAMONTAÑES	1,650	-	(321)	-	1,329	-	1,329
CARLO O. PEROCHO	10,050	-	-	-	10,050	-	10,050
CARLOS L. TRECE	-	43,200	-	-	43,200	-	43,200
CARMELA MARIEL I. CINCO	-	369,328	-	-	369,328	-	369,328
CARMELITO PEQUIRO	(100)	100	-	-	-	-	-
CARMEN ANNE LOUISE V. CONTEMPLO	-	128,800	(128,800)	-	-	-	-
CARMINA LEBOSADA	2,300	-	-	-	2,300	-	2,300
CAROLYNE GUMARANG	-	4,950	-	-	4,950	-	4,950
CARY PANGILINAN	29,295	-	-	-	29,295	-	29,295
CASTRO, CELINE	1,165	81	(1,246)	-	-	-	-
CATALINO L. INTANO	8,400	-	-	-	8,400	-	8,400
CATIENZA, EDWIN	-	-	-	-	-	-	-
CEASAR S. TOLETE	8,400	-	-	-	8,400	-	8,400
CEASAR TOLETE	(267)	267	-	-	-	-	-
CENON DELA PEÑA JR	4,125	-	-	-	4,125	-	4,125
CERILO CARDIENTE JR.	1,650	-	-	-	1,650	-	1,650
CESAR GARCIA	12,298	-	-	-	12,298	-	12,298
CHAD GEROME T. AGUIHAP	-		-	-	-	-	-
CHALLEN KEITH NG CHUA	-	70,000	(70,000)	-	-	-	-
CHARLENE JOY R. ESPIRITU	7,275		-	-	7,275	-	7,275
CHARLIE A. DESO-ARSIDO	1,650		-	-	1,650	-	1,650
CHERRIE ROSE AQUINO	(390)	777	(387)	-	-	-	-
CHITO BILOG	45,264			-	45,264	-	45,264
CHOLA PABLO	7,000	-	-	-	7,000	-	7,000
CHRIS NOMYR BESA	(375)	375	-	-	-	-	-
CHRISTIAN BIGUEJA	57,600	-	-	-	57,600	-	57,600
CHRISTIAN GONZALES	-	1,837	(1,837)	-	-	-	-
CHRISTIAN P. CELOZA	-	-	-	-	-	-	-
CHRISTIAN R. DOLFO	-	-	-	-	-	-	-
CHRISTIAN VILLORENTE	(193)	193	-	-	-	-	-
CHRISTMA ANGELA SONZA	6,713	-	-	-	6,713	-	6,713
CHRISTOPHER BOLONIA	-	40,000	(40,000)	-	-	-	-
CHRISTOPHER D. LECITA	8,400	-	-	-	8,400	-	8,400
CHRISTOPHER DAN TAMAYO	10,000	33,300	-	-	43,300	-	43,300
CITICORE POWER INC.	3,016,650	-	-	-	3,016,650	-	3,016,650
CLAPTON FERNANDO	3,570	-	-	-	3,570	-	3,570
COLEGADO ,ROEL	-	2,053	-	-	2,053	-	2,053
CONCORDIO REMANOQUE Jr.	(250)	250	-	-	-	-	-
CONRADO D. RAMIREZ	8,400	-	-	-	8,400	-	8,400
CONRADO GREGORIO	2,880	-	-	-	2,880	-	2,880
Balance forwarded	P 22,537,687	P 11,083,445	(P 8,413,530)	P -	P 25,207,601	P -	P 25,207,601

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 22,537,687	P 11,083,445	(P 8,413,530)	P -	P 25,207,601	P -	P 25,207,601
CORNELIO ATENCIO	5,400	-	-	-	5,400	-	5,400
CORNELIO O. PLANAS	15,650	-	-	-	15,650	-	15,650
CRIS EMIL A. NAVARRO	8,400	-	-	-	8,400	-	8,400
CRIS EMIL NAVARRO	-	18,000	-	-	18,000	-	18,000
CRISANTO BERTOLDO	54,000	-	-	-	54,000	-	54,000
CRISANTO LABE JR.	2,625	-	-	-	2,625	-	2,625
CRISENCIO TOLENTINO Jr.	(150)	150	-	-	-	-	-
CRISOLOGO, EUNICE	888	-	-	-	888	-	888
CRISPULO S. OBEDA JR.	-	-	-	-	-	-	-
CRISTEL ANN T. ESTACIO	-	84,350	(7,490)	-	76,860	-	76,860
CRISTOPER ROGADO	5,975	-	-	-	5,975	-	5,975
CRUZ D. LANORIAS JR.	1,650	-	-	-	1,650	-	1,650
DABLO, MELONA E.	43,294	82,804	(110,986)	-	15,112	-	15,112
DACUYA, RODEL C.	7,526	-	-	-	7,526	-	7,526
DAET, ILSEN N.	-	7,916	(7,916)	-	-	-	-
DAIEAN VALENTE	45,561	-	-	-	45,561	-	45,561
DAILEG, EDISON N.	1,344	14,009	(15,353)	-	0	-	0
DALF LESAN B. GALELA	114,823	-	-	-	114,823	-	114,823
DANA VALERIE DIAZ	-	4,179		-	4,179	-	4,179
DANDIE C. ESPANOL	-	7,028,970	(7,028,970)	-	-	-	-
DANICA REOYO	63,199	-	-	-	63,199	-	63,199
DANIEL A. YAP	-	-	-	-	-	-	-
DANIEL JOHN ROMERO	(163)	163	-	-	-	-	-
DANILO C. MALUYA	1,650	-	-	-	1,650	-	1,650
DANILO DIGNOS	17,175	-	-	-	17,175	-	17,175
DANILO GACELO	8,400	-	-	-	8,400	-	8,400
DANILO JALLORINA	(2,100)	2,100	-	-	-	-	-
DANILO N. MAGHANOY	1,650	-	-	-	1,650	-	1,650
DANILO R. MONTOYA JR.	1,650	-	-	-	1,650	-	1,650
DANTE F. BARAGA	47,759	-	-	-	47,759	-	47,759
DARANCIANG, MARK VONN D	-	14,618	(14,618)	-	-	-	-
DARANCIANG, MARK VONN D.	4,301	-	(4,301)	-	0	-	0
Darlyn Pheia B. Lopez	9,600	-	-	-	9,600	-	9,600
Darlyn Pheia Lopez	32,000	-	-	-	32,000	-	32,000
DARWIN FLORES	2,625	-	-	-	2,625	-	2,625
DARWIN LABASTIDA	(300)	300	-	-	-	-	-
DARWIN R. LABASTIDA	8,260	-	-	-	8,260	-	8,260
DARYL LUMBERIO	8,400	-	-	-	8,400	-	8,400
DARYL NERY	2,880	-	-	-	2,880	-	2,880
DAVE SALAZAR	4,200	-	-	-	4,200	-	4,200
DAVID STEVENSON TACORDA	(240)	240	-	-	-	-	-
DB3 BEG BAL	179,397	-	-	-	179,397	-	179,397
DE GUZMAN, MARIELLE	-	17	-	-	17	-	17
DE GUZMAN, VINCENT	20,446	-	-	-	20,446	-	20,446
DE LUNA, JAYSON	-	-	-	-	-	-	-
DELA CRUZ, DONNY MARK	-	-	-	-	-	-	-
DELMONTE, NIÑA M.	2,016	9,553	(11,569)	-	-	-	-
DELOS SANTOS, ANALYN	-	-	-	-	-	-	-
DEMATAWARAN, EDWIN	406	-	-	-	406	-	406
DENARD ABALO	(199)	199	-	-	-	-	-
DENNIS ALTAR	1,650	-	-	-	1,650	-	1,650
DENNIS L. MAKALINTAL	-	20,000	-	-	20,000	-	20,000
DENNIS L. SABIDAL	8,365	-	-	-	8,365	-	8,365
DENNIS MAKALINTAL	-	1,186,300	(1,058,532)	-	127,768	-	127,768
DENNIS NORIO	(202)	202	-	-	-	-	-
DENTOR P. CABRAL	1,650	-	-	-	1,650	-	1,650
DETER CARDINAL	12,720	3,833	-	-	16,553	-	16,553
DEVONERE JOHN UMLAS	(240)	240	-	-	-	-	-
DEXTER MONDEJAR	1,650	-	-	-	1,650	-	1,650
DEXTER SUAZO	10,050	-	-	-	10,050	-	10,050
Balance forwarded	P 23,293,327	P 19,561,586	(P 16,673,265)	P -	P 26,181,649	P -	P 26,181,649

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 23,293,327	P 19,561,586	(P 16,673,265)	P -	P 26,181,649	P -	P 26,181,649
Dexterton	27,088	-	-	-	27,088	-	27,088
DIACOSTA, REY	-	-	-	-	-	-	-
DIANE VENICE MARTINEZ	6,900	-	(6,900)	-	-	-	-
DIONG BALTAZAR	2,880	-	-	-	2,880	-	2,880
DIONISIO A. MAMUAD	1,475	-	-	-	1,475	-	1,475
DIONY D. CANTA	1,475	-	-	-	1,475	-	1,475
DOMINADOR Z. LUMONTOD	9,875	-	-	-	9,875	-	9,875
DOMINGO S. RALA	10,710	-	-	-	10,710	-	10,710
DOMINGUEZ, EDISON A	-	14,618	(14,618)	-	-	-	-
DONARDO CAYABYAB Jr.	(300)	300	-	-	-	-	-
DONATO, GIL L	-	14,618	(14,618)	-	0	-	0
DONATO, GIL L.	-	-	-	-	-	-	-
DONELLE CHARMAGNE UMALI	-	80,000	(30,000)	-	50,000	-	50,000
DONNA ANGELA DE JESUS	-	14,400	(14,400)	-	-	-	-
DONNA DE JESUS	1,427	-	(1,427)	-	-	-	-
D'SEAL EHIDIO	(100)	100	-	-	-	-	-
DUGTONG, KATHERINE	-	-	-	-	-	-	-
DURANGO, JIMMY D	-	7,309	(7,309)	-	-	-	-
DURANGO, JIMMY D.	2,150	-	(2,150)	-	0	-	0
Dyan Karla S. Seno	32,000	-	-	-	32,000	-	32,000
Edades Suites	167,256	-	-	-	167,256	-	167,256
EDDIE CORNELIO	1,650	-	-	-	1,650	-	1,650
EDELITO C. TAPIC	104,123	-	-	-	104,123	-	104,123
EDGAR MILA	-	7,210	-	-	7,210	-	7,210
EDGAR VALERA	112,800	-	-	-	112,800	-	112,800
EDGIE CORTON	1,650	-	-	-	1,650	-	1,650
EDISON A. DOMINGUEZ	11,075	-	-	-	11,075	-	11,075
EDISON DAILEG	(362)	362	-	-	-	-	-
EDJY MARK A. MINOLTEO	14,185	-	-	-	14,185	-	14,185
EDMALYN BALINUYOS	10,800	-	-	-	10,800	-	10,800
EDMAR F. FETALINO	1,650	-	-	-	1,650	-	1,650
EDMON FRANCO	-	19,500	-	-	19,500	-	19,500
EDMUND A. ESTRELLA	-	36,000	-	-	36,000	-	36,000
EDMUND ALDE	4,025	-	-	-	4,025	-	4,025
EDMUND ESTRELLA	(240)	240	-	-	-	-	-
EDMUNDO B. JUAREZ	1,650	-	-	-	1,650	-	1,650
EDUARD LANTACA	107,300	-	-	-	107,300	-	107,300
EDUARDO A. CARLOS II	11,770	-	-	-	11,770	-	11,770
EDUARDO CARDINOZA JR.	8,400	-	-	-	8,400	-	8,400
EDUARDO CORTEZ	8,400	-	(281)	-	8,119	-	8,119
EDUARDO DE LEON	3,100	-	-	-	3,100	-	3,100
EDUARDO MAGLOYUAN	5,050	-	-	-	5,050	-	5,050
EDUARDO S. TANTIADO	11,305	-	-	-	11,305	-	11,305
EDUARDO TANTIADO	3,360	-	-	-	3,360	-	3,360
EDUARDO UTRERA Jr.	(199)	199	-	-	-	-	-
EDWARD YBANEZ	-	15,710	-	-	15,710	-	15,710
EDWIN ABISO	7,630	-	-	-	7,630	-	7,630
EDWIN ALFONSO	8,190	-	-	-	8,190	-	8,190
EDWIN C. EDRADA	6,955	-	-	-	6,955	-	6,955
EDWIN D. CATIENZA	8,400	-	-	-	8,400	-	8,400
EDWIN PICAÑA	17,850	-	-	-	17,850	-	17,850
EIGHT DRAGON METAL	14,509	-	-	-	14,509	-	14,509
ELBERT BUYCO	7,700	-	-	-	7,700	-	7,700
ELGIN G. BARREDO	2,880	-	-	-	2,880	-	2,880
ELIZABETH ANN C. MACANAYA	50,000	90,000	(50,000)	-	90,000	-	90,000
ELJUHN C. BUMATAY	1,650	-	-	-	1,650	-	1,650
ELLYMAR A. ANTONIO	-	-	-	-	-	-	-
ELMER CIERVO, JR	1,495,313	128,000	-	-	1,623,313	-	1,623,313
ELMER DIONG	3,360	-	-	-	3,360	-	3,360
ELMER G. CONCEPCION	1,400	-	-	-	1,400	-	1,400
ELMER OFILAN	3,090	-	-	-	3,090	-	3,090
ELPIDIO S. MALAPIT JR	1,650	-	-	-	1,650	-	1,650
Balance forwarded	P 25,608,232	P 19,990,151	(P 16,814,968)	P -	P 28,783,416	P -	P 28,783,416

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 25,608,232	P 19,990,151	(P 16,814,968)	P -	P 28,783,416	P -	P 28,783,416
ELVIS DIZON	(239)	239	-	-	-	-	-
ELWELL LOMA	-	525,000	-	-	525,000	-	525,000
EMILIANO MIRA	3,237	-	-	-	3,237	-	3,237
EMMANUEL F. CRISTOBAL	8,400	-	-	-	8,400	-	8,400
EMMANUEL JOLEJOLE	6,550	-	-	-	6,550	-	6,550
EMMANUEL PAR	-	2,150	-	-	2,150	-	2,150
EMMANUEL S. MAGAS	587,339	4,600	(39,741)	-	552,198	-	552,198
EMPAL, ADLIH R	-	7,309	(7,309)	-	-	-	-
EMPAL, ADLIH R.	2,150	-	(2,150)	-	0	-	0
ENRIQUE DITAUNON	3,240	-	-	-	3,240	-	3,240
ERIC C. DULAY	14,400	-	-	-	14,400	-	14,400
ERIC DULAY	5,280	-	-	-	5,280	-	5,280
ERIC N. ARCANGEL	4,928	-	-	-	4,928	-	4,928
ERICA MARIE DURSA HALILI	-	169,300	-	-	169,300	-	169,300
ERICK JOHN SIBAYAN	(110)	110	-	-	-	-	-
ERNESTO ALONZO	-	2,400	-	-	2,400	-	2,400
ERNESTO N. CONDADA JR.	1,475	-	-	-	1,475	-	1,475
ERNIE L. TAMBONGCO	2,880	-	-	-	2,880	-	2,880
ERROL SANTOS	12,093	-	-	-	12,093	-	12,093
ERWIN AMARO	-	-	-	-	-	-	-
ERWIN BABIA	-	52,000	(52,000)	-	-	-	-
ERWIN BAYANI	5,750	-	-	-	5,750	-	5,750
ERWIN HERANDOY	1,650	-	-	-	1,650	-	1,650
ERWIN I. OCHAQUE	1,650	-	-	-	1,650	-	1,650
ERWIN L. SISON	1,650	-	-	-	1,650	-	1,650
ERWIN M. RAMOS	8,400	-	-	-	8,400	-	8,400
ERWIN MARGES	4,410	-	-	-	4,410	-	4,410
ERWIN OMBAJIN	1,650	-	-	-	1,650	-	1,650
ESPINO, RAIZA	3,636	-	-	-	3,636	-	3,636
ESTACIO, CRISTEL	3,326	1,169	(6)	-	4,489	-	4,489
ESTEBAN L. VALENCIA	1,650	-	-	-	1,650	-	1,650
ESTELITO CENSON JR.	8,400	-	-	-	8,400	-	8,400
ESTELITO M. CENSON JR.	-	15,500	-	-	15,500	-	15,500
ESTHER ROSE CONCEPCION	30,000	-	-	-	30,000	-	30,000
EUBERT RAMOS	3,990	-	-	-	3,990	-	3,990
EUGENE CANOY	-	3,188	(3,188)	-	-	-	-
EUGENIO G. PADERNAL	4,300	-	-	-	4,300	-	4,300
EUGINE VALEÑA	2,663	-	-	-	2,663	-	2,663
EUNICE R. CRISOLOGO	98,237	32,746	(98,237)	-	32,746	-	32,746
EUROBRASS PRODUCT INC.	4,752	-	-	-	4,752	-	4,752
EVANGELIO, RODNEY	-	4	-	-	4	-	4
FEDERICO MARTINEZ	-	-	-	-	-	-	-
FELICIANO, MARY LEI	1,160	3,831	-	-	4,991	-	4,991
FELICIO FELICIANO	8,000	-	(8,000)	-	-	-	-
FELINO CANAYA	14,400	-	-	-	14,400	-	14,400
FELINO MANLAPAZ	(159)	159	-	-	-	-	-
FELINO P. DIAZ JR.	-	-	-	-	-	-	-
FELIPE R. GARCIA JR.	1,550	-	-	-	1,550	-	1,550
FERDINAND M. REGINIO	3,710	-	-	-	3,710	-	3,710
FERDINAND NARAJA	(193)	193	-	-	-	-	-
FERMIN S. GREGORIO III	7,680	-	-	-	7,680	-	7,680
FIDEL BRYAN M. TOLENTINO	8,400	-	-	-	8,400	-	8,400
Fiona Rose R. Nicolas	493,000	-	-	-	493,000	-	493,000
FLOR ROLAND ALABADO	61,475	-	-	-	61,475	-	61,475
FLORANTE C. PACTAO	1,475	-	(321)	-	1,154	-	1,154
FLORENCIO G. ESCUYOS	14,400	-	-	-	14,400	-	14,400
FLORES, SAMUEL R	-	13,052	(10,877)	-	2,175	-	2,175
FORTUNATO M. CUAJOTOR JR.	3,360	-	-	-	3,360	-	3,360
FRANCIS DWAYNE BATUIGAS	(362)	362	-	-	-	-	-
FRANCIS H. HOLAR	-	6,475	-	-	6,475	-	6,475
FRANCISCO B. BELLEZA JR.	1,550	-	-	-	1,550	-	1,550
FRANCISCO RIOJA JR.	1,650	-	-	-	1,650	-	1,650
FRANCISCO TURANO JR.	6,000	-	-	-	6,000	-	6,000
FRANKIE D. SIENES	8,260	-	-	-	8,260	-	8,260
FRANKLIN B. CALANZA	7,770	-	-	-	7,770	-	7,770
FRANKLIN JACOB	(270)	270	-	-	-	-	-
FREDERICK B. EBREO	1,650	-	-	-	1,650	-	1,650
FRIAS, NOEL	4,712	6,374	-	-	11,085	-	11,085
GABRIEL, KHIM	667	-	-	-	667	-	667
Balance forwarded	P 27,095,853	P 20,836,581	(P 17,036,798)	P -	P 30,895,636	P -	P 30,895,636

Name	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Written Off	Ending Balance: Current	Ending Balance: Non-current	Balance at End of Period
Balance carried forward	P 27,095,853	P 20,836,581	(P 17,036,798)	P -	P 30,895,636	P -	P 30,895,636
GALLOS, ANTHONY	-	-	-	-	-	-	-
GALOLO, ANA LEA	-	2,679	(1,339)	-	1,340	-	1,340
GARRERO, MARK JASON	-	-	-	-	-	-	-
GARY CATINGGAN	12,990	-	-	-	12,990	-	12,990
GAVINO A. MAGSUBAR JR.	21,120	-	-	-	21,120	-	21,120
GELLA, ANGELA CLAIRE D.	2,150	-	(269)	-	1,882	-	1,882
GEMMA LAMOSTE	104,228	-	-	-	104,228	-	104,228
GENARD S. BRANZUELA	2,643	-	-	-	2,643	-	2,643
GENEROL, JESSRIL	3,008	-	-	-	3,008	-	3,008
GENESIS VERANO	8,260	-	-	-	8,260	-	8,260
GEORGE L. BERMUDO	18,200	-	-	-	18,200	-	18,200
GEORGE T. HERMOSO	1,650	-	-	-	1,650	-	1,650
GERAL DAQUILA	2,610	-	-	-	2,610	-	2,610
GERALD DUAZO	3,360	-	-	-	3,360	-	3,360
GERALD T. MORES	16,125	-	-	-	16,125	-	16,125
GERALD TALASTAS	2,835	8,330	-	-	11,165	-	11,165
GERARDO G. FLORES III	1,650	-	-	-	1,650	-	1,650
GERONIMO A. AGUIHAP	19,650	-	-	-	19,650	-	19,650
GERONIMO, LUTHER S	-	7,309	(7,309)	-	-	-	-
GERONIMO, LUTHER S.	2,150	-	(2,150)	-	0	-	0
GHINO D. REOLALAS	-	2,400	-	-	2,400	-	2,400
GIGI GABRILLO	-	892	(892)	-	-	-	-
GIL B. TORRES	-	140,000	-	-	140,000	-	140,000
GIL DONATO	8,400	-	-	-	8,400	-	8,400
GILBERT L. ZAMORA	1,650	-	-	-	1,650	-	1,650
GILBERT RIMBAO	(193)	193	-	-	-	-	-
GILBERT ROCA	-	6,545	-	-	6,545	-	6,545
GILBERT TONGA	-	10,815		-	10,815	-	10,815
GIO ANTHONY GOMEZ	(240)	240	-	-	-	-	-
GLAISA MAY MAQUINANA	(220)	220	-	-	-	-	-
GLEEN AGPOON Jr.	(262)	262	-	-	-	-	-
GLEN DIAZ	-	93,545	(89,045)	-	4,500	-	4,500
GLEN P. DIAZ	14,400	-	-	-	14,400	-	14,400
GLENDO DATUIN	12,320	-	-	-	12,320	-	12,320
GLENN CABALLERO	5,075	-	-	-	5,075	-	5,075
GLENN DE JESUS	5,825	-	-	-	5,825	-	5,825
GLENN DELA CRUZ	-	28,519		-	28,519	-	28,519
GLIZETTE DYAN BERNARDO	59,533	64,600	-	-	124,133	-	124,133
GONZAGA, MARK ANTHONY	-	-	-	-	-	-	-
GONZALO GREGORIO JR.	3,588	-	-	-	3,588	-	3,588
GOROBAT, ANTHONY	674	-	-	-	674	-	674
GRACE ABEGAIL CASEM	39,000	-	-	-	39,000	-	39,000
GRACE M. SANTOS	10,200	-	-	-	10,200	-	10,200
Grant Lee Fellowes	1,318	-		-	1,318	-	1,318
GRAZIELLE ALMAZAN	787	-	-	-	787	-	787
Grazielle Ann Q. Almazan	55,143	190,750	(159,750)	-	86,143	-	86,143
GREGG ESTIMAR	(193)	5,632	(5,438)	-	-	-	-
GREGORIO C. SUAZO JR	6,000	-	(6,000)	-	-	-	-
GREGORIO D. LIZARDO	8,400	-	-	-	8,400	-	8,400
GREGORIO M. JUALICAN	8,400	-	-	-	8,400	-	8,400
GUILLERMO ORTILLO JR.	2,400	4,200	-	-	6,600	-	6,600
GUILLERMO, MIRA ROELLA	3	-	-	-	3	-	3
HAFFELE PHILIPPINES,INC.	4,936	-	-	-	4,936	-	4,936
HAIDEE V. PALACIO	-	90,347	(7,630)	-	82,717	-	82,717
HANS HERBERT PARALE	9,000	-	-	-	9,000	-	9,000
HAROLD A. SALIMBOT	3,000	-	-	-	3,000	-	3,000
HAROLD NELLAS	5,972	1,168	(7,139)	-	1	-	1
HARRY DELAMIDE	12,600	-	-	-	12,600	-	12,600
HAYDEE M. CHUA	25,000	-	(25,000)	-	-	-	-
HAZELLE SILVERIO	-	18,910	-	-	18,910	-	18,910
HEDRO IAN JAY T. PACETE	30,000	-	-	-	30,000	-	30,000
HEHERSON AGCAOILI	9,600	766,011	(726,611)	-	49,000	-	49,000
HELEN PEDUCHE	(418)	418	-	-	-	-	-
HENDRICK S. TRANILLA	8,120	-	(8,120)	-	-	-	-
Balance forwarded	P 27,668,299	P 22,280,564	(P 18,083,490)	P -	P 31,865,373	P -	P 31,865,373

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 27,668,299	P 22,280,564	(P 18,083,490)	P -	P 31,865,373	P -	P 31,865,373
HENRY D. CAÑAS	1,650	-	-	-	1,650	-	1,650
HENRY S. ALEGRE	-	8,400	-	-	8,400	-	8,400
HERBERT ANDALUZ	2,080	8,400	-	-	10,480	-	10,480
HERNANDEZ, WILBERT DARYL	-	39,965	(10,258)	-	29,707	-	29,707
HONEYLENE SENOJA	32,994	-	-	-	32,994	-	32,994
HONIE JOY RAAGAS	25,000	-	-	-	25,000	-	25,000
INOCENSIO GULAY	(209)	209	-	-	-	-	-
INOCENTES C. CAPUTOLAN	-	8,663	(8,663)	-	-	-	-
IRENE D. SANTOS	4,800	-	-	-	4,800	-	4,800
IRENEO NARCISO JR.	1,650	-	-	-	1,650	-	1,650
IRENEO R. TAJOS	21,360	-	-	-	21,360	-	21,360
IRINEO AGUIHAP	(26,440)	138,000	-	-	111,560	-	111,560
IRMA G TORRES	22,400	-	-	-	22,400	-	22,400
ISIDRO BURAYAG	3,360	72,000	-	-	75,360	-	75,360
ISOC Office	1,970	-	-	-	1,970	-	1,970
IVAN VIDAL	5,225	-	-	-	5,225	-	5,225
IVY LEIZEL PARRAS	(193)	193	-	-	-	-	-
IVY MAE ARGULLA	2,400	-	-	-	2,400	-	2,400
JACKSON J. LO	2,310	-	-	-	2,310	-	2,310
JACKSON LO	2,080	-	-	-	2,080	-	2,080
JAIME BAMBALAN	18,000	-	-	-	18,000	-	18,000
JAIME CORPUZ JR.	-	7,805	-	-	7,805	-	7,805
JAIME RAPHAEL FELICIANO	128,758	-	-	-	128,758	-	128,758
JAKE IGNACIO	1,663	-	-	-	1,663	-	1,663
JALLORINA, DANILO B.	12,257	17,413	(29,670)	-	-	-	-
JAMES JUNATAS	572,200	658,800	(622,843)	-	608,157	-	608,157
JAMES LO	3,360	-	-	-	3,360	-	3,360
JAMES MATTHEW JARAMILLO	-	56,000	-	-	56,000	-	56,000
James S. Mc Carthy	6,720	-	-	-	6,720	-	6,720
JAMES TAD PATRICK BARDON	50,000	1,134,603	-	-	1,184,603	-	1,184,603
JAMOSO, ALLAN B	-	7,309	(7,309)	-	-	-	-
JAMOSO, ALLAN B.	2,150	-	(2,150)	-	0	-	0
JAN ANTHONY CRISOSTOMO	(159)	159	-	-	-	-	-
JAN MICHAEL LACUESTA	(205)	6,731	(5,438)	-	1,088	-	1,088
JAN MICHAEL P. SARMIENTO	5,705	-	-	-	5,705	-	5,705
JANE MARIE VELADO	18,600	-	-	-	18,600	-	18,600
JANETH PACLIBAR	70,789	-	-	-	70,789	-	70,789
JANIE O. VILLARMINO	4,200	-	-	-	4,200	-	4,200
JANLIE ESTARDO	20,400	-	-	-	20,400	-	20,400
JASON DE LUNA	-	-	-	-	-	-	-
JASON J. SOMBRENO	24,000	-	-	-	24,000	-	24,000
JASON ROJO	4,975	15,265	-	-	20,240	-	20,240
JAY B. AZAÑA	1,650	-	-	-	1,650	-	1,650
JAY MIEL CLETO	-	243,778	-	-	243,778	-	243,778
JAYBEE L. LA ROSA	7,800	-	-	-	7,800	-	7,800
JAYJAY GOROSPE	7,980	-	-	-	7,980	-	7,980
JAYMAN ESMANE	(193)	193	-	-	-	-	-
JAYMARK MAGLOYUAN	9,100	-	-	-	9,100	-	9,100
JAYME CAREDO	(240)	240	-	-	-	-	-
JAYME F. CAREDO	6,000	-	-	-	6,000	-	6,000
JAYONA, GREYEGO P	-	7,309	(7,309)	-	-	-	-
JAYONA, GREYEGO P.	2,150		(2,150)	-	0	-	0
JAYSON ABELLANO JR.	1,440	-	-	-	1,440	-	1,440
JAYSON ASIÑERO	-	7,000	(7,000)	-	-	-	-
JAYSON B. BARCALA	1,650	-	-	-	1,650	-	1,650
JAYSON B. NARVAEZ	449,020	356,230	(3)	-	805,246	-	805,246
JAYSON C. SABATER	36,000	-	-	-	36,000	-	36,000
JAYSON DELIS	1,420	-	-	-	1,420	-	1,420
JAYSON DELOS SANTOS	60,960	-	-	-	60,960	-	60,960
JAYSON NARCISO	5,005	-	-	-	5,005	-	5,005
JAYSON PAOLO D. BUÑI	4,850	-	-	-	4,850	-	4,850
JAYSON SABENIANO	5,750	-	-	-	5,750	-	5,750
JAYWELL LOPEZ	8,120	-	-	-	8,120	-	8,120
JEAN BEATRICE COMPA	-	-	-	-	-	-	-
JEAN VIRAY	100,000	185,800	(218,300)	-	67,500	-	67,500
JEEPY C. ABATAY	1,650	-	-	-	1,650	-	1,650
JEFEY M. MANGABON	-	12,600	(12,600)	-	-	-	-
JEFFERSON TRINIDAD	(245)	245	-	-	-	-	-
JEFFERSON R. AREVALO	1,650	-	-	-	1,650	-	1,650
JEFFREE VALENCIA	(100)	100	-	-	-	-	-
JEFFREY B. BAJA	-	50,000		-	50,000	-	50,000
Balance forwarded	P 29,425,565	P 25,323,973	(P 19,017,183)	P -	P 35,732,355	P -	P 35,732,355

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 29,425,565	P 25,323,973	(P 19,017,183)	P -	P 35,732,355	P -	P 35,732,355
JEFFREY C. PONSICA	1,650	-	-	-	1,650	-	1,650
JEFFREY CALESA	(70)	3,000	(2,930)	-	-	-	-
JEFFREY MAGTIRA	(480)	480	-	-	-	-	-
JEFFREY OYAS	3,500	-	-	-	3,500	-	3,500
JEFFREY S. CALESA	4,690	-	(4,690)	-	-	-	-
JEFREE BELLEN	9,000	-	-	-	9,000	-	9,000
JEFREY SABELLANO	(100)	100	-	-	-	-	-
JELYN BANASIHAN	6,405	-	-	-	6,405	-	6,405
JEMSON B. DE CASTRO	8,400	-	-	-	8,400	-	8,400
JENBEN B. ANTOLIN	9,520	-	-	-	9,520	-	9,520
JENNIFER MENDOZA	10,000	109,000	(102,202)	-	16,798	-	16,798
JEOFRE MUÑOZ	-	16,800	-	-	16,800	-	16,800
JEOFRE V. MUÑOZ	4,200	-	-	-	4,200	-	4,200
JERICHA JAN PRIETO	-	24,250	-	-	24,250	-	24,250
JERICK NORIELLE M. CAO	-	1,523	(1,523)	-	-	-	-
JERMYN LEAL	1,007,974	238,872	(1,122,585)	-	124,261	-	124,261
JEROME C. CABAÑES	1,650	-	-	-	1,650	-	1,650
JEROME SAN JUAN	1,920	-	-	-	1,920	-	1,920
JERWIN GAUDIANE	1,768	-	-	-	1,768	-	1,768
JERWIN J. GAUDIANE	1,950	-	-	-	1,950	-	1,950
JERWIN T. QUILLOY	1,650	-	-	-	1,650	-	1,650
JESAVEL B. BARRIO	8,400	-	-	-	8,400	-	8,400
JESIE CHRIS BORJA	11,500	-	-	-	11,500	-	11,500
JESSE JAMES SAYSON	10,073	6,032	(16,104)	-	-	-	-
JESSICA D. VIÑAS	-	-	-	-	-	-	-
JESSIE CORONEL	3,840	-	-	-	3,840	-	3,840
JESSIE ESPINOSA	2,140	-	-	-	2,140	-	2,140
JESSIE MUÑOZ	1,970	-	-	-	1,970	-	1,970
JESSIE RELAMPAGUS	4,200	-	-	-	4,200	-	4,200
JESSON M. MESIA	11,305	-	-	-	11,305	-	11,305
JESSRIL P. GENEROL	15,960	-	-	-	15,960	-	15,960
JESTONY ESMERIA	10,050	-	-	-	10,050	-	10,050
JESUS ARIMBUYUTAN	-	96,900	(74,074)	-	22,826	-	22,826
JESUS F. ABRAJANO	1,650	-	-	-	1,650	-	1,650
JETON M. COMENDADOR	1,475	-	-	-	1,475	-	1,475
JHAN GULIMLIM	(50)	50	-	-	-	-	-
JHEFTE SILVA	(160)	160	-	-	-	-	-
JHESTER DELA CRUZ	(240)	240	-	-	-	-	-
JHON RAY PONES	6,440	18,900	(18,900)	-	6,440	-	6,440
JHONACEL T. DELA CRUZ	4,305	-	-	-	4,305	-	4,305
JHORDAN JIMENO	1,650	-	-	-	1,650	-	1,650
JICJIC S. KIAMCO	1,650	-	-	-	1,650	-	1,650
JIESTER KALAW	-	16,415	-	-	16,415	-	16,415
JIEZL FLORALDE	-	79,106	-	-	79,106	-	79,106
JIMENO, JHORDAN S	-	7,309	(7,309)	-	-	-	-
JIMENO, JHORDAN S.	2,150	-	(2,150)	-	0	-	0
JIMMY D. DURANGO	14,876	-	-	-	14,876	-	14,876
JIMSON D. CUEVAS	3,498	-	-	-	3,498	-	3,498
JIN MC CLOUD GURO	3,483	-	-	-	3,483	-	3,483
JIPPREY PONCE	6,720	-	-	-	6,720	-	6,720
Jo Paul M. Ricarze	6,720	-	-	-	6,720	-	6,720
JO-ANN OLOROSISIMO	3,000	-	-	-	3,000	-	3,000
JOANNE GRACE F. GIRADO	8,400	-	-	-	8,400	-	8,400
JOE MARK CAABAY	1,650	-	-	-	1,650	-	1,650
JOEBELOU SIPLAO	6,720	-	-	-	6,720	-	6,720
JOEBERT REGINIO	14,400	-	-	-	14,400	-	14,400
JOEBERT UMPAD	8,502	5,445	(13,947)	-	0	-	0
JOEFREY E. DE ASIS	2,400	-	-	-	2,400	-	2,400
JOEL CIPRIANO	5,300	-	-	-	5,300	-	5,300
JOEL GUSI Jr.	(100)	100	-	-	-	-	-
JOEL MARTINEZ	536	10,402	(536)	-	10,402	-	10,402
JOEL MILLARE	3,360	-	-	-	3,360	-	3,360
JOEL ORDOÑA	5,280	-	-	-	5,280	-	5,280
JOEL P. MORA JR.	3,300	-	-	-	3,300	-	3,300
JOELITO OAS	-	5,575	-	-	5,575	-	5,575
JOEM C. FLOJO	1,650		-	-	1,650	-	1,650
JOEMEL L. IRASGA	7,455	-	-	-	7,455	-	7,455
JOENCY ORTENCIO	-	15,000	(15,000)	-	-	-	-
JOERGE L. TOTAL	1,650	-	-	-	1,650	-	1,650
JOESAL REY B. ERLANO	41,340	-	-	-	41,340	-	41,340
JOEY CORDOVA	-	9,675	-	-	9,675	-	9,675
JOEY M. ABEJO	1,650	-	-	-	1,650	-	1,650
JOEY PORTUGAL	-	20,400	-	-	20,400	-	20,400
JOHN ALDRIN PERMIJO	4,923	-	-	-	4,923	-	4,923
JOHN CARLO VELASCO	11,068	-	-	-	11,068	-	11,068
JOHN DERICK BANGSOY	(345)	345	-	-	-	-	-
Balance forwarded	P 30,764,935	P 26,010,052	(P 20,399,134)	-	P 36,375,853	-	P 36,375,853

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 30,764,935	P 26,010,052	(P 20,399,134)	P -	P 36,375,853	P -	P 36,375,853
JOHN ENRIQUE V. MADRIGAL II	86,764	28,701	(103,866)	-	11,600	-	11,600
JOHN FAMINIAL	-	67,500	-	-	67,500	-	67,500
JOHN FERDINAND TENCE	5,750	-	-	-	5,750	-	5,750
JOHN HENRY JAY G. MANAIT	81,600	-	-	-	81,600	-	81,600
JOHN JOHN A. SALAZAR	8,400	-	-	-	8,400	-	8,400
JOHN KALVIN CARREON	223,251	-	-	-	223,251	-	223,251
JOHN KARLO P. MIÑA	-	4,200	(4,200)	-	-	-	-
JOHN KENNETH HADER	(230)	230	-	-	-	-	-
JOHN MARK ARELLANO	23,475	-	-	-	23,475	-	23,475
JOHN MARK ARTHUR CORRAL	-	3,518	-	-	3,518	-	3,518
JOHN NOEL CANTRE	7,275	-	-	-	7,275	-	7,275
JOHN PATRICK GARCIA	-	16,000	-	-	16,000	-	16,000
JOHN PAUL GAN	(300)	300	-	-	-	-	-
JOHN PAUL ORTEGA	1,950	-	-	-	1,950	-	1,950
JOHN RENZ MACAYAN	6,160	-	-	-	6,160	-	6,160
JOHN REY ALANZA	5,775	-	-	-	5,775	-	5,775
JOHN REY DANIEL	1,650	-	-	-	1,650	-	1,650
JOHN RODIN BELLO	7,035	-	-	-	7,035	-	7,035
JOHN RODIN P. BELLO	12,443	-	-	-	12,443	-	12,443
JOHN RONALD RENDON	-	40,000	-	-	40,000	-	40,000
JOHN VERGEL MEDILO	13,920	-	-	-	13,920	-	13,920
JOHN VINCENT B. REGAÑON	-	-	-	-	-	-	-
JOHNREY SALORIA	(100)	100	-	-	-	-	-
JOJO LANCOB	1,400	-	-	-	1,400	-	1,400
JOJO PERNITO	5,375	-	-	-	5,375	-	5,375
JOLYBERT C. DIAYON	22,290	-	-	-	22,290	-	22,290
JOMAR B. BINOS	1,650	-	-	-	1,650	-	1,650
JOMARI ORDONIO	-	10,000	(10,000)	-	-	-	-
JOMART PANGAN	(193)	193	-	-	-	-	-
JON JON PIÑON	1,650	-	-	-	1,650	-	1,650
JONALD BULLECER	8,400	-	-	-	8,400	-	8,400
JONALYN CLAIRE R. BOHOL	8,260	-	-	-	8,260	-	8,260
JONAS GULAY	(252)	252	-	-	-	-	-
JONATHAN CELESTE	5,775	-	-	-	5,775	-	5,775
JONATHAN F. SALUDEZ	4,850	-	-	-	4,850	-	4,850
JONATHAN G. CABALITAN	33,960	-	-	-	33,960	-	33,960
JONATHAN H. CALLANTA	8,400	-	-	-	8,400	-	8,400
JONATHAN H. MOLINA	1,650	-	-	-	1,650	-	1,650
JONATHAN JUALO	4,095	-	-	-	4,095	-	4,095
JONATHAN V. MIRAS	23,240	-	-	-	23,240	-	23,240
JONEL D. ROMANO	1,650	-	-	-	1,650	-	1,650
JONEL G. LOCSIN	-	-	-	-	-	-	-
JONELA F. MENGOY	4,200	-	-	-	4,200	-	4,200
JONELA MENGOY	(225)	225	-	-	-	-	-
JONIE UMAPAS	(199)	199	-	-	-	-	-
JONNEL TAPIA	3,740	-	-	-	3,740	-	3,740
JONNET D. PEÑAFLOR	109,000	155,000	(109,000)	-	155,000	-	155,000
JORDAN JOEL ORTIZ	28,766	73,719	(72,485)	-	30,000	-	30,000
JORDAN PALIZA	6,600	-	-	-	6,600	-	6,600
JORDAN SALVADOR	(210)	210	-	-	-	-	-
JORGE LOBIGAS	1,650	-	-	-	1,650	-	1,650
JORGE SICAD JR	6,000	-	-	-	6,000	-	6,000
JORIDEL ORIAS	16,650	-	-	-	16,650	-	16,650
JOSE CAMORAL	3,360	-	-	-	3,360	-	3,360
JOSE GARCIA	1,650	-	-	-	1,650	-	1,650
JOSE LALUSIN	5,680	-	-	-	5,680	-	5,680
JOSE LORENZO T. ANTONIO	-	1,768	-	-	1,768	-	1,768
JOSE M. GORPIDO JR.	8,400	-	-	-	8,400	-	8,400
JOSE M. GORPIDO, JR.	1,475	-	-	-	1,475	-	1,475
JOSE MARIE MALAPIT	1,650	-	-	-	1,650	-	1,650
JOSE MARIO LAGAN	-	4,200	(536)	-	3,664	-	3,664
JOSE P. ASOY JR.	8,400	-	-	-	8,400	-	8,400
JOSE RAMIREZ	175,802	-	(72,258)	-	103,544	-	103,544
JOSE SIMANGAN	2,938	-	-	-	2,938	-	2,938
JOSE TABALNO	6,965	-	-	-	6,965	-	6,965
JOSE VOLTAIRE DE LA ROSA	-	8,500	(8,500)	-	-	-	-
JOSEFINO P. ESTRABELA JR.	2,880	-	-	-	2,880	-	2,880
JOSELLER ORBINO	31,931	36,020	-	-	67,951	-	67,951
JOSEPH ANGELO E. NABONG	3,840	-	-	-	3,840	-	3,840
JOSEPH ANGELO NABONG	3,343	-	-	-	3,343	-	3,343
JOSEPH BASLOT	35,100	-	-	-	35,100	-	35,100
JOSEPH DOROPAN	17,825	4,165	-	-	21,990	-	21,990
JOSEPH G. GASPAR	14,075	-	-	-	14,075	-	14,075
JOSEPH GEL ARIÑAS	(100)	100	-	-	-	-	-
Balance forwarded	P 31,883,138	P 26,465,150	(P 20,779,977)	P -	P 37,568,311	P -	P 37,568,311

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 31,883,138	P 26,465,150	(P 20,779,977)	P -	P 37,568,311	P -	P 37,568,311
JOSEPH LIZA	(216)	216	-	-	-	-	-
JOSEPH MEDRERO	-	3,395	-	-	3,395	-	3,395
JOSEPH NERIA	4,495	3,763	-	-	8,258	-	8,258
JOSHUA RONQUILLO	28,320	-	-	-	28,320	-	28,320
JOSHUA TUMOMBAY	7,280	-	-	-	7,280	-	7,280
JOSUE G. GA	1,650	-	-	-	1,650	-	1,650
JOUIE LEE OLIVER	52,607	-	-	-	52,607	-	52,607
JOVEL E. POBLETE	-	-	-	-	-	-	-
JOVELOU DE GUZMAN	11,400	-	-	-	11,400	-	11,400
JOVERT N. DATU	8,400	-	-	-	8,400	-	8,400
JOY ANN L. MIRANDO	69,708	-	-	-	69,708	-	69,708
JOY NOREE MARAMBA	-	74,452	(74,452)	-	-	-	-
JOYSIAN NEPOMUCENO	-	84,604	-	-	84,604	-	84,604
JR. S. LLANO	4,650		-	-	4,650	-	4,650
JUAN JR. CORRE II	(193)	193	-	-	-	-	-
JUAN TIMO	1,650	-	-	-	1,650	-	1,650
JUANITO LICO	36,000	-	-	-	36,000	-	36,000
JUANITO P. LIMBAGA JR.	8,400	-	-	-	8,400	-	8,400
JUANITO REPISO SUNIEL	15,000		(15,000)	-	-	-	-
JUBINUM M. DEL ROSARIO	-	76,280	-	-	76,280	-	76,280
JULES NORMAN RONQUILLO	5,000,000		(5,000,000)	-	-	-	-
JULIE ANN P. PEÑA	3,938	-	-	-	3,938	-	3,938
JULIO JACOB C. ROXAS	15,000	-	(15,000)	-	-	-	-
JULITO DADIA JR.	75,600	-	-	-	75,600	-	75,600
JULIUS C. MANDAWE	10,050	-	-	-	10,050	-	10,050
JULIUS DEL MUNDO	(375)	375	-	-	-	-	-
JULIUS ERVIN ARAGO	1,920	-	-	-	1,920	-	1,920
JULIUS I. DE CHAVEZ	8,400	-	-	-	8,400	-	8,400
JULYSON SOMBRINO	7,105	-	-	-	7,105	-	7,105
JUMAR PANTERIORE	5,670	-	-	-	5,670	-	5,670
JUN JUN C. LILANG	17,400		-	-	17,400	-	17,400
JUNAR G. ATIENZA	11,020	-	-	-	11,020	-	11,020
JUNARD SEVILLA	97,350		-	-	97,350	-	97,350
JUNE PILLAS	8,400	-	-	-	8,400	-	8,400
JUNEL CATUBIG	2,820	-	-	-	2,820	-	2,820
JUNEL PRINCIPE	3,448	-	-	-	3,448	-	3,448
JUNER CAGANG	80,000	-	-	-	80,000	-	80,000
JUNIE RIVERA	1,400	-	-	-	1,400	-	1,400
JUNIFER BALLERA	6,720	-	-	-	6,720	-	6,720
Junrey Cal	5,760	-	-	-	5,760	-	5,760
JUNRIL A. BONDA-ON	17,775	-	-	-	17,775	-	17,775
JUSTIN JUNEL J. PASCUA	60,000	130,050	(40,000)	-	150,050	-	150,050
JUSTINE C. RIVERA	87,779	-	-	-	87,779	-	87,779
JUSTINE RIVERA	3,741	-	-	-	3,741	-	3,741
JUVANI BARLINAN	2,363	-	-	-	2,363	-	2,363
JUVY BANZON	2,030	-	-	-	2,030	-	2,030
KARA MAE MENDIOLA	43,699	30,000	-	-	73,699	-	73,699
KAREN JANE D. VALERIO	6,300	-	-	-	6,300	-	6,300
KATE WELLIN GBEZEHA	56,000	-	-	-	56,000	-	56,000
Katherine A. Eleccion	32,000	-	-	-	32,000	-	32,000
KATHERINE DUGTONG	1,246	-	-	-	1,246	-	1,246
KATHLEEN ANN SECO	-	69,430	-	-	69,430	-	69,430
KATHLEEN FIGURA	6,895	82,542	(12,542)	-	76,895	-	76,895
KATHLEEN PATRICE D. VILLAREAL	25,000	-	(23,568)	-	1,432	-	1,432
KATRINA B. DOLORES	39,000	-	-	-	39,000	-	39,000
KEITH ANTHONY CALIMAG	150,220	555,000	(186,970)	-	518,250	-	518,250
KELLY MAY V. TURALDE	47,299	-	-	-	47,299	-	47,299
KEN JAMES ROMANO	-	5,160		-	5,160	-	5,160
KENNEDY S. BANGLOY	-	-	-	-	-	-	-
KEVIN GERONIMO	192,319	15,076	(200,304)	-	7,090	-	7,090
KHRISTIAN JOHN C. FERRER	16,113	20,000	(31,113)	-	5,000	-	5,000
KHRISTIAN JOHN C. FERRER/SHELLA M	-	20,000	(12,148)	-	7,852	-	7,852
KIM ALEXIE VALLESTERO	61,250	-	-	-	61,250	-	61,250
KIM DE LOS SANTOS	3,300	-	-	-	3,300	-	3,300
KIM RITA MARIE SOLOMON	8,400	-	-	-	8,400	-	8,400
KIMBERLIE PERLAS	-	52,006	-	-	52,006	-	52,006
KING A. BALINTON	1,650	-	-	-	1,650	-	1,650
KING EGIE BOY GALMAN	-	156,202	-	-	156,202	-	156,202
KING GERARD CALINOG	2,400	-	-	-	2,400	-	2,400
Kirk Alexis B. Cabreros	2,400	-	-	-	2,400	-	2,400
KRISTINA MAE A. INCIONG	50,000	200,000	(140,000)	-	110,000	-	110,000
KRISTINE AIRA INAO	-	60,000	(60,000)	-	-	-	-
KRISTINE AIRA M. INAO	5,000	-	(5,000)	-	-	-	-
KRISTINE JOYCE FRANCO LAGROSA	63,200	76,000	(63,200)	-	76,000	-	76,000
KUYSEN ENTERPRISES,INC.	57,003	-	-	-	57,003	-	57,003
Balance forwarded	P 38,538,293	P 28,179,894	(P 26,659,275)	P -	P 40,058,913	P -	P 40,058,913

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 38,538,293	P 28,179,894	(P 26,659,275)	P -	P 40,058,913	P -	P 40,058,913
LAGO, MA. NORA MAE G.	8,494	5,026	(12,683)	-	838	-	838
LALO BEATO	5,113	-	-	-	5,113	-	5,113
LAMBERTO BANSIL III	-	437,790	-	-	437,790	-	437,790
LANDICHO, ARLAN	-	2,137	-	-	2,137	-	2,137
LARRY BOY DIAZ	3,360	-	-	-	3,360	-	3,360
LARRY CAAMPUED	28,800	-	-	-	28,800	-	28,800
LARRY JONES R. CHATO	14,775		-	-	14,775	-	14,775
LARRY NOCEJA	57,600	-	-	-	57,600	-	57,600
LASTRA, ANTONIO	-	-	-	-	-	-	-
LAURITO CABUAL	1,650	-	-	-	1,650	-	1,650
LAYSON ,RAYMUNDO	-	3,744	-	-	3,744	-	3,744
LAYSON, RAYMUNDO	1,030	4,014	(1,341)	-	3,703	-	3,703
LECITA, CHRISTOPHER	2,430	-	-	-	2,430	-	2,430
LEI ANNE ORBISTA	53,120	-	-	-	53,120	-	53,120
LEMUEL ROI RATON	4,200	-	-	-	4,200	-	4,200
LEMUEL SEREÑO	5,800	-	-	-	5,800	-	5,800
LENDHEL JOHN AQUINO	(270)	270	-	-	-	-	-
LENDHEL JOHN B. AQUINO	-	14,400	-	-	14,400	-	14,400
LEO BUENAVENTURA	5,875	-	-	-	5,875	-	5,875
LEO FEDER	6,965	-	-	-	6,965	-	6,965
LEO ROLLAN	5,448	-	(5,240)	-	208	-	208
LEO TOLENTINO	-	1,500	(1,500)	-	-	-	-
LEOMAR D. GONZALES	4,500	-	-	-	4,500	-	4,500
LEONARD COGUIMBAL	(390)	390	-	-	-	-	-
LEONARD M. COGUIMBAL	2,400	6,375	(3,000)	-	5,775	-	5,775
LEONARD PALCONAN	15,220	-	-	-	15,220	-	15,220
LEONARDO N. VENUS	8,615	-	-	-	8,615	-	8,615
LEONARDO ROLDAN JR.	2,600	-	-	-	2,600	-	2,600
LEONIL FERNIN	-	-	-	-	-	-	-
LESTER RAMOS	6,600	-	-	-	6,600	-	6,600
LESTER VILLANUEVA	3,535	-	-	-	3,535	-	3,535
LETICIA CATALAN	2,000	-	-	-	2,000	-	2,000
LIAN MACHADO	87,500	-	(70,000)	-	17,500	-	17,500
LIEZEL CAMAYA	9,000	-	-	-	9,000	-	9,000
LILIAN G. LORES	-	6,364	(6,364)	-	-	-	-
LIMWEL P. JUGO	1,650	-	-	-	1,650	-	1,650
LIZNIL JANE GEIDT	-	26,696	-	-	26,696	-	26,696
LIZVIRT OSIAS	(209)	209	-	-	-	-	-
LLOYD JOSEPH CERRERO	6,975	-	-	-	6,975	-	6,975
LONGOS, PRINCESS	47	-	-	-	47	-	47
LORNA SANTOS	-	153,135	(115,110)	-	38,024	-	38,024
LOUIE PESIMO	4,425	-	-	-	4,425	-	4,425
LOUIE S. ROMERO	10,050	-	(1,560)	-	8,490	-	8,490
LOYD BRYLE BIEN S. AGENA	7,110	-	-	-	7,110	-	7,110
LUCKY CASTILLO	(270)	270	-	-	-	-	-
LUIGIE LLANO	36,975	-	-	-	36,975	-	36,975
LUIS RAYMOND ILAGAN	-	203,866	-	-	203,866	-	203,866
LUMBERIO, DARYL M.	-	-	-	-	-	-	-
LUTCRESIO TEJERO	2,975	-	-	-	2,975	-	2,975
LUTHER S. GERONIMO	2,625	-	-	-	2,625	-	2,625
LYNARD G. BARREDO	3,570	-	-	-	3,570	-	3,570
MA. CRISTINA PAULINE ESPELETA	31,333	-	-	-	31,333	-	31,333
MA. GLORIA JENNIFER ONTE	-	195,400	-	-	195,400	-	195,400
MA. NORA MAE G. LAGO	-	70,000	-	-	70,000	-	70,000
MA. ROSE ANNE M. DE LUMBA	-	60,000	(75)	-	59,925	-	59,925
MAC ROBERT LLANETA	(213)	213	-	-	-	-	-
MACHADO, LIAN F.	-	9,415	(9,415)	-	-	-	-
Mactan-Cebu Airport Project	27,070	-	-	-	27,070	-	27,070
MAE ANN INFORNON	-	73,982	-	-	73,982	-	73,982
MAHUMOT, NILO S.	6,188	3,750	(9,938)	-	-	-	-
Balance forwarded	P 39,024,565	P 29,458,841	(P 26,895,500)	P -	P 41,587,905	P -	P 41,587,905

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 39,024,565	P 29,458,841	(P 26,895,500)	P -	P 41,587,905	P -	P 41,587,905
MALCO, MARVIN	5,492	-	-	-	5,492	-	5,492
MANAGERS	-	3,605	(3,605)	-	-	-	-
MANANSALA, RALSTEIN	-	1,330	-	-	1,330	-	1,330
MANJERON, GREFIEL	2,000	-	-	-	2,000	-	2,000
MANNY D. BALLERA	-	2,130	-	-	2,130	-	2,130
MANOLO PARALEJAS	14,325	-	-	-	14,325	-	14,325
MANUEL ABOGATAL	-	16,023	(16,023)	-	-	-	-
MANUEL BONIFACIO	1,890	-	-	-	1,890	-	1,890
MANUEL N. PEYRA	8,830	-	-	-	8,830	-	8,830
MANUEL ONGJUCO	-	256,760	(56,760)	-	200,000	-	200,000
MANUEL SALINAS	16,050	-	-	-	16,050	-	16,050
MAQUINANA, GLAISA MAY F.	782	7,004	(7,787)	-	-	-	-
MAR ISAVEDRA	-	53,325	-	-	53,325	-	53,325
MARAVILLAS ,MAICA	-	446	-	-	446	-	446
MARAVILLAS, MAICA	3	-	-	-	3	-	3
MARAVILLAS, MAICA A	-	7,496	(7,496)	-	-	-	-
MARAVILLAS, MAICA A.	-	-	-	-	-	-	-
MARC BENI SANSAIT	-	68,152		-	68,152	-	68,152
MARCELINO L. MANGAYA-AY JR.	1,475		-	-	1,475	-	1,475
MARCELO DEMETRIO	(100)	100	-	-	-	-	-
MARCELO LUMACANG	6,000	3,600	-	-	9,600	-	9,600
MARCELO, LAWRENCE	528	-	-	-	528	-	528
MARDEL CIARA MARASIGAN	-	20,500	(20,500)	-	-	-	-
MARIA ARVIE BALASTA	-	65,042	-	-	65,042	-	65,042
MARIA BELINDA B. MORALES	-	60,609		-	60,609	-	60,609
MARIA CHRISTINA PELPENOSAS	(293)	293	-	-	-	-	-
MARIA CYRINE ROLDAN	1,580	-	-	-	1,580	-	1,580
MARIA NIKKI MANTALA	-	78,400	(8,400)	-	70,000	-	70,000
MARIA NIKKI VILLEGAS	-	-	-	-	-	-	-
MARICEL LUNA	7,000	10,000	(17,000)	-	-	-	-
MARICON M. VICENCIO	1,846	4,000	(4,000)	-	1,846	-	1,846
MARIECRIS S. YADAO	-	-	-	-	-	-	-
MARIECRIS YADAO	179	-	-	-	179	-	179
MARIELLE M. OLEA	75,685	7,200	(5,107)	-	77,778	-	77,778
MARILOU GIANAN	5,400	-	-	-	5,400	-	5,400
MARILOU SHELO BARBIANA	28,800	-	-	-	28,800	-	28,800
MARINEL MERCADO	13,200	-	-	-	13,200	-	13,200
MARIO C. MEDINA	-	30,600	(30,600)	-	-	-	-
MARIO OMBOY	4,200	-	-	-	4,200	-	4,200
MARIZEL RAHON	10,800	-	-	-	10,800	-	10,800
MARJORIE BALINOYOS	(524)	3,024	(2,500)	-	-	-	-
MARK ANGELO C. SALALILA	6,000	-	-	-	6,000	-	6,000
MARK ANGELO SALALILA	(1,904)	1,904	-	-	-	-	-
MARK ANTAZO	5,750	-	-	-	5,750	-	5,750
MARK ANTHONY BERMEO	8,400	-	-	-	8,400	-	8,400
MARK ANTHONY C. ESTABILLO	14,400	-	-	-	14,400		14,400
MARK ANTHONY DOMINGO	6,860	-	-	-	6,860	-	6,860
MARK ANTHONY GONZAGA	3,840	-	-	-	3,840	-	3,840
MARK ANTHONY OPINION	6,600	-	-	-	6,600	-	6,600
MARK ANTHONY S. CO	1,371	-	-	-	1,371	-	1,371
MARK ANTHONY SANTOS	8,365	-	-	-	8,365	-	8,365
MARK BRIONES	1,700	-	-	-	1,700	-	1,700
MARK GOCELA MAÑOZO	2,650	-	-	-	2,650	-	2,650
MARK JASON L. GARRERO	16,050	-	-	-	16,050	-	16,050
MARK JHERICO PERALTA	(70)	70	-	-	-	-	-
MARK LLOYD A. RAMIREZ	9,950	-	-	-	9,950	-	9,950
MARK ROCAFORT	484,010	432,521	(519,221)	-	397,310	-	397,310
MARK RODEL SABADO	35,125	27,217	(22,717)	-	39,625	-	39,625
MARK RODULF CODOY	(305)	305	-	-	-	-	-
Mark U. Villagonzalo	3,273	-	-	-	3,273	-	3,273
MARK VERGEL C. CONCEPCION	1,650	-	-	-	1,650	-	1,650
MARK VONN DARANCIANG	3,600	-	(446)	-	3,154	-	3,154
Markus Hennig	237,057	-	(237,057)	-	-	-	-
MARLO SIMANGAN	6,335	-	-	-	6,335	-	6,335
MARLON CAMILOTES	2,400	-	-	-	2,400	-	2,400
MARLON JAY MAGNO	2,388	-	-	-	2,388	-	2,388
MARLON JAZARENO	6,703	-	-	-	6,703	-	6,703
MARLON JOSEPH PINEDA	(193)	193	-	-	-	-	-
MARLON MERCADO	-	6,600	-	-	6,600	-	6,600
MARLON REONICO	2,400	-	-	-	2,400	-	2,400
Balance forwarded	P 40,104,116	P 30,627,289	(P 27,854,719)	P -	P 42,876,686	P -	P 42,876,686

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 40,104,116	P 30,627,289	(P 27,854,719)	P -	P 42,876,686	P -	P 42,876,686
MARLOU S. RAMOS	3,000	-	-	-	3,000	-	3,000
MARNELLIE SANIDAD	10,000	10,000	(10,000)	-	10,000	-	10,000
MARQUEZ, JOHN KRISTOFER	-	-	-	-	-	-	-
MARTIN JACOB E. CORPUZ	-	-	-	-	-	-	-
MARTIN MIGUEL FLORES	37,900	10,000	-	-	47,900	-	47,900
MARTINEZ JOEL	8,400	-	-	-	8,400	-	8,400
MARTINEZ, DIANE	119	-	-	-	119	-	119
MARTINEZ, JOEL	1,513	-	(1,513)	-	-	-	-
MARTY GEE D. ANOCHE	3,360	-	-	-	3,360	-	3,360
MARVIN CUSTODIO	(100)	100	-	-	-	-	-
MARVIN ETAC	(1,612)	1,612	-	-	-	-	-
MARVIN GLORIA	-	30,120	-	-	30,120	-	30,120
MARVIN GUTLAY	8,400	-	-	-	8,400	-	8,400
MARVIN LIMBAGA	6,000	-	-	-	6,000	-	6,000
MARVIN M. ENCARNACION	1,650	-	-	-	1,650	-	1,650
MARVIN M. MALCO	6,000	-	-	-	6,000	-	6,000
MARWIN BEGUEJA	12,810	-	-	-	12,810	-	12,810
MARY ANN D. VILLAGRACIA	6,000	-	-	-	6,000	-	6,000
MARY ANN VILLAGRACIA	(651)	651	-	-	-	-	-
MARY GRACE A. LI	45,000	-	(7,500)	-	37,500	-	37,500
MARY GRACE MONTALES	14,400	-	-	-	14,400	-	14,400
MARY JANE ATIENZA	(150)	150	-	-	-	-	-
MARY JANE CAJAYON	-	13,168	-	-	13,168	-	13,168
MARY JANE V. ATIENZA	-	10,000	-	-	10,000	-	10,000
MARY JOY GOMEZ	(241)	241	-	-	-	-	-
MARY JOY L. DEDOYCO	8,400	-	-	-	8,400	-	8,400
MARY JOY R. BOTIS	3,185	-	-	-	3,185	-	3,185
MARY LEI M. FELICIANO	-	-	-	-	-	-	-
MARY ROSE F. DE GUZMAN	5,976	-	-	-	5,976	-	5,976
MARZON MOLINA	(240)	240	-	-	-	-	-
MASTER CEDRIC RIBAMBA	(193)	193	-	-	-	-	-
MAXICARE HEALTHCARE CORPORATIC	474,849	-	-	-	474,849	-	474,849
MAXIMO ESPINOSA JR	8,260	-	-	-	8,260	-	8,260
MAY CORVERA	(419)	419	-	-	-	-	-
MAYBELLE PRIETO	21,140	133,700	(99,500)	-	55,340	-	55,340
MC ALBERT RIBAMBA	(213)	213	-	-	-	-	-
MELANIE VILLACRUZADA	(960)	3,100	(2,140)	-	-	-	-
MELCHOR V. HERRERA	1,650	-	-	-	1,650	-	1,650
MELISSA SALILICAN	4,417	217,000	(164,888)	-	56,529	-	56,529
MELITON CRESCINI JR.	21,000	-	-	-	21,000	-	21,000
MELJUNE MONSANTO	5,575	-	-	-	5,575	-	5,575
MELTON FUENTES	6,315	-	-	-	6,315	-	6,315
MELVIN C. CORDERO	8,330	-	-	-	8,330	-	8,330
MELVIN CASTRO	(215)	215	-	-	-	-	-
MELVINO FAUSTINO	61,700	28,542	(30,708)	-	59,534	-	59,534
MENDOZA JR, ANGELITO	-	-	-	-	-	-	-
MENDOZA, JENNIFER	-	2,670	(1,331)	-	1,339	-	1,339
MENDOZA, JENNIFER RODELLA	-	7,496	(7,496)	-	-	-	-
MENDOZA, JIM PAUL	242	-	-	-	242	-	242
MERCADO. MARLON	-	9	-	-	9	-	9
MERL B. SALIGUMBA	1,650	-	-	-	1,650	-	1,650
MHELVINA DOMINCIL	(296)	296	-	-	-	-	-
MHELVINA P. DOMINCIL	-	77,689	(77,689)	-	-	-	-
MIA BAGAUB	489	-	-	-	489	-	489
MICHAEL ALIA	(100)	100	-	-	-	-	-
MICHAEL ANDAM	3,028	-	-	-	3,028	-	3,028
MICHAEL ANGELO OCTUBRE	(100)	100	-	-	-	-	-
MICHAEL ANGELO VICENTE	-	563	-	-	563	-	563
MICHAEL BAÑARES	1,500	-	-	-	1,500	-	1,500
Balance forwarded	P 40,900,884	P 31,175,876	(P 28,257,485)	P -	P 43,819,275	P -	P 43,819,275

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 40,900,884	P 31,175,876	(P 28,257,485)	P -	P 43,819,275	P -	P 43,819,275
MICHAEL BERMUDO	140,000	-	-	-	140,000	-	140,000
MICHAEL CONDADA	1,950	-	-	-	1,950	-	1,950
MICHAEL GARCIA	5,575	-	-	-	5,575	-	5,575
MICHAEL HEHERSON DISTOR	2,000	-	-	-	2,000	-	2,000
MICHAEL JAY P. PAZ	6,580	-	-	-	6,580	-	6,580
MICHAEL L. CONDADA	2,980	-	-	-	2,980	-	2,980
MICHAEL M. BARRACA	8,260	-	-	-	8,260	-	8,260
MICHAEL P. LOHMAN	-	9,000	(9,000)	-	-	-	-
MICHAEL REDONARIO	1,650	-	-	-	1,650	-	1,650
MICHAEL SIDAYA	(100)	100	-	-	-	-	-
MICHAEL SIMUNDAC	40,518	-	(37,972)	-	2,546	-	2,546
MICHELL ANN E. CONDE	44,927	-	(44,927)	-	-	-	-
Michelle A. Magdato	6,720	-	-	-	6,720	-	6,720
MICHELLE ALCANTARA	-	5,000	-	-	5,000	-	5,000
MICHELLE SANIDAD	184,778	-	-	-	184,778	-	184,778
MICHELLE T. JAYARI	56,350	-	-	-	56,350	-	56,350
MIGUE BOY PACULANAN	(165)	165	-	-	-	-	-
MIKKA MAE PRINCIPE	142,939	(10,451)	(45,337)	-	87,151	-	87,151
MILESTILL YOUNG	130,000	70,000	-	-	200,000	-	200,000
MIPARANUM, BIENVENIDO	3,808	-	-	-	3,808	-	3,808
MIPARANUM, BIENVENIDO P	-	14,618	(14,618)	-	-	-	-
MIPARANUM, BIENVENIDO P.	4,301	-	(4,301)	-	0	-	0
MIRANIE B. MONTENEGRO	-	50,000	-	-	50,000	-	50,000
MOLDE, JESSIELITO D.	4,537	2,685	(7,222)	-	-	-	-
MONICO B. CORRO JR.	1,650	-	-	-	1,650	-	1,650
MORRIS MIQUE	4,480	-	-	-	4,480	-	4,480
MULDONG, ALAN	6,417	2,940	(455)	-	8,901	-	8,901
NANDY T. PAÑO	8,400	-	-	-	8,400	-	8,400
NAPOLEON ORIEL	2,288	-	-	-	2,288	-	2,288
NARCISO P. DABUCON JR.	-	-	-	-	-	-	-
NATANIEL NABONG	(240)	240	-	-	-	-	-
NEIL CASTA	-	24,975	-	-	24,975	-	24,975
NEIL CATABAY	6,000	20,000	(20,000)	-	6,000	-	6,000
NEIL FRANCIS DIUMANO	2,850	-	-	-	2,850	-	2,850
NEJIAS T. TUMIMBANG	8,400	-	-	-	8,400	-	8,400
NELSON A. BALILO	1,475	-	-	-	1,475	-	1,475
NELSON A. GERVACIO	7,980	-	-	-	7,980	-	7,980
NELSON CEBRERO	1,710	-	-	-	1,710	-	1,710
NELSON E. FLORES	8,400	-	-	-	8,400	-	8,400
NELSON VILLON	1,650	-	-	-	1,650	-	1,650
NERIA MIGUEL	-	8,330	-	-	8,330	-	8,330
NERRY M. MONTANO	6,930	-	-	-	6,930	-	6,930
NESIE DE GUZMAN JOSE	76,890	-	(76,890)	-	-	-	-
NESTOR ABRIAL	34,730	-	-	-	34,730	-	34,730
NESTOR C. ABRIAL	8,925	-	-	-	8,925	-	8,925
NESTOR C. PILAPIL	1,400	-	-	-	1,400	-	1,400
NESTOR GRANDI	8,883	-	-	-	8,883	-	8,883
NESTOR INFANTE	1,650	-	-	-	1,650	-	1,650
NESTOR L. SIERVO JR.	63,100	-	-	-	63,100	-	63,100
NESTOR T. TECSON JR	-	36,000	(36,000)	-	-	-	-
NESTY LO M. PAGLINAWAN	8,365	-	-	-	8,365	-	8,365
NEW ERA CEBU PENSION INN INC.	3,118	-	-	-	3,118	-	3,118
NEW GOLD BOND MARKETING CORP.	155,667	-	-	-	155,667	-	155,667
NICKSON ADREMESIN	4,500	-	-	-	4,500	-	4,500
NICOLE JAY MACABUHAY	5,700	-	-	-	5,700	-	5,700
NIDA H. GREFALDO	-	184,398	-	-	184,398	-	184,398
NIEL G. PAUSAL	37,200	-	-	-	37,200	-	37,200
NIERRA JOBEL A. AZOGUE	-	60,000	-	-	60,000	-	60,000
NIGEL BRYANT EVANGELISTA	-	250,229	(109,054)	-	141,175	-	141,175
NIKKA ELLA PEREZ	-	13,560	(13,560)	-	-	-	-
NIKKO KAYE VILLETE	11,970	-	-	-	11,970	-	11,970
NILO MAÑOZO	5,430	-	-	-	5,430	-	5,430
NIMFA SODELA	(302)	302	-	-	-	-	-
NIÑA DELMONTE	(302)	302	-	-	-	-	-
Balance forwarded	P 42,183,805	P 31,918,267	(P 28,676,821)	P -	P 45,425,251	P -	P 45,425,251

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 42,183,805	P 31,918,267	(P 28,676,821)	P -	P 45,425,251	P -	P 45,425,251
NIÑO CALOOBANAN	5,050	-	-	-	5,050	-	5,050
NIÑO DELOS REYES	441,585	172,663	(351,210)	-	263,038	-	263,038
NIÑO JOVIT C. JIMENEZ	282,165	53,500	(30,000)	-	305,665	-	305,665
NOCUM, LINDON	70	81	-	-	150	-	150
NOEL AMAC Jr.	(258)	5,258	(5,000)	-	-	-	-
NOEL CERIAS	25,650	-	-	-	25,650	-	25,650
NOEL D. OBEÑA	6,650	-	-	-	6,650	-	6,650
NOEL E. MAHUMOK	3,360	-	-	-	3,360	-	3,360
NOEL GARBO	1,650	-	-	-	1,650	-	1,650
NOEL M. BERANA	2,200	-	(2,200)	-	-	-	-
NOEL OBEÑA	7,680	-	-	-	7,680	-	7,680
NOEL S. LAURENCIANO	1,650	-	-	-	1,650	-	1,650
NOEL S. QUINTO	500	-	-	-	500	-	500
NONILON F. MUDLONG	1,650	-	-	-	1,650	-	1,650
NONITO PAZ	6,600	-	-	-	6,600	-	6,600
NONITO T. ENANO	7,890	-	-	-	7,890	-	7,890
NORLINDO J. CABALLERO	8,400	-	-	-	8,400	-	8,400
NORMAN ARMADA	7,315	2,938	-	-	10,253	-	10,253
NORMAN D. CARANCHO	3,640	-	-	-	3,640	-	3,640
NORMAN DELAMIDE	-	6,743	(3,120)	-	3,623	-	3,623
NORMAN N. ESCOBAR	-	95,000	-	-	95,000	-	95,000
OBLEPIAS, ARLENE JOYCE A.	-	-	-	-	-	-	-
OLIVER BERMEJO	-	56,000	-	-	56,000	-	56,000
ORDONIO , JOMARI	3	-	-	-	3	-	3
ORDONIO, JOMARI B	-	17,347	(17,347)	-	-	-	-
ORDONIO, JOMARI B.	5,354	-	(5,354)	-	-	-	-
ORLANDO VINAS	8,225	-	-	-	8,225	-	8,225
ORLANDO VIÑAS	-	3,000	-	-	3,000	-	3,000
ORTEA, ALDWIN	3	4	-	-	7	-	7
OTHMANN INCORPORATED	38,847	-	-	-	38,847	-	38,847
OTTILIE MARKETING, INC.	3,836	-	-	-	3,836	-	3,836
OTHERS	44,499,573	-	(18,491,897)		26,007,676	-	26,007,676
OWEN NIPA	12,470	-	-	-	12,470	-	12,470
PABLITO BAUTISTA JR.	10,200	-	-	-	10,200	-	10,200
PABLO VALENZUELA Jr.	(215)	215	-	-	-	-	-
PALACIO, HAIDEE	366	-	-	-	366	-	366
PAMELA PEREZ	-	22,874	-	-	22,874	-	22,874
PAREDES, ANTONIO	-	-	-	-	-	-	-
PARINGIT, SAMSON VAL	1,339	-	-	-	1,339	-	1,339
PARINGIT, SAMSON VAL V.	4,400	-	-	-	4,400	-	4,400
PASCULADO, JOVANIE	1,667	-	-	-	1,667	-	1,667
PATRICK CAMAYA	5,350	-	-	-	5,350	-	5,350
PATRICK JAY CATIPON	9,000	-	-	-	9,000	-	9,000
PATRICK JOHN RAMOS	-	3,973	-	-	3,973	-	3,973
PATRICK MERL L. CASTILLO	7,000	-	-	-	7,000	-	7,000
PAUL ANGELO LAZO Jr.	(159)	159	-	-	-	-	-
PAUL D. MILLARE	4,700	-	-	-	4,700	-	4,700
PAUL IAN DEL RIO	1,238	7,500	-	-	8,738	-	8,738
PAUL REINIER GANALON	8,700	-	-	-	8,700	-	8,700
PAULA C. LAO	542,000	151,709	(492,332)	-	201,377	-	201,377
PAULINE MAY ANGELICA HINGZON	213,119	80,000	-	-	293,119	-	293,119
PEDERICO JUALO	-	2,933	(2,168)	-	765	-	765
PEDRO A. ESPINOSA JR.	7,350	-	-	-	7,350	-	7,350
PEDUCHE, HELEN B.	4,032	7,004	(11,036)	-	-	-	-
PELPENOSAS, MARIA CHRISTINA P.	1,344	6,368	(7,712)	-	-	-	-
PEREZ ,ALJON		4,035	-	-	4,035	-	4,035
PEREZ, ALJON	4	10,796	(2,011)	-	8,789	-	8,789
PERLITO BUCTOLAN	8,400	4,078	(4,078)	-	8,400	-	8,400
PETER CONRAD TALOSIG	11,865	-	-	-	11,865	-	11,865
PHILIP COSTALES	(245)	245	-	-	-	-	-
PHILIP RAYMUND M. CERVANCIA	1,650	-	-	-	1,650	-	1,650
							-
Balance forwarded	P 88,408,666	P 32,632,688	(P 48,102,285)	P -	P 72,939,070	P -	P 72,939,070

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 88,408,666	P 32,632,688	(P 48,102,285)	P -	P 72,939,070	P -	P 72,939,070
PHOEBE KATHERINE B. REYES	-	3,600	(3,600)	-	-	-	-
PIELCHE IMSON	24,601	38,038	(23,038)	-	39,601	-	39,601
POLICARPIO VEGA JR.	15,000	-	-	-	15,000	-	15,000
PRINCESS A. LONGOS	77,350	-	-	-	77,350	-	77,350
PRINCESS INCISO	280,000	(18,332)	(268)	-	261,400	-	261,400
PRINCESS MAUREEN DE LEON	8,400	-	-	-	8,400	-	8,400
PRYNCESS HYACINTH ESGUERRA	-	326,272	-	-	326,272	-	326,272
PUNZALAN, RODOLFO	-	-	-	-	-	-	-
QUANTUM QUALITY TOURS & TRAVEL	53,869	-	-	-	53,869	-	53,869
QUEENIE FAMILARAN	-	158,870	(146,278)	-	12,593	-	12,593
RACEL G. CALDERON	144,536	-	(83,381)	-	61,155	-	61,155
RACHELLE ANN ALEJANDRO	56,072	-	-	-	56,072	-	56,072
RACKY SAMSON	5,200	-	-	-	5,200	-	5,200
RACQUEL H. VERZOSA	-	38,000	-	-	38,000	-	38,000
RADITH B. BATAN	960	-	-	-	960	-	960
RAFAEL ANGAB	7,200	-	-	-	7,200	-	7,200
RAIZA JACKIE LOUISE ESPINO	28,465	10,630	(10,630)	-	28,465	-	28,465
RALPH JOSHUA S. GALANG	-	88,900	(38,588)	-	50,312	-	50,312
RALPH WALDO CABRERA	150,500	(2,500)	-	-	148,000	-	148,000
RALPHY LEVI AUMENTADO	1,960	-	-	-	1,960	-	1,960
RAMEL BELONIO	(240)	240	-	-	-	-	-
RAMELLA CALIGNAOAN	(270)	270	-	-	-	-	-
RAMER MOSTAZA	5,528	-	-	-	5,528	-	5,528
RAMIE L. BALBUTIN	9,263	-	-	-	9,263	-	9,263
RAMIL A. DIAZ	6,000	-	-	-	6,000	-	6,000
RAMIL MENDOZA	15,225	-	-	-	15,225	-	15,225
RAMIR DACANAY	-	-	-	-	-	-	-
RAMIREZ ,JOSE	-	4,015	-	-	4,015	-	4,015
RAMIREZ, JOSE	8,093	11,508	(4,500)	-	15,101	-	15,101
RAMIREZ, MARK LLOYD A	-	7,309	(7,309)	-	-	-	-
RAMIREZ, MARK LLOYD A.	2,150	-	(2,150)	-	-	-	0
RAMON BRAVO JR.	1,650	-	-	-	1,650	-	1,650
RAMON D. BONUEL	8,400	-	-	-	8,400	-	8,400
RAMOS, ERWIN M	-	7,309	(7,309)	-	-	-	-
RAMOS, ERWIN M.	2,150	-	(2,150)	-	-	-	0
RAMY CORCINO	3,360	-	-	-	3,360	-	3,360
RANDEL S. ROJO	2,125	-	(2,125)	-	-	-	-
RANDIE M. VIADO	11,258	-	-	-	11,258	-	11,258
RANDY ABALOS	(240)	240	-	-	-	-	-
RANDY D. NARIDO	-	-	-	-	-	-	-
RANDY DAVID	(240)	240	-	-	-	-	-
RANDY L. POTENCIA	8,400	-	-	-	8,400	-	8,400
RANDY RETES	12,600	-	-	-	12,600	-	12,600
RANILO A. CALLO	-	-	-	-	-	-	-
RAPH JAYSON ODATO	-	34,950	-	-	34,950	-	34,950
RASCHEL T. CABILLAN	1,650	-	-	-	1,650	-	1,650
RAUL B. GOLEZ	18,345	-	-	-	18,345	-	18,345
RAUL CENTUS	-	7,950		-	7,950	-	7,950
RAYAN SIEGUE	(240)	240	-	-	-	-	-
RAYMART M. BRIAGAS	-	9,585	-	-	9,585	-	9,585
RAYMOND A. SECRETARIA	1,650	-	-	-	1,650	-	1,650
RAYMOND DUCOT	(300)	300	-	-	-	-	-
RAYMOND JAY BERGONIO	706	-	(706)	-	-	-	-
RAYMOND LIBRAMONTE	9,085	-	-	-	9,085	-	9,085
Raymund Jay S. Gomez	6,100	-	-	-	6,100	-	6,100
RAYMUND M. EBORA	6,510	-	-	-	6,510	-	6,510
RAYMUNDO MARRAS	-	23,990	(23,990)	-	-	-	-
REA LYN BUENAVENTURA	4,130	-	-	-	4,130	-	4,130
Balance forwarded	P 89,405,627	P 33,384,309	(P 48,458,306)	P -	P 74,331,630	P -	P 74,331,630

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 89,405,627	P 33,384,309	(P 48,458,306)	P -	P 74,331,630	P -	P 74,331,630
REBECCA AYCOCHO	5,000	22,145	(26,600)	-	546	-	546
REDINTO M. OLIVERAS	1,475	-	-	-	1,475	-	1,475
REFSIL MAGSIPOC	4,320	-	-	-	4,320	-	4,320
REGGIE C. CARIÑO	14,325	-	-	-	14,325	-	14,325
REGIE DASALLA	1,650	-	-	-	1,650	-	1,650
REGINE CARMELLI R. SANTOS	620,000	250,000	(500,000)	-	370,000	-	370,000
REGINE SOCORRO	8,400	-	-	-	8,400	-	8,400
REGOR TITO	-	26,598	-	-	26,598	-	26,598
REJEAN VALENZUELA	44,100	-	-	-	44,100	-	44,100
RENANTE V. ROJO	1,650	-	-	-	1,650	-	1,650
RENATO ALEGADO	36,900	231,019	(267,919)	-	-	-	-
RENATO B. CASTRO JR.	8,400	-	-	-	8,400	-	8,400
RENATO BELARO Jr.	(340)	340	-	-	-	-	-
RENATO DELA PEÑA	2,230	-	-	-	2,230	-	2,230
RENATO M. SILVA JR.	-	24,837	(24,837)	-	-	-	-
RENATO NAVAL	-	72,000	-	-	72,000	-	72,000
RENE BOY S. BALOHABO	1,650	-	-	-	1,650	-	1,650
RENE BUICO	1,650	-	-	-	1,650	-	1,650
RENNIELYN VERGARA	(579)	579	-	-	-	-	-
RENY SOLANO	46,560	-	-	-	46,560	-	46,560
REO B. GOTIZA	34,500	-	-	-	34,500	-	34,500
RESTIAN DEBLOIS	(213)	213	-	-	-	-	-
RESURRECCION, SARAH	-	-	-	-	-	-	-
RETHMON SEVILLA	(205)	205	-	-	-	-	-
REXFORD ILAGAN	322,295	3,340,623	(3,157,184)	-	505,734	-	505,734
REY AMOR	19,200	-	-	-	19,200	-	19,200
REY C. RAMIREZ	1,475	-	-	-	1,475	-	1,475
REY DAN S. FAMPULA	-	417,600	-	-	417,600	-	417,600
REY FRANCIS FABRO	10,201	503	(10,704)	-	-	-	-
REY G. AMOR	15,840	-	-	-	15,840	-	15,840
REY LUGO	-	85,600		-	85,600	-	85,600
REY MARK GARCIA	45,090	-	-	-	45,090	-	45,090
REYCELYN D. REYES	14,400	-	-	-	14,400	-	14,400
REYMUND P. SABINO	8,400	-	-	-	8,400	-	8,400
REYNALDO AMESTOSO	(240)	240	-	-	-	-	-
REYNALDO C. SALVADOR	7,530	-	-	-	7,530	-	7,530
REYNALDO CANDO	1,650	-	-	-	1,650	-	1,650
REYNALDO RESTAURO	9,360	-	-	-	9,360	-	9,360
REYNALDO RODRIN	1,196,524	(395,000)	(395,000)	-	406,524	-	406,524
REYNANTE DE VERA	29,654	130,000	-	-	159,654	-	159,654
REYNOLD JAZARENO	2,600	-	-	-	2,600	-	2,600
Reza Marie C. De Guzman	114,340	-	-	-	114,340	-	114,340
RHEA LAMOSTE	(390)	390	-	-	-	-	-
RHIZ KATHLEEN CONTRERAS	21,438	48,000	(21,438)	-	48,000	-	48,000
RHODORA E. DE LA CRUZ	19,000	-	-	-	19,000	-	19,000
RIC C. CAIDO	51,258	-	-	-	51,258	-	51,258
RICARDO AMOTO JR.	1,550	-	-	-	1,550	-	1,550
RICARDO B. GILTENDEZ	14,075	-	-	-	14,075	-	14,075
RICARDO C. DONATO	18,000	-	-	-	18,000	-	18,000
RICARDO HERA JR.	4,800	-	-	-	4,800	-	4,800
RICARDO LAPEÑA	14,400	-	-	-	14,400	-	14,400
RICARDO R. DELOS REYES	2,370	-	-	-	2,370	-	2,370
RICARDO SABANAL	975	-	-	-	975	-	975
RICHARD A. RECELLA JR.	-	4,200	(4,200)	-	-	-	-
RICHARD ANGOB	8,502	5,445	(13,947)	-	0	-	0
RICHARD B. FUENTES	1,650	-	-	-	1,650	-	1,650
RICHARD C. CUADRA	11,068	-	-	-	11,068	-	11,068
RICHARD FAMILIAR	-	2,895		-	2,895	-	2,895
RICHARD ILUSTRE	(375)	375	-	-	-	-	-
RICHARD MAGDARAOG	3,360	-	-	-	3,360	-	3,360
RICHARD PEÑAMAYOR	-	-	-	-	-	-	-
RICHARD PROVIDENCIA	15,000	-	-	-	15,000	-	15,000
RICHARD S. PINGOS	10,560	-	-	-	10,560	-	10,560
RICHMON MILLARE	10,973	-	-	-	10,973	-	10,973
RICHMON O. MILLARE	8,400	-	-	-	8,400	-	8,400
RICKY BALCE	-	190,000	(169,843)	-	20,157	-	20,157
RICKY PAYNO	1,650	-	-	-	1,650	-	1,650
RICKY PEÑA	14,268	-	-	-	14,268	-	14,268
RICO F. ABAD	7,000	-	-	-	7,000	-	7,000
RITA DOMINGO	(360)	360	-	-	-	-	-
RIZALDA, ARNOLD	-	-	-	-	-	-	-
ROBBY SALAMANCA	-	60,000	-	-	60,000	-	60,000
ROBERT D. VILLANUEVA	10,050	-	-	-	10,050	-	10,050
ROBERT JASON TORRES	424,803	-	(391,003)	-	33,800	-	33,800
Balance forwarded	P 92,709,441	P 37,903,475	(P 53,440,979)	P -	P 77,171,937	P -	P 77,171,937

Name	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Written Off	Ending Balance: Current	Ending Balance: Non-current	Balance at End of Period
Balance carried forward	P 92,709,441	P 37,903,475	(P 53,440,979)	P -	P 77,171,937	P -	P 77,171,937
ROBERT TABILOG	3,240	-	-	-	3,240	-	3,240
ROBERTO OXINA	8,925	-	-	-	8,925	-	8,925
ROBERTO R. REÑA	1,650	-	-	-	1,650	-	1,650
ROBERTO TAPIA	-	36,000	-	-	36,000	-	36,000
ROBERTSON G. QUIRES	1,475	-	-	-	1,475	-	1,475
ROBIN M. FIGUEROA	10,450	-	-	-	10,450	-	10,450
RODEL GONZALES	3,640	-	-	-	3,640	-	3,640
RODELO B. VALLENTE	-	-	-	-	-	-	-
RODERIC CORPORAL	1,650	-	-	-	1,650	-	1,650
RODNEY C. GARCIA	-	-	-	-	-	-	-
RODNICK CACAFRANCA	2,835	-	-	-	2,835	-	2,835
RODOLF S. SAGUID	1,650	-	-	-	1,650	-	1,650
RODOLFO CERVERA	21,333	-	-	-	21,333	-	21,333
RODOLFO J. CERVERA	1,850	-	(1,850)	-	-	-	-
RODOLFO PUNZALAN	-	-	-	-	-	-	-
RODRICK J. REYES	1,650	-	-	-	1,650	-	1,650
RODRIGO AURELIO JR	5,555	-	-	-	5,555	-	5,555
ROEL COLEGADO	158,956	-	(150,556)	-	8,400	-	8,400
ROEL E. FRANCISCO	1,650	-	-	-	1,650	-	1,650
ROGELIO C. REQUIRON JR.	11,400	-	-	-	11,400	-	11,400
ROGELIO F. VILLAMOR	1,920	-	-	-	1,920	-	1,920
ROGELIO H. EÑATE	11,163	-	-	-	11,163	-	11,163
ROGELIO TURTOR Jr.	(204)	204	-	-	-	-	-
ROGER ARESGADO	(220)	220	-	-	-	-	-
ROGER AROMIN	(240)	240	-	-	-	-	-
ROGER ARTIGAS	6,695	-	-	-	6,695	-	6,695
ROGER C. PONCECA	1,650	-	-	-	1,650	-	1,650
ROGER C. SALAZAR	6,195	-	-	-	6,195	-	6,195
ROGER CABIGAYAN	-	9,000	-	-	9,000	-	9,000
ROJO, RANDEL S.	20,429	16,173	(36,601)	-	-	-	-
ROLAND JAZARENO	8,813	-	-	-	8,813	-	8,813
ROLAND N. RIÑA	10,350	-	-	-	10,350	-	10,350
ROLAND RAYCO	4,740	-	-	-	4,740	-	4,740
ROLANDO F. MECHILINA I	7,245	-	-	-	7,245	-	7,245
ROLDAN PALMA	-	8,042	(8,042)	-	-	-	-
ROLEN L. JALIMBAWA	1,650		-	-	1,650	-	1,650
ROLLEN RALPH L. ORCE	8,400	-	(8,400)	-	-	-	-
ROMANO B. LIRIO	8,295	-	-	-	8,295	-	8,295
ROMAR B. CARNIYAN	1,650		-	-	1,650	-	1,650
ROMAR COBILLA	-	30,762	(28,060)	-	2,702	-	2,702
ROMEL FERNANDO	(188)	188	-	-	-	-	-
ROMEO ARITA	5,961	-	(5,961)	-	-	-	-
ROMEO B. BOBILES	1,650	-	-	-	1,650	-	1,650
ROMEO BOLILAN	(8,000)	8,000	-	-	-	-	-
ROMEO DIAZ	8,400	-	-	-	8,400	-	8,400
ROMEO H. PEÑANUEVA	72,000	-	-	-	72,000	-	72,000
ROMEO P. CAMINO JR.	11,288	-	-	-	11,288	-	11,288
ROMEO P. FURIGAY	17,113	-	-	-	17,113	-	17,113
ROMEO SAKAY	8,400	-	(6,000)	-	2,400	-	2,400
ROMMEL AGNES	5,675	-	-	-	5,675	-	5,675
ROMMEL AMADOR	3,553	-	-	-	3,553	-	3,553
ROMMEL GOROSPE	6,000	-	-	-	6,000	-	6,000
ROMMEL NEVADO	10,920	-	-	-	10,920	-	10,920
ROMMEL VIRTUZ	(193)	193	-	-	-	-	-
ROMNICK T. LLENADO	1,650	-	-	-	1,650	-	1,650
ROMULO G. RUIZ JR.	8,400	-	-	-	8,400	-	8,400
ROMULO OLAGUER	(376)	376	-	-	-	-	-
ROMULO, RUIZ	9,371	14,721	(2,341)	-	21,750	-	21,750
RONA C. BAUTISTA	126,000	-	-	-	126,000	-	126,000
RONALD ANDREW MANUEL	(362)	362	-	-	-	-	-
RONALD P. BUAL	1,650	-	-	-	1,650	-	1,650
RONALD S. ZEMOLABA	7,420	-	-	-	7,420	-	7,420
RONALD TILA	-	2,838	-	-	2,838	-	2,838
RONALDO MERTO	4,380	-	-	-	4,380	-	4,380
RONALDO PALIN	1,650	-	-	-	1,650	-	1,650
RONEL BOFILL	9,898	-	-	-	9,898	-	9,898
RONEL D. BOFILL	2,400	-	-	-	2,400	-	2,400
RONEL E. ABELONG	-	18,000	(18,000)	-	-	-	-
RONIE BALBUENA	1,650	-	-	-	1,650	-	1,650
RONILO C. PONSICA	1,650	-	-	-	1,650	-	1,650
RONNIE G. BRANDT	1,440	-	-	-	1,440	-	1,440
RONNIE SIENES	51,680	-	-	-	51,680	-	51,680
ROQUE T. GUANGA	11,400	-	-	-	11,400	-	11,400
ROSARIO, ALLAN A.	1,882	6,368	(8,250)	-	-	-	-
ROSE ANN A. PIQUERO	32,000	-	-	-	32,000	-	32,000
ROSE ANN J. TARROZA	-	7,650	-	-	7,650	-	7,650
Balance forwarded	P 93,462,238	P 38,062,812	(P 53,715,040)	P -	P 77,810,009	P -	P 77,810,010

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 93,462,238	P 38,062,812	(P 53,715,040)	P -	P 77,810,009	P -	P 77,810,010
ROSE ANN TARROZA	(80)	80	-	-	-	-	-
ROSE CELINE CASTRO	6,000	-	-	-	6,000	-	6,000
ROSE TAPADO	6,000	87,124	(17,124)	-	76,000	-	76,000
Rose Valerie Aceron	9,000	-	-	-	9,000	-	9,000
ROSEBHEL ABALA	5,149	163,399	(167,074)	-	1,473	-	1,473
ROSEBHEL HIBAYA	6,231	-	-	-	6,231	-	6,231
ROSELITO CARILLO	2,400	-	-	-	2,400	-	2,400
ROSELYN CULMINAR	-	96,245	-	-	96,245	-	96,245
ROSETTE PASCUAL	61,950	3,000	-	-	64,950	-	64,950
ROSS RUSSEL GONZALES	(300)	300	-	-	-	-	-
ROWEL SAMSON	(240)	240	-	-	-	-	-
ROWELL SALVADOR	4,900	-	-	-	4,900	-	4,900
ROWENA F. REYES	-	40,071	(8,369)	-	31,702	-	31,702
ROY JOHN C. LOPEZ	-	-	-	-	-	-	-
ROYCE C. BEGUIJA	2,340	-	-	-	2,340	-	2,340
RUAYA ,ELIEZER	-	15,833	-	-	15,833	-	15,833
RUAYA, ELIEZER	6,682	12,043	(2,676)	-	16,049	-	16,049
RUBEN A. YENOGACIO	30,600	-	-	-	30,600	-	30,600
RUBEN PEÑALOSA	975	-	-	-	975	-	975
RUDIO, GRACITO	-	-	-	-	-	-	-
RUDY HIZO	(240)	240	-	-	-	-	-
RUEL ALMA JR.	2,400	55,550	(5,550)	-	52,400	-	52,400
RUEL DEBLOIS	2,880	-	-	-	2,880	-	2,880
RUFINO DIZO	-	260,330	-	-	260,330	-	260,330
RUIZ ,ROMULO	-	1,339	-	-	1,339	-	1,339
RYAN APOSTOL	5,495	45,000	(50,495)	-	-	-	-
RYAN E. BERJA	-	6,795	(3,360)	-	3,435	-	3,435
RYAN GABLING	1,200	-	-	-	1,200	-	1,200
RYAN L. FERNANDEZ	3,600	-	-	-	3,600	-	3,600
SALIMBOT, HAROLD	2,421	-	-	-	2,421	-	2,421
SALVADOR CASTILLO JR	4,800	-	-	-	4,800	-	4,800
SALVADOR CASTILLO JR.	2,880	-	-	-	2,880	-	2,880
SAMMER CANLAS	8,400	-	-	-	8,400	-	8,400
SAMSON CARACAS	6,720	-	-	-	6,720	-	6,720
SAMUEL A. SARSONA	18,000	-	-	-	18,000	-	18,000
SAMUEL BOLONDROS	(240)	240	-	-	-	-	-
SAMUEL FLORES	(240)	240	-	-	-	-	-
SAMUEL GANTALA	-	50,000	(50,000)	-	-	-	-
SAMUEL H. GANTALA	8,400	-	-	-	8,400	-	8,400
SAMUEL SARSONA	42,000	-	-	-	42,000	-	42,000
Sandra Mae Undalok	-	150,997	(15,870)	-	135,127	-	135,127
SANIDAD, MARNELLIE	94	-	-	-	94	-	94
SANTIAGO D. AVELINO JR.	14,250	-	-	-	14,250	-	14,250
SANTIAGO R. GARIN	1,650	-	-	-	1,650	-	1,650
SANTOS, GRACE	573	1,337	-	-	1,911	-	1,911
SARAH LOU SOHO	3,000	-	-	-	3,000	-	3,000
SATURNINO ANCHETA Jr.	(375)	375	-	-	-	-	-
SATURNINO D. OLIVER JR.	1,550	-	-	-	1,550	-	1,550
SEBASTIAN LIRIOS	(209)	209	-	-	-	-	-
SERGIO S. MALIGRO JR.	480	-	-	-	480	-	480
SESIE DELA VIRGEN		117,411	(109,078)	-	8,333	-	8,333
SESIE DELA VIRGEN JR.	28,000	181,878	-	-	209,878	-	209,878
SHALLA VALDEZ	63,176	-	-	-	63,176	-	63,176
SHARMINE MAE D. BITAÑA	-	1,350	(1,350)	-	-	-	-
SHEILA FRANCO	-	2,204,417	(885,962)	-	1,318,455	-	1,318,455
Balance forwarded	P 93,824,512	P 41,558,852	(P 55,031,948)	P -	P 80,351,415	P -	P 80,351,416

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 93,824,512	P 41,558,852	(P 55,031,948)	P -	P 80,351,415	P -	P 80,351,416
SHELLA MAY C. NARCEDA	-	154,410	(152,759)	-	1,651	-	1,651
SHERMAE B. PUTI	253,886	57,600	(99,300)	-	212,186	-	212,186
SHIRLEY ALABADO	-	100,000	(70,279)	-	29,721	-	29,721
Shirley B. Alabado	4,320	-	-	-	4,320	-	4,320
SHOJI F. BEJO	60,960	-	-	-	60,960	-	60,960
SIAN LAURENCE SICAT	2,538	-	-	-	2,538	-	2,538
SIDLACAN, MIKKO	2,070	-	-	-	2,070	-	2,070
SIERVO JR, NESTOR L	-	22,488	(1,785)	-	20,703	-	20,703
SIERVO JR., NESTOR L.	7,139	-	(5,354)	-	1,785	-	1,785
SILVESTRE LEGSON Jr.	(193)	193	-	-	-	-	-
SILVESTRE Z. LEGSON JR.	6,755	-	-	-	6,755	-	6,755
SIMUNDAC ,MICHAEL	-	1,503	-	-	1,503	-	1,503
SIMUNDAC, MICHAEL	6,736	2,458	(558)	-	8,636	-	8,636
SLOTH, OLE HEIN	2,196	3,397	-	-	5,592	-	5,592
SOLIS, ROBERTO G.	5,943	3,506	(9,449)	-	-	-	-
SOLITAIRE L. BERMUDO	3,300	-	-	-	3,300	-	3,300
SOLIVEN S. VALENTINO	4,200	-	-	-	4,200	-	4,200
SOMBRENO, JASON	2,340	-	-	-	2,340	-	2,340
SONNY BOY EVANGELISTA	2,338	-	-	-	2,338	-	2,338
SONNY BUSA	4,800	-	-	-	4,800	-	4,800
Southeast Asian Campus	89,790	-	-	-	89,790	-	89,790
Southwest Integrated Transport System	761,136	-	-	-	761,136	-	761,136
STEPHEN PINEDA	6,720	-	-	-	6,720	-	6,720
SULPICIO MORAL JR.	13,808	4,165	-	-	17,973	-	17,973
SVEND GLENE SAN JUAN	4,200	-	-	-	4,200	-	4,200
TAMAYO, CHRISTOPHER	-	-	-	-	-	-	-
TEDY L. VALLESTERO	480	-	-	-	480	-	480
TEE JAY GAMBOA	-	9,000	-	-	9,000	-	9,000
TEGIE PALLERA	(218)	218	-	-	-	-	-
TERISSE JANE M. ALARCON	-	-	-	-	-	-	-
THERESA PALISOC	2,800	-	-	-	2,800	-	2,800
TIMOTHY ALEXANDER GLOVA	-	80,000	-	-	80,000	-	80,000
TIMOTHY L. OSMA	-	69,334	(1,275)	-	68,059	-	68,059
TITO ALINGASA	-	-	-	-	-	-	-
Balance forwarded	P 95,072,554	P 42,067,124	(P 55,372,707)	P -	P 81,766,971	P -	P 81,766,971

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 95,072,554	P 42,067,124	(P 55,372,707)	P -	P 81,766,971	P -	P 81,766,971
TOMIE, ASLIAH	-	-	-	-	-	-	-
TONY F. CORRE	-	5,803	(5,803)	-	-	-	-
TRACELLE ANNE B. NAVARRO	35,360	-	-	-	35,360	-	35,360
TRANILLA, HENDRICK S.	6,676	3,927	(10,603)	-	-	-	-
UMAPAS, JONIE S.	1,344	7,004	(8,348)	-	-	-	-
VALENCIA, ALLAN	2,667	-	-	-	2,667	-	2,667
VALENCIA, ALLAN B.	8,468	-	-	-	8,468	-	8,468
VALERIE AYRA RAMOS	-	103,300	-	-	103,300	-	103,300
VALLESTERO, KIM ALEXIE	-	-	-	-	-	-	-
VANNESA ANN P. GERILLA.	(1)	1	-	-	-	-	-
VEN ROGER GOCOTANO	1,650	-	-	-	1,650	-	1,650
VENERABLE DALUSUNG	3,900	2,729	(6,629)	-	-	-	-
VERIÑA, DEXTER Q.	-	6,082	(5,068)	-	1,014	-	1,014
VERONICA LOVELLA A. ESQUIDA	28,000	18,000	(45,999)	-	1	-	1
VIC D. DE VERA	4,925	-	-	-	4,925	-	4,925
VICK BASENCE	-	-	-	-	-	-	-
VICTOR C. IBATUAN	10,050	-	-	-	10,050	-	10,050
VICTOR DIONG	-	11,025	-	-	11,025	-	11,025
VICTOR FRIAS	1,650	-	-	-	1,650	-	1,650
VICTOR GENILLA	12,225	-	-	-	12,225	-	12,225
VICTOR L. ASPA, JR.	2,625	-	-	-	2,625	-	2,625
VICTOR PILAPIL	8,448	-	-	-	8,448	-	8,448
VICTOR RIBLORA	10,050	-	-	-	10,050	-	10,050
VICTORIANO TUMOMBAY JR.	12,000	-	-	-	12,000	-	12,000
VILLAMOR, PEDRO	-	-	-	-	-	-	-
VILLARMINO, JANIE	-	-	-	-	-	-	-
VILLEGAS, MARIA NIKKI	5,755	-	-	-	5,755	-	5,755
Vilma P. Lumapas Ii	4,320	-	-	-	4,320	-	4,320
VINCE ALLEN GARCIA	7,310	-	-	-	7,310	-	7,310
VINCENT DONO	9,000	-	-	-	9,000	-	9,000
VINCENT JOHN C. GEVERO	7,735	-	-	-	7,735	-	7,735
VIRGILIO P. BERGADO JR.	8,400	-	-	-	8,400	-	8,400
VON CARLO M. EMPEÑO	-	-	-	-	-	-	-
WALTER QUIAPO	5,896	3,506	(9,402)	-	-	-	-
WAYNE E. SAN FELIPE	10,190	-	-	-	10,190	-	10,190
WEBFORGE PHILS. INC.	250,000	-	-	-	250,000	-	250,000
WEBSTER T. GENERALAO	975		(692)	-	283	-	283
WELLO AQUINO	5,375	-	-	-	5,375	-	5,375
WENCESLAO, NICO	-	323	-	-	323	-	323
WENS JAMES VERALLO	(240)	240	-	-	-	-	-
WILBERT DARYL D. HERNANDEZ	-	115,990	(62,990)	-	53,000	-	53,000
WILFRED ACUT	-	-	-	-	-	-	-
WILFREDO SALINAS JR.	-	4,080	-	-	4,080	-	4,080
WILLIAM L. LABAY	-	-	-	-	-	-	-
WILMER S. LUCAS	1,650	-	-	-	1,650	-	1,650
WILSON CELESTIAL	1,650	-	-	-	1,650	-	1,650
WILSON MACAYAN	4,600	-	-	-	4,600	-	4,600
WILTON PABICA	14,400	-	-	-	14,400	-	14,400
WINNIE F. MATIAS	38,458	80,000	(72,500)	-	45,958	-	45,958
WINSTON V. JIMENEZ	-	8,000	-	-	8,000	-	8,000
YADAO, MARIECRIS	-	-	-	-	-	-	-
YSRAEL ANGELES	-	-	-	-	-	-	-
YSRAEL ANGELES/ KATHERINE DUGT(	32,797	-	(30,608)	-	2,189	-	2,189
Balance forwarded	P 95,630,862	P 42,437,134	(P 55,631,350)	P -	P 82,436,646	P -	P 82,436,646

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 95,630,862	P 42,437,134	(P 55,631,350)	P -	P 82,436,646	P -	P 82,436,646
ZALDY LACANDAZO	2,625	-	-	-	2,625	-	2,625
ZEUS BRION POL	(180)	180	-	-	-	-	-
Zheena Ocampo	50,000	-	-	-	50,000	-	50,000
ZHELIN B. BALETBET	4,625	-	-	-	4,625	-	4,625
ZYRA FACTURAN	73,680	120,300	-	-	193,980	-	193,980
ANDRIAN B. VILLANUEVA	299,267	-	(212,303)	-	86,964	-	86,964
ANGELICA SARAH R. CAPARAS	(7,172)	7,172	-	-	-	-	-
ANNA KARENINA SALGADO	70,000	-	-	-	70,000	-	70,000
ANNALYN LEE	8,581	-	-	-	8,581	-	8,581
APRIL DIANNE MANTUHAC	244,623	-	(105,000)	-	139,623	-	139,623
JOANNA ANGELITA FAJARDO	1,955	-	-	-	1,955	-	1,955
JOHN KALVIN CARREON	217,217	-	(36,755)	-	180,461	-	180,461
JUNCARL B. JURADO	14,960	-	-	-	14,960	-	14,960
LYDWENA R. ECO	374,000	-	(200,000)	-	174,000	-	174,000
MARIA THERESA A. MERCED	168,203	-	(113,203)	-	55,000	-	55,000
MARYROSE CAMAJALAN	430,908	-	(339,980)	-	90,929	-	90,929
REINA BELLE TABORADA	89	-	-	-	89	-	89
ROBERT JASON TORRES	114,608	-	(13,905)	-	100,703	-	100,703
ALDRIN ELBERT ABELLA	-	50,500	-	-	50,500	-	50,500
AUGUSTE IZHAR PEPITO	-	232,600	-	-	232,600	-	232,600
CRISTEL RYANIE NARCA	-	100,000	-	-	100,000	-	100,000
MARIA EMMA LINGGAS	-	182,000	-	-	182,000	-	182,000
JAYPEE S. TRADIO	-	33,333	-	-	33,333	-	33,333
AILEEN MAY S. MAMAC	-	36,217	-	-	36,217	-	36,217
ALEXANDER C. ALVARO	15,660	-	-	-	15,660	-	15,660
ANA CLARISSA ILAGAN	18,865	-	-	-	18,865	-	18,865
ANTHONY GALMAN	12,250	-	-	-	12,250	-	12,250
ARLENE BANCASO	-	-	-	-	-	-	-
ARNOLD VILLANUEVA	-	-	-	-	-	-	-
ARNOLD YUSON	18,000	-	(18,000)	-	-	-	-
CLAUDIO LUBERIO JR.	-	-	-	-	-	-	-
DEA CARMELISA URBANO	14,445	-	-	-	14,445	-	14,445
DOMINGO IBARLIN, JR.	-	-	-	-	-	-	-
IAN JAUCULAN	-	-	-	-	-	-	-
JAMES ALDWIN LASALA	-	-	-	-	-	-	-
JEAI ARCANO	-	-	-	-	-	-	-
JEREMIAH ANTHONY V. JO	-	-	-	-	-	-	-
JESSICA VICTORIA	234	-	-	-	234	-	234
JOHN KALVIN CARREON	165,000	-	-	-	165,000	-	165,000
JOSE MARI T SALVADOR	260,000	-	-	-	260,000	-	260,000
KAREN CORTEZ	-	-	-	-	-	-	-
KATHLYN FATE BENTAZAL	(3,569)	28,000	-	-	24,431	-	24,431
KOLYN CALBASA	194,935	-	(80,000)	-	114,935	-	114,935
LAWRENCE HARDER	-	-	-	-	-	-	-
LEONARD DIVINA	9,000	-	-	-	9,000	-	9,000
MARIA ALTHEA MASANGKAY	66,700	515,559	-	-	582,259	-	582,259
MARIECOR AVILA	10,000	-	-	-	10,000	-	10,000
RALPH GILBERT BINOS	30,000	749	-	-	30,749	-	30,749
RAPHAEL VICTOR MENIANO	81,000	36,500	(61,000)	-	56,500	-	56,500
ANGELA LUNGCAY	-	2,048	-	-	2,048	-	2,048
GERARD ANGELO FERNANDEZ	-	1,500	-	-	1,500	-	1,500
IRISH MAE MANLIGUEZ	-	4,568	-	-	4,568	-	4,568
LOREN LIBERA	-	7,228	-	-	7,228	-	7,228
ROWENA BARRA	-	5,163	-	-	5,163	-	5,163
STEWART RIVERA	-	44,125	-	-	44,125	-	44,125
JAY AMOR	-	225,500	-	-	225,500	-	225,500
PAUL ELIEZER NOLASCO	-	70,000	-	-	70,000	-	70,000
JOHN KALVIN CARREON	-	287,200	-	-	287,200	-	287,200
							-
Balance forwarded	P 98,591,371	P 44,427,576	(P 56,811,496)	P -	P 86,207,451	P -	P 86,207,451

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 98,591,371	P 44,427,576	(P 56,811,496)	P -	P 86,207,451	P -	P 86,207,451
SANTOS, ROGELIO JR. GUIAO	-	180,000	(90,000)	-	90,000	-	90,000
GUTIERREZ, GLADWIN MILLA	-	960,000	(870,005)	-	89,995	-	89,995
BROSAS, JAYSON ACONG	-	273,438	(183,438)	-	90,000	-	90,000
VALENOVA, NOEL SKULSTAD	-	960,000	(870,280)	-	89,720	-	89,720
JOSCH YUMPING	-	105,000	(90,000)	-	15,000	-	15,000
MARI JOIE ALTICHE	-	702,500	(629,000)	-	73,500	-	73,500
DERRICK C. EVARISTO	-	251,628	(206,628)	-	45,000	-	45,000
APRIL MENDIOLA	-	55,100	(34,100)	-	21,000	-	21,000
ANNIKA GAILE BARRAMEDA GAMO	-	768,430	-	-	768,430	-	768,430
CARMELA GEMMA L. DOMINGUEZ	-	450,980	(23,000)	-	427,980	-	427,980
GERMAN ANTONIO	-	45,000	-	-	45,000	-	45,000
JEREMY LOUIS T. TEE	-	5,000	-	-	5,000	-	5,000
KATRINA S. DOMINGO	-	5,000	-	-	5,000	-	5,000
MANIBEL E. IBANEZ	-	1,892,500	(739,000)	-	1,153,500	-	1,153,500
MARY ANN BINOS	-	45,000	-	-	45,000	-	45,000
MELINDA VOCES	-	90,000	-	-	90,000	-	90,000
QUENNIE RHOSE S. DAGANIO	-	5,000	-	-	5,000	-	5,000
REINHARDT DURAN	-	45,000	-	-	45,000	-	45,000
REINHARDT JON DURAN	-	45,000	-	-	45,000	-	45,000
RONALDO MACASIEB	-	90,000	-	-	90,000	-	90,000
AILEEN BARACEROS MORALES	-	711,000	-	-	711,000	-	711,000
AIZA ASPRER VILLANUEVA	-	9,000	-	-	9,000	-	9,000
ALIPIO I. LUANGCO	-	36,150	(17,636)	-	18,514	-	18,514
ALYANA GRACE T. ROBLEZA	-	1,597,250	(1,215,712)	-	381,538	-	381,538
ANTONETTE L. ATIENZA	-	76,250	(56,417)	-	19,833	-	19,833
ANTONETTE LLAMOSO ATIENZA	-	84,022	-	-	84,022	-	84,022
APRIL DIANNE CABUANG CABRERA	-	9,000	-	-	9,000	-	9,000
ARIANNE CECIL PEREN BRAGA	-	15,760	-	-	15,760	-	15,760
CHRIZSA EULICE DOMINIQUE P. GARCI	-	2,024,721	(1,756,500)	-	268,221	-	268,221
Damon Gabriel Dadap	-	210,145	(158,645)	-	51,500	-	51,500
DERRICK C. EVARISTO	-	4,491,393	(3,964,721)	-	526,672	-	526,672
DIANA RUTH R. ROMERO	-	73,657	-	-	73,657	-	73,657
DJOAHNA KRISTA P. ENDRINAL	-	93,992	(1,051)	-	92,940	-	92,940
EARVIN C. TUTOR	-	35,000	-	-	35,000	-	35,000
ELOISA GUINTO PANGILINAN	-	11,100	-	-	11,100	-	11,100
EPHRAIM JOSE D. VALDEZ	-	544,275	-	-	544,275	-	544,275
Erika Danielle Angeles	-	425,042	(355,042)	-	70,000	-	70,000
Francesca Micaela A. Santeco	-	642,327	(400,000)	-	242,327	-	242,327
Glen Mark P. Sulibit	-	200,010	-	-	200,010	-	200,010
GRACE AQUINO DOMANTAY	-	9,000	(3,075)	-	5,925	-	5,925
HERBERT G. ENRIQUEZ	-	35,063	-	-	35,063	-	35,063
IZZY F. MONDONEDO	-	19,084	-	-	19,084	-	19,084
JASMIN M. CO	-	4,559,487	(4,447,982)	-	111,505	-	111,505
JC Nino Villaruz	-	26,462	(19,263)	-	7,199	-	7,199
JENIENA MAE D. PIALAGO	-	28,400	(26,000)	-	2,400	-	2,400
JENIENA MAE DIAMA PIALAGO	-	11,000	-	-	11,000	-	11,000
JENNIFER B. PEDUCA	-	2,200,082	(327,586)	-	1,872,496	-	1,872,496
JESUS KRISTINA SUASBA SUERTE FELIP	-	35,149	(1,257)	-	33,892	-	33,892
JODENEE RUBELLE APOLONIO RAMOS	-	17,500	(4,771)	-	12,729	-	12,729
JOSE EMILIO O. FERRER	-	23,700	-	-	23,700	-	23,700
JUNE JUNE J DOMONDON	-	1,500	-	-	1,500	-	1,500
KAREN JOY SAN JOSE VISMONTE	-	14,000	(8,196)	-	5,804	-	5,804
KEN CARLA G. MALABANAN	-	358,805	(228,157)	-	130,648	-	130,648
LEAN KAYE LAYUG	-	63,940	(25,196)	-	38,744	-	38,744
LOU ANNE R. PEÑARROYO	-	4,953,994	(4,293,600)	-	660,394	-	660,394
LOVELY JOY MANLANGIT	-	10,000	-	-	10,000	-	10,000
Luis Alonzo Martin Ligot	-	117,495	(20,395)	-	97,100	-	97,100
LUNA, JUVILYN ROSETE	-	27,904	-	-	27,904	-	27,904
LYNN CELLES SUMANGIL	-	125,000	-	-	125,000	-	125,000
Ma. Cristina Veronica Rodrigo	-	334,700	(284,700)	-	50,000	-	50,000
							-
Balance forwarded	P 98,591,371	P 75,664,513	(P 78,162,848)	P -	P 96,093,036	P -	P 96,093,036

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 98,591,371	P 75,664,513	(P 78,162,848)	P -	P 96,093,036	P -	P 96,093,036
MARCEL VINA C. BARIT	-	13,784	(5,134)	-	8,650	-	8,650
MARI ALBERT CAPARAS ONG	-	79,750	-	-	79,750	-	79,750
Marian Bensan	-	305,400	(305,400)	-	-	-	-
MARICEL SON MAGSUMBOL	-	9,000	(3,788)	-	5,212	-	5,212
MARIEL MARTUS TEJADA	-	9,000	(2,157)	-	6,843	-	6,843
MARK AARON OREJOLA LOTERIÑA	-	10,000	-	-	10,000	-	10,000
MARK LAWRENCE J. LAGUNERO	-	10,418	-	-	10,418	-	10,418
MEGAWIDE CONSTRUCTION CORPORA	-	4,800	(4,800)	-	-	-	-
MELINDA D. BENDAÑA	-	301,505	-	-	301,505	-	301,505
MENGUITA, MELISSA VILLANUEVA	-	30,000	-	-	30,000	-	30,000
MIANCA RAMIIA C. TORRES	-	134,816	(77,467)	-	57,349	-	57,349
Michelle Zabal	-	613,170	(53,482)	-	559,688	-	559,688
MORIKAWA, EMILYN OCCIANO	-	37,951	-	-	37,951	-	37,951
MS. PATRICIA SAMANTHA G. JUGAN	-	13,752,630	(13,752,630)	-	-	-	-
MUNICIPAL TREASURER OF TAYTAY RI	-	8,000		-	8,000	-	8,000
OBILLE, KEVIN REELE MARQUEZ	-	21,072	-	-	21,072	-	21,072
OLIVER DIMACALI DIN	-	10,000	(3,950)	-	6,050	-	6,050
Orly T. Mirabueno	-	65,000	(65,000)	-	-	-	-
PATRICK SHANE PANGILINAN DIAZ	-	53,500	-	-	53,500	-	53,500
PAUL EDISON C. SALVADOR	-	49,000	(11,667)	-	37,333	-	37,333
PHILIP MARC ESCALA TALAN	-	111,500	(82,250)	-	29,250	-	29,250
RANNIE BOOTS C. TOMALON	-	20,850	(6,029)	-	14,821	-	14,821
Rejoyce Dela Cruz	-	4,000	-	-	4,000	-	4,000
RENIER V. CALIVARA	-	75,136	(26,277)	-	48,859	-	48,859
ROMMEL G. TURINGAN	-	1,290,672	(593,331)	-	697,341	-	697,341
RONALDO B. PASCUAL	-	64,304	(19,596)	-	44,708	-	44,708
Ryan Vasquez	-	6,000	(6,000)	-	-	-	-
SHIRLEY JOSAFAT PURGANAN	-	11,000	-	-	11,000	-	11,000
THEA ZARAH R. REYES	-	66,783	(4,142)	-	62,641	-	62,641
TIMOTHY CHUA CANILAO	-	39,277	(17,775)	-	21,503	-	21,503
VANESSA MAE MONTIBON APAY	-	49,444	(14,438)	-	35,006	-	35,006
Venise Lyra Gonzales	-	1,034	-	-	1,034	-	1,034
With manual breakdown	-	1,079,065	(862,807)	-	216,258	-	216,258
							-
Balance forwarded	P 98,591,371	P 94,002,376	(P 94,080,968)	P -	P 98,512,779	P -	P 98,512,779
TOTAL ADVANCES TO OFFICERS AND EMPLOYEES	**P 98,591,371**	**P 94,002,376**	**(P 94,080,968)**	**P -**	**P 98,512,779**	**P -**	**P 98,512,779**
SHAREHOLDERS	P 1,037,914	P -	(P 148,119)	P -	P 889,795	P -	**P 889,795**
Advances to related parties under common ownership							
Future State Myspace, Inc.	35,414	-	-	-	35,414	-	35,414
Megawide Foundation	114,834	84,997	-	-	199,831	-	199,831
ESA Group of Companies Inc.	5,858	-	-	-	5,858	-	5,858
Megacore Holdings, Inc.	750	17,000,000	-	-	17,000,750	-	17,000,750
Excelsior Holdings	(1,974,313)	147,942,291	(98,922,797)	-	47,045,181	-	47,045,181
Citicore Power Inc.	3,177,716,507	-	-	-	3,177,716,507	-	3,177,716,507
Other related parties under common ownership	99,828,059	132,652	-	-	99,960,711	-	99,960,711
TOTAL ADVANCES TO RELATED PARTIES UNDER COMMON OWNERSHIP	P 3,275,727,109	P 165,159,940	(P 98,922,797)	P -	P 3,341,964,252	P -	**P 3,341,964,252**
ULTIMATE PARENT COMPANY	P 3,089,095,108	P -	P -	P -	P 3,089,095,108	P -	**P 3,089,095,108**
Advances to non-controlling interest							
ASSOCIATES AND JOINT ARRANGEMENTS	P 9,466,416	P 827,016	P -	P -	P 10,293,432	P -	**P 10,293,432**
	P 6,473,917,918	**P 259,989,332**	**(P 193,151,884)**	**P -**	**P 6,540,755,366**	**P -**	**P 6,540,755,366**

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

(A Subsidiary of Citicore Holdings Investment, Inc.)

Schedule C

Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Megawide Construction (BVI) Corporation	P 135,760,957	P -	P -	P -	P 135,760,957	P -	P 135,760,957
Megawide Terminals, Inc.	480,307,508	286,835	-	-	480,594,343	-	480,594,343
Altria East Land, Inc.	143,412,164	1,246,793	-	-	144,658,957	-	144,658,957
Tiger Legend Holdings Limited	298,641,951	-	(298,641,951)	-	-	-	-
Megawide OneMobility Corporation	2,166,135	5,572,822	-	-	7,738,957	-	7,738,957
MWM Terminals, Inc.	202,270,835	133,231,971	-	-	335,502,806	-	335,502,806
Megawide Land Inc.	128,686,401	176,759,582	-	-	305,445,983	-	305,445,983
Wide-Horizons, Inc.	122,079	244,367	-	-	366,446	-	366,446
Cebu2World Development, Inc.	225,755,549	-	(225,755,549)	-	-	-	-
PH1 World Developers, Inc.	107,977,611	341,522,389	-	-	449,500,000	-	449,500,000

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
Schedule D
Long-Term Debt
December 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position	Amount Shown Under Caption "Long-Term Debt" in Related Statement of Financial Position
Bank loans (i)	P 21,090,547,054	P 17,391,402,346	P 3,699,144,708
Notes payable (ii)	5,388,000,000	3,528,000,000	1,860,000,000
Lease liabilities (iii)	169,586,723	124,425,289	45,161,434
Bonds payable (iv)	3,953,869,786	-	3,953,869,786
TOTAL	**P 30,602,003,563**	**P 21,043,827,635**	**P 9,558,175,928**

Supplementary Information on Long-term Debt:

(i) *Total bank loans represent OLSA with a local universal bank comprising P3,900.0 million drawdown with maturity of 15 years. Moreover, as a result of the acquisition of PH1, the Group also recognized bank loans amounting to P306.1 million classified under long-term debt.*

(ii) *Total notes payable represents unsecured availments from two notes facility agreement with a local bank for private placement amounting to P2,000.0 million in 2016, and P3,600.0 million in 2020. These notes have maturity term that ranges from five to ten years from date of issue.*

Specifically, on September 2016 and December 2016, the Parent Company availed an unsecured corporate 10-year corporate loans amounting to P650.0 million, P350.0 million and P1,000.0 million to refinance the 5-year corporate note issued in 2011 and to finance its capital expenditure and general corporate requirements.

In February 2020, the Parent Company availed P3,600.0 unsecured corporate loans from its third loan facility for repayment of maturing debts, funding of new projects and general corporate requirements.

(iii) *Lease liabilities have an effective interest rate of 7.0% and 10.8% in 2023 and 2022, respectively with maturity of three to five years from the date of transaction.*

(iv) *On August 17, 2022, the Parent Company listed fixed-rate bonds in the total amount of P4,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series A (P1,600.0 million maturing in three years and six months from issue date at rate of 6.9506%) and Series B (P2,400.0 million maturing in five years from issue date a rate of 7.9663%).*

Bond issue cost capitalized as part of the bonds amounted to P64.6 million. As of December 31, 2023, amortization amounted to P13.6 million while its net carrying value amounted to P46.1 million.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
Schedule E
Indebtedness to Related Parties
December 31, 2023

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Citicore Holdings Investment, Inc.	P -	P 90,233,593
Citicore-Megawide Consortium, Inc. (CMCI)	30,000,000	30,000,000
Others	20,046,821	24,403,632
Total	**P 50,046,821**	**P 144,637,225**

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
Schedule F
Guarantees of Securities of Other Issuers
December 31, 2023

Name of Related Party	Amount	
MWM Terminals, Inc. (MWMTI)	P	3,588,000,000
Citicore Megawide Consortium, Inc. (CMCI)		656,000,000
TOTAL	**P**	**4,244,000,000**

Supplementary Information on Guarantees of Securities and Other Issuers:

1) *MWMTI entered in to an OLSA with a local universal bank in 2015, with the Parent Company as guarantor, for a loan facility amounting to P3,300.0 million to finance the construction of the PITX Project. In 2019, the Parent Company requested the lender to increase the loan facility by P600.0 million making the total principal loan to P3,900.0 million. MWMTI has an outstanding loan amounting to P3,588.0 million as of December 31, 2023.*

2) *On March 23, 2015, CMCI, with the Parent Company as guarantor, executed a Receivable Purchase Agreement (RPA) with certain local commercial banks, whereby CMCI shall offer an outstanding arising from public-private partnership school infrastructure project finance lease receivable within the purchase period on a limited recourse basis such as upon the occurrence of certain repurchase event under the RPA. The Parent Company, as guarantor, shall pay on the demand up to the aggregate amount of P656.0 million in case of default of CMCI. Pursuant to the continuing obligations of CMCI under the RPA, CMCI has been in compliance with the RPA during the reporting periods.*

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
Schedule G
Capital Stock
December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under the Related Statement of Financial Position Caption (i)	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights / Treasury Shares	Number of Shares Outstanding	Number of Shares Held By		
					Related Parties	Directors, Officers and Employees	Others
Common	4,930,000,000	2,399,426,127	386,016,410	2,013,409,717	1,330,634,698	19,164,808	663,610,211
Preferred	186,000,000	167,626,010	66,220,130	101,405,880	29,000,000	-	72,405,880

" On July 20, 2016, the Parent Company's BOD approved the buy-back of 410.8 million common shares held by Sybase Equity Investment Corporation at a price equal to the 7-trading day volume weighted average price ending on July 28, 2016 or equivalent to P10.03 per share. Total purchase price of the treasury shares including incidental cost of the buy-back amounted P4,138.8 million.

On October 20, 2016, the Parent Company's BOD approved the sale of its 150.0 million treasury shares at P14.9 per share. Net proceeds of the sale of treasury share amounted to P2,181.7 million, net of incidental cost of the transaction. Outstanding balance of the treasury shares after the sale is 260.8 million treasury shares at cost of P2,627.7 million.

On October 1, 2018, the Parent Company's BOD approved a share buyback program worth up to P2,000.0 million over a period of two years. Total cost to acquire treasury shares in 2020 and 2019 amounted to P703.1 million and P457.8 million, respectively, which is equivalent to 50.2 million and 26.1 million shares, respectively.

On March 3, 2020, the Parent Company's BOD approved an additional P3,000.0 million to its share buyback program, making it a total of P5,000.0 million and removal of the period within which to execute the program, making it open-ended. Total cost of acquired treasury shares in 2020 amounted to P703.1 million, which is equivalent to 50.2 million shares.

On April 13, 2020, the Parent Company's BOD approved to increase its authorized capital stock for preferred shares by 54.0 million shares to a total of 124.0 million shares, which was approved by the stockholders on June 30, 2020.

On November 27, 2020, the Parent Company raised P4,360.0 million from its Series 2A and 2B preferred shares offering, which is equivalent to 26,220,130 Series 2A preferred shares and 17,405,880 Series 2B preferred shares.

On February 26, 2021, the Parent Company's BOD approved to increase its authorized capital stock for preferred shares by 26.0 million shares to a total of 150.0 million shares, which was approved by the stockholders on May 21, 2021.

On October 29, 2021, the Parent Company raised P4,000.0 million from its Series 4 preferred shares offering, which is equivalent to 40.0 million Series 4 preferred shares."

On January 6, 2023, the Company filed with the Securities and Exchange Commission a Registration Statement and Preliminary Prospectus relating to its offer and sale of fifteen million (15,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual preferred shares with a par value of One Peso (P1.0) per share (the "Offer Shares"). The filing fee for the Registration Statement was paid on January 10, 2023.

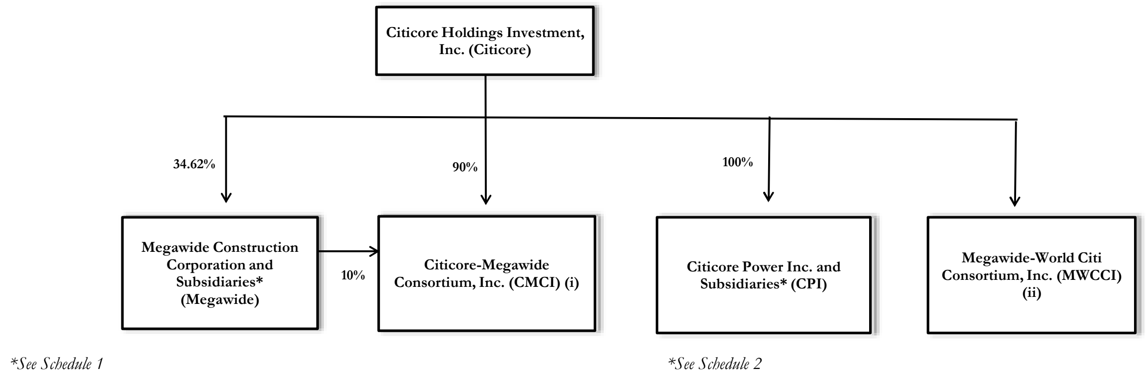
On February 15, 2023, the Company's application for the increase in authorized capital stock was approved by the SEC. In 2023, the deposit on future stock subscription were converted to preferred shares (Series 3).

On April 26, 2023, the Parent Company's BOD approved the redemption of its Series 2A Preferred Shares, on May 29, 2023, at a redemption price of P100.0 per share, increasing the treasury shares by P2,622.0 million.

MEGAWIDE CONSTRUCTION CORPORATION
20 N Domingo Street, Brgy. Valencia, Quezon City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023
(Amount in Philippines Pesos)

Unappropriated Retained Earnings, beginning of reporting period	P 2,663,926,211
Less: Item that is directly debited to Unappropriated Retained Earnings	
Dividend declaration during the year	(2,423,688,587)
Unappropriated Retained Earnings, as adjusted	240,237,624
Net Profit for the Current Year	441,338,730
Less: Other items that should be excluded from the determination of the amount of available for dividends declaration	
Net movement in deferred tax assets and deferred tax liabilities related to right-of-use assets and lease liabilities	(4,747,845)
Net movement in deferred tax assets not considered in the reconciling items under the previous categories	(62,301,443)
Total Retained Earnings, end of the reporting period available for dividend	**P 614,527,066**

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY AND ITS RELATED ENTITIES
December 31, 2023

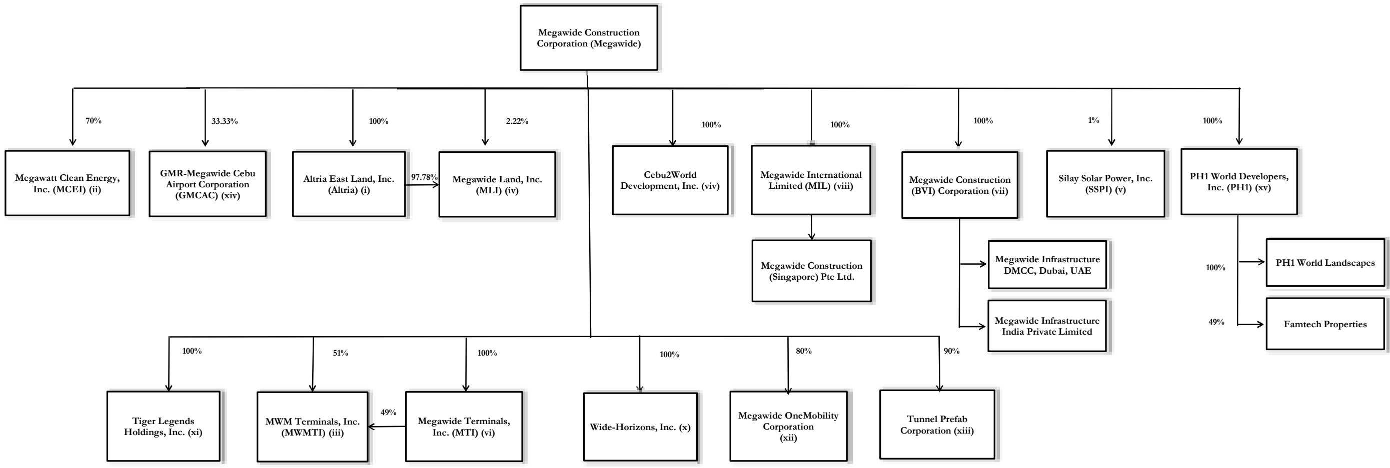


Supplementary Information:

(i) *The rights and powers of Megawide over the management and control of the CMCI are exercised through a seat in the Board of Directors. Taking this into consideration, the Megawide concluded that it has significant influence over the investee; accordingly the investment is accounted for as an investment in associate.*

(ii) *Megawide acquired 51.0% ownership interest in MWCCI, but accounted for the investment as an associate since it does not have control over MWCCI's relevant activities.*

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY AND ITS RELATED ENTITIES
Schedule 1: Megawide Construction Corporation and Subsidiaries
December 31, 2023



Supplementary Information:

(i) *Megawide's acquisition of Altria is treated as an acquisition of asset and not a business acquisition. Hence, Altria is not considered a subsidiary of the Megawide.*

(ii) *On September 4, 2014, the Company acquired 70.0% of the issued and outstanding capital stock of MCEI. The investment in MCEI is accounted for as an investment in subsidiary.*

(iii) *MWMTI was accounted for as a subsidiary due to the acquisition of 100% ownership in MTI, resulting to the increase in effective ownership of Megawide in MWMTI from 51.0% to 100.0%.*

(iv) *On October 28, 2016, Megawide acquired a 100.0% ownership interest in MLI, an entity incorporated in the Philippines. MLI is incorporated primarily to engage in real estate and related business.*

(v) *In February 2016, SSPI's unissued shares of stock were acquired by CPI resulting in a 75.0% equity interest over SSPI and diluting Megawide's equity interest over SSPI from 100.0% to 25.0%. Hence, SSPI ultimately became a subsidiary of CPI. In 2016, the Megawide's equity interest was reduced from 100.0% to 1.0% upon acquisition of a related party under common ownership.*

(vi) *In August 2018, Megawide acquired the outstanding shares of MTI representing 100.0% ownership, making it a wholly owned subsidiary of Megawide.*

(vii) *On June 20, 2017, Megawide acquired a 100.0% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands, a primarily engage in buying and holding shares of other companies.*

(viii) *MIL, whose registered office is at Marcy Building, 2nd Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019.*

(viv) *Cebu2World, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020.*

(x) *Wide-Horizons, whose registered office is at at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020.*

(xi) *Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands.*

(xii) *Formerly known as Citicore Infrastructure Holdings, Inc.; Megawide Construction Corporation subscribed to 7,500,000 common shares in Megawide OneMobility Corporation on 02 December 2021; Subsequently, Megawide Construction Corporation purchased 500,000 common shares in Megawide OneMobility Corporation on 29 July 2022 from Citicore Holdings Investment, Inc.*

(xiii) *Tunnel Prefab Corporation was incorporated on 31 August 2022.*

(xiv) *On September 2, 2022, Megawide, GMR Airports International BV (GAIBV), and Aboitiz InfraCapital, Inc. (AIC) executed a Share Subscription and Transfer Agreement, for AIC to acquire shares in GMCAC, subject to the following conditions:*

1) For a total amount of P9,473.6 million, AIC shall own 33.0 and 1/3% minus one share of the outstanding capital stock of GMCAC; Megawide will retain 33.0 and 1/3% plus one share, while GAIBV will retain 33.0 and 1/3%; and,

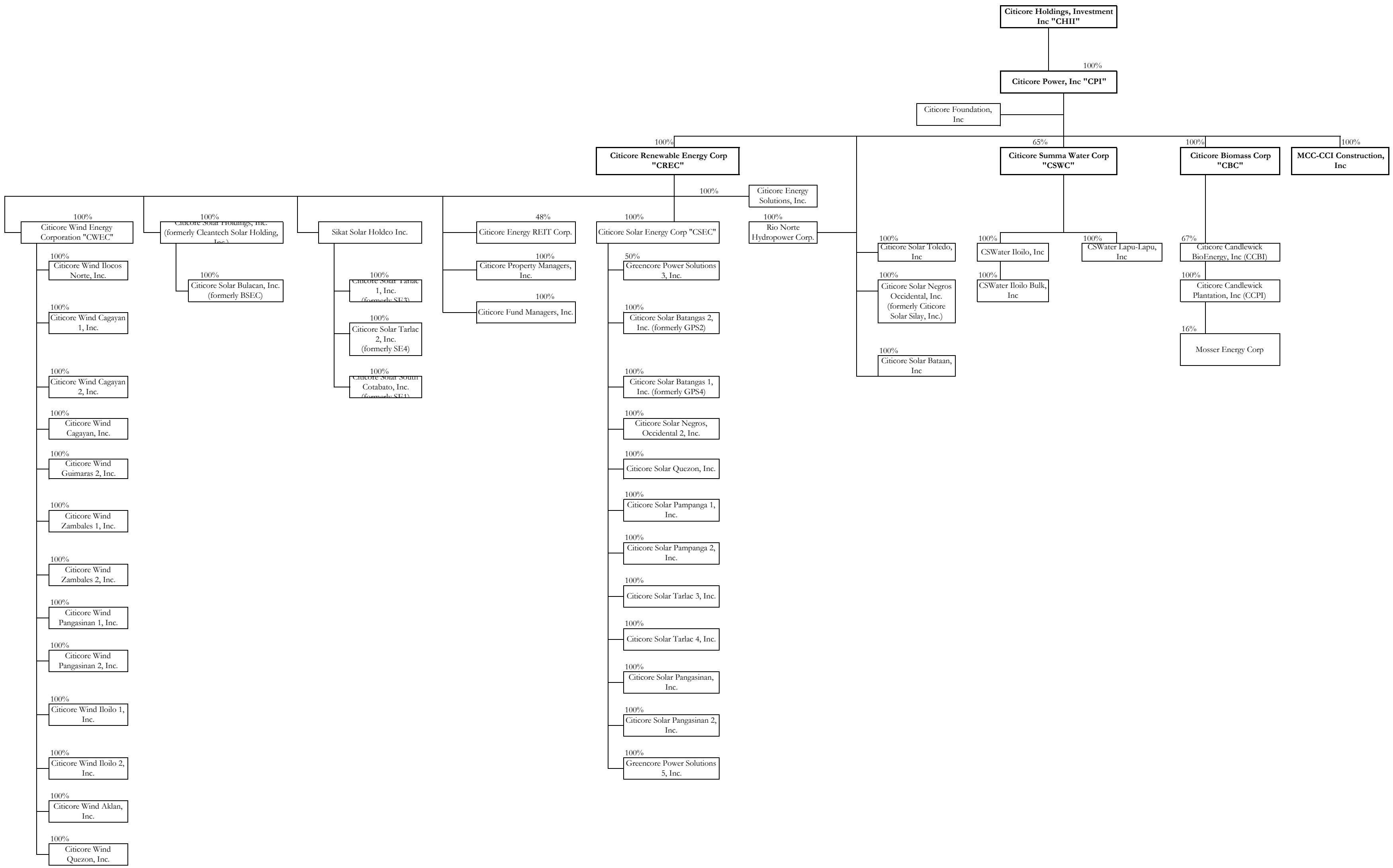
2) Megawide and GAIBV shall issue Exchangeable Notes in favor of AIC in the total amount of P15,526.4 million. The Exchangeable Notes will mature on October 30, 2024, and will be exchanged by AIC for the rest of the 66.0 and 2/3% plus one share of GMCAC's outstanding capital stock.

On 16 December 2022, AIC completed the acquisition of the 33.0 and 1/3% minus 1.0 share stake in GMCAC, and the Company and GAIBV issued the Exchangeable Notes.

As a result of the disposition of GMCAC shares, Megawide's investment in GMCAC ceases to be controlling interest. However, Megawide maintains that it has significant influence over GMCAC. Accordingly, the retained investment shall be accounted for as an investment in associate.

(xv) *On July 27, 2023, Megawide acquired the outstanding shares of PH1 World Developers, Inc. (PH1) representing 100.0% ownership from Citicore Holdings Investment, making it a wholly owned subsidiary of Megawide. At the date of acquisition, PH1 owns 100% and 49% of the outstanding capital stock of PH1 World Landscapes, Inc. (PH1-WL) and Famtech Properties, Inc. (Famtech), respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famtech*

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY AND ITS RELATED ENTITIES
Schedule 2: Citicore Power Inc. and Subsidiaries
December 31, 2023



P&A Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicators

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The Board of Directors and Stockholders
Megawide Construction Corporation and Subsidiaries
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia
Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group) for the years ended December 31, 2023 and 2022, on which we have rendered our report dated April 12, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for the years then ended and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until financial period 2023)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
Supplemental Schedule of Financial Soundness Indicators
December 31, 2023 and 2022

Ratio	Formula	Amount	2023	Formula	Amount	2022*
Current ratio	Total Current Assets divided by Total Current Liabilities		**1.29**	Total Current Assets divided by Total Current Liabilities		2.25
	Total Current Assets	50,120,456,700		Total Current Assets	53,794,725,797	
	Total Current Liabilities	38,719,379,421		Total Current Liabilities	23,937,401,147	
	Current ratio	**1.29**		Current ratio	2.25	
Acid test ratio	Quick assets (Total Current Assets less Inventories, Contract Assets and Other Current Assets) divided by Total Current Liabilities		**0.62**	Quick assets (Total Current Assets less Inventories, Contract Assets and Other Current Assets) divided by Total Current Liabilities		1.43
	Total Current Assets	50,120,456,700		Total Current Assets	53,794,725,797	
	Less: Inventories	(6,152,261,092)		Less: Inventories	(2,126,166,237)	
	Contract Assets	(5,640,188,614)		Contract Assets	(5,106,307,785)	
	Other Current Assets	(11,413,433,469)		Other Current Assets	(9,563,285,300)	
	Non-current Asset Held for Sale	(2,879,769,625)		Non-current Asset Held for Sale	(2,879,769,625)	
	Quick Assets	24,034,803,900		Quick Assets	34,119,196,850	
	Total Current Liabilities	38,719,379,421		Total Current Liabilities	23,937,401,147	
	Acid test ratio	**0.62**		Acid test ratio	1.43	
Solvency ratio	Total Assets divided by Total Liabilities		**1.34**	Total Assets divided by Total Liabilities		1.42
	Total Assets	66,327,140,452		Total Assets	66,452,756,054	
	Total Liabilities	49,394,366,705		Total Liabilities	46,785,875,466	
	Solvency ratio	**1.34**		Solvency ratio	1.42	
Debt-to-equity ratio	Total Liabilities divided by Total Equity		**2.92**	Total Liabilities divided by Total Equity		2.38
	Total Liabilities	49,394,366,705		Total Liabilities	46,785,875,466	
	Total Equity	16,932,773,747		Total Equity	19,666,880,588	
	Debt-to-equity ratio	**2.92**		Debt-to-equity ratio	2.38	
Assets-to-equity ratio	Total Assets divided by Total Equity		**3.92**	Total Assets divided by Total Equity		3.38
	Total Assets	66,327,140,452		Total Assets	66,452,756,054	
	Total Equity	16,932,773,747		Total Equity	19,666,880,588	
	Assets-to-equity ratio	**3.92**		Assets-to-equity ratio	3.38	
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense		**1.18**	Earnings before interest and taxes (EBIT) divided by Interest expense		(0.81)
	EBIT	2,141,858,851		EBIT	(1,147,030,097)	
	Interest expense**	1,815,083,719		Interest expense**	1,414,149,216	
	Interest rate coverage ratio	**1.18**		Interest rate coverage ratio	(0.81)	
Return on equity	Net Income divided by Average Equity		**0.01**	Net Loss divided by Average Equity		(0.10)
	Net Income from Continuing Operations	269,156,681		Net Loss from Continuing Operations	(1,872,022,234)	
	Average Equity	18,299,827,168		Average Equity	19,433,894,134	
	Return on equity	**0.01**		Return on equity	(0.10)	

Ratio	Formula	Amount	2023	Formula	Amount	2022
Return on assets	Net Income divided by Average Assets Net Income from continuing operations Average Assets Return on assets	 269,156,681 66,389,948,253 **0.00**	**0.00**	Net Loss divided by Average Assets Net Loss from continuing operations Average Assets Return on assets	 (1,872,022,234) 75,814,692,458 (0.02)	(0.02)
Net profit margin	Net Income divided by Total Revenue Net Income from continuing operations Total Revenue Net profit margin	 269,156,681 18,638,155,682 **0.01**	**0.01**	Net Loss divided by Total Revenue Net Loss from continuing operations Total Revenue Net profit margin	 (1,872,022,234) 14,841,650,516 (0.13)	(0.13)

**For the year ended December 31, 2022, interest rate coverage ratio, return on equity, return on assets and net profit margin only includes results of continuing operations.*

*** Interest expense is the sum of interest relating to bank loans, notes payable and bonds payable.*

30 January 2024

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Annual Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the year ended 31 December 2023; and

2. Report of Independent Auditors on Factual Findings.

MEGAWIDE CONSTRUCTION CORPORATION
By:

JEZ G. DELA CRUZ
Chief Financial Officer

30 January 2024

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Re: **MEGAWIDE CONSTRUCTION CORPORATION**
Annual Progress Report as of and for the Year Ended 31 December 2023 on the Application of Proceeds from the Preferred Shares Offering with Certification of Independent Auditors

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 17 April 2023, we submit herewith the Company's annual report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the year ended 31 December 2023 are as follows:

Offering Proceeds (15,000,000 shares at PhP 100.00 per share)	**PhP**	**1,500,000,000.00**
Less: Expenses related to the public offering*		
Underwriting fees		6,421,102.15
Registration and filing fees		2,626,875.00
Professional fees		6,170,000.00
Documentary stamp tax		125,000.00
Selling Fees		4,012,500.00
Other Expenses		250,000.00
Net Offering Proceeds	**PhP**	**19,605,477.15**
Less: Disbursements		
Partial Redemption of Preferred Shares Series 2A		1,480,394,522.85
	PhP	**1,480,394,522.85**
Balance of the Offering Proceeds as of December 31, 2023	**PhP**	-

**The expenses related to the preferred shared offering amounting to PhP 19.6 million, which were incurred prior to the receipt of the proceeds from the offering, were initially funded using the Company's working capital.*

We hope you find everything in order.

20 N. Domingo St., Valencia, Quezon City 1112
(02) 8655-1111
www.megawide.com.ph
Engineering
A First-World Philippines

MEGAWIDE

Very truly yours,

MEGAWIDE CONSTRUCTION CORPORATION
By:

JEZ G. DELA CRUZ
Chief Financial Officer

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megawide Construction Corporation
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia
Quezon City

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Annual Progress Report (the Report) as of and for the year ended December 31, 2023 on the application of proceeds from the Preferred Shares Offering (Offering Proceeds) of Megawide Construction Corporation (the Company) on April 17, 2023. The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*, applicable to agreed-upon procedures engagements.

The net proceeds for this Offer amounting to P1,480,394,552.85 was used to partially fund the full redemption of the outstanding 26,220,130 Series 2A Preferred Shares at the Offer Price of P100.00 per share on May 27, 2023.

Agreed-upon Procedures

The agreed procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:

    a. The Report;
    b. Schedule of planned use of proceeds from the Offering Prospectus; and,
    c. Detailed schedule of utilization of proceeds as of and for the year ended December 31, 2023.

2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the year ended December 31, 2023.

3. Compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus.

4. Inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds.

5. Traced and examined supporting documents of the disbursements in the schedule and agreed the total amount of disbursements per category in the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

2. With respect to item 2, we noted that the total amount of disbursements appearing in the Report agrees with the amount in the detailed schedule of disbursements of the Offering Proceeds.

3. With respect to item 3, we found the disbursements of proceeds in the Report as of and for the year ended December 31, 2023 is consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus.

4. With respect to item 4, we noted the following:

    a) The details of the disbursements incurred from January 1 to December 31, 2023 showed that the Company used the Offering Proceeds for the purpose of partially funding the redemption of the outstanding Series 2A Preferred Shares of the Company.

    The net proceeds were intended to partially fund the full redemption of the outstanding 26,220,130 Series 2A Preferred Shares at the Offer Price of P100.00 per share, which was for redemption on May 27, 2023, 2.5 years from its listing date.

    The net proceeds of the Series 2A Preferred Shares were used by the Company to finance various Public-Private Partnership projects such as the Mactan Cebu International Airport, Paranaque Integrated Terminal Exchange, Public School Infrastructure Project Phase II, and Clark International Airport.

    As of December 31, 2023, the Company's Offering Proceeds are fully allocated and utilized in accordance with the planned use as disclosed above. Disbursements for the year ended December 31, 2023 amounted to P1,480.4 million.

5. We found no exceptions with respect to item 5.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until financial period 2023)
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BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

January 30, 2024

MEGAWIDE

30 January 2024

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Annual Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the year ended 31 December 2023; and

2. Report of Independent Auditors on Factual Findings.

MEGAWIDE CONSTRUCTION CORPORATION
By:

JEZ G. DELA CRUZ
Chief Financial Officer

MEGAWIDE

30 January 2024

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Re: **MEGAWIDE CONSTRUCTION CORPORATION**
Annual Progress Report as of and for the Year Ended 31 December 2023 on the Application of Proceeds from the Preferred Shares Offering with Certification of Independent Auditors

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 27 November 2020, we submit herewith the Company's annual report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the year ended 31 December 2023 are as follows:

Offering Proceeds (43,626,010 shares at PhP 100.00 per share)	**PhP**	**4,362,601,000.00**
Less: Expenses related to the public offering*		
Underwriting fees		23,881,930.83
Registration and filing fees		6,830,655.00
Professional fees		5,986,013.50
Documentary stamp tax		436,260.10
Net Offering Proceeds	**PhP**	**4,325,466,140.57**
Less: Disbursements		
Accumulated costs incurred as of December 31, 2022		2,769,654,572.49
Costs incurred for the year ended December 31, 2023		128,022,329.72
	PhP	**2,897,676,902.21**
Balance of the Offering Proceeds as of December 31, 2023	**PhP**	**1,427,789,238.36**

**The expenses related to the preferred shared offering amounting to PhP 36.7 million, which were incurred prior to the receipt of the proceeds from the offering, were initially funded using the Company's working capital. The Company charged this amount against the proceeds from the offering in the last quarter of 2020.*

We hope you find everything in order.

Very truly yours,

MEGAWIDE CONSTRUCTION CORPORATION
By:

JEZ G. DELA CRUZ
Chief Financial Officer

P&A
Grant Thornton

Report of Independent Auditors on Factual Findings

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Megawide Construction Corporation
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia
Quezon City

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Yearly Progress Report (the Report) as of and for the year ended December 31, 2023 on the application of proceeds from the Preferred Shares Offering (Offering Proceeds) of Megawide Construction Corporation (the Company) on November 27, 2020. The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown and application of the Offering Proceeds as of and for the year ended December 31, 2023 based on the information we obtained from the Company.

	Initial Allocation of Offering Proceeds on November 27, 2020	Revised Allocation of Offering Proceeds as of February 26, 2021	Application of Offering Proceeds as of December 31, 2022	Application of Offering Proceeds for the Year Ended December 31, 2023	Balance of Offering Proceeds as of December 31, 2023
Ninoy Aquino International Airport (NAIA) rehabilitation	P1,224,188,530.35	P -	P -	P -	P -
Development of Cebu Integrated Transport Hub	830,037,568.21	1,274,700,551.18	1,266,397,956.05	8,302,595.13	-
Expansion of MCIA Under Concession Agreement 2 (CA2)	816,125,686.90	816,125,686.90	816,125,686.90	-	-
Development of Lot 2 of the Paranaque Integrated Terminal Exchange (PITX) and other locations	647,702,950.76	994,686,674.38	-	-	994,686,674.38
Expansion of Pre-cast and other Ancillary business units	375,609,437.17	576,828,778.51	277,694,391.64	119,719,734.59	179,414,652.28
Mactan Cebu International Airport (MCIA) multi-use development	215,900,983.59	331,562,224.80	77,874,313.10	-	253,687,911.70
General corporate purposes	215,900,983.59	331,562,224.80	331,562,224.80	-	-
	P4,325,466,140.57	P4,325,466,140.57	P2,769,654,572.49	P128,022,329.72	P 1,427,789,238.36

Agreed-upon Procedures

The agreed procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:

    a. The Report;
    b. Reallocation of the Use of Proceeds Report;
    c. Schedule of planned use of proceeds from the Offering Prospectus; and,
    d. Detailed schedule of utilization of proceeds as of and for the year ended December 31, 2023.

2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the year ended December 31, 2023.

3. Compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus and its approved subsequent revision of allocation.

4. Inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds.

5. Traced to and examined supporting documents of the disbursements in the schedule and agreed the total amount of disbursements per category in the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

2. With respect to item 2, we noted that the total amount of disbursements appearing in the Report agrees with the amount in the detailed schedule of disbursements of the Offering Proceeds.

3. With respect to item 3, we found the disbursements of proceeds in the Report as of and for the year ended December 31, 2023 is consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus and its subsequent revision of allocation as approved by the Company's Board of Directors (BOD) on February 26, 2021 and disclosed in the Philippine Stock Exchange Electronic Disclosure Generation Technology on March 1, 2021.

4. With respect to item 4, we noted the following:

    a.) The details of the disbursements incurred from January 1 to December 31, 2023 showed that the Company used the Offering Proceeds for the following purposes:

- ***NAIA Rehabilitation***

The government's airport modernization and expansion program opened up exciting opportunities for the private sector to contribute to the country's infrastructure development program. Being the largest private sector airport operator, by virtue of its concession agreement with the Philippines' second busiest airport, the Company is well positioned and has a unique advantage to participate in other airport development projects in the government's pipeline.

In a letter dated July 15, 2020, the Manila International Airport Authority (MIAA) granted the consortium led by the Company with GMR Infrastructure Limited as partner operator, the Original Proponent Status (OPS) for the development of the NAIA. Under the Build-Operate-Transfer (BOT) Law, the holder of the OPS will have the right to match any competing offer from another proponent under the Swiss Challenge scenario, subject to the terms and conditions of the Swiss Challenge process.

The project proposal plans for a phased redevelopment of existing NAIA terminals to remove decongestion and increase annual total passenger-handling capacity from the existing 30 million passengers to 65 million. The deliverables also include expanding and interconnecting the existing terminals of NAIA using a People Mover System, upgrading airside facilities, developing commercial facilities to increase airline and airport efficiencies, enhancing passenger comfort and experience and elevating the status of NAIA as the country's premier international gateway.

The Company received communication from the MIAA on December 15, 2020 stating that consortium's OPS has been revoked, with no formal notice on the reasons for the revocation. The Company has submitted a motion for reconsideration for its proposal on December 21, 2020, as it has, at all stages, complied with the all the government's requirements for its unsolicited proposal. The BOD of MIAA denied the motion for reconsideration of the Company, which sought to overturn the revocation of the Megawide's OPS for the rehabilitation of the NAIA. The Company was formally informed of the said denial through a letter from the Corporate Secretary of the MIAA BOD dated January 25, 2021.

The proceeds initially allocated for the said project has been reallocated to other projects as approved by the Company's BOD on February 26, 2021 and disclosed in the PSE Edge on March 1, 2021.

- ***Development of the Cebu Integrated Transport Hub***

The Company executed an Agreement with the Local Government of Cebu on January 12, 2021 for a 50-year concession agreement to redevelop and operate the Carbon Market. The project requires pre-development and logistical expenses in line with its 5-year development timetable.

The proposal involves the transformation of the existing Carbon Market into a mixed-use development anchored on a modern public market and an integrated multi-modal transport hub. Phase 1 of the project involves the rehabilitation of the existing public market, including a new wholesale market, construction of a new night market, and other lifestyle commercial establishments, land transport and ferry terminals, among others. Phase 2 includes a mixed-use development plan (hotel, Meetings, Incentives, Conference, Exhibitions (MICE), retail, etc.) envisioned to transform the property into one of Cebu's primary attractions.

P1,274.7 million from the Offering Proceeds were allocated and were fully used for this purpose as of December 31, 2023. Disbursements for the year ended December 31, 2023 amounted to P8.3 million.

- ***Expansion of MCIA Under Concession Agreement 2 (CA2)***

  The Company's expansion of MCIA under CA2 has an OPS status, which will extend its existing Concession Agreement (CA1) in MCIA by another 25 years. Phase 1 involves the takeover of the airside facility, rehabilitation of the existing runway and taxiways, construction of an additional full-length parallel taxiway, development of additional rapid exit taxiways and runway holding positions. Phase 2 involves the construction of a second parallel and independent instrument runway and Phase 3 comprises the construction of Terminal 3.

  P816.1 million from the Offering Proceeds were allocated and were fully used for this purpose as of December 31, 2023. There were no disbursements made related to this project for the year ended December 31, 2023.

- ***Development of Lot 2 of the PITX and Other Locations***

  The PITX is a flagship project under the government's Build, Build, Build infrastructure program, dubbed as the Philippines "first landport". PITX is a 4.5 hectare development and currently Lot 1 (2.7 hectares) houses the transport terminal, commercial spaces, and office buildings under one roof. PITX is effectively 100% owned by the Company.

  With a rated capacity of 100,000 passengers daily, PITX offers seamless connections to and from the southwest portion of Metro Manila, via multiple modes of transportation, from provincial to in city buses, taxis, jeepneys and utility vehicle express shuttles.

  The development of Lot 2 (1.8 hectares) will further improve terminal operations by providing a staging area for buses. It will also offer additional employment and business opportunities through the construction of office towers and retail establishments inside the facility.

  The original plan is to develop a similar structure to the existing terminal, to be comprised of four levels, with commercial leasing assets occupying the floors above the bus staging area. Estimated cost for the PITX Lot 2 development project is around P5,000.0 million.

  The development of PITX Lot 2 has become more imperative, considering that current foot traffic at the existing terminal has breached the capacity of 200,000 daily. In addition, Light Rail Transit 1 (LRT 1) Asia World Station is scheduled to be completed by the fourth quarter of 2024, which is expected to boost foot traffic, based on LRT 1's 100,000 daily ridership.

As for other PITX locations, Baguio is scheduled to be signed by the first half of the year while the location in the south is also being finalized to target signing within the year, with amendments being implemented to comply with the provisions of the new Public Private Partnership Law.

P994.7 million from the Offering Proceeds were allocated to this project. As of and for the year ended December 31, 2023, there were no disbursements made yet related to this project.

- ***Expansion of Pre-Cast and Other Ancillary Business Units***

The Company is anticipating an increased demand for prefabricated construction materials under the new normal, both for its traditional market (i.e. residential, office, and commercial / industrial) and new segments (horizontal infrastructure) it plans to expand and enter into. With the new occupational health and safety protocols arising from the Coronavirus Disease 2019 (COVID-19) pandemic, the Company believes that the pre-cast technology will be well-suited for the industry, given its less human labor requirement and faster turn-around compared with the traditional method.

Moreover, the government's roll out of major infrastructure projects enabled the Company to identify opportunities in this segment, which will be driving force to Company's infrastructure pivot. In addition to the Company's engineering, procurement and construction business, these projects will likewise require huge support from other ancillary services (batching plant, formworks, specialized equipment, transport, and others), being a vertically integrated construction company.

In relation to this, the Company has finalized its plan to expand its pre-cast plant capacity to approximately 40,000 cu/m/month, from the current 13,000 cu/m/month, in various high growth locations across the country, including the existing plant in Taytay, Rizal. Estimated cost of the project is around P1,000.0 million for full capacity and has reached around 25% completion as of the end of 2019. As of December 31, 2023, the project has progressed to around 50% completion. The targeted capacity of 35,000-40,000 cu/m/month is originally projected to be achieved by the end of 2024-2025, subject to market conditions and operating environment.

Furthermore, the expansion of its construction services and ancillary businesses require additional funding and the Company expects the progress of these initiatives to accelerate as soon as new infrastructure contracts are secured within the year.

P576.8 million from the Offering Proceeds were allocated to this project. P397.4 million of which were released as of and for the year ended December 31, 2023. Disbursements for the year ended December 31, 2023 amounted to P119.7 million.

- ***MCIA Multi-Use Developments***

MCIA, the gateway to the Visayas and Southern Philippines, is the second largest airport facility in the country with a consistently growing number of passengers annually.

Under the existing CA1, GMR-Megawide Cebu Airport Corporation (GMCAC) shall deliver a 2nd terminal and rehabilitate the existing terminal, which the company completed in July 2018 and September 2019, respectively, to reduce congestion as well as meet the growing passenger traffic into Cebu. The Capacity Augmentation, which is part of CA1 designed to further expand the airport's capacity, remains in balance. GMCAC is undertaking this capital extensive project to provide a world-class terminal airport with a welcoming ambiance that is distinctly Filipino.

The MCIA mixed-use development project is envisioned to further accelerate the airport's value creation. The initial plans involve the construction of a 400-room hotel, a MICE facility, and a travel retail concept to complement the airport's features. Estimated cost of the MCIA mixed use development project is P3,000.0 million.

While the Cebu hotel industry may have been affected by the COVID-19 pandemic, long-term prospects remain sound given Cebu's ideal location as both as a tourism and business hub. In addition, the project development timetable of two-three years provides enough time for the situation to revert back to pre-COVID-19 environment.

The project has completed the final design and concept stages but is currently on push-button mode and will be re-evaluated on when initial development will commence, subject to resumption of normalcy of travel and airport operations and the project's overall value creation to all its stakeholders.

P331.6 million from the Offering Proceeds were allocated to this project, P77.9 million of which were released as of December 31, 2023. In December 2022, the Company disposed a portion of its interest in GMCAC which was reduced from 60.00% to 33.33% as of December 31, 2022. The management intends to reallocate the remaining balance of the proceeds to another project after the completion of the second close by October 2024. In relation to this, the management intends to reallocate the remaining balance of the proceeds to another project in the second quarter of 2024. There were no disbursements made related to this project for the year ended December 31, 2023.

- ***General Corporate Purposes***

  General corporate purposes include: (1) purchase or lease or repair of construction equipment; (2) provision for potential projects and business opportunities; and, (3) working capital.

  P331.6 million from the Offering Proceeds were allocated and were fully used for this purpose as of December 31, 2023. There were no disbursements made related to this project for the year ended December 31, 2023.

b.) The remaining balance of the Offering Proceeds amounting to P1,427.8 million as of December 31, 2023 is expected to be applied on costs to be incurred in accordance with the planned use and estimated timing as disclosed in the Offering Prospectus and to the PSE and its subsequent revision of allocation.

5. We found no exceptions with respect to item 5.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until financial period 2023)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

January 30, 2024

ANNEX A: Sustainability Report

Contextual Information

Company Details	
Name of Organization	Megawide Construction Corporation (MCC)
Location of Headquarters	20 N. Domingo Street, Barangay Valencia, Quezon City
Location of Operations	I. Megawide Construction Corporation A. Engineering Procurement and Construction (EPC): Megawide Head Office, 20 N. Domingo Street, Barangay Valencia, Quezon City B. Holding Company (HoldCo) Office: 10F Santolan Town Plaza, Santolan Road, San Juan City C. Business Units (PCSs): Taytay Industrial Complex 2758 Velasquez St., Sitio Bangiad, Brgy. San Juan, Taytay, Rizal II. MWM Terminals, Inc. (MWMTI) A. Paranaque Integrated Terminal Exchange (PITX): 1 Kennedy Road, Brgy. Tambo, Paranaque City III. PH1 World Developers, Inc. (PH1) A. 10F Santolan Town Plaza, Santolan Road, San Juan City B. Various projects sites in Quezon City, Ortigas Avenue extension Pasig City, Taytay, Rizal, and San Jose del Monte, Bulacan
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	I. MCC A. HoldCo B. PCS C. EPC II. MWMTI III. PH1
Business Model, including Primary Activities, Brands, Products, and Services	Megawide Construction Corporation (referred herein as Megawide) has pursues revolutionary construction and engineering solutions, offers pre-cast and other advanced building technologies, and develops and/or operates modern infrastructure facilities. Megawide started out as a general construction Business and grew its order book in Engineering, Procurement, and Construction (EPC) through a range of residential developments, from low to high-rise condominiums, commercial buildings, such as integrated office buildings, malls, hotels, and casinos, and infrastructure projects, such as airports, horizontal rail systems, and public market. The Company works for private clients such as Megaworld Corporation, Double Dragon Properties, 8990 Holdings, and Rockwell Land, as well as government agencies such as the Department of Transportation and the CePCS City Local Government. The Company also diversified its portfolio into transport-oriented infrastructure development, through their participation in the government's Public-Private Partnership (PPP) programs, which enabled them to develop, operate, and maintain key flagship projects such as the Parañaque Integrated Terminal Exchange (PITX) and the Mactan-Cebu International Airport (MCIA), as well as construct the Clark International Airport (CIA).

	In 2023, the Company joined the real estate development Business by acquiring PH1 World Developers, Inc. (PH1) to engage in the development, sale, and/or lease of real estate properties. Megawide is currently managed along the following segments: Construction, Infrastructure (Airport, Landport (Terminal) Operations, Public Market), and Property Development. Construction covers the construction, enlargement, repair, or other work on buildings, houses and condominiums, roads, plants, bridges, piers, waterworks, railroads, and other structures. This segment also includes the ownership, use, improvement, and development of various types of real estate. Meanwhile, the Landport Operation segment operates a multimodal transport terminal as well as commercial leasing properties – office and retail areas – within PITX. Real estate operations is a means of vertical integration with and natural progression for its construction and engineering capabilities. PH1's projects currently include MyEnso Lofts, The Hive, Modan Lofts Ortigas Hills, and Northscapes San Jose del Monte.
Reporting Period	01 January 2023 to 31 December 2023
Highest Ranking Person responsible for this report	Edgar B. Saavedra, Chairman and Chief Executive Officer

Materiality Process

Megawide first rolled out its Sustainability Framework in 2018 and reworked this in 2021 to better capture its efforts under the five areas: Economic, Environmental, Social, Corporate Governance, and Contribution to Sustainable Development.

The Company's strategic Business units take guidance and direction from this framework and align their projects and programs with these sustainability commitments.

Megawide abides by the sustainability reporting requirements of the Security and Exchange Commission (SEC), as well as the Global Reporting Initiative (GRI) Standards. A materiality assessment was first conducted in 2018 to identify critical topics that are most relevant to Megawide's Business and stakeholders. This included an engagement process with internal and external stakeholders to understand their issues and concerns.

For the 2023 sustainability report, Megawide collected concerns from stakeholders raised during the reporting period. Material topics were also reviewed in the context on how the Company's activities both positively and negatively impact the economy, environment, and society. This is to align with the updated Materiality Assessment of the GRI Standards (2021 version). With that, topics that were covered in the previous reporting period have been considered to be material for 2023 as well.

Criticality	**Material Topic**	**Relevant GRI Standard**	**Contribution to SDGs**
High	Pandemic	**GRI 403:** Occupational Health and Safety **GRI 416:** Customer Health and	**SDG 3:** Good Health and Well-being

		Safety	**SDG 8:** Decent Work and Economic Growth
High	Employee Welfare and Well-being	**GRI 401:** Employment **GRI 402:** Labor/Management Relations **GRI 403**: Occupational Health and Safety	**SDG 3:** Good Health and Well-being **SDG 8:** Decent Work and Economic Growth
High	Shareholder Confidence	**GRI 201:** Economic Performance **GRI 2-29:** Approach to stakeholder engagement	**SDG 16:** Peace, Justice, and Strong Institutions
High	Health and Safety	**GRI 403**: Occupational Health and Safety **GRI 416:** Customer Health and Safety	**SDG 3:** Good Health and Well-being **SDG 8:** Decent Work and Economic Growth
High	Corruption/Fraud	**GRI 205:** Anti-corruption	**SDG 16:** Peace, Justice, and Strong Institutions
High	Ethical Business Operations	**GRI 205:** Anti-corruption **GRI 2-27:** Compliance with laws and regulations	**SDG 16:** Peace, Justice, and Strong Institutions
High	Customer Satisfaction	**GRI 416:** Customer Health and Safety	**SDG 16:** Peace, Justice, and Strong Institutions
High	Employee Training and Competency	**GRI 404:** Training and Education	**SDG 8:** Decent Work and Economic Growth
High	Innovation in Operations/ Products & Services	**GRI 2-6:** Activities, value chain, and other Business relationships **GRI 301:** Materials	**SDG 9:** Industry, Innovation, and Infrastructure
Medium	Product Quality and Responsibility	**GRI 2-6:** Activities, value chain, and other Business relationships **GRI 2-27:** Compliance with laws and regulations **GRI 301:** Materials **GRI 308:** Supplier Environmental Assessment **GRI 414:** Supplier Social Assessment **GRI 416:** Customer Health and Safety **GRI 417:** Marketing and Labeling	**SDG 12:** Responsible Consumption and Production **SDG 16:** Peace, Justice, and Strong Institutions
Medium	Financial Sustainability/ Profitability	**GRI 201:** Economic Performance	**SDG 1:** No Poverty **SDG 8:** Decent Work and Economic Growth
Medium	Information Security/Data Privacy	**GRI 418:** Customer Privacy	**SDG 16:** Peace, Justice and Strong Institutions

Medium	Local Sourcing/ Procurement	**GRI 2-6:** Activities, value chain, and other Business relationships **GRI 204:** Procurement Practices	**SDG 12:** Responsible Consumption and Production
Medium	Human Rights (Child Labor /Forced Labor/ Discrimination)	**GRI 405:** Diversity and Equal Opportunity **GRI 406:** Non-discrimination **GRI 408:** Child Labor **GRI 409:** Forced Labor **GRI 411:** Rights of Indigenous Peoples	**SDG 10:** Reduced Inequalities
Medium	Employee Turnover, Attrition, and Retention	**GRI 401:** Employment **GRI 402:** Labor/Management Relations	**SDG 1:** No Poverty **SDG 8:** Decent Work and Economic Growth
Medium	Energy Management/ Efficiency	**GRI 302:** Energy	**SDG 7:** Affordable and Clean Energy
Medium	Impact on Community/ Contribution to Society	**GRI 203:** Indirect Economic Impacts **GRI 413:** Local Communities	**SDG 10:** Reduced Inequalities
Medium	GHG Emissions/Climate Change	**GRI 305:** Emissions	**SDG 13:** Climate Action
Medium	Waste Disposal and Recycling	**GRI 306:** Waste	**SDG 11:** Sustainable Cities and Communities **SDG 12:** Responsible Consumption and Production
Medium	Water Consumption	**GRI 303:** Water and Effluents	**SDG 6:** Clean Water and Sanitation
Medium	Impact on Biodiversity	**GRI 304:** Biodiversity	**SDG 13:** Climate Action **SDG 14:** Life Below Water **SDG 15:** Life on Land

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount in Php
Economic Value Generated	**18,638,155,682.00**
Economic Value Distributed	**14,957,227,257.00**
Operating costs	1,337,721,085.00
Employee wages and benefits	2,267,418,912.00
Payments to providers of capital	6,373,851,915.00
Payments to government by country	4,485,441,618.00
Community investments	171,881,755.00
Economic Value Retained	**3,680,928,425.00**

Management Approach for Economic Performance

Megawide strives to boost local and national economies through a strong and sustainable economic performance. This also attracts investors, develops trust among shareholder, and strengthens relationships with all stakeholders.

Delivering sound financial results allows Megawide to secure the long-term sustainability of its Business and provides the Group the opportunity to develop a comprehensive and inclusive social and environmental sustainability program. In addition to enhancing the Group's value chain, a robust performance facilitates a healthy wealth distribution. As Megawide is typically exposed to external risks that can affect the conduct of its Business and financial results, risk mitigation measures are crucial and necessary.

Megawide pursues a long-term and sustainable growth agenda guided by its vision and mission. Key Result Areas (KRAs) were developed, using a bottom-up approach, to measure the success vis-à-vis the objectives, serving as financial and operational targets and performance evaluation metrics of the entire Group and each employee on an annual basis.

To encourage individuals to report about perceived anomalies and irregularities, Megawide has established various grievance mechanisms and internal programs, such as Whistle Blowing Policy and Sumbong Anomalya Para sa Kompanya (SAPAK), which are sent anonymously and handled confidentially throughout the investigation process, if necessary.

Megawide's accomplishments are regularly evaluated against its long-term roadmap, through the KRAs or a balanced scorecard, which is agreed upon by all members of the Group. This sets the benchmark for assessing how effective each accomplishment is to working towards individual and shared goals. Results are then reviewed and collected to provide inputs for the succeeding year's planning process, identifying areas for improvement and other opportunities that can further strengthen the Group's long-term economic performance.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Megawide
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers (%)	70%

Management Approach for Procurement Practices

Local sourcing is among the primary tools to support the host and domestic economy. Engaging with homegrown Businesses also establishes prioritization that can create a more robust local supply chain. For this reason, Megawide implements a procurement strategy that partners with local suppliers, vendors, and subcontractors, especially those who are available at its project sites, to boost the surrounding Businesses and contribute to nation building. This practice enables smoother communication with suppliers and a more efficient evaluation of accreditation credentials versus actual capacities. The strategy also ensure on-time and quality delivery while facilitating easier payment methods. To validate the potential partners' minimum financial capacity and compliance with regulations and standards, the Company conducts plant visits as well as background checks.

Megawide's Procurement Team engages with various partners to address price volatility and supply availability issues by having a broader sourcing scope and wider price comparison. Since engagements with foreign counterparties for imported items can cause longer lead times and higher costs, the Procurement Team transacts with authorized distributors, importers, and manufacturers through direct sourcing agreements to secure the most efficient terms and deals

For the Pre-cast and Construction Solutions (PCS) segment (formerly referred to as the Business Units), new procurement practices are carried out to comply with policies implemented by the local government unit (LGU). The PCS Supply Chain Management forecasts the total cost of production for raw materials, which consist of local and imported materials, together with proper planning and scheduling for required parts. These procurement practices aid the PCS in maintaining the appropriate stock levels and inventories, thus preventing overbuying and overstocking of materials. Monthly forecasts and delivery are aligned with the monthly requirements, which is shared with suppliers in order for them to plan their production and delivery schedules to meet the monthly needs of each unit. Materials are categorized by item groups during the bidding process, with strategic materials prioritized to lock-in the best price through supplier agreements. Alternative sourcing strategies are continuously improved to guarantee product availability and supply.

The PCS team constantly aims to improve its strategies by collaborating with a range of partners in its Business and operations through the Supply Chain Management (SCM) Policy, guided by the Procurement Manual. The Procurement Process has been digitalized over the last two years, in terms of purchase requests and job order approvals, to support the entire function.

Specifically, digital reporting has been enhanced with the use of Odoo Software, where data can be retrieved in real time from the SAP database, which is then reported to management without manual intervention. Through digitization, the Procurement and Warehouse Team is able to meet their goals and targets on time as well as roll-out strategies more efficiently. Deliverables are also met without any delays that would typically affect operations. At the start of the year, procurement-based Key Performance Indicators (KPIs) are set and regularly monitored by the team throughout the year.

PH1 largely relies on its general contractor, Megawide Construction, for its local procurement policy. In terms of sales and marketing, PH1 prioritizes personnel with expertise and experience in the industry, preferably those with a large network within the locations of various projects to leverage on the network, increase sales closing, and promote local employment.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Megawide
Percentage of directors to whom the organization's anti-corruption policies and procedures have been communicated to	100
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	90
Percentage of Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100
Percentage of directors and management that have received anti-corruption training	100
Percentage of employees that have received anti-corruption training	50

**Estimates*

Incidents of Corruption

Disclosure	Megawide
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0
Number of incidents when contracts with Business partners were terminated due to incidents of corruption	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcome of such cases	0

Management Approach for Anti-corruption

Good corporate governance is key in maintaining the trust and confidence of investors in the Group, as well as preserve a high morale among employees. To sustain these, Megawide has established the necessary policies and initiatives that promotes ethical behavior within the Business.

Megawide, being a publicly-listed Company, recognizes its obligation to comply with relevant laws and regulations. Consequently, it embraces and adheres to the highest levels of legal, ethical, and moral standards. The Group is committed to upholding a strong culture of ethics, compliance, and enforcement across its operations. In compliance with its Manual on Corporate Governance, the Board of Directors developed various policies to ensure that Megawide does not condone dishonest, unethical, or unprofessional behavior, regardless of the individual's position, influence, and level of authority. The Compliance Officer, Chief Human Resources Officer, or Chief Audit Executive shall be responsible for assessing any reports on violations or suspected violations of these directives.

The Company is committed to regularly conduct orientation seminars for its directors, senior management, and employees to thoroughly discuss the Manual on Corporate Governance, Code of Business Conduct and Ethics, Employee Code of Discipline, Code of Conduct and Ethical Standards for Suppliers, Whistle Blowing Policy, and Anti-fraud Policy. These codes and policies are also available on the official Megawide website, which is accessible to all employees. For transactions with third-party organizations, a Code of Conduct and Ethical Standards for Suppliers is followed strictly to guide external parties on the standards, virtues, and values to uphold and practice in all their dealings with Megawide.

As stated in the Code of Business Conduct and Ethics, the acceptance of kickbacks or secret commissions from suppliers, contractors, and other service providers is strictly prohibited. A breach of this rule may result in cessation of professional relationship and/or termination of employment with Megawide, as well as prosecution of criminal cases arising therefrom to the fullest extent of the law. The Code of Business Conduct and Ethics, Employee Code of Discipline, Code of Conduct and Ethical Standards for Suppliers, Whistleblowing Policy, Anti-Fraud Policy, and other relevant rules and regulations provide for the clear and stringent policies on curbing and penalizing employee involvement in offering, paying, and receiving bribes. Furthermore, Megawide's Whistleblowing Policy and Anti-Fraud Policy establish the guidelines, procedures, and controls that will facilitate the prevention, detection, reporting, investigation, and punishment of all fraudulent activities within the Group.

For any suspicions of fraudulent activity within the Group, individuals should promptly adhere to the Megawide's policies and procedures on reporting anomalies and irregularities. The concerned parties must report the matter to the Internal Audit Department, Legal Department, Human Resources Department, and/or through the Whistle Blowing Policy and Sumbong Anomalya Para sa Kompanya (S.A.P.A.K) campaign. All reported fraudulent activities that could affect the Company's financial statements shall be managed by the Chief Audit Executive, in coordination of the Chief Finance Officer and Compliance Officer, who shall refer the matter to the appropriate Board Committees.

In compliance with Megawide's Code of Business Conduct and Ethics, all supervisors, managers, officers, directors, and employees that have any form of control in directing the Company's Business operations, or deal directly with suppliers and contractors, are required to fill out a Conflict of Interest Disclosure Form prior to hiring, which is updated at least annually (or as often as necessary when there is a need to disclose certain conflicts of interest), to help Megawide identify and resolve conflicting interests within the Group.

Megawide endeavors to continue to uphold a culture of exceptional corporate governance and accountability, with an ongoing effort to develop and maintain this culture, in order to prevent any incidents of corruption. It strives to conduct its Business with the highest ideals of integrity and ethical and moral value as well as to strictly comply with all applicable laws and regulations. All codes and policies are regularly promoted and consistently enforced throughout the Group. The operations of Megawide also undergo in-depth internal audits by the internal audit group, which periodically monitors compliance with the Group's anti-corruption policies and identifies, evaluates, and addresses potential and actual incidents of corruption.

As a testament to sound corporate governance practices, Megawide continued its streak of earning key citations from industry stalwarts, bagging two more "Golden Arrows" at the Golden Arrow Recognition last September 28 from the Institute of Corporate Directors (ICD).

The Philippines' leading infrastructure company maintained its lofty position among an elite circle of publicly listed and insurance firms that were distinguished for superior corporate governance practices, based on the results of the 2022 ASEAN Corporate Governance Scorecard (ACGS) and Corporate Governance Scorecard (CGS) assessments.

ENVIRONMENT

Management Approach for Energy Consumption

Construction and engineering activities are among the highest energy users, resulting in greenhouse gas emissions that contribute to global warming. It is thus crucial to implement energy-saving programs and explore the use of renewable energy sources to minimize this harmful impact.

Proper energy management will ensure adequate and prudent use of available energy supply, resulting in an effective cost management. Against this backdrop, energy conservation programs that can reduce operational costs and generate savings are necessary.

In order to manage energy consumption, the Facilities Management Department (FMD) practices energy conservation through proper air conditioning unit usage as well as management of lights, appliances, and other equipment when not in use. Metering devices are also regularly monitored to measure the impact of conservation efforts. To better manage energy consumption, HoldCo is looking into the use of renewable energy and the conversion to more efficient equipment while FMD is currently in coordination with different service providers for the green energy option program (GEOP) for the Head Office of EPC.

The PCS team continued to explore the use of renewable energy – via the Green Energy Option Program – on top of improving and promoting awareness on energy efficiency to reduce consumption. PCS also installed solar-powered flood lights as well as light-emitting diode (LED) lights around the Taytay Industrial Complex and continuously looks for most energy saving and efficient equipment for its use. Daily consumption of energy is monitored using a tracking system and an annual energy report is submitted to the Department of Energy (DOE) for yearly recording.

Meanwhile, MWMTI's energy consumption is dependent on the occupancy of office towers and retail areas. The Facility Management Team adopted energy-efficient practices to manage its consumption and minimize losses. It also conducted a major preventive maintenance activity on the entire electrical system of the facility to increase its efficiency.

PH1 pursues a sustainable approach to development, both vertical and horizontal. In the vertical design, extra space through Ad Loft Technology allows for more breathing space and comfortable living condition, with provision for use of renewable energy. IN the horizontal development, houses are green-designed, including use of solar panel rooftops via SolarSave solar panels, ResiShade tinted windows, and Tropicool insulated walls, among others.

Energy consumption within the organization

Disclosure	Megawide
RE - Biodiesel (GJ)	0
RE - Solar (kWh)	0
Gasoline (GJ)	281.94
LPG (GJ)	0
Diesel ex-Vehicles (Liters)	380,881
Diesel Vehicles (Liters)	1,346,384
Electricity (kWh)	27,878,040

**Common area consumption only. Consumption of each PCS is not captured here.*

Management Approach for Water and Effluents

Megawide's Businesses utilize water for operational requirements. Managing water consumption through proper treatment and disposal is a priority in order to prevent water pollution, which could affect the health of neighboring communities and aquatic environments. As a shared resource, water is regularly managed through conservation efforts.

With the return of on-site work, higher water consumption has been observed. To mitigate this, the FMD continued with the maintenance of automatic faucets in comfort rooms to regulate water usage. FMD is also responsible for monitoring HoldCo's effluents by regularly cleaning grease traps on a weekly basis. Furthermore, HoldCo installed screens at the pantry sinks to filter food and unwanted residues. It is likewise exploring the use of adjustable water aerators that fit with existing faucets to better regulate water consumption.

For the Taytay Industrial Complex, water is mostly used for production & domestic purposes, such as washing, gardening, and maintenance. The Construction Team ensures that water-efficient fixtures have been installed in the washrooms, worker barracks, and engineer dorms to control the water flow and prevent wastage. A communication channel has been established and implemented by the Maintenance Team to address the repair-related concerns of stay-in employees.

One of the requirements stated on the discharge permit issued by Department of Environment and Natural Resource (DENR) and Laguna Lake Development Authority (LLDA) was to coordinate with a third-party vendor to perform quarterly Ambient Water Testing (Water Quality Testing). This procedure is conducted to ensure that water potability, discharge, and effluents are within the parameters stated on the discharge permit.

A third-party water vendor supplies potable water to the EPC Head Office for domestic use purposes. FMD monitors the water supply on a daily basis and assures that supplied water is in line with water quality standards. Facilities management also ensures that the treated effluents are tested and monitored regularly based on wastewater quality parameters. The EPC Sewage Treatment Plant (STP) was rehabilitated and upgraded to enhance and improve wastewater treatment.

To track progress, EPC established baseline data to identify water-related impacts. It also installed water-efficient faucets and conducted wastewater quality testing to enhance compliance.

MWMTI utilizes water for both domestic and commercial purposes, such as in washrooms, for cleaning, maintenance activities, and landscaping. A system to conserve water is in place to ensure efficient water use and reduction on wastewater generation, specifically the 5-second intervals of water flow from sinks in the restrooms.

Cistern tanks are present in the terminals for both potable and non-potable water, which are cleaned annually to address sanitation and health issues. These tanks are independent from the main water system to provide constant water supply and minimize inconvenience for passengers and tenants. A sewage treatment plant (STP) is operational, located at the terminals to treat wastewater before releasing it to the public drainage systems. MWMTI collaborates with an authorized contractor to oversee the quantity and quality of effluents to avoid adverse effects on water bodies where the water is being discharged. MWMTI is looking further into water-related opportunities, such as water use optimization in washrooms, water pressure adjustments for both potable and non-potable water systems, and implementation of rainwater harvesting.

In the property development space, designs and construction comply with local building standards, with strong sustainability features integrated. In the office, water conservation is strongly practiced, in adherence to Megawide HoldCo's water use policy.

Water consumption within the organization

Disclosure	Megawide
Water withdrawal (Litres)	112,463,667
Water consumption (Litres)	65,337,667
Water recycled and reused (cu.m)	N/A

Effluents

Disclosure	Megawide
Total volume of water discharge (ML)	47,126,000
Percent of wastewater recycled (%)	N/A

Management Approach for Materials

Megawide follows various local and global regulations, which encompass the Philippine National Standards (PNS), American Society for Testing and Materials (ASTM), American National Standards Institute (ANSI), American Concrete Institute (ACI), Construction Specifications Institute (CSI), American Association of State Highway and Transportation Officials (AASHTO), and the ISO standard related to Quality, Environment, Safety, and Health. To ensure high-quality products, maintain customer satisfaction, and prevent negative environmental impacts caused by landfill-bound materials, routine quality checks of materials are conducted.

The Batching Plant of the PCS unit provides customers with the appropriate volume and high-quality ready-mix concrete to guarantee satisfaction with its products and services. The team conducts regular quality checks of the raw materials to maintain the high standard of its products. As part of this, the equipment at the Batching Plant is calibrated to ensure the precise measurement of each input per batch.

The Procurement and Supply Chain Department is informed of the inspection and approval of raw materials. To maintain consistency in the quality of its products, Batching Plant complies with the Approving of Raw Materials for Use in Concrete Policy during the inspection and approval phase prior to dispatch to ensure that the raw materials used in construction meet the standard specifications required for the product.

The pricing negotiations fall under the jurisdiction of the Procurement and Supply Chain Department as well, while the Quality Control Department is responsible for ensuring consistent product quality. The Research and Development Department, on the other hand, conducts verification and validation. All processes are documented properly and cascaded accordingly to all the concerned departments of Batching Plant.

To ensure availability when needed, main raw materials for construction of project sites, primarily steel, cement, and aggregates, are sourced from various suppliers. EPC strives to minimize delays by partnering with multiple suppliers to maintain high product quality standards at ample supply. Specialized laboratories also conduct testing on materials to ensure compliance with the standards set by regulatory bodies.

MWMTI primarily engage with local service providers and vendors for various services, including maintenance, marketing, and other operations. Additionally, it promotes partnerships with local suppliers to source raw materials, provided that they adhere to vendor accreditation guidelines. This approach helps reduce handling costs, particularly in the face of fluctuating fuel prices, and ensures efficient turnaround times.

For PH1, materials and methods used for construction are dependent on the general contractors' preference. Given that Megawide serves as its general contractor for all its projects, PH1 is assured of local sourcing of materials as well as more sustainable technologies, such as pre-cast, being employed it their projects.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	PCS (Taytay Complex)	PCS (RMC)	MWMTI
Geographic location	Latitude: 14.54829 Longitude: 121.12691	Paranaque –14°31'09.9"N 120°59'14.1"E Ortigas – 14°35'23.4"N 121°06'10.0"E Aglipay – 14°34'51.9"N 121°01'31.4"E Pandi – 14°51'38.3"N 120°57'27.0"E Apalit -- 14°56'51.3"N 120°44'50.7"E	Latitude: 14.509358 Longitude: 120.991285
Subsurface and underground land that may be owned, leased, or managed by the organization	Owned	N/A	Owned
Position in relation to the protected area or the high biodiversity value area outside protected areas	In the area	Paranaque – residential & river Ortigas – residential Aglipay – residential Pandi – residential Apalit – residential	N/A
Type of operation	Office & Manufacturing	Manufacturing/ Production	Office, Commercial, Leasing and Transportation
Size of operational site	0.141769 sq.km.	Paranaque – 5,000sqm Ortigas – 4,000sqm Aglipay – 2,400sqm Pandi – 2,400sqm Apalit – 7,000sqm	193,403.46

Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area	Freshwater	Paranaque – fresh water	Freshwater
Biodiversity value characterized by listing of protected status	N/A	N/A	N/A

Disclosure	Megawide
Habitats protected or restored (ha)	N/A
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A

Note: All EPC project sites are not within the perimeters of protected areas.

Management Approach for Ecosystems and Biodiversity

Construction and pollution go hand in hand and Megawide's activities can potentially disrupt surrounding ecosystems and biodiversity. For this reason, it is critical that the Group implements biodiversity conservation efforts to allow such systems to thrive.

GHG emissions

Disclosure	Category	Megawide
Scope 1 Emissions (Tonnes CO2e)	Stationary Emissions	1,014
	Mobile Emissions	3,580
	Refrigerants	0
TOTAL		***4,594***
Scope 2 Emissions (Tonnes CO2e)	Location-based	19,571
	Market-based	19,571
TOTAL Scope 1 & 2 Emissions		***24,165***

Management Approach for Greenhouse Gas (GHG) Emissions

As largely a construction outfit, Megawide understands the critical role of reducing its greenhouse gas emissions in order to contribute to the collective effort of undermining climate change and reducing associated health risks. To achieve this, Megawide is exploring energy-saving programs and the potential use of renewable energy sources.

As part of its commitment to manage GHG emissions associated with the operations of Megawide, the PCS units ensure that it complies with standards and regulations. Emissions primarily result from the use of equipment and in project sites, which includes generator sets, diesel fire burners, and LPG vapor burners that use diesel and LPG. These tools are regularly monitored and properly maintained to minimize harmful discharge. Precast also conducts quarterly stack emission testing to confirm that emissions are compliant with the DENR standards.

EPC secures a permit to operate its generator sets from the Department of Environment and Natural Resources - Environmental Management Bureau (DENR-EMB). Self-monitoring reports are conducted quarterly to assess the emission levels of the Head Office and to comply with standards.

MWMTI conducts emission testing with a third-party vendor for the Air Pollution Sources Installations to assess the Business' environmental impact in terms of GHG emissions. Results have shown that the facility passes the criteria and parameters of the testing, allowing the facility to continue to operate.

Non-Hazardous waste

Disclosure	**Megawide**	
Topic	**Unit**	**Quantity**
Total Glass	Pieces	433.0
	Metric Tonnes	51.2
Total Metal	Pieces	338.0
	Metric Tonnes	538.2
Total Plastic	Pieces	502.0
	Metric Tonnes	2,462.1
Wood	Metric Tonnes	124.0
Total Paper	Metric Tonnes	106.8
Total Food Waste	Metric Tonnes	7,003.2
TOTAL	Pieces	**1,273**
	Metric Tonnes	**10,285.35**

**HoldCo does not monitor this at the moment prior to disposal since it does not have the equipment to weigh waste. HoldCo currently segregates its waste and disposes segregated waste in the assigned garbage area of Rockwell Santolan Town Plaza.*

Hazardous waste

Disclosure	**Megawide**	
Topic	**Unit**	**Quantity**
Total Hazardous Waste Generated	Metric Tonnes	69.9
Total Hazardous Waste Transported	Metric Tonnes	69.9

**HoldCo does not monitor this at the moment prior to disposal since it does not have the equipment to weigh waste. HoldCo currently segregates its waste and disposes segregated waste in the assigned garbage area of Rockwell Santolan Town Plaza.*

Management Approach for Solid and Hazardous Wastes

Megawide's waste management practices is monitored by relevant regulatory bodies, including the DENR and LLDA. Compliance and waste reduction efforts are necessary in order for the Group to mitigate any harmful effects to human health as well as to prevent land and water pollution.

HoldCo and PH1 produces solid waste mainly from its office activities. To ensure proper waste segregation in the common office and meeting rooms, segregated waste bins are provided. As per the agreement with the building administration, waste is deposited in the Building's Material Recovery Facility (MRF) for storage and segregation prior to disposal. Hazardous waste is transferred to the EPC Head Office for a third-party hauler to collect, handle, treat, and dispose, in compliance with regulatory policies.

The PCS group set goals focused on proper waste segregation and the continuous scheduling of disposal for scraps and solid waste. Although these goals have not yet been refined, PCS continues to think of ways to improve its waste management process for the current year and the years to come.

The PCS Supply Chain Management and Safety Departments have Scrap and Garbage Disposal Policies in place. The concerned departments are currently coordinating with one another to assess how the units can improve their current waste management policies. PCS FMD has initiated a project to improve the existing MRF area at the Taytay Industrial Complex, with the goal of developing a more organized and manageable facility for the disposal of scrap and other types of waste. The Construction Team has already prepared the layout for the new MRF area and is currently outsourcing potential vendors for the project.

At the EPC Head Office, proper waste segregation instructions were disseminated to all employees, complemented with specifically labelled and clearly illustrated waste bins for different kinds of wastes. The MRF is arranged further to segregate the various waste. A third-party contractor approved by the local government unit (LGU) hauls all waste and scraps through proper arrangements. These waste management procedures are also disseminated to project sites through the conduct of online trainings and seminars.

The quantity of waste discharged at the terminals is affected by the number of passengers and tenants inside the facility. The terminal follows national regulations and operate an MRF, while also planning to increase its capacity to accommodate the increased volume of waste generated in the complex arising from rising passenger throughput.

MWMTI is also responsible for managing both residual waste and food waste generated by food and beverage tenants. Proper handling and disposal of food waste is ensured by conducting daily inspections and close monitoring of activities by food service tenants to help improve the solid and food waste management among users and tenants.

Environmental compliance

Disclosure	Megawide
No. of instances for which fines were incurred	0
No. of instances for which non-monetary sanctions were incurred	0
No. of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	0
Monetary value of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	0

No. of fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	0
Monetary value of fines for instances of non-compliance with laws and regulations that occurred in previous reporting period	0

Management Approach for Environmental Compliance

Megawide ensures that its operations are in accordance with environmental laws, regulations, and standards, both in the Philippines and internationally, with the goal of establishing a high benchmark for the local industry that meets First-World standards. The Compliance Team is responsible for monitoring and regularly updating these requirements to keep abreast with global levels all the time. Additionally, the team is responsible for identifying any new environmental regulations that may apply to Megawide's operations. Through the conduct of regular internal audits, the Group ensures compliance with the latest environmental guidelines.

For the EPC unit, technologies to further minimize water and energy consumption are being explored and studied to further reduce its footprint, on top of regulatory compliance. In the PCS side, international practices and techniques are under R&D, that will effectively reduce water consumption and energy use. Results will be completed within the year to determine whether the patent for such technology will be acquired.

In the case of MWMTI, being a multi-modal transport hub, managing environmental footprint comes in the form of using renewable energy as its energy source. For PH1, green technologies, building designs, and that will be covered in the succeeding sections, are being implemented and incorporated across projects.

SOCIAL

Employee Management

Employee data

Disclosure	Megawide
Total number of employees	3,765
Number of male employees	3,007
Number of female employees	758

**Including Head Office and Project Sites*

Disclosure	Megawide
Attrition rate*	2.5%
Ratio of lowest salary against minimum wage	1.2:1

**Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)*
***Including Head Office and Project Sites*

Employee benefits

MCC - HoldCo			
List of benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
Life insurance	Y	0%	0%
Health care	Y	67%	78%
Disability and invalidity coverage	Y	0%	0%
Parental leave	Y	17%	10%
Retirement provision	N	1%	1%
Stock ownership	N	0%	0%
Vacation & Sick Leaves	Y	88%	80%

Management Approach for Employment

Megawide recognizes that lack of employee support can reduce productivity, elevate stress levels, and increase employee turnover. To prevent this, the Group ensures that employees are provided with their basic needs as well as valuable benefits to create a more motivated and productive workforce.

Megawide requires skilled workers, such as engineers, project managers, and technical personnel, for its operations and project sites. Due to the high demand for these professionals, the Business must uphold effective human resource management practices to remain a preferred employer in the local engineering and construction industry. Aside from offering regular employees with attractive and competitive compensation and benefits packages, Megawide also ensures that project employees are well compensated with basic wages, allowances, performance bonuses, and project completion incentives.

HoldCo is responsible for managing and ensuring productivity, especially for executive-level vacancies, to fulfill its overarching role of a “holding company”. In relation to this, the Human Resources (HR) Department manages a talent pipeline for critical positions and develops a wholistic program to attract new hires for potential deployment in appropriate operating units and minimize the risk of attrition. An Employer Branding Program and Onboarding Program for all levels are likewise in place to orient existing and new employees on their scope of work.

HoldCo adopted a strategy aimed at maintaining productivity and promoting work-life balance, without losing out on market competitiveness, through the launch of its Sigla campaign.

Operating units’ respective HR Departments focus on attracting, hiring, and retaining qualified and promising employees who can deliver quality output and meet the expectations of clients and customers.

The PCS units comply with all applicable labor standards and internal employment policies by Megawide. Strict guidelines on recruitment, onboarding, and talent management are in place to ensure that the best talents are selected, developed, and retained. To meet its manpower needs, PCS ensures that all online job platforms, to which employees are subscribed to, are fully utilized and harnessed. Job profiles are created to outline the right specifications and identify the correct fit, which are then used for employee selection. This ensures that each applicant is assessed based on their knowledge and qualifications as required and stated in the job profile.

Applicants also undergo the process of selection and a stringent series of interviews. Background checks are carried out to verify the veracity of the information provided by the applicant and complete a total personality assessment. The PCS team likewise collaborates with the Public Employment Service Office (PESO), Technical Education and Skills Development Authority (TESDA), and Local Government Units (LGUs) to reach out to its potential bench of talents.

In terms of benefits, PCS keeps communication lines open for employees to express their queries and needs, to which the HR Department addresses in the best and most timely way possible. Health group insurance was renewed in 2023, which gives rank and file employees access to minor hospitals for health care services. Surveys on the effectiveness and value of benefits were rolled out to gather feedback from employees.

Moreover, Kumustahan Sessions are carried out monthly to provide an interactive platform for the HR Department to cascade new policies, company updates, and new activities. It also serves as an avenue for employees to express their grievances and needs from management. In addition to this, HR 101 is conducted with all Supervisors and Managers to ensure that all PCS Leaders are aligned with the current policies and HR processes that are crucial in managing their subordinates.

To track the effectiveness of the PCSs’ actions, KPIs – which are anchored on the Balanced Scorecard – are set for all positions to evaluate and track the individual employee performance. Different work arrangements and programs on health and mental well-being are also being explored to further improve the PCSs’ management approach on employee wellness and productivity.

EPC develops, improves, and implements policies on recruitment, benefits, promotion, employee engagement, and training and development aligned with the labor standards. To be always relevant, the group also changes its management strategies and manpower planning based on internal talent movements. The group regularly reviews its processes and job and competency profiling as well as updates the benefits and salary structure to better manage EPC employees. Attrition is constantly monitored and retention strategies are developed based on talent classification.

EPC observed an increase in customer/employee satisfaction as internal processes were improved and employees were provided with better opportunities at work. EPC HR Department regularly reviews end-to-end onboarding processes and implements a Performance Management System to evaluate if existing processes are effective. A dashboard is also used to monitor the projects and plans of the HR Department to ensure that these are carried out and completed. Furthermore, EPC carries out Employee Care Programs and constantly enhances its training and onboarding processes. For a longer-term perspective, leadership development interventions and technical training were put in place to develop a more skilled workforce.

To improve its management approach towards employees, EPC is looking into strengthening communication and branding initiatives by having a more active presence on social media to attract external hires. Moreover, it is exploring ways to improve its offboarding program, develop a fully functional HR Portal, and refine existing processes and systems.

Meanwhile, MWMTI implements a strong recruitment process as a strategy in hiring the right people who can achieve its objectives. Changes in the organizational structure were made to further strengthen collaboration among departments. MWMTI ensures that critical functions are performed by creating and opening up new positions. It also provides statutory benefits to its employees such as overtime pay, holiday pay, night shift differential, leave credits, and 13th month pay.

PH1 conducts regular reviews of its compensation and benefits packages and recognizes that while a competitive salary is important, it is not the only factor that contributes to employee satisfaction and retention. As a result, PH1 is able to design the appropriate packages that can both attract new talent and fulfill the needs of current employees, all while avoiding unnecessary expenses.

Employee Training and Development

Disclosure	Megawide
Total training hours provided to employees*	
Female employees	16,627
Male employees	40,913
Average training hours provided to employees**	
Female employees	21.9
Male employees	13.6

**in hours*
***in hours/employees*

Management Approach for Training and Education

Megawide ensures that employees receive training and education to set them up for long-term success. By providing opportunities for professional development, employees can enhance their capabilities and acquire new skills that enable them to make greater contributions to the Group's shared goals, at the same time prevent dissatisfaction at work and increase employees' chances of growing professionally.

In 2023, HoldCo sustained the implementation of an Individual Development Plan (IDP), based on performance and competency gaps, that covers both technical and leadership training for its employees. Currently, HoldCo has a training and development policy, where training interventions are included as part of each individual employees' growth planning. This process was designed to be delivered during the performance appraisal process.

HoldCo also assigns a coach or mentor to each employee to provide them support and help them succeed if training programs are found to be insufficient. Coaching training is now used by executives to establish a framework of execution, where key personnel get additional mentoring from experts to hone their ability to execute strategies on top of their management skills. Moreover, HoldCo implements both technical and leadership training as well as includes team building initiatives to build a culture of group learning and support. It has also released unlimited access to online learning course to Megawide executives via Coursera.

Through training and education, there has been an improvement in scores in the annual employee engagement surveys. HoldCo has also observed an increase in overall retention for key and critical talents. To track the effectiveness of its strategy in providing training, HoldCo monitors attendance and the number of training hours accomplished per employee. Relevant certifications or memberships to professional organizations that were obtained by employees also serve as indicators of the success of training programs.

The PCS people continuously upskill its employees to ensure Business continuity, in case of attrition, and prepare workers for possible job level upgrades. Employees receive training in accordance with the training policy and balanced scorecard agreed upon at the start of the year. A training tracker is in place, where the status of employee training is reported monthly. Attendance in training is also included in the metrics and performance evaluation of employees.

The type of training provided depends on the nature of work and necessary competencies within each PCS unit. Employees enroll in technical and soft skill training programs for both mandatory and development reasons. Skilled workers also undergo upskilling programs to enhance their performance at work. By utilizing the Performance Evaluation System (PMS) and Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis, the PCSs are able to gather data regarding the training needs of each employee. These processes help them identify the types of training that can be implemented to create a more productive and efficient workforce. PCS partners with different institutions to revitalize its on-the-job training platforms and develop engagement programs and career plans. For intended retirees, pre-retirement planning is carried out as well.

EPC is committed to providing competency profiles that will enable employees to better understand the work that is required of them to deliver and perform on the job. Such competency profiles and needs assessments serve as the basis for training and development programs, while a check-back system is in place to assess the effectiveness of these campaigns. This system includes interviews, group discussions, and course evaluations. At EPC, there is the continuous education and reiteration of the People Management Principles to align these with the employees' mindset on professional development and career advancement, which are conducted wither through formal HR sessions or a series of discussions.

In line with its training policy, EPC continues with its strategy to be more intentional with its learning and development schedules. This is done through Learning Needs Interviews, Competency Assessments, and Performance Management, with the goal of providing learning solutions that are relevant and value adding to the individual and the business. Moving forward, EPC aims to balance both learning assessment and effectiveness evaluation through frequent feedback mechanisms and in-depth discussions regarding the different training programs.

MWMTI's talent development efforts consist of upgrading leadership skills, acquiring coping mechanisms with physical, emotional, and mental health issues, and keeping the workplace safe and secure. This includes webinars on caring for one's physical, emotional, and mental health, building emotional resilience, physical wellness, and occupational safety and health, including basic life support and first-aid, and bomb awareness.

MWMTI aims to continue training People Managers in leadership skills. Supervisory skills training is provided to high-potential rank and file employees while other types of training include internal training courses, cross-training, job enrichment training, and job enlargement training. MWMTI conducts small-group team building sessions as well which are designed to enhance teamwork by building trust among employees, promoting better communication, instilling accountability, and increasing psychological safety.

MWMTI implements a lecture on The Code of Discipline which includes topics on anti-bullying, anti-harassment, and anti-discrimination. This is a regular fixture on employee onboarding for all new hires. MWMTI also provides other forms of development assistance such as coaching and counseling.

PH1 focuses on strong employee engagement and welfare programs to retain employees rather than implementing training bonds as a strategy to maximize the training investment. To support this, the team implements various employee engagement programs and conducts regular talent reviews and succession planning.

Labor-Management Relations

Disclosure	Megawide
% of employees covered with Collective Bargaining Agreements	N/A*
Number of consultations conducted with employees concerning employee-related policies	33

**MCC, MWMTI, and PH1 are not unionized.*

Management Approach for Labor-Management Relations

Harmonious labor-management relations can promote a strong commitment among employees, a satisfied and productive workforce, and managed employee turnover rate. Megawide values the importance of having the appropriate avenues for employees to express their concerns and implements the proper procedures and initiatives to address labor-management issues.

The PCS group implements policies that are aligned with labor standards set by regulatory bodies. For instance, a minimum of two weeks' notice is given to employees prior to the implementation of any significant operational changes that may affect them. An employee discipline process consistent with labor standards is currently being pursued. For employees that have cases filed against them, the PCSs enforce the twin-notice rule and ensure that concerned individuals undergo due process.

Kumustahan Sessions were continuously implemented to ensure that there is constant communication between the employees and the Management. Coaching Sessions are also held between immediate heads and their subordinates, wherein areas for improvement vis-à-vis expectations were discussed. Line Leaders also attend a refresher course on labor relations as well as leadership training to gain a deeper understanding on how to resolve labor issues.

Annual employee engagement surveys are conducted to measure employee engagement. In line with this, PCS utilizes a policy enforcement tracker which keeps track of the number of cases or incidents filed within a month and the actions taken to address such cases.

The PCS team also recognizes the need to update the Company Code of Discipline and existing policies to better address the current concerns on labor-management relations in a timely manner.

EPC aims to set an efficient turnaround time to address all of the employees' concerns. For example, employees are given a minimum of 30 days' notice before the implementation of significant operational changes that may affect them. Currently, a discipline management policy and engagement campaign is part of the Project HR Plan, where various townhalls and open forums are conducted to understand and address the issues and concerns raised by the employees. Monthly site visits are also held to check on the welfare of employees on the ground. To track the effectiveness of the existing processes, employee engagement and satisfaction surveys are administered to collect feedback and comments.

Moreover, EPC is considering implementing leadership training on basic labor laws and discipline management for managers and supervisors to improve its executive approach for labor-management relations.

MWMTI ensures compliance with relevant labor laws and standards and follows due process in resolving disciplinary cases. Alignment meetings are set and memoranda are created to communicate and disseminate policies and guidelines to ensure clear understanding from management to the workforce. MWMTI employees are given a one week notice before changes in operations are implemented especially if such changes may affect them. To boost morale and build camaraderie among employees, employee engagement programs and activities are held every month.

Employees of PH1 are provided with channels to air their grievances to management. Engagement processes with relevant departments served as a way to track the effectiveness of the systems in place that address issues and grievances raised by employees.

Diversity and Equal Opportunity

Disclosure	Megawide
% of female workers in the workforce	20%
% of male workers in the workforce	80%
Number of employees from indigenous communities and/or vulnerable sector*	0

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

***Including Head Office and Project Sites*

Management Approach for Diversity and Equal Opportunity

Across the Group, Megawide upholds the value of diversity and equal opportunity, while maintaining a peaceful, contented, and respectful working population. The Group promotes equal opportunity and anti-discrimination against personnel, officers, directors, or even applicants on the basis of race, color, religion, sex, national origin, age, sexual orientation, or disability. Megawide enforces policies that protect individuals regardless of their age or gender, such as the following: The Anti-Age Discrimination in Employment Act (RA No. 10911), The Solo Parents' Welfare Act (RA No. 8972), The Magna Carta of Women (RA No. 9710), The Magna Carta for Persons with Disability (RA No. 7277, as amended).

PCS offers equal opportunities to all genders and the capacities of employees are evaluated based on their skills, abilities, and knowledge rather than age and gender. The PCS team even extends employment opportunities to fresh graduates and non-certified TESDA individuals, while providing training and assistance to those who lack experience but holds high potential to perform on the job.

Employees are also encouraged to voice out any diversity or discrimination-related concerns during the Kumustahan Sessions and all their concerns are discussed and elevated to Management to raise awareness within other departments and concerned personnel. Aside from Kumustahan Sessions, safety and gender related/awareness trainings are also conducted. The PCS team can explore multicultural programs as an opportunity to bridge the gap between nationalities to further maintain a healthy working environment. As of end 2023, there were no discrimination-related incidents reported across the PCS group.

When it comes to hiring, promotion, rewards and recognition, and other career development opportunities, MWMTI practices the principle of equal opportunity by not discriminating against individuals in terms of age, race, gender, religion, sexual orientation, civil status, health conditions, and disabilities. All employees are given sensitivity training which is aimed at preventing incidents of bullying, harassment, and discrimination. In 2023, no incidents related to discrimination were reported within the organization.

PH1 employs a fair and inclusive recruitment strategy, with no gender and civil status preference during the hiring process as the Business intends to uphold equal male and female representation across all job levels. The company also offers equitable leave benefits to all employees and additional benefits for employees from the vulnerable sector. To further strengthen gender equality, PH1 is currently working on women empowerment in the workplace by promoting women leaders to encourage other women to take on greater roles and responsibilities as well as participate more actively in PH1's activities. In the long run, this initiative is expected to achieve higher female representation among the ranks and in the top management.

<u>Workplace Conditions, Labor Standards, and Human Rights</u>

<u>Occupational Health and Safety</u>

Disclosure	Megawide
Total number of man-hours	53,007,558
No. of work-related injuries	17
No. of work-related fatalities	0
No. of work-related ill-health	394
No. of safety drills	47

Management Approach for Occupational Health and Safety

As a construction and engineering company, implementing a proper occupational health and safety (OHS) management system is critical in reducing work-related injuries, illnesses, and fatalities. Having the necessary processes and measures in place to ensure the safety of all Megawide employees makes for a more efficient and productive workforce.

The PCS adopt high standards of safety in all operations and maintain an OHS certification to manage OHS-related concerns. It also implements the Philippine Occupational Safety and Health (OSH) Standards, which are monitored by the Department of Labor and Employment (DOLE).

A strict OHS management system is in place and covers all workers, areas, and activities. Regular site inspections enable work-related hazards to be identified, and advice is then communicated to employees on how to eliminate hazards, mitigate risks, and apply the hierarchy of controls. The results of the routine inspections are used for auditing and taken into consideration when evaluating and improving the OHS management system. The PCSs also ensure that workers are certified to work on their respective activities. All workers are required to undergo an 8-hour seminar on safety awareness and other work-specific training.

Workers are informed during hazard and risk orientation and training on how to report on hazardous situations. They are also instructed to proceed to the medical department for an assessment of any injury sustained. For any work-related incident, all parties involved are investigated and corrective actions are made later on.

For occupational health services, PCSs ensure that there is a secured stock of medicines and that equipment is thoroughly inspected for the safety of employees. Health awareness and orientation is also attended by all workers. Health maintenance organization (HMO) is already provided and any personal health-related information of the workers are kept confidential. Workers are encouraged to participate and raise any OHS-related concern through capacity building activities such as toolbox meetings and drills. Moreover, the PCS established a safety committee where all workers are represented.

EPC has an OHS management system that is in accordance with national laws, guided by the Philippine Occupational Safety and Health (OSH) standards by the Department of Labor and Employment (DOLE). This system complies with the guidelines under OHSAS 18001 certification, which is the international standard for OHS procedures, policies, forms, and methodologies. The OHS management system of EPC covers the necessary controls to ensure that all tasks within project sites and various departments are safely and efficiently accomplished. In addition, EPC conducts a Hazard Risk Assessment and Control (HIRAC) which provides an additional basis for controls and actions to take. With all employees complying with the OHS management system, this safeguards EPC against possible violations of government regulations.

Prior to employment, workers are required to undergo physical and medical examinations to assess their fitness to work. They also undergo an Environmental, Health, and Safety Orientation before working onsite which equips them with the basic safety knowledge related to their jobs. Toolbox and health talks are regularly held at the beginning of each shift to discuss health and safety protocols. EPC also provides a dedicated staff nurse onsite to monitor worker health and provide immediate care in cases of emergency.

An approved method statement and Job Hazard and Risk Assessment are required prior to the start of each project task to guarantee that proper health and safety controls are implemented onsite. Controls are regularly monitored for compliance and project sites undergo safety inspections and audits where results are communicated to the persons-in-charge for immediate corrective action and resolution. Since the risk of injury is inherent to the construction and engineering industry, EPC emphasizes compliance with the highest construction safety standards. For instance, EPC has adopted the European Standard on Safety Scaffoldings which utilizes safety scaffoldings as a requirement to provide safe access in the workplace. It also implements a Zero Accident Safety Program that focuses on the prevention of accidents or serious injuries to workers. In line with this, EPC strictly enforces the use of personal protective equipment (PPE). A Safety Engineer is also stationed at each construction site to oversee all safety protocols.

In the event of a reported incident, an investigation team is formed consisting of Site Supervisors, Foremen, Safety Advisor, Safety Officer, and Nurse. Witnesses and persons involved are asked to provide their statements to support the investigation. EPC adopts a root cause analysis and implements corrective and preventive actions to ensure that such incidents will not be repeated. Learnings and recommendations from the investigations are communicated to all employees through toolbox meetings, health and safety committee meetings, and project safety alerts. EPC also complies with a policy that provides all projects with a Contractors' All Risk Insurance to cover risks of possible injuries, death, or property damage.

MWMTI has an OHS management system that includes wellness programs and plans to improve the health and lifestyle of employees. A virtual training on OHS was conducted to raise awareness and communicate the safety protocols to employees. The participation of employees in these programs allows them to learn more details on OHS, therefore ensuring compliance within the workplace.

MWMTI utilizes Hazard Identification, Risk Assessment and Risk Control, and Job Hazards Analysis to identify how exposed workers are to hazards that are present in their work areas. Such processes are overseen by personnel who have been trained for the tasks assigned to them. Results from these processes undergo evaluation to identify residual risk that could still be present in the workplace as well areas for improvement. Workers report any work-related hazards through any means necessary such as through the clinic, Information Counter, Viber and Microsoft (MS) Teams Chat, and other related applications.

To prevent accidents or injuries in the workplace, each employee is required to attend the Mandatory Eight-Hours OSH Orientation to become more informed on identifying hazards in the workplace. Workers also enroll in Fire Safety Seminar and Health Talks. Any work-related incident undergoes thorough investigation from the OHS team, the clinic, and security team. This is then reviewed and approved by the immediate superiors for the implementation of proper controls.

In terms of occupational health services, the PITX communicates with Clinic Management to ensure that there are enough staff members manning the facility's clinic. Clinic Management is supervised and monitored by the Health and Safety Specialist to ensure the quality of services being provided. The clinic is also evaluated through KPIs on a monthly basis. Employees are welcome to go to the clinic for their immediate health concerns as it is open 24/7. Patient records are kept with utmost confidentiality and consent is first requested prior to the release of information to others, if necessary. PITX also has a joint management-worker health and safety committee in place. The promotion of better health is done by consulting with MWMTI's physician.

PH1 implements an OHS management system across the business to achieve its goal and commitment of safety to their employees. Workers participate in the safety orientation as part of the onboarding program. Physical and virtual trainings on OHS are also provided and facilitated by external training providers as an effort to promote worker health. Information and educational campaigns are also implemented within the workplace to complement the above-mentioned practices.

Hazards within the workplace are overseen by a Safety Team that is trained and certified to identify and address such hazards. In addition, PH1 conducts medical surveillance for its employees through pre-employment examination, routine consultation, annual physical examination (APE), fit to work clearance, post-employment check, and special check-ups.

Labor Laws and Human Rights

Disclosure	Megawide
No. of legal actions or employee grievances involving forced or child labor	0

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Disclosure	Y/N	If Yes, cite reference in the company policy
Forced labor	N	N/A
Child labor	Y	Recruitment Policy
Human rights	Y	Megawide's Code of Business Conduct and Ethics contains a provision on non-discriminatory environment, harassment-free workplace, and workplace violence. Megawide has an Anti-Sexual Harassment Policy as well.

Management Approach for Labor Laws and Human Rights

Megawide strictly complies with all applicable labor and human rights laws, which has resulted in zero legal actions or employee grievances involving forced or child labor. The Company strongly believes that adhering to such laws protects the human rights of the Group's employees.

Only employees of legal age are hired to work at Megawide. Background checks are conducted and appointed candidates are required to submit official documents that prove that legitimate age. For OJTs, candidates are required to submit papers from their school as proof of their scholastic requirement to undergo OJT. In addition, a non-misrepresentation clause is specified in Megawide's employment contract that can be used as a deterrent for under-aged employment.

The HR Department, together with the Legal Department, oversees that employment is done at will and without prejudice and intimidation and ensures that all officers and employees of Megawide are not forced, harassed, or intimidated into doing or accepting work against their will. Megawide's Code of Business Conduct and Ethics contains the following provisions in relation to labor laws and human rights:

> "Non-Discriminatory Environment: The Company fosters a work environment in which all individuals are treated with respect and dignity. The Company promotes equal opportunity and does not discriminate against Company Personnel, potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation, or disability. The Company will only make reasonable accommodations for its Company Personnel in compliance with applicable laws, rules and regulations. The Company is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective

action, and will not tolerate discrimination by Company Personnel. This policy also applies equally to the treatment of the Company's customers/clients.

Harassment-Free Workplace: The Company will not tolerate any form of harassment of Company Personnel, customers or suppliers, which shall include sexual harassment. Sexual harassment is illegal and Company Personnel are prohibited from engaging in any form of sexually harassing behavior. Sexual harassment means unwelcome sexual conduct, either visual, verbal or physical, and may include, but is not limited to, unwanted sexual advances, unwanted and/or suggestive touching, language of a sexual nature, telling sexual jokes, innuendoes, suggestions, suggestive looks and displaying sexually suggestive visual materials.

Workplace Violence: It is the policy of the Company to ensure that all inter-relationships among persons in the workplace will be professional and free from bias, harassment, and/or violence. Thus, the workplace must be free from any kind of violent behavior. Threatening, intimidating, or aggressive behavior, as well as bullying, subjecting to ridicule, or other similar behavior toward fellow Company Personnel or others in the workplace will not be tolerated.

Any form of violent misconduct, discrimination, harassment, retaliation, and/or other forms of violent behavior, even if not unlawful, will be subject to disciplinary action. Additionally, any misconduct that is also unlawful may be subject to civil and criminal liability."

Megawide conducts an annual reorientation of its Code of Business Conduct and Ethics to instill in the minds of employees the policies that pertain to human rights. The Company is also pro-active in preventing incidents related to labor laws or human rights by ensuring that all immediate superiors are well-informed of these policies and are able to handle any reported incidents.

MWMTI measures corporate excellence based on the attainment of its goals and the general welfare of its employees, customers and stakeholders. MWMTI continues to place a premium on the value of its employees, the satisfaction of its customers, the respect for its suppliers, and the satisfaction of its stakeholders.

MWMTI abides by all national labor laws and regulations, and all local ordinances that pertain to wages, labor standards, workplace conditions, compensation, benefits, due process, and the discipline and severance of employment. MWMTI acknowledges the relevance of complying with corporate policies on inclusion and diversity, anti-discrimination, anti-harassment, anti-corruption, workplace safety, data privacy, single parenthood, violence against women, mental health, and corporate sustainability. The Business can only thrive in an environment where human rights are protected and respected and where labor laws are strictly adhered to.

PH1 is compliant with labor laws and human rights requirements which positively impacts team dynamics, work culture, and stakeholder relations. The team is cognizant that non-compliance to labor laws may cause labor unrest and filing of labor cases. PH1 automatically prevents child labor by registering all its personnel with SSS, Pag-Ibig, PhilHealth, and BIR among others, which require registrants to be at least 18 years of age. Furthermore, PH1 does not accept child labor employed by contractors in any of its projects. PH1 benchmarks the best practices, reflects on its core values, and defines a positive and engaging work culture/environment to continue upholding ethical governance.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

____

Do you consider the following sustainability topics when accrediting suppliers?

Disclosure	Y/N	If Yes, cite reference in the company policy
Environmental performance	Y	Health, Safety, Security and Environment Policy
Forced labor	N	N/A
Child labor	N	N/A
Human rights	N	N/A
Bribery and corruption	Y	Policy on Solicitation & Acceptance of Gifts

Management Approach for Supply Chain Management

Megawide recognizes the importance of having an effective supply chain management as this can prevent violations against socioeconomic matters and mitigate the environmental impacts across the supply chain. Trade and Business partners are required to comply with all relevant laws, rules, and regulations by adhering to the Company's Code of Conduct and Ethical Standards for Suppliers to guide external entities on the standards, virtues, and values they must uphold and practice in all their dealings with Megawide. Contractors, suppliers, and service providers must undergo an assessment and accreditation process, which includes the submission of pertinent documents that will prove their good legal and financial standing.

Suppliers are assessed through the submission of documents and plant visits. For suppliers that have ownership over quarries, they are required to submit Environmental Certificates. The Accreditation Team is responsible for performing a comprehensive check of the supplier's records, which involves evaluating whether there are any unresolved cases. The management approach is evaluated through the total number of approved and accredited suppliers. The PCSs are also considering accrediting suppliers based on environmental performance, risks of bribery and corruption, forced labor, child labor, and human rights concerns.

EPC includes anti-fraud and whistleblowing policies in its supplier accreditation process. However, there is an opportunity to improve the supplier accreditation process by including environmental and social criteria.

PH1 deals with accredited vendors, which underwent and pass the approval process, in accordance with the code of conduct. Interested and potential vendors are also required to submit documents to PH1 to prove their eligibility and compliance with relevant laws and regulations. At the end of the year, vendors are evaluated and those who have received low scores are given another opportunity to improve their performance.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be Business operations)	Location	Vulnerable groups in the location (if applicable)	Operation has impact on indigenous people? (Y/N)	Identified collective/individual rights that are of concern to the community	Mitigating measures (if negative impact) or enhancement measures (if positive impact)
Data not available	Data not available	Data not available	Data not available	Data not available	Data not available

Management Approach for Local Communities

A comprehensive strategic planning across operations can result in mutually-beneficial co-existence between Megawide and local communities within its sites. To promote this, Megawide ensures that it operates in compliance with local regulations and aims to optimize operational efficiency within its areas of activities, while developing various programs and initiatives that meet the needs of local communities.

The PCS units slowly revived its corporate social responsibility (CSR) projects starting 2022, after being affected by the pandemic from 2020-21. The Precast and other segments once again participated in the Balik Eskwela Program of San Juan Elementary School, which aims to help achieve the Megawide's goal of building more resilient communities. After two years of studying remotely, the objective of the Balik Eskwela Program was to prepare students to return to a face-to-face setting again by ensuring that classrooms were clean, safe, and conducive.

For one, CELS helped the local communities by responding to equipment requests made by the LGU and partnered with LGU employment agencies in sourcing applicants for various positions. For recruitment activities, the unit prioritizes hiring individuals from communities that are local to project sites.

Furthermore, the Formworks Business continuously extended help to local communities by donating items for the construction and rehabilitation of public schools in Taytay, Rizal. FMD, together with the Health, Safety, Security, and Environment (HSSE) Department, also organized quarterly blood-letting activities to help maintain health and physical well-being of residents.

MWMTI upgraded its facilities to adjust to increasing passenger traffic and accommodate more tenants in the facility. The Business acknowledges that its activities and operations can result in environmental impacts, such as air pollution, solid waste, and increased traffic congestion. To mitigate these impacts, MWMTI ensures the proper implementation of waste management procedures and traffic management schemes to manage the vehicular flow.

PH1 closely coordinates with communities within and the local government unit covering the vicinity of their project locations for stakeholder relations, issues management, and potential local employment. The team recognizes the impact of their development to the surrounding residents and families and ensures proper consultation and dialogues before proceeding with the project. Moreover, activities and initiatives geared towards the betterment of the surrounding community are paramount, such as peace and security, traffic flow, and overall progress.

Management Approach for Customer Satisfaction, Health, and Safety

Public infrastructure operations and construction activities are exposed to and serve external clients and customers. Maintaining safety and health protocols as well as investing in the improvement of facilities and services are of utmost importance to keep customers safe, healthy, and satisfied.

MWMTI has a 24-hour feedback center which caters to all customer concerns. Customer-facing employees undergo training to ensure high standards of service. The Parañaque Integrated Terminal Exchange (PITX), the country's first landport, continues to enhance customer experience by promoting PITX as a friendly terminal and developing a culture of exceptional customer service across the entire PITX community. MWMTI aims for all PITX front liner staff to provide high levels of customer service consistently. Customer satisfaction is measured by monitoring Customer Satisfaction (CSAT) scores through the Landport Service Quality (LSQ) Survey. PITX defines and builds its Customer-Centric strategy by putting the needs of customers at the core of the Business. The PITX LSQ Survey also provides more in-depth data analysis between Overall Satisfaction Score and Passenger Stated Importance.

PH1 is committed to developing, nurturing, and proactively promoting a safety culture within the organization – from policy making, addressing issues and concerns, and ensuring compliance. The company adheres to the safety protocols being implemented by the landlord and pursues its own direction for the safety of its employees. Being a real estate company, customer feedback and satisfaction remains an integral component of their overall service and, as such, utmost attention and focus are afforded buyers, most especially the end-users.

Marketing and labeling

Disclosure	Megawide
No. of substantiated complaints on product and service	953
No. of complaints addressed	953

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Management Approach for Marketing and Labeling

Megawide has an established portfolio in the construction industry, given its strong brand name and proven track record of providing quality construction services, managing terminal operations, and lately real estate development. Due to its Large B classification for government registration, Megawide has participated in biddings for large infrastructure projects. Megawide also aims to obtain ISO and LEED certification for its properties and future developments as a commitment to provide quality work to clients and to advocate for responsible production. It secures its equipment in different Business segments with the necessary certifications and licenses. It applies for and renews the proper environmental and safety licenses and permits as well.

In the transport operations, Megawide engages with different stakeholders, especially passengers in providing information on the services of PITX and MCIA. MWMTI distributes flyers containing the vicinity map, route map, and terminal guide. It is currently expanding its partnerships with different organizations to increase the marketability of the Landport. PH1 accommodates stakeholder feedback through social media channels and gives the appropriate responses. These avenues also allow the Business to improve its processes and services based on customer perception. PH1 has also improved its brand assets classification in terms of logo use on collaterals. It has created a more comprehensive brand manual and developed more brand engagement activities. PH1 reviews its marketing on social media on a monthly basis.

Any internal or external factors that influence the success of marketing strategies and activities may affect the Group's reputation. Corporate plans and strategies are aimed to provide a greater advantage over Megawide's competitors in the industry.

Megawide is exposed to the risk that its name or marks, or those confusingly similar to it, will be used, copied, reproduced, imitated, or infringed by an unauthorized third party. Such risk includes the use of the Megawide name or marks for projects, goods, or services which the Group is not a part of, have not produced, or are not offered by Megawide. This leads to the unfair and illegal appropriation of the goodwill associated with Megawide's name and marks. To minimize or address the marketing and labeling related risks faced by Megawide, its name and marks are registered with the Intellectual Property Office of the Philippines (IPO). The IPO in particular has issued Certificates of Registration for Megawide's typeface, logo, and logo with typeface.

By registering its name and marks with the IPO, Megawide is protected against the unauthorized use or infringement of its name and marks, or those confusingly similar to the Group. Additionally, Megawide is assured that it is the owner of such name and marks and holds the exclusive right to utilize the same. Megawide, as a fair competitor in the industry, continues to uphold its accreditation and certifications from regulatory and voluntary codes. Aside from maintaining the uniqueness of its brand and trademark, processes across the PCSs are also being managed to maintain quality and timely delivery of work that are true to all accreditations and certifications of the Business. Megawide not only markets construction products and services, but terminal operations and real estate products as well through various platforms and media. The Branding Team continues to develop its marketing strategies to effectively and responsibly communicate its products and services to wider audiences.

Data Security

Disclosure	Megawide
No. of data breaches, including leaks, thefts and losses of data	0

Management Approach for Customer Privacy and Data Security

Megawide recognizes that there may be instances when protection and security of personal data can get destroyed, lost, altered, or disclosed, accessed, and processed without consent. To prevent cases of digital identity theft, fraud, and file corruption, Megawide implements reasonable and appropriate organizational, physical, and technical measures intended for the protection of personal data against any accidental or unlawful destruction, alteration and disclosure, as well as against any other unlawful processing. These include the execution of safeguards to protect the computer network and regular monitoring for security breaches.

The Megawide Group is firmly committed to ensuring that all personal data collected from data subjects – clients, employees, suppliers, stakeholders, and other relevant external parties, are processed in compliance with Republic Act No. 10173 or "An Act Protecting Individual Personal Information in Information and Communication Systems in the Government and the Private Sector, Creating for this Purpose a National Privacy Commission, and for Other Purposes" (the "Data Privacy Act"), its Implementing Rules and

Regulations, and other relevant policies and issuances of the National Privacy Commission ("NPC").

Megawide has a Data Privacy Manual (the "Data Privacy Manual") in compliance with the Data Privacy Act. In adherence to the general principles of transparency, legitimate purpose, and proportionality under the Data Privacy Act, Megawide abides by the Data Privacy Manual in carrying out its principal Business. This is to ensure that personal data under its control remain safe and secured while being processed in the course of its key operations and processes. The Data Privacy Manual aims to inform clients, employees, partners, and stakeholders of Megawide's data protection and security measures, and guide them in the exercise of their rights under the Data Privacy Act and other relevant regulations and policies.

Moreover, Megawide recognizes that robust information technology ("IT") management systems are critical to protecting personal data. Thus, in addition to the Data Privacy Manual, it has also adopted IT data protection policies and procedures, such as hard disk drive low-level formatting and firewall configuration management and monitoring systems.

As the health pandemic subsided, Megawide slowly returned to on-site work starting 2022 from previous remote work arrangements in 2020 and 2021. Data privacy of subjects remains protected under the remote work set-up with the IT Department's implementation of the following measures : (i) migration of all working documents and resources in the cloud services of Microsoft Office; (ii) installation of antivirus software for end-point security with data loss prevention features for all users; (iii) continuous monitoring of firewall logs for any security breaches; and (iv) setting up of alert mechanisms for any unauthorized attempt to the IT system of Megawide. These measures were maintained in the return to office mode to continuously comply with data privacy guidelines.

PH1 plans to reinforce its data privacy measures with cybersecurity solutions, best practices, data privacy policy, and people training to further protect the privacy of its customers and buyers. PH1 recognizes the need to implement consent management for any type of data collected and define retention policies for all types of data. There is also an opportunity for involved departments to identify the various types of risks that can lead to a data breach and address the gaps and risks identified to further improve the management of data security and customer privacy.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Construction and Manufacturing Operations	• SDG 8: Decent Work and Economic Growth • SDG 9: Industry, Innovation, and Infrastructure	• Air pollution and dust generation • High risk of accidents due to the nature of works in the construction	• Compliance to DENR policies and procedures in minimizing contribution to pollution • Compliance with DOLE safety standards for construction and manufacturing

			activities
Transport-oriented Operations	• SDG 8: Decent Work and Economic Growth • SDG 9: Industry, Innovation, and Infrastructure • SDG 11: Sustainable Cities and Communities	• Traffic congestion in surrounding areas	• Traffic management plan

ESG Disclosure Report

Sustainable1

Megawide

For reporting period 1st Jan 2023 – 31st Dec 2023

S&P Global

Credits

Sustainable1 Project Team
Shardul Bapat| Project Manager
Ankita Sinha| Project Analyst

About S&P Global Sustainable1

Sustainable1 is part of S&P Global. A leader in carbon and environmental data and risk analysis, Sustainable1 assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance (ESG) factors. Companies and financial institutions use Sustainable1 intelligence to understand their ESG exposure to these factors, inform resilience, and identify transformative solutions for a more sustainable global economy. S&P Global's commitment to environmental analysis and product innovation enables its team to deliver essential ESG investment-related information to the global marketplace. For more information, visit https://www.spglobal.com/esg/Sustainable1.

About S&P Global

S&P Global (NYSE: SPGI) is a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide. For more information, visit www.spglobal.com.

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Introduction

Overview

Megawide engaged S&P Global Sustainable1 to deliver an ESG Disclosure Report for the FY2023, corresponding to the period of 1st Jan 2023 to 31st Dec 2023. 15 material ESG topics were identified through a materiality assessment conducted based on Sustainable1's methodology which takes reference from SASB and GRI frameworks as well as Megawide's industry peers' disclosures. These topics were then scored by Megawide's internal and external stakeholders based on the topics' perceived importance to business and stakeholders. The resulting materiality matrix is appended in the next page. This ESG Disclosure Report is populated with inputs from Megawide on the company's practices and efforts in each of the material topics identified.

Proactively identifying key materiality issues provides companies with the opportunity to increase their value, both in business and financial terms. Focusing on these material ESG issues can allow companies to positively impact their growth in terms of profit and customers, while failure to address these issues can have a negative effect on a company's reputation and profits. Some materiality issues can evolve alongside changing market dynamics and operating environments and therefore it is important for companies to revisit similar materiality exercises periodically as deemed necessary. ESG reporting can help Megawide communicate its commitment to sustainable development and its key achievements, practices, and management approaches to its target audiences and stakeholders.

Materiality Assessment Process

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Sustainable1 helped Megawide's ESG Reporting journey by identifying the ESG topics and metrics material to the Business Unit. The materiality assessment approach is anchored in the SASB (Sustainability Accounting Standards Board) reporting framework. The approach also overlays the GRI (Global Reporting Initiative) framework to the shortlisted material issues.

Steps involved in conducting a materiality assessment & developing ESG disclosure report for Megawide

ESG Topic Review
- Conduct a review on material ESG topics, using sustainability frameworks (SASB, GRI) & Peers

Materiality Mapping
- Narrow down the top material issues by reviewing relevant frameworks and peers

Consultation
- Receive feedback on ESG topics from Megawide.
- Identify the importance of ESG topics to business and stakeholders through a stakeholder consultation and internal surveys.

Materiality Assessment
- Integrate Megawide's feedback to create a finalised materiality matrix.

Data Collection
- Identify metrics that will underpin the material topics identified.
- Share data collection template with Megawide.
- Obtain feedback from Megawide on selected metrics.

ESG Disclosure Report
- Receive completed data collection template from Megawide.
- Conduct analysis and produce ESG Disclosure Report

The ESG Disclosure report details material ESG data from Megawide's operations. All commentary in this report were provided by Megawide.

Material Topics Selection Process

SASB Sector Materiality Topics by Sector and Megawide's Peers Disclosures

Dimension	Reporting Framework	Description	Engineering & Construction Services	Real Estate	Suggested Topics by SASB	EEI Corporation	Gamuda	AECOM	Suggested Preliminary list of Topics
Environment	SASB/GRI/PHSEC	GHG Emissions							
	SASB/GRI/PHSEC	Air Quality							
	SASB/GRI/PHSEC	Energy Management							
	SASB/GRI/PHSEC	Water & Wastewater Management							
	SASB/GRI/PHSEC	Waste & Hazardous Materials Management							
	SASB/GRI	Ecological Impacts							
Social Capital	SASB/GRI	Human Rights & Community Relations							
	SASB/GRI/PHSEC	Customer Privacy							
	SASB/GRI/PHSEC	Data Security							
	SASB	Access & Affordability							
	SASB	Product Quality & Safety							
	SASB/GRI/PHSEC	Customer Welfare							
	SASB/PHSEC	Selling Practices & Product Labeling							
Human Capital	SASB/GRI/PHSEC	Labor Practices							
	SASB/GRI/PHSEC	Employee Health & Safety							
	SASB/GRI/PHSEC	Employee Engagement, Diversity & Inclusion							
Business Model & Innovation	SASB	Lifecycle Impacts of Buildings & Infrastructure							
	SASB	Climate Impacts of Business Mix							
	SASB/GRI/PHSEC	Supply Chain Management							
	SASB/GRI/PHSEC	Materials Sourcing & Efficiency							
	SASB	Climate Change Adaptation							
Leadership & Governance	SASB/GRI/PHSEC	Business Ethics							
	SASB/GRI	Competitive Behavior							
	SASB	Management of the Legal & Regulatory Environment							
	SASB	Critical Incident Risk Management							
	SASB/GRI/PHSEC	Systemic Risk Management							
Additional Dimension	GRI/PHSEC	Economic Performance							

Stakeholder Survey

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Materiality Assessment Stakeholder Survey for Megawide - Impact to Stakeholders

A Materiality Assessment is an exercise to identify and prioritize key Environmental, Social and Governance (ESG) topics for Megawide to focus on in the coming years. These topics would include matters which are of interest relevant and important to both Megawide and its stakeholders, including its management, employees, customers, investors, suppliers, the community and the government.

ESG stands for Environmental, Social, and Governance. It is a framework used by investors, companies, and organizations to evaluate and measure the sustainability and ethical impacts of a business.

1. Environmental (E): This focuses on a company's impact on the planet. It assesses things like carbon emissions, resource usages, and environmental conservation efforts.

2. Social (S): This considers how a company interacts with people, both internally (employees) and externally (customers, and communities). It looks at aspects like labor practices, gender equality, and community engagement.

3. Governance (G): It examines a company's leadership, policies, and internal controls. It assesses the quality of management, board diversity, and ethical behavior within the organization.

The goal of ESG is to encourage businesses to operate more sustainably, ethically, and responsibly, ultimately benefiting not only investors but society and the environment as well. It is becoming increasingly important in the world of finance and business to promote long-term sustainability and accountability.

Selected internal and external stakeholders of Megawide have invited to respond to this survey. All responses will be aggregated and anonymized to maintain the confidentiality of respondents.

This survey consists of four sections and 32 questions targeted at external stakeholders of Megawide. It should take about 8 - 10 mins to answer. Responses will be aggregated and kept anonymous.

Stakeholder Group Category

Basic information collection

Scoring of Material Topics based on their Impact to Megawide's Stakeholders

This section seeks inputs on your perceived impact of the following Material Topics **to you as an external stakeholder of Megawide**. You may assess the impact of these topics from the perspective of how they would affect the overall environment, economy and society based on Megawide's operations.

Please assign a score to each ESG Material Topic on a scale of 1-10, where 1 = least impactful and 10 =most impactful.

3. GHG Emissions *

The topic addresses the direct (Scope 1) greenhouse gas (GHG) emissions that a company generates through its operations and the indirect emissions (Scope 2) from purchase of electricity and value chain emissions (Scope 3) from upstream suppliers to downstream use-of-products. It also covers the company's plans to manage and/or reduce emissions.

1	2	3	4	5	6	7	8	9	10

Least Impactful — Most Impactful

Megawide's ESG Impacts of Material Topics

This section seeks inputs on your perception of the impact of the Material ESG Topics on Megawide's business and the environment, economy and society.

18. Select up to 3 topics which you think will cause the most negative financial **impacts for the business** if poorly managed by Megawide. *

Negative financial impact can include: litigation costs, loss of operating licenses, higher operating costs, deterioration of asset value, reduced revenue etc.

Megawide's ESG Efforts and Performance in Material Topics

This section seeks inputs on your perception of Megawide's performance in various Material Topics.

26. In your opinion, which are the topics where Megawide's performance meet your expectations? *

Materiality Assessment - Results

Overview of the Stakeholder Survey

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Sections in Stakeholder Survey

I — Respondents' basic information

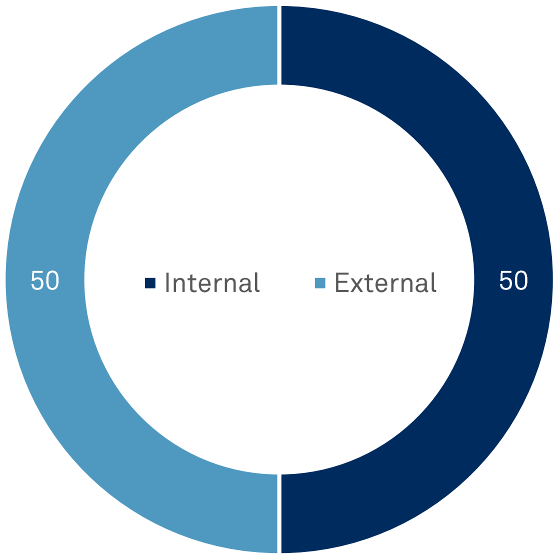
II — Stakeholders' views on the importance of the material topics

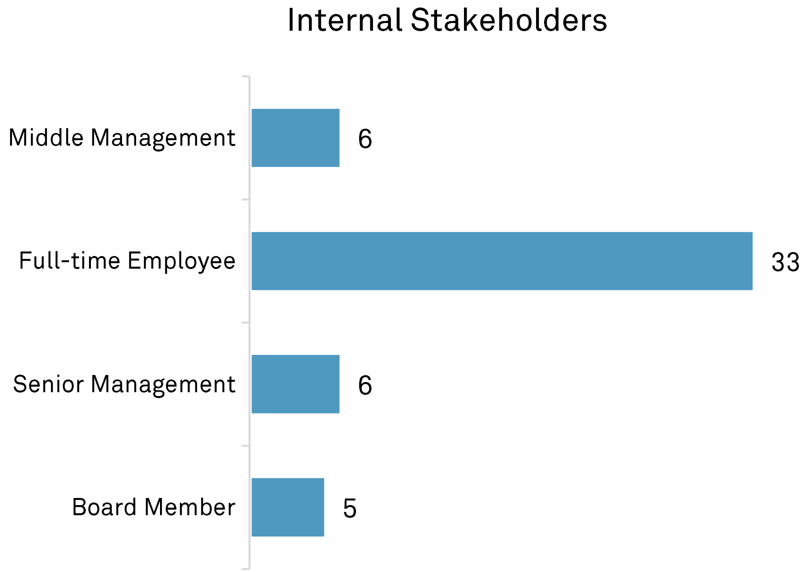
III — Stakeholders' views on the financial and social impact of the material topics

IV — Stakeholders' views on the ESG performance of the business unit

Sustainable1 collected 100 responses through the survey, 50 from internal stakeholders (Board Member, Executive / Senior Management, Middle Management and Full-time Employee) and 50 from external stakeholders (Customers).

Distribution of the responses by stakeholder groups (Total: 100)





ESG Materiality

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Internal and external stakeholders of Megawide scored against 15 ESG topics that were identified as material for Megawide based on their perception of each topic's impact to Megawide's business and its stakeholders. Scores were assigned on a scale of 1 to 10, with 1 being of lowest impact and 10 being of highest impact. The below table reflects the average scores of each material ESG topic.

Source	Category	No.	Material Issue	Score of Importance to Business (10 is high, 1 Is low)	Score of Importance to Stakeholders (10 is high, 1 Is low)
SASB/GRI/PHSEC	Environment	1	GHG Emissions	7.6	7.9
SASB/GRI/PHSEC	Environment	2	Energy Management	8.0	8.0
SASB/GRI/PHSEC	Environment	3	Water & Wastewater Management	8.0	8.0
SASB/GRI/PHSEC	Environment	4	Waste & Hazardous Materials Management	7.8	7.9
SASB/GRI	Environment	5	Ecological Impacts	7.7	8.1
SASB/GRI	Social	6	Human Rights & Community Relations	7.9	8.0
SASB	Social	7	Product Quality & Safety	8.4	8.3
SASB/GRI	Social	8	Labor Practices	8.3	8.2
SASB/GRI/PHSEC	Social	9	Employee Health & Safety	8.6	8.2
SASB/GRI/PHSEC	Social	10	Employee Engagement, Diversity & Inclusion	7.9	8.2
SASB	Social	11	Lifecycle Impacts of Buildings & Infrastructure	8.1	8.1
SASB	Social	12	Climate Impacts of Business Mix	8.0	8.4
SASB	Social	13	Climate Change Adaptation	8.0	8.3
SASB/GRI/PHSEC	Governance	14	Business Ethics	8.1	8.3
GRI/PHSEC	Governance	15	Economic Performance	8.2	8.2

Click Here to see Descriptions of ESG Material Topics

Materiality Matrix

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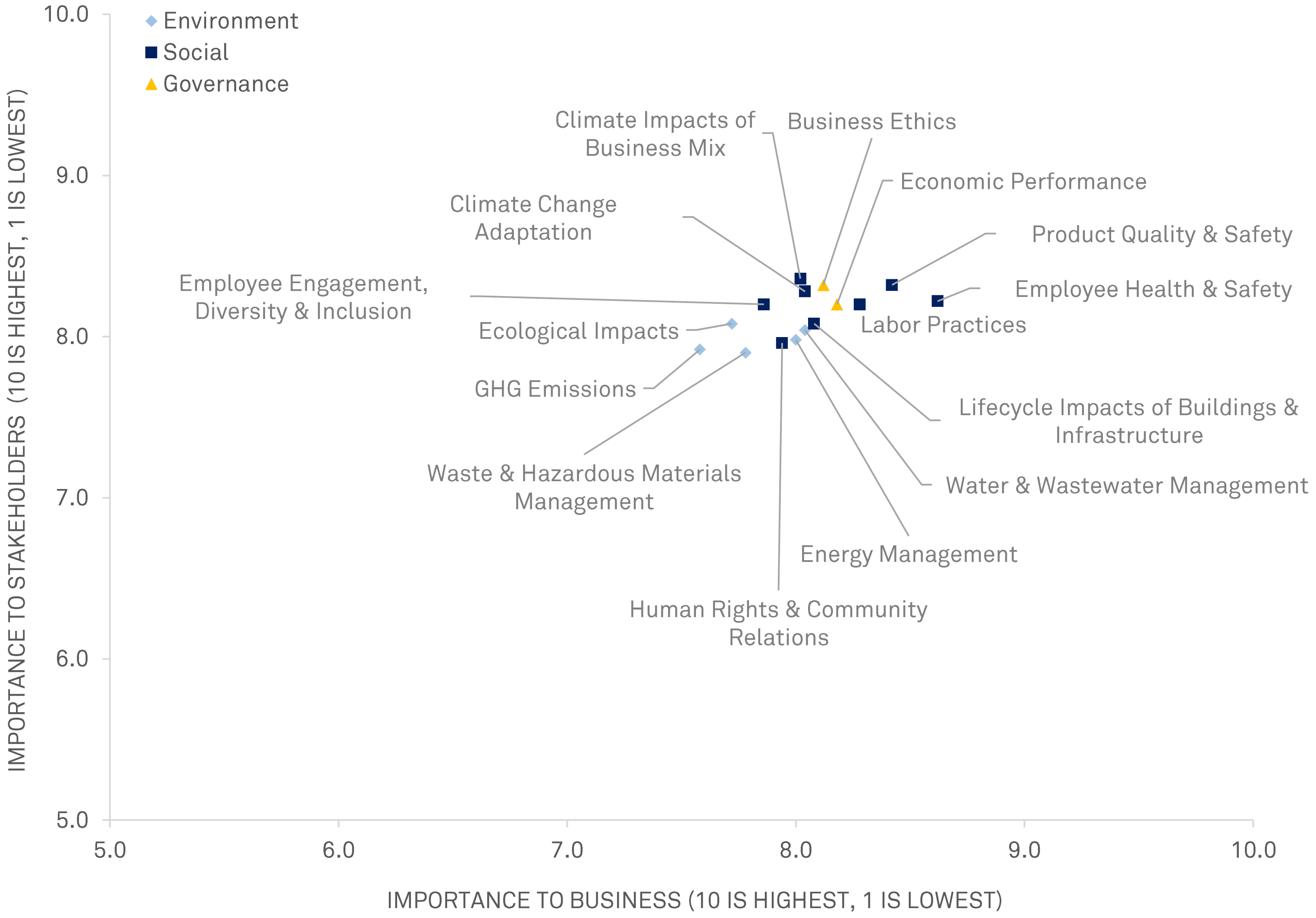

The Materiality Matrix illustrates Megawide's stakeholders' sentiments of how important each of the 16 topics is to the business and its stakeholders.

Material topics clustered at the top-right quadrant can be interpreted to be of high materiality.

The most material ESG topics appear to be

1. **Employee Health & Safety**
2. **Product Quality & Safety**
3. **Labor Practices**
4. **Economic Performance**
5. **Business Ethics**

The Environmental topics of GHG Emissions, Waste & Hazardous Materials Management and Ecological Impact though considered material, were deemed to be least important.

Materiality Assessment Results by Stakeholder Group

Impact to Business

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Stakeholders	Board Member
Energy Management	8.4
Product Quality & Safety	8.4
Employee Health & Safety	8.4
Climate Change Adaptation	8.4
GHG Emissions	8.2
Water & Wastewater Management	8.2
Ecological Impacts	8.2
Climate Impacts of Business Mix	8.2
Economic Performance	8.2
Human Rights & Community Relations	8.0
Labor Practices	8.0
Employee Engagement, Diversity & Inclusion	8.0
Lifecycle Impacts of Buildings & Infrastructure	8.0
Business Ethics	8.0
Waste & Hazardous Materials Management	7.6
Total Stakeholders	5

Stakeholders	Executive / Senior Management
Water & Wastewater Management	8.0
Employee Health & Safety	7.8
Energy Management	7.5
Employee Engagement, Diversity & Inclusion	7.5
Waste & Hazardous Materials Management	7.0
Economic Performance	7.0
Product Quality & Safety	6.8
Business Ethics	6.8
GHG Emissions	6.7
Ecological Impacts	6.7
Climate Change Adaptation	6.7
Labor Practices	6.5
Human Rights & Community Relations	6.2
Climate Impacts of Business Mix	6.0
Lifecycle Impacts of Buildings & Infrastructure	5.8
Total Stakeholders	6

Stakeholders	Middle Management
Employee Health & Safety	9.5
Product Quality & Safety	9.3
Labor Practices	9.3
Economic Performance	9.3
Business Ethics	9.2
Energy Management	9.0
Water & Wastewater Management	8.8
Lifecycle Impacts of Buildings & Infrastructure	8.7
GHG Emissions	8.0
Waste & Hazardous Materials Management	8.0
Human Rights & Community Relations	8.0
Employee Engagement, Diversity & Inclusion	8.0
Climate Impacts of Business Mix	7.7
Climate Change Adaptation	7.7
Ecological Impacts	6.8
Total Stakeholders	6

Stakeholders	Full-time Employee/ Individual Contributor
Employee Health & Safety	8.6
Product Quality & Safety	8.5
Labor Practices	8.5
Climate Impacts of Business Mix	8.4
Lifecycle Impacts of Buildings & Infrastructure	8.4
Climate Change Adaptation	8.3
Human Rights & Community Relations	8.2
Business Ethics	8.2
Economic Performance	8.2
Ecological Impacts	8.0
Waste & Hazardous Materials Management	7.9
Water & Wastewater Management	7.9
Employee Engagement, Diversity & Inclusion	7.9
Energy Management	7.8
GHG Emissions	7.6
Total Stakeholders	33

Materiality Assessment Results by Stakeholder Group

Impact to Stakeholders

Sustainable1

Stakeholders	Communities / NGOs
Employee Engagement, Diversity & Inclusion	8.8
Economic Performance	8.6
Climate Change Adaptation	8.4
Business Ethics	8.4
Lifecycle Impacts of Buildings & Infrastructure	8.2
Human Rights & Community Relations	8.0
GHG Emissions	7.8
Energy Management	7.8
Waste & Hazardous Materials Management	7.8
Labor Practices	7.8
Water & Wastewater Management	7.6
Climate Impacts of Business Mix	7.6
Product Quality & Safety	7.4
Employee Health & Safety	7.4
Ecological Impacts	7.2
Total Stakeholders	**5**

Stakeholders	Contractors
Labor Practices	8.8
Employee Engagement, Diversity & Inclusion	8.7
Climate Impacts of Business Mix	8.6
Business Ethics	8.6
Product Quality & Safety	8.5
Climate Change Adaptation	8.5
Employee Health & Safety	8.4
Lifecycle Impacts of Buildings & Infrastructure	8.3
Energy Management	8.3
Human Rights & Community Relations	8.3
Waste & Hazardous Materials Management	8.2
Ecological Impacts	8.2
Economic Performance	8.2
Water & Wastewater Management	7.9
GHG Emissions	7.8
Total Stakeholders	**12**

Stakeholders	Customers / Clients
Water & Wastewater Management	8.4
Labor Practices	8.3
Climate Impacts of Business Mix	8.3
Employee Health & Safety	8.1
Business Ethics	8.1
Product Quality & Safety	8.0
GHG Emissions	7.8
Ecological Impacts	7.8
Employee Engagement, Diversity & Inclusion	7.8
Economic Performance	7.8
Energy Management	7.6
Waste & Hazardous Materials Management	7.6
Climate Change Adaptation	7.6
Lifecycle Impacts of Buildings & Infrastructure	7.5
Human Rights & Community Relations	7.4
Total Stakeholders	**8**

Stakeholders	Investors
Energy Management	8.8
Water & Wastewater Management	8.8
GHG Emissions	8.5
Waste & Hazardous Materials Management	8.5
Ecological Impacts	8.5
Human Rights & Community Relations	8.5
Climate Change Adaptation	8.5
Business Ethics	8.5
Product Quality & Safety	8.3
Employee Health & Safety	8.3
Lifecycle Impacts of Buildings & Infrastructure	8.3
Climate Impacts of Business Mix	8.3
Economic Performance	8.3
Employee Engagement, Diversity & Inclusion	8.0
Labor Practices	7.8
Total Stakeholders	**4**

Materiality Assessment Results by Stakeholder Group

Impact to Stakeholders

Stakeholders	Independent director
Business Ethics	10.0
Economic Performance	10.0
Water & Wastewater Management	9.0
Employee Engagement, Diversity & Inclusion	9.0
Lifecycle Impacts of Buildings & Infrastructure	9.0
Waste & Hazardous Materials Management	8.0
Ecological Impacts	8.0
Human Rights & Community Relations	8.0
Product Quality & Safety	8.0
Labor Practices	8.0
Employee Health & Safety	8.0
Climate Change Adaptation	8.0
Energy Management	7.0
Climate Impacts of Business Mix	7.0
GHG Emissions	6.0
Total Stakeholders	**1**

Stakeholders	Regulators
Product Quality & Safety	9.0
Climate Impacts of Business Mix	9.0
Employee Health & Safety	8.8
Employee Engagement, Diversity & Inclusion	8.8
Business Ethics	8.6
Human Rights & Community Relations	8.2
Lifecycle Impacts of Buildings & Infrastructure	8.2
Climate Change Adaptation	8.2
Water & Wastewater Management	8.0
Waste & Hazardous Materials Management	8.0
Ecological Impacts	8.0
Labor Practices	8.0
GHG Emissions	7.8
Energy Management	7.8
Economic Performance	7.8
Total Stakeholders	**5**

Stakeholders	Suppliers / Vendors
Economic Performance	8.5
Climate Change Adaptation	8.5
GHG Emissions	8.4
Lifecycle Impacts of Buildings & Infrastructure	8.4
Ecological Impacts	8.3
Product Quality & Safety	8.3
Labor Practices	8.3
Employee Health & Safety	8.3
Energy Management	8.2
Water & Wastewater Management	8.2
Human Rights & Community Relations	8.1
Climate Impacts of Business Mix	8.0
Employee Engagement, Diversity & Inclusion	7.8
Waste & Hazardous Materials Management	7.7
Business Ethics	7.7
Total Stakeholders	**11**

Stakeholders	Industry Associations
Energy Management	9.0
Waste & Hazardous Materials Management	9.0
Human Rights & Community Relations	9.0
Employee Health & Safety	9.0
Climate Impacts of Business Mix	9.0
GHG Emissions	8.0
Water & Wastewater Management	8.0
Ecological Impacts	8.0
Product Quality & Safety	8.0
Labor Practices	8.0
Employee Engagement, Diversity & Inclusion	8.0
Lifecycle Impacts of Buildings & Infrastructure	8.0
Climate Change Adaptation	8.0
Business Ethics	8.0
Economic Performance	7.0
Total Stakeholders	**1**

Stakeholders	Other Local Government Organizations
GHG Emissions	9.0
Water & Wastewater Management	9.0
Ecological Impacts	9.0
Product Quality & Safety	9.0
Climate Impacts of Business Mix	9.0
Energy Management	8.0
Human Rights & Community Relations	8.0
Employee Health & Safety	8.0
Employee Engagement, Diversity & Inclusion	8.0
Climate Change Adaptation	8.0
Business Ethics	8.0
Waste & Hazardous Materials Management	7.0
Labor Practices	7.0
Lifecycle Impacts of Buildings & Infrastructure	7.0
Economic Performance	7.0
Total Stakeholders	**1**

Stakeholders	Securities Firm
Climate Impacts of Business Mix	10.0
Product Quality & Safety	9.5
Ecological Impacts	9.0
Business Ethics	9.0
Climate Change Adaptation	8.5
Economic Performance	8.5
Labor Practices	7.5
Employee Health & Safety	7.5
GHG Emissions	7.0
Waste & Hazardous Materials Management	7.0
Employee Engagement, Diversity & Inclusion	6.5
Lifecycle Impacts of Buildings & Infrastructure	6.5
Energy Management	6.0
Water & Wastewater Management	5.5
Human Rights & Community Relations	5.5
Total Stakeholders	**2**

Financial and Social Impact of Material ESG Topics

S&P Global

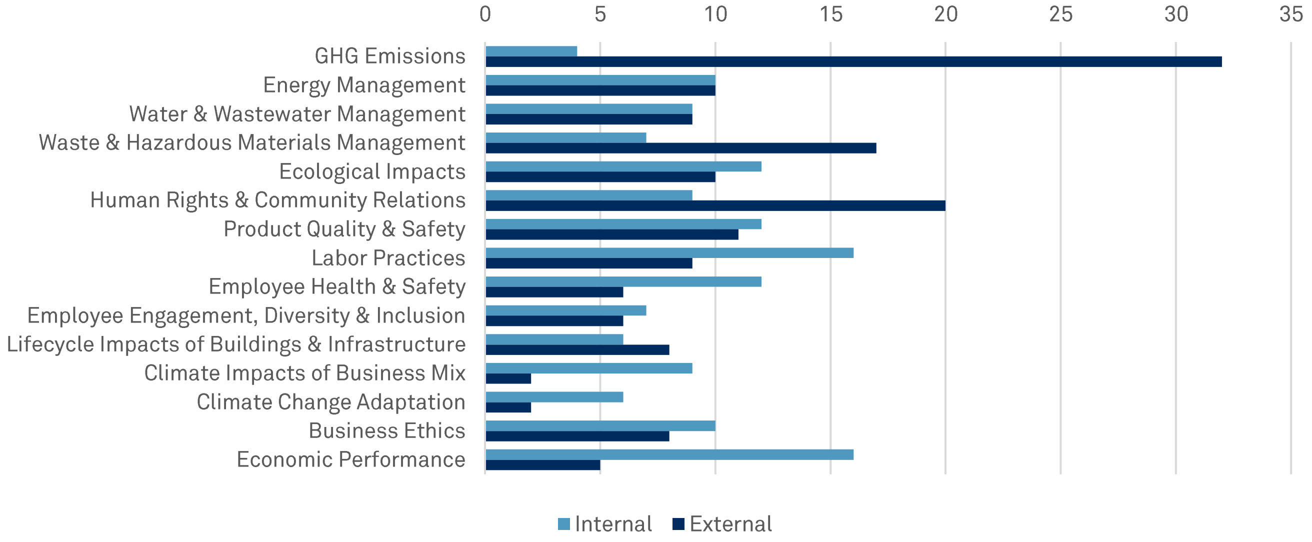
Most Negative Financial Impact to the Business

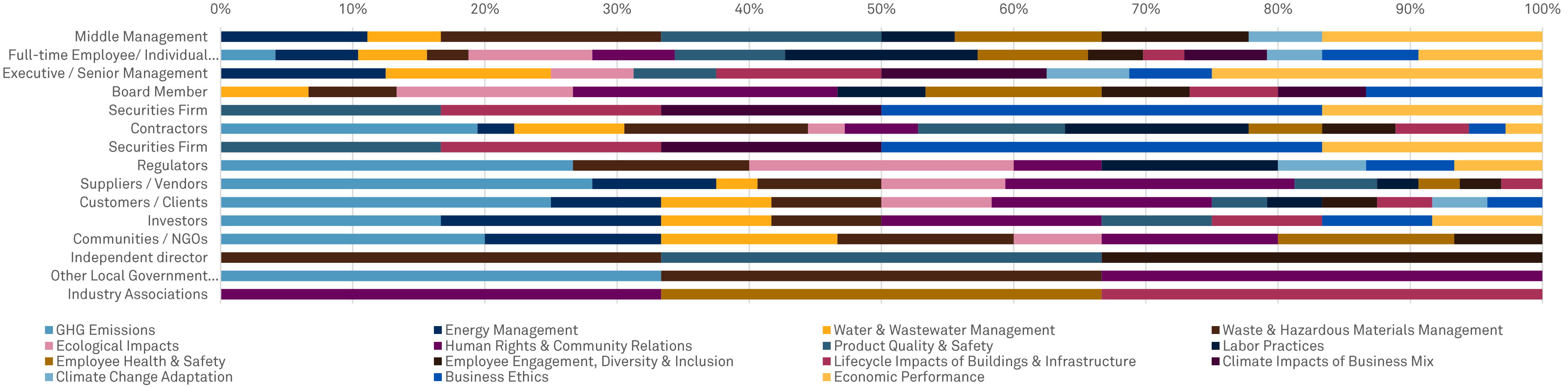
Sustainable1

Waste & Hazardous Materials Management is identified by 11 out of 15 stakeholders as topics that can cause severe negative financial impacts if the business manages it poorly.

Internal Stakeholders identify **Labour Practices** as the ESG topic that can cause most negative impact as **it** relates to company's compliance with internationally accepted labour laws and standards

External Stakeholders identify **GHG Emissions** as the ESG topic that can cause most negative impact as **it** relates to company's plan to manage and reduce scope 1, 2 and 3 emissions





Most Negative Impacts to Society

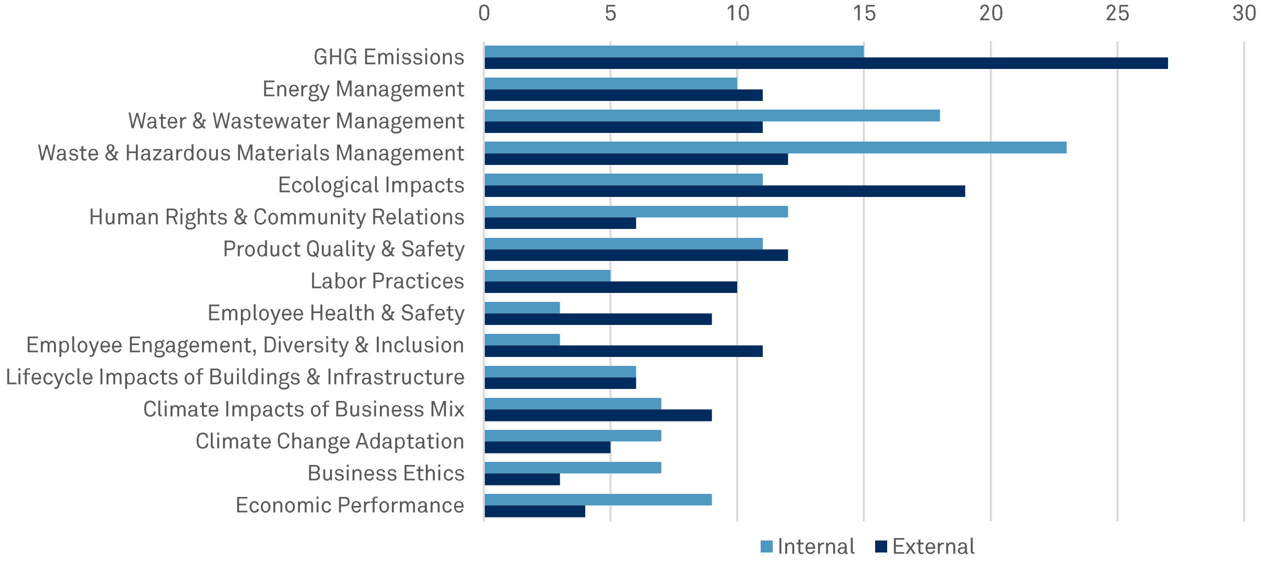
Sustainable1

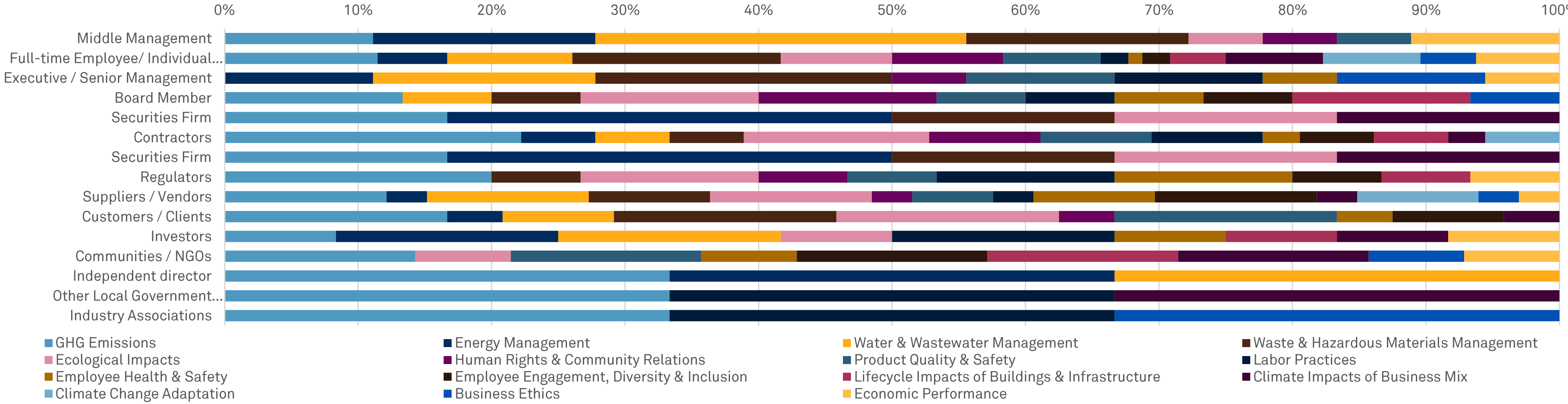
GHG Emissions is identified by 14 out of 15 stakeholder groups as the topic that can cause severe negative financial impact on society if managed poorly.

Internal Stakeholders identify **Waste & Hazardous Materials Management** as the ESG topic that can cause most negative impact on society if managed poorly.

External Stakeholders identify **GHG Emissions** as the ESG topic that can cause most negative impact to society if managed poorly.

External Stakeholders **unequivocally identify GHG Emissions** as single most important topic which can have negative impact on business & society both if it is managed poorly





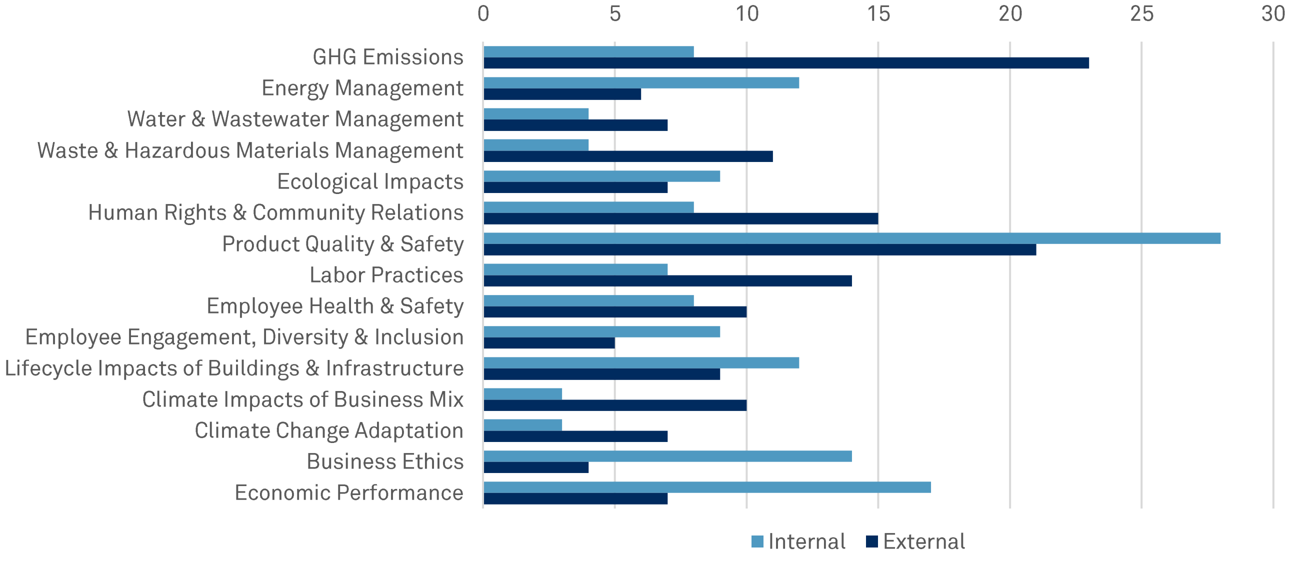
Financial Opportunities and Rewards to the Business

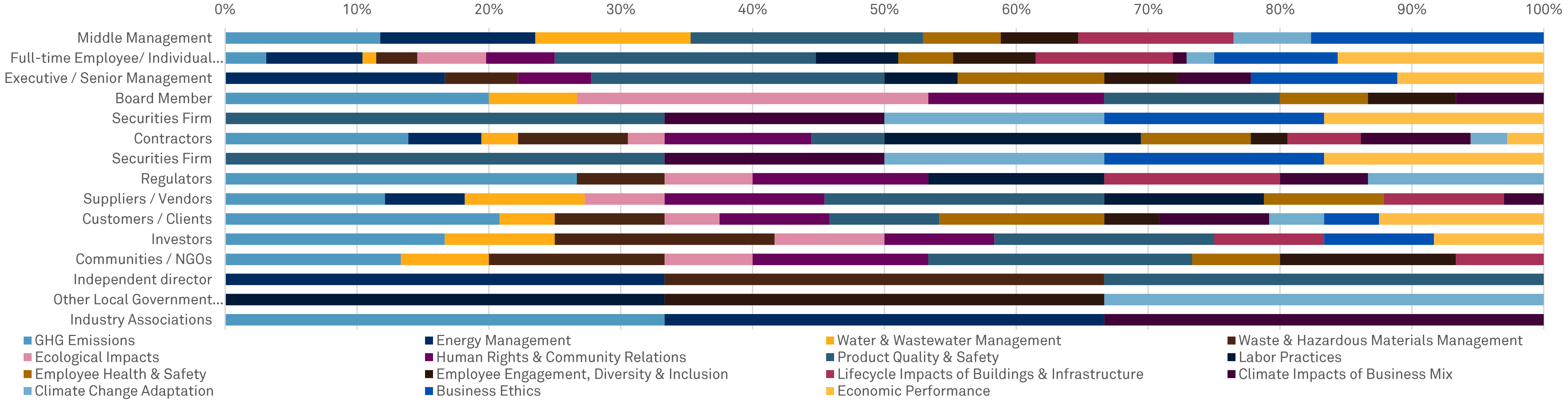
Sustainable1

Product Quality & Safety is identified by 11 out of 15 stakeholder groups as the topic that can bring financial opportunities and rewards if managed well.

Internal Stakeholders identify **Product Quality & Safety** as the ESG topic that can bring financial opportunities and rewards as it relates to designing and constructing building or infrastructure by considering potential climate change impacts.

External Stakeholders identify **GHG Emissions** as ESG topic that can bring financial opportunities and rewards if managed well.





Benefits to the Society

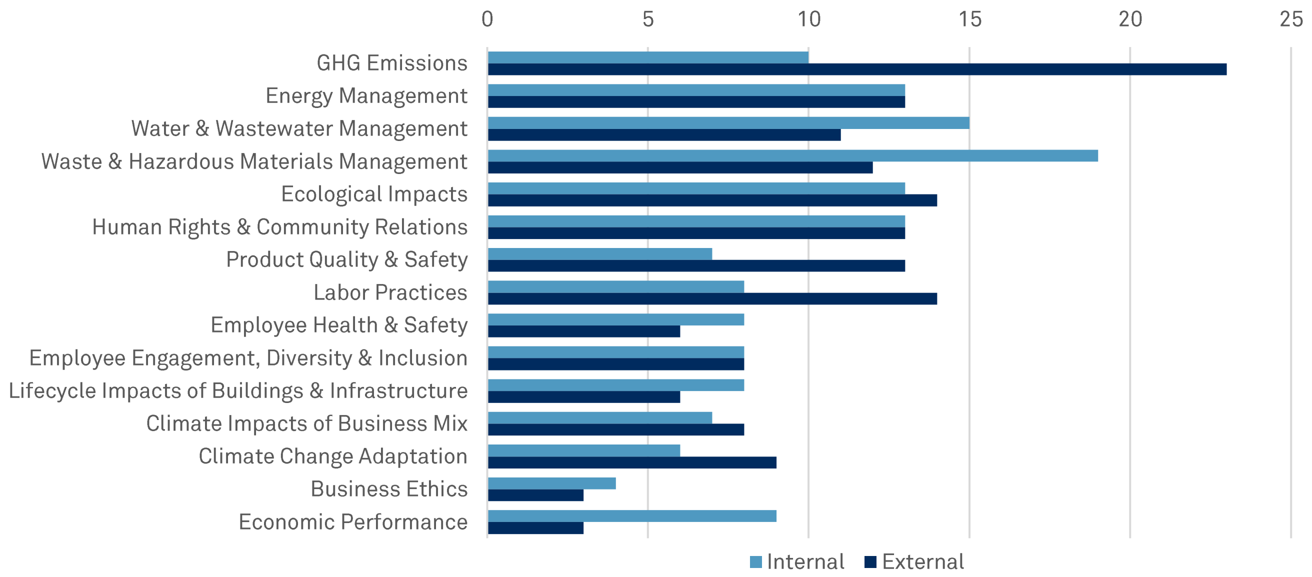
Sustainable1

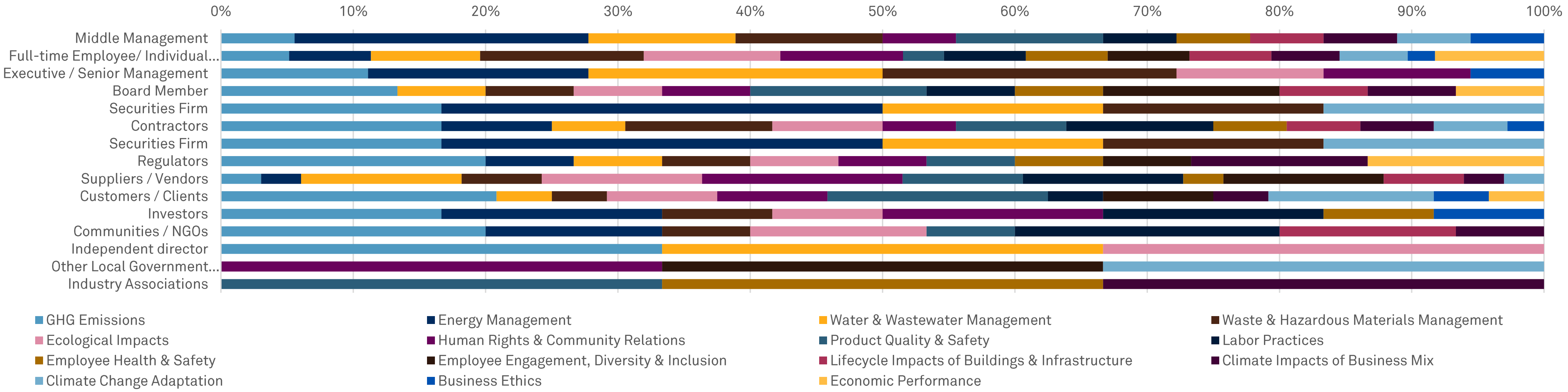
GHG Emissions is identified by 13 out of 15 stakeholder groups as the topics that can bring societal benefits if managed well.

Internal Stakeholders identify **Waste & Hazardous Materials Management** as the topics that can bring societal benefits if managed well while highlighting the fact that the same topic can have most negative impact to the society if managed poorly.

External Stakeholders identify **GHG Emissions** as the ESG topics that can bring societal benefits if managed well.

External Stakeholders **unequivocally identify GHG Emissions** as single most important topic which can benefit business & society both if managed well





Stakeholders' Perspectives on ESG Performance

S&P Global

Areas where Performance Meets Expectations

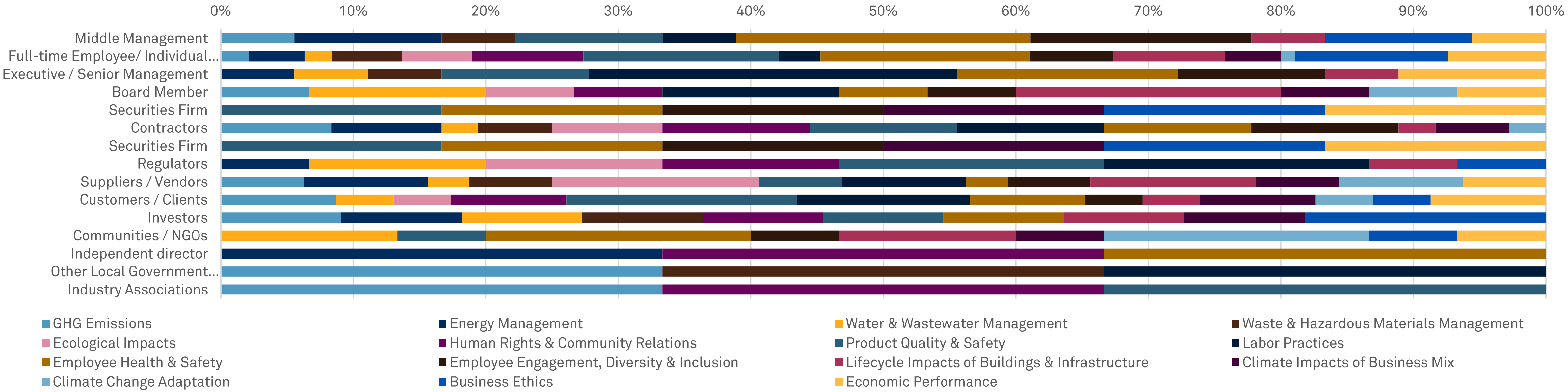
Sustainable1

Employee Health & Safety and Product Quality & Safety is identified by 12 out of 15 stakeholder groups as the topics that meets their performance expectations.

Internal Stakeholders identify **Employee Health & Safety** as the ESG topic that meets their performance expectations.

External Stakeholders identify **Product Quality & Safety** as the ESG topic that meets their performance expectations.

This may indicate that External Stakeholders feel that Megawide considers potential climate change impacts when designing and constructing building or infrastructure while delivering a safe and high-quality product



Areas that Need Improvement

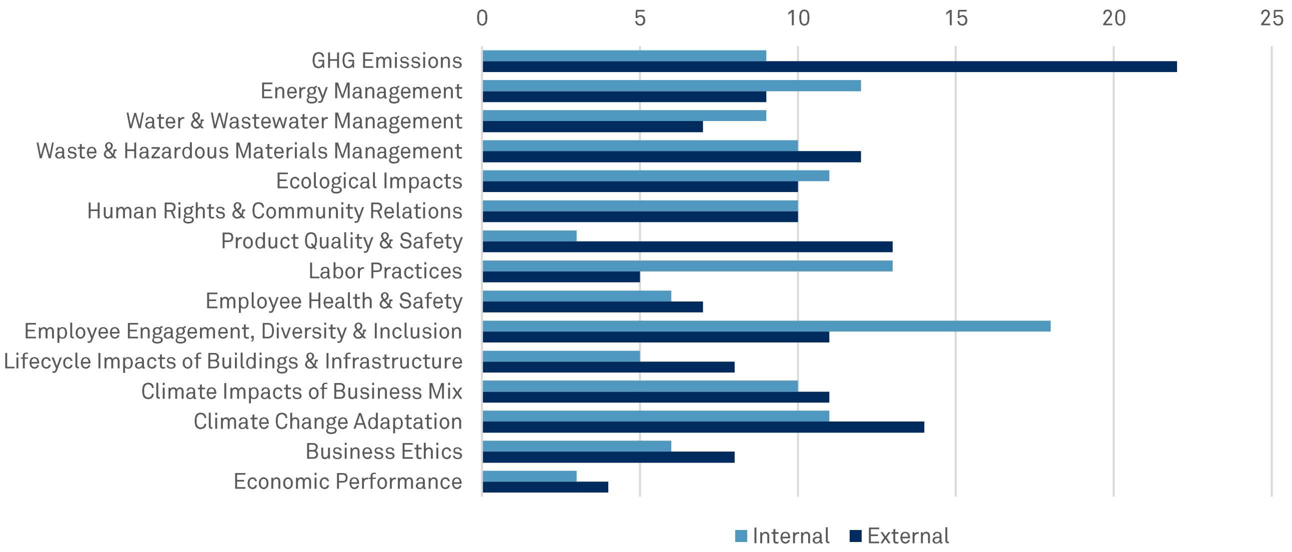
Sustainable1

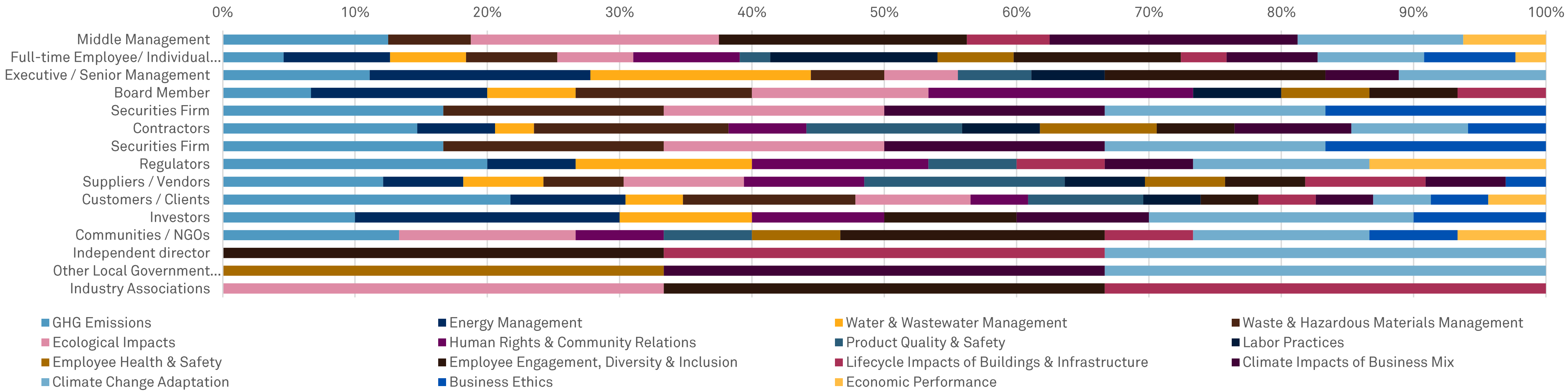
GHG Emissions and **Climate Change Adaptation** are identified by 12 out of 15 stakeholder groups as the topics that needs improvement.

Internal Stakeholders identify **Employee Engagement, Diversity & Inclusion** as the ESG topic that needs improvement.

External Stakeholders identify **GHG Emissions** as the ESG topic that needs improvement.

This may indicate that External Stakeholders expect consistent efforts from Megawide towards accounting, managing and reducing its GHG Emissions as it can bring business and societal benefits.





Topics of Increasing Importance in the next 3- 5 Years

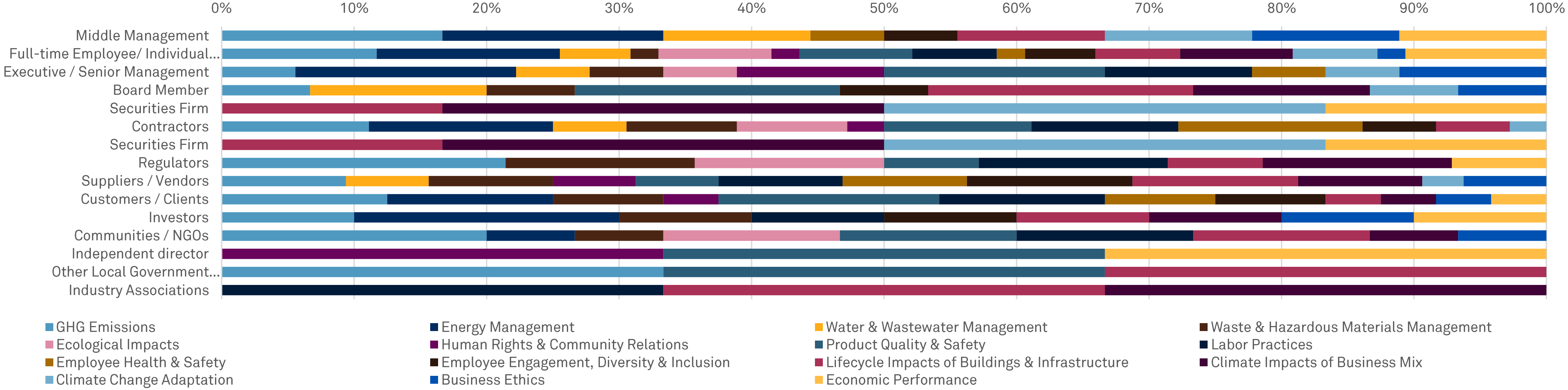
Sustainable1

GHG Emissions and **Lifecycle Impact of Building & Infrastructure** is identified by 11 out of 15 stakeholder groups as the topics that will be of increasing importance in next 3-5 years.

Internal Stakeholders identify **Energy Management** as the ESG topic that will be of increasing importance in next 3-5 years.

External Stakeholders identify **GHG Emissions** as the ESG topic that will be of increasing importance in next 3-5 years.

This may indicate that Megawide will have to look at managing the Lifecycle Impact of Building and Infrastructure by understanding impacts of construction materials used & everyday use of buildings contributing to GHG emissions, resource constraints and water stress.



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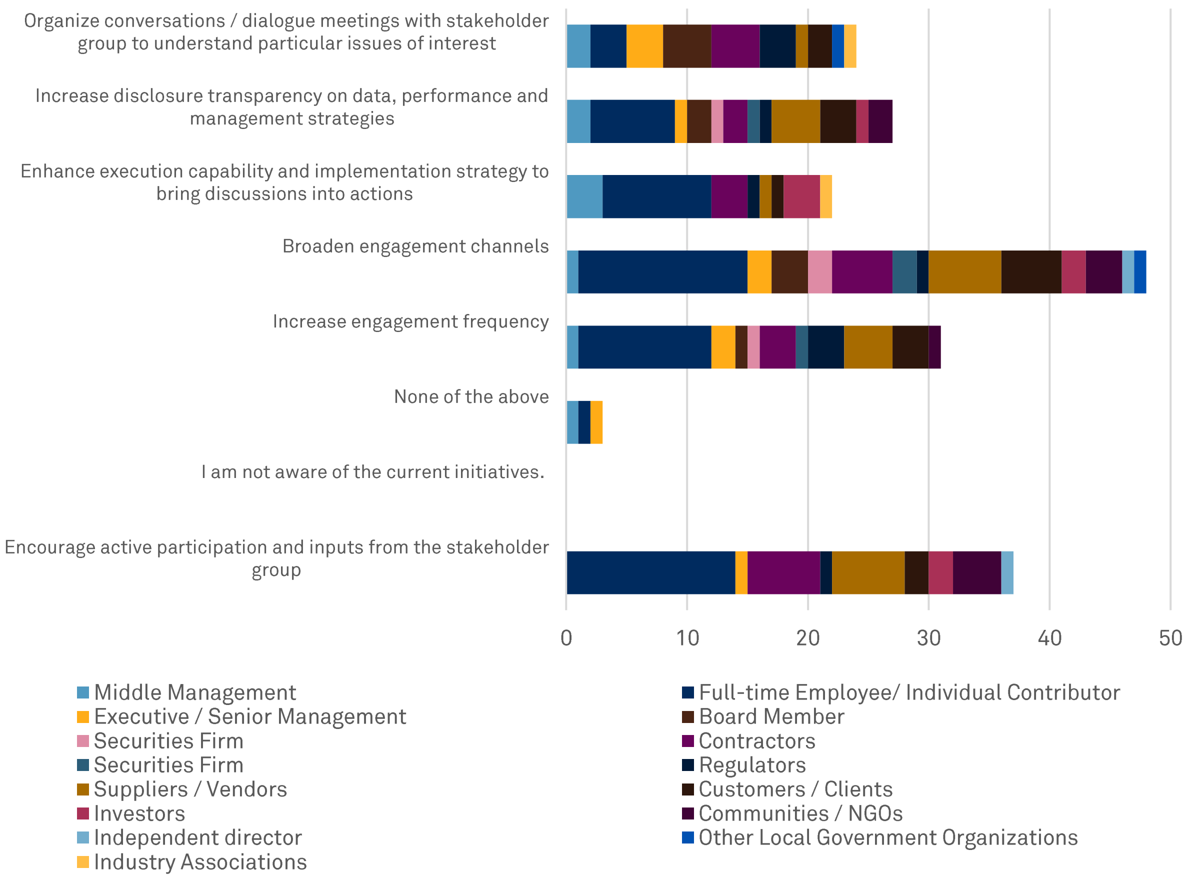
Stakeholder Engagement

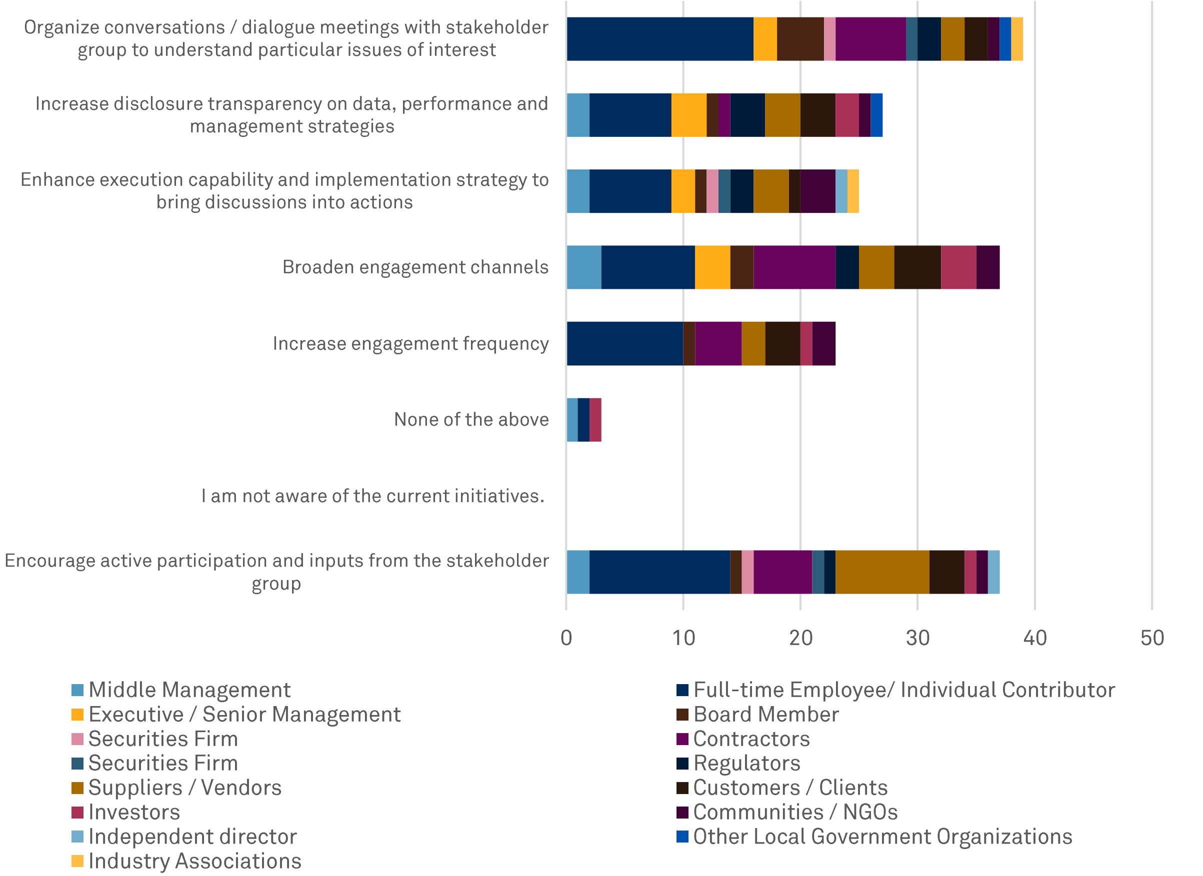
Stakeholder Engagement Results

Sustainable1

Areas where Megawide has done well in the stakeholder engagement process



Areas where Megawide needs to improve the stakeholder engagement process

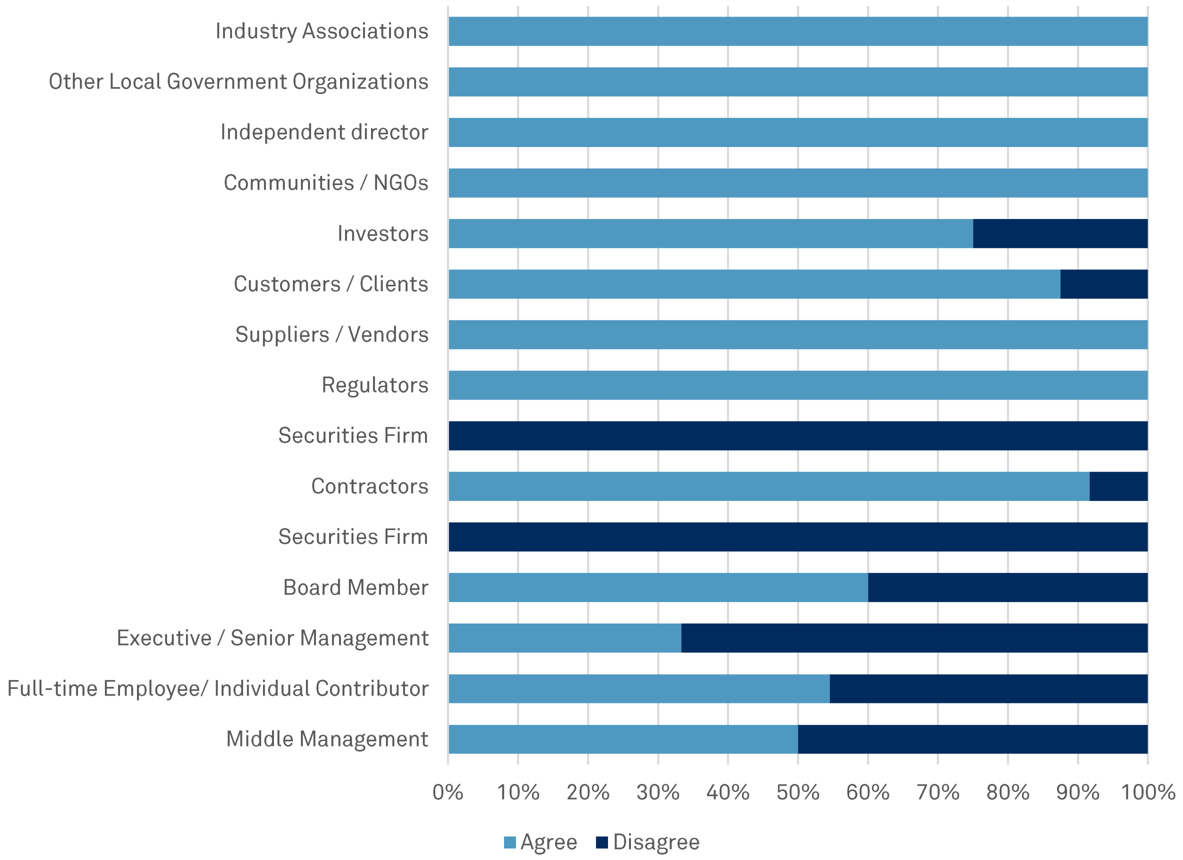


S&P Global

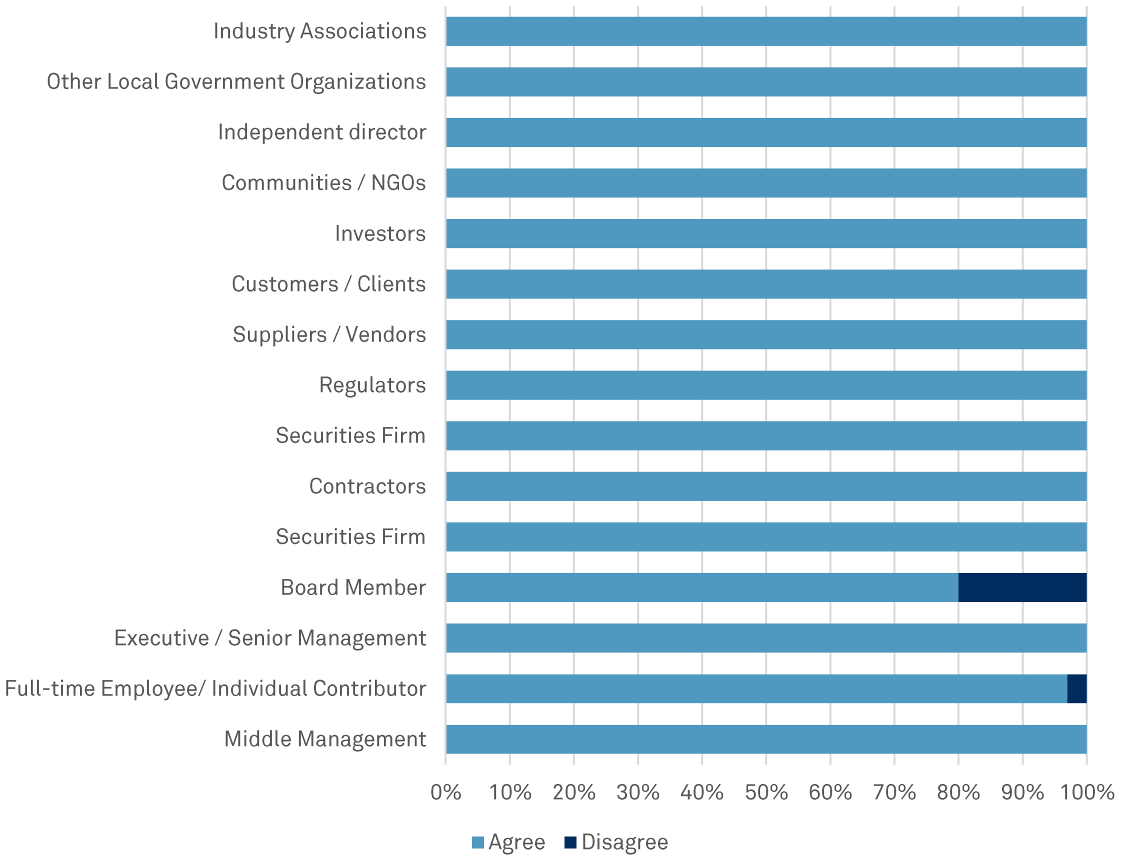
Attention to Megawide ESG Efforts

Sustainable1

“I pay close attention to Megawide’s past ESG performance”



“Going forward, I will pay attention to Megawide’s ESG efforts”



Company-wide ESG efforts **start from within** the management of an organization. It is important for internal stakeholders to be aware, believe in, be involved, provide feedback, and in turn influence others in their own network to create a concerted effort.

Materiality Assessment Summary

Sustainable1

15 Material ESG Topics were identified for Megawide by conducting materiality assessment

- Stakeholders feels that Megawide has done well in broadening the engagement channels. Going forward they would like Megawide to organize more meetings with stakeholder groups to better understand issues of interests.

Top 5 Material ESG Topics for Megawide are:

Employee Health & Safety	Product Quality & Safety	Labour Practices	Economic Performance	Business Ethics

Stakeholder Perspective on Financial Impact of Material ESG Topics –

Most Negative Financial Impact to the Business	Most Negative Impacts to Society	Financial Opportunities and Rewards to the Business	Benefits to the Society
• Waste & Hazardous Materials Management: Includes treatment, handling, storage, disposal, and regulatory compliance of waste	• GHG Emissions: Includes measurement, monitoring and plans to reduce Scope 1, 2 and 3 emissions	• Product Quality & Safety: Includes integration of climate change impact aspects into design and construction phase to improve structural integrity and public safety	• GHG Emissions: Includes measurement, monitoring and plans to reduce Scope 1, 2 and 3 emissions

Stakeholder Perspective on Current ESG Performance –

Areas where Performance Meets Expectations	Areas that Need Improvement	Topics of Increasing Importance in the next 3- 5 Years
• Employee Health & Safety • Product Quality & Safety	• Climate Change Adaptation • GHG Emissions	• Lifecycle Impact of Building & Infrastructure • GHG Emissions

ESG Disclosure

Material Topics – Environmental

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Environmental

GHG Emissions

Sustainable1

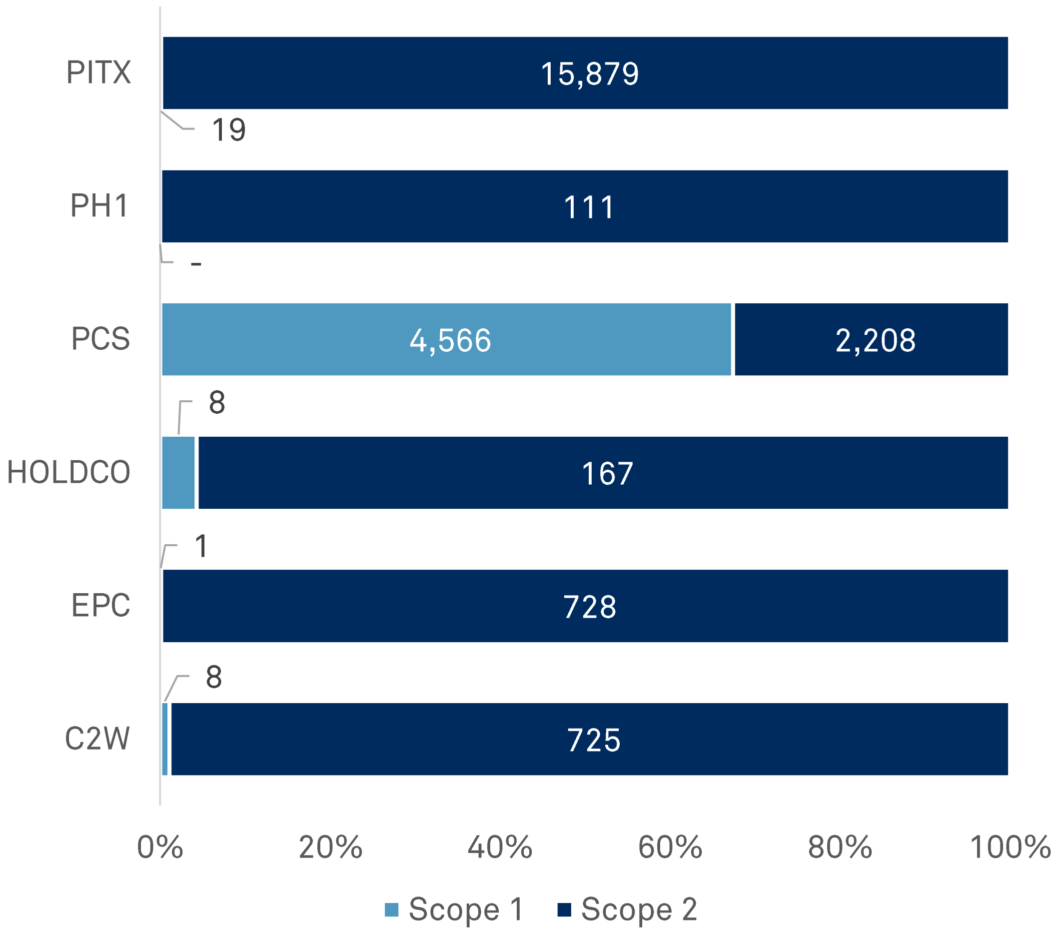
COMPANY PROFILE		
Indicators	**Unit of Measurement**	**Quantity**
Total Revenue	PhP Millions	18,638
Total Employees	#	3,765
Total Floor Space	m^2	397,290

EMISSION BY SCOPE		
Scope	**Category**	**Absolute emissions (tCO2e)**
Scope 1	Stationary Emissions	1,014
	Mobile Emissions	3,588
	Refrigerants	-
Scope 2	Electricity: Location Based	19,818
	Electricity: Market Based	19,818
Total Emissions (Location Based)		24,420
Total Emissions (Market Based)		24,420

EMISSION INTENSITY				
Scope	**Absolute Emission (tCO2e)**	**Emission Intensity (tCO2e/mPeso)**	**Emission Intensity (tCO2e/FTE)**	**Emission Intensity (tCO2e/m^2)**
Scope 1	4,602	0.25	1.22	0.012
Scope 2	19,818	1.06	5.26	0.050
Total	24,420	1.31	6.49	0.061

GHG Emission Breakdown by Business Units

GHG Emission values provided in the graph are in tCO2



81% of emissions are attributed to Scope 2 while **19% are attributed to Scope 1.**

Energy Management

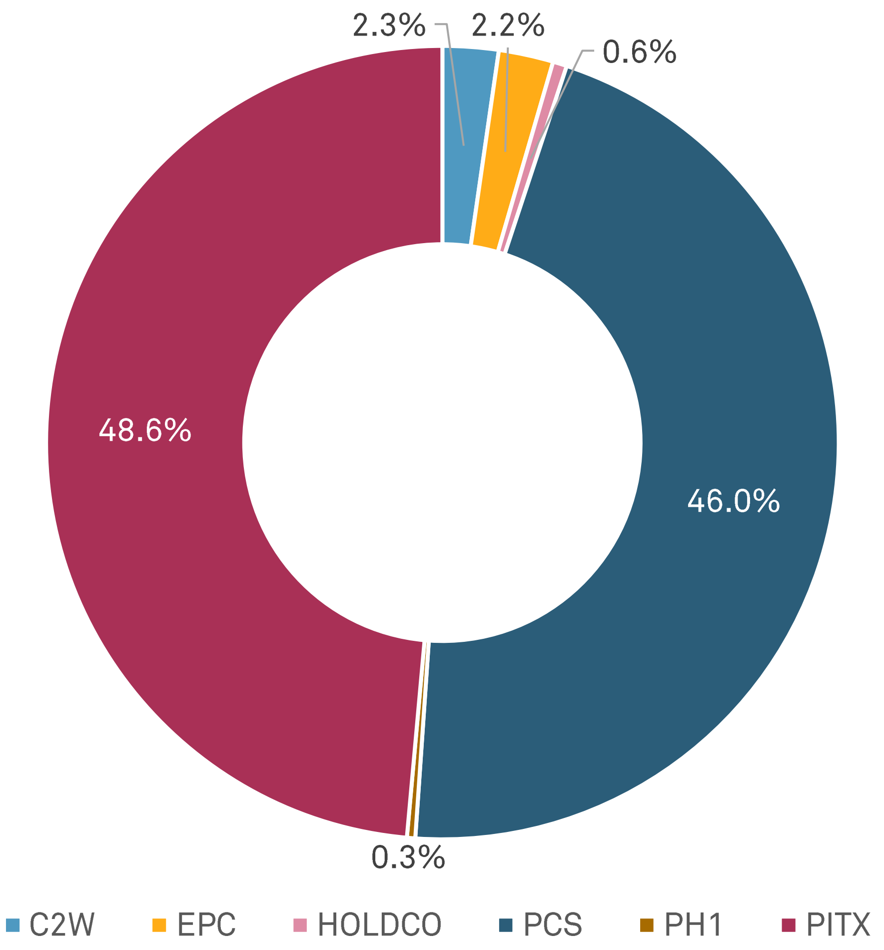
Sustainable1

ENERGY DATA			
Indicator	Source	Units	FY2023
Direct	Fuel Oil	liters	282
	Petrol	liters	1,317
	Diesel	liters	1,728,812
Indirect	Purchased Electricity	kWh	27,878,040

ENERGY CONSUMPTION BREAKDOWN				
Business Unit	UOM	Direct Energy	Indirect Energy	Total Energy
C2W	kWh	32,111	1,020,000	1,052,111
EPC	kWh	3,316	1,024,720	1,028,036
HOLDCO	kWh	29,921	234,748	264,669
PCS	kWh	18,122,410	3,106,100	21,228,510
PH1	kWh	-	156,498	156,498
PITX	kWh	74,216	22,335,974	22,410,189
Total	kWh	18,261,973	27,878,040	46,140,013

ENERGY INTENSITY				
Source	Absolute Energy (kWh)	Energy Intensity (kWh/mPeso)	Energy Intensity (kWh/FTE)	Energy Intensity (kWh/m^2)
Direct	18,261,973	979.82	4,850.46	45.966
Indirect	27,878,040	1,495.75	7,404.53	70.171
Total	46,140,013	2,475.57	12,254.98	116.137

Total Energy Breakdown by Business Unit



60% of energy is attributed to Indirect consumption while **40% is attributed to Direct consumption**

Environmental

Water & Wastewater Management

Sustainable1

WATER CONSUMPTION AND INTENSITY				
Indicator	Absolute Water (m^3)	Water Intensity (m^3/mPeso)	Water Intensity (m^3/FTE)	Water Intensity (m^3/m^2)
Water Withdrawn	112,464,671	6,034	29,871	283.08
Water Discharged	47,126,000	2,528	12,517	118.62
Water Consumption	65,338,671	3,506	17,354	164.46

WATER CONSUMPTION BREAKDOWN				
Business Unit	UOM	Water Withdrawn	Water Discharged	Water Consumption
C2W	Liters	-	-	-
EPC	Liters	9,348	-	9,348
HOLDCO	Liters	602	-	602
PCS	Liters	112,205,000	47,126,000	65,079,000
PH1	Liters	402	-	402
PITX	Liters	249,319	-	249,319
Total	Liters	**112,464,671**	**47,126,000**	**65,338,671**

Water Resource & Business Operation:

EPC	Uses water for Domestic Purpose it has identified **establishing a baseline water consumption** data & Reduction of consumption by **installation of water efficient faucets** as approach to identify and address water related impacts
HOLDCO	Has a process to conduct **daily monitoring of water consumption** to analyze for outliers and analyze hotspots to focus on in order to address water related impacts
PCS	**Monitors water consumption of each building** separately as it provides granular understanding of water related interaction & impacts which they plan to use in **setting water related goals and targets**
PITX	Uses Waynilad as main source of water for consumption, cleaning and other activities related to commercial and office spaces. It also **treats wastewater through STP before discharge to minimize the water related impacts**. Additionally, it monitors tenants' compliance in terms of wastewater discharge

Wastewater Management:

EPC, PCS and PITX all have STP plants to treat wastewater before it is discharged into public sewer. They ensure compliance to all applicable standards in terms of water effluents as specified by Department of Environmental and Natural Resources DENR’s Clean Water Act.

Environmental

Waste & Hazardous Materials Management

Sustainable1

WASTE, ABSOLUTE AND INTENSITY, TYPE OF WASTE				
Waste	Tonnes of Waste	Waste Intensity (tonnes/mPeso)	Waste Intensity (tonnes/FTE)	Waste Intensity (tonnes/m^2)
Non-Hazardous Waste	10,789	0.57887	2.86564	0.02716
Hazardous Waste	3	0.00017	0.00085	0.00001
Total	**10,792**	**0.57905**	**2.86649**	**0.02716**

WASTE BREAKDOWN				
Business Unit	UOM	Non-Hazardous Waste	Hazardous Waste	Total Waste
C2W	Tonnes	-	-	-
EPC	Tonnes	2	1	3
HOLDCO	Tonnes	5	-	5
PCS	Tonnes	599	2	601
PH1	Tonnes	-	-	-
PITX	Tonnes	10,223	-	10,223
Total	Tonnes	**10,789**	**3**	**10,792**

Waste & Hazardous Material Measurement and Monitoring:

Megawide monitors Hazardous and Non-Hazardous Waste Generated within the organization. The waste generated is in the form of numbers and in the form of weight. However, the report focuses on Waste that is accounted in terms of weight (Tonnes) as Waste categories can only be consolidated when single unit is used for monitoring.

Waste & Hazardous Material Management Initiative undertaken at Megawide:

- EPC has Implemented the 3R Program, it uses Color Coded waste Bins to ensure proper segregation of waste.
- All Recyclables segregated are stored in MRF for the Program Trash to Cashback which is initiated in collaboration to LGU Quezon City.
- Additionally, EPC also has a Zero waste policy plan, and a Waste Reduction Strategy.
- PITX initiated a program called "Sweep! Sweep! Broom! Broom!" with the objectives of teaching the community Proper Waste Management and have a clear understanding of the overall impact of the facility in terms of waste generation in the community.
- PITX have constructed a Material Recovery Facility to cater the rapid increasing volume of waste in the facility due to the constantly increasing Occupancy Rate in the facility.
- PITX also coordinates with other Non-Government Organizations (NGOs) for more innovative solutions to recycle the waste.

Ecological Impacts

Ecological Impacts includes aspects of Environmental Compliance, Environmental Risk Management, Biodiversity Protection, Significant impacts of activities, products and services on biodiversity, Habitat Protection & Species Protection

No incidents of Environmental Non-compliance occurred at C2W, EPC, HOLDCO, PH1 and PCS. They are compliant with all environmental permit standards and regulations

PITX's Environmental Non-compliance & Corrective Actions –

4 NOVs were issued to PITX on 3rd May 2023 for non-submittal of necessary documentations, SMRs and CMRs, and non-processing of DENR Permits and Licenses this led to monetary fines of PHP 59,000

Environmental Non-compliance	Units	Quantity
Number of incidents of non-compliance with environmental permits, standards and regulations	#	4
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PHP	59,000
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	#	4
No. of cases resolved through dispute resolution mechanism	#	4

Corrective Action undertaken by PITX:

- Upon resolving issues on facilities compliance on DENR requirements, the management enhanced its employee competencies on managing environmental issues that the facility may undertake.
- PITX conducts advanced training for PCO and have employee accredited as the Facility's Pollution Control Officer (PCO).
- PITX also appointed new Managing Head for Environmental Compliances.

Material Topics – Social

Human Rights and Community Relations

Sustainable1

Community Engagement Programs

Megawide has local community engagement, impact assessments, and development programs here are a few initiatives undertaken by the organization -

HOLDCO	PCS	PITX
• **5 local community development programs** based on local communities' needs • **19 Engagement plans** based on 19 stakeholder mapped • **12 participatory training and consultations** for scholars once a month in 2023 for the youth from vulnerable sectors • 1 Disaster Response Committee & 1 Executive Committee for health & safety and worker representation • 1 online satisfactory survey sent at the end of 2023	• **Quarterly Blood donation** with Red Cross • **Public School Improvement** of Safety - Fence Brigada Eskwela • **Hygiene and Feeding program** for Kids in project sites	**270 Corporate Social Responsibility programs** conducted for PUV drivers, conductors, and dispatchers. Programs include: • Conductor's Theoretical Course in partnership with LTO • Healthy Vision with Ospital ng Makati • Focus Group Discussions with the served beneficiaries for the betterment of the programs in the future

Operations with significant actual and potential negative impacts on local communities

Megawide's PITX has Identified **Potential Negative Local Community Impacts in the form of high CO2 emission** from Public Utility Vehicles potentially affecting the local communities due to smog which can result in negative impact on their health and wellness.

Product Quality & Safety

The topic addresses designing and constructing buildings or infrastructure, by considering potential climate change impacts, which may affect the project's structural integrity and public safety. Organizations that manage structural integrity and safety poorly may incur incremental costs because of redesign or repair work and legal liabilities, as well as reputational damage that could hurt growth prospects.

Topic	Unit	PCS	PH1	PITX	Megawide
Substantiated complaints on product or service*	#	585	360	8	953
Complaints addressed	#	504	360	8	872

Substantiated Complaints Received in 2023:

PCS received complaints related to **Physical appearance of products, variances based on agreements, design and concrete mix** with pending complaints to be resolved in 2024. Similarly, PH1 receives complaints and issues on a monthly basis which are closed within the same month.

* Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to or acted upon by the government agencies

Labour Practices

- The topic addresses the company's ability to uphold commonly accepted labour standards in the workplace, including compliance with labour laws and internationally accepted norms and standards.
- It includes, ensuring basic human rights related to child labour, forced or bonded labour, exploitative labour, fair wages and overtime pay, and other basic workers' rights.
- It also includes minimum wage policies and provision of benefits, which may influence how a workforce is attracted, retained, and motivated.
- The topic further addresses a company's relationship with organized labour and freedom of association.

Labour Notice Periods and Collective Bargaining	C2W	EPC	PCS	PH1	PITX
Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.	2	2 – 4	1 – 2	2	1
Number of consultations conducted with employees concerning employee-related policies in 2023	0	4	12	5	12

- Megawide businesses strictly prohibits the use of forced or compulsory labor & child labor practices
- Megawide businesses does not have any employee union in the company, so aspects related to Freedom of Association & Collective Bargaining are considered not applicable

Employee Health & Safety

Sustainable1

Workplace Safety of Full-Time and Contract Employees at Megawide

Topic	Description	C2W	EPC	HOLDCO	PCS	PH1	PITX	Megawide
Total number of work-related injuries	The number of fatalities as a result of work-related injury for	-	-	-	-	-	1	1
	The number of high-consequence work-related injuries (excluding fatalities)	-	-	-	-	-	-	-
	The number of recordable work-related injuries	-	2	-	-	-	14	16
Total number of work-related ill health	The number of fatalities as a result of work-related ill health for	-	-	-	58	-	-	58
	The number of recordable work-related ill health	-	-	-	58	-	278	336
Hours worked	Total number of hours worked	-	28,283,012	946,328	23,434,172	1,920	342,126	53,007,558
Safety	Number of safety drills	2	34	2	-	4	4	46

Megawide's Occupational Health & Safety Management System

OH&S Policy and Compliance

- **Daily toolbox meetings** in accordance with Section 11 of RA 11058/DO 198 series of 2018 for ensuring workplace safety and compliance with regulations.
- Team discusses safety concerns, review procedures, and reinforce best practices & helps identify hazards and mitigate risks before they escalate into accidents or injuries.

Scope Of OH&S Management System

- The scope of an Occupational Health and Safety (OH&S) management system is **all encompasses ensuring the safety of workers** in various activities, as well as the areas within the company, by adhering to a work permit system.
- It entails **implementing measures and protocols** to guarantee the well-being and safety of employees while performing their tasks, regardless of the nature of the activities involved.
- It involves **establishing and enforcing a work permit system**, which regulates and authorizes specific tasks or activities to ensure that they are conducted safely and in compliance with relevant regulations and standards.

Social

Employee Health & Safety

Hazard Identification, Risk Assessment and Incident Investigation

Identification of work-related hazards and assess risks	Reporting of work-related hazards and hazardous situations	Removing workers from hazardous situations	Investigation of work-related incidents
• **Hazards are assessed by employers and workers** by collecting and reviewing information about the hazards present or likely to be present in the workplace. • Conducting **periodic workplace inspections** to identify new or recurring hazards. • **Daily walk-thru** of the workplace is conducted to assess and determine and eliminate hazards	• Hazard reporting includes identifying, reporting, and **documenting potential health and safety issues** in the workplace. • Once the hazard or incident has been identified, the Safety Officer prepares the **report for the review of the Emergency Response Commander** and the Crisis Management Director.	• **Effective controls are in place** to protect workers from workplace hazards; help avoid injuries, illnesses, and incidents; minimize or eliminate safety and health risks • **Evacuation procedure** is initiated by following the guidelines set forth by the OH&S and **Emergency Response teams.**	• The **root cause of incidents** are identified by utilizing FISH BONE Analysis and gathering information from witnesses and victims to pinpoint, address & prevent the incident. • This approach ensures a comprehensive understanding of what occurred, enabling appropriate actions to be taken. • Investigation findings are **documented for accountability** purposes.

Occupational Health Services:

Megawide's occupational health services' functions contributes to the identification and elimination of hazards and minimization of risks, and ensures the quality of these services with –

1. Pre-employment, Return to work and Annual Medical Exam done to identify the health status of the workers.
2. Memorandum of agreement with a clinic for the PEME and Mobile clinic and Laboratory for the Annual Medical exam in the workplace.
3. All medical exam results and Patient's chart are kept in the clinic and only the health personnel has access to it.

Social

Employee Health & Safety

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Worker Participation And Consultation In OH&S Management System

- Megawide's Worker participation and consultation in OH&S (Occupational Health and Safety) management system entails various aspects, like Health and Safety *Information and Bulletins* sent through employees' email monthly. As well as through the company's bulletin board for easy reading and understanding for employees.
- *Assessment of Personal Protective Equipment* (PPE). which involves educating workers regarding proper usage, importance, and care for PPE to ensure they understand their significance and get their perspectives regarding the replacement of old PPEs
- The OSH Committee convenes once or a monthly to discuss *Occupational Safety and Health programs* to ensure their fulfillment and implementation. This is in accordance with the submission of minutes of meeting and Monthly OSH reportorial requirements to the DOLE Regional Office.

OH&S Training

- Megawide conducted various types of *Training And Seminars* in 2023 which included 8-Hour Mandatory Safety Training, First Aid, Fire and Earthquake Drill, Emergency Preparedness.
- These trainings were in accordance with Section 6 and 11 of RA 11058/DO 198 series of 2018 to ensure the safety and productivity of workers.
- *Worker Skills Training* is handled by the HR Department and the OSH Trainings are handled by the HSSE Department.
- *Training Needs Assessment* is being assessed by respective departments and is based on actual site conditions, foreseeable need and project specific requirement. The items covered in the trainings provided are based on or from reputable agencies for proper and standard contents.
- Megawide's approach emphasizes the commitment to compliance with occupational health and safety regulations and the *Proactive Approach Towards Equipping Workers With Necessary Skills* to handle potentially dangerous tasks.

Promotion of Worker Health

- *Megawide Provides Medical Clinic* in the workplace. Employees who consult in the clinic are assessed by the Occupational Health Nurse and Occupational Health Physician.
- *First Aid And Over The Counter Medicines* are provided and if necessary, they are assisted and referred to HMO accredited clinic or hospital for further evaluation and management.
- Additionally, The *Project Medical Team Provides Medical Support* systems such as non-working hours consultation which includes non-work-related medical concerns. All personnel are advised to report and consult with the medical team anytime via means of company mode of communication.
- *Monthly Health Webinars* are conducted, and an annual health program is organized for the workers.

Employee Health & Safety

Workers covered by an occupational health and safety management system	• Workers and other individuals such as *builders/sub-contractors, suppliers, and visitors are covered* by the policies outlined in the HSSE Manual of Megawide Construction Corp., in accordance with the provisions set forth by law as stated in Section 4 of DO 198. Violations are correlated with the MCC Code of Discipline. • This ensures that *everyone within the industrial complex* adheres to the necessary safety protocols and procedures mandated by both internal policies and legal requirements.
Prevention and Mitigation of OH&S Impacts Directly Linked by Business Relationships	• Megawide's *Safety Officers are mandated to submit their respective Observation Reports* as need to promptly address any identified unsafe conditions in the workplace and prevent harm to workers. It is the responsibility of all OSH personnel to address hazards within the workplace. • Additionally, the modes of *communication of safety concerns internally or externally* are through Committee Meetings, Coordination Meetings, Project Performance Reviews, Client Meetings, etc. Other means of communication of hazards are presented through issuances such as inspection reports, audit reports, violation notices, non-compliance reports and close outs.

Social

Employee Engagement, Diversity and Inclusion

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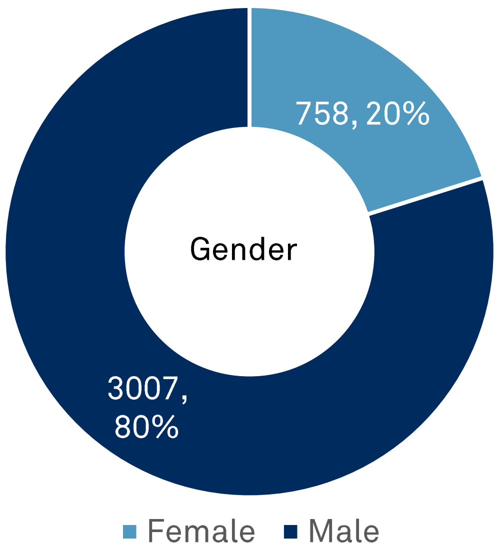
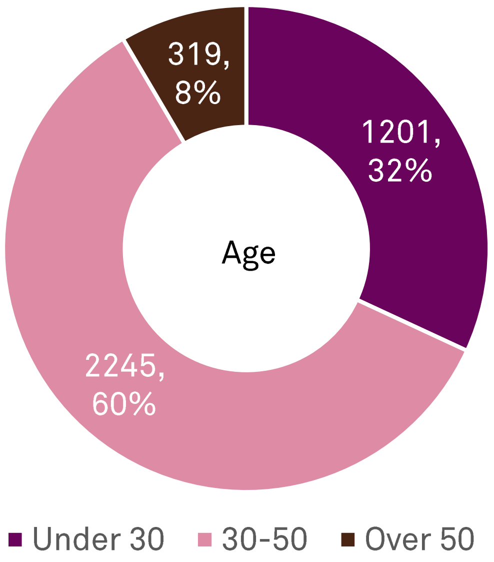
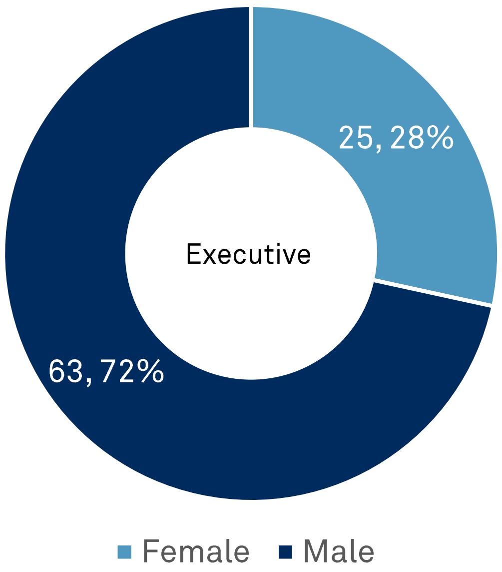
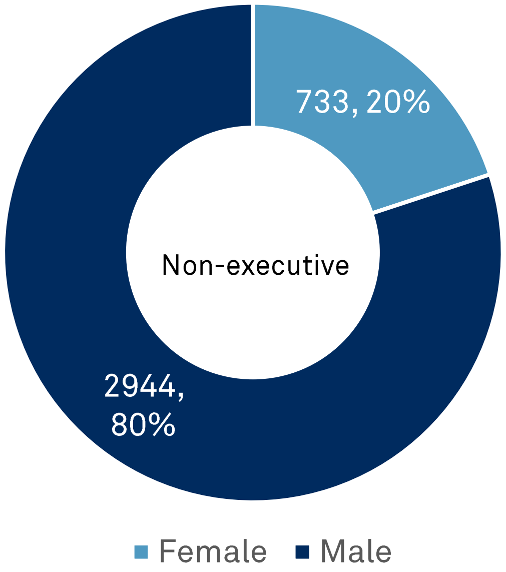
Overall Diversity Indicator during the Reporting Period (Total: 3765 employees)





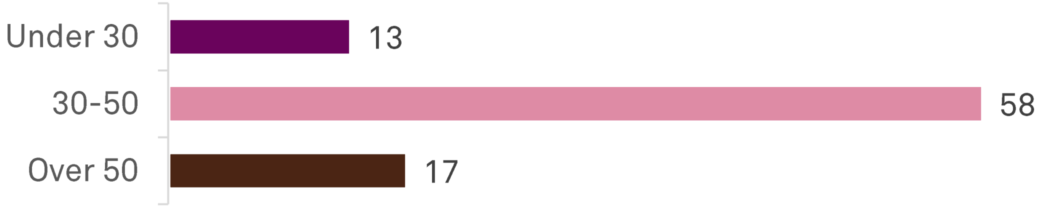
Gender Diversity Indicator by Employee Category



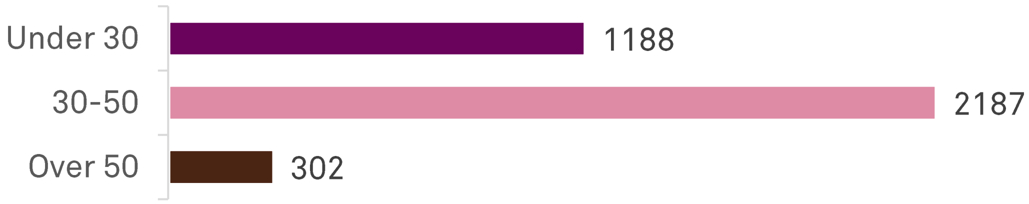


Diversity Indicator by Employee Category and Age Group

Executives



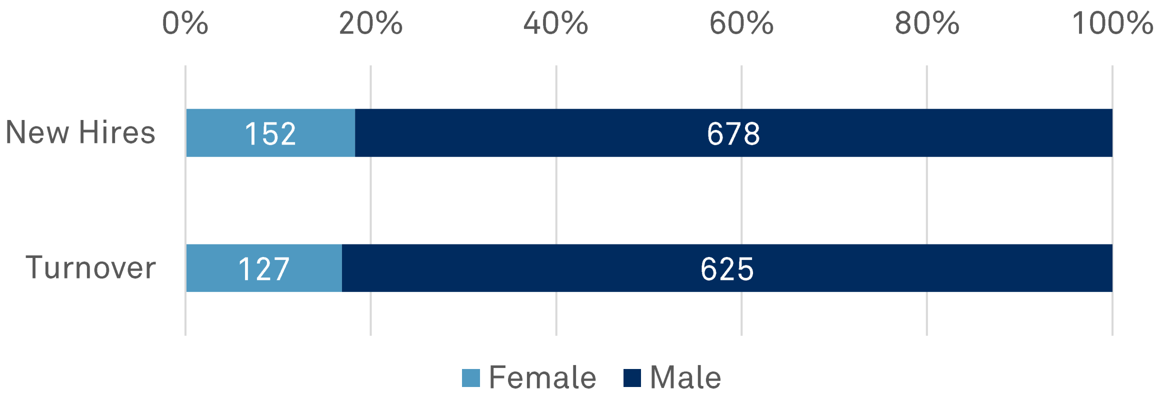
Non-Executives



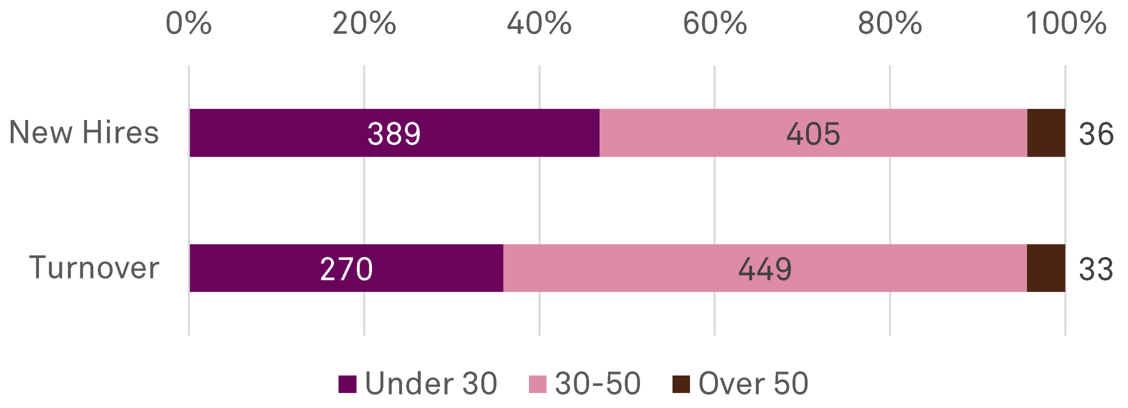
Employee Engagement, Diversity and Inclusion

Diversity Indicator by New Hires and Turnover during the Reporting Period (Total: 3765 employees)

By Gender



By Age Group



Ratio of Basic Salary and Remuneration of Women to Men

	C2W	EPC	HOLDCO	PCS	PH1	PITX
Ratio of the basic salary and remuneration of women to men	1.08 : 1.01	-	0.38 : 1.00	1.00 : 2.00	1.50 : 1.00	1.00 : 1.35
Ratio of lowest paid employee against minimum wage	1.40 : 1.00	-	1:00 : 1:00	-	-	1.07 : 1.00

Workplace Discrimination

- NO cases of Workplace Discrimination were reported in Megawide in 2023

Employee Skills Development Programs

- Leadership and Behavioral, Technical Professional, Technical Skills for Workers; Leadership Training for Foremen & Life Coaching

Employee Engagement, Diversity and Inclusion

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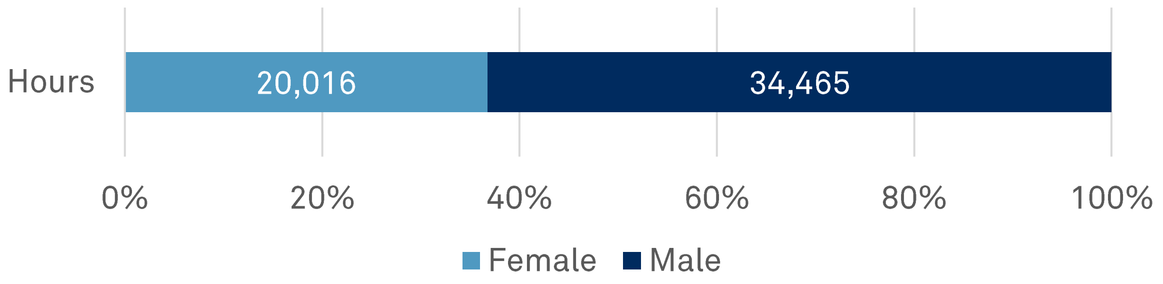
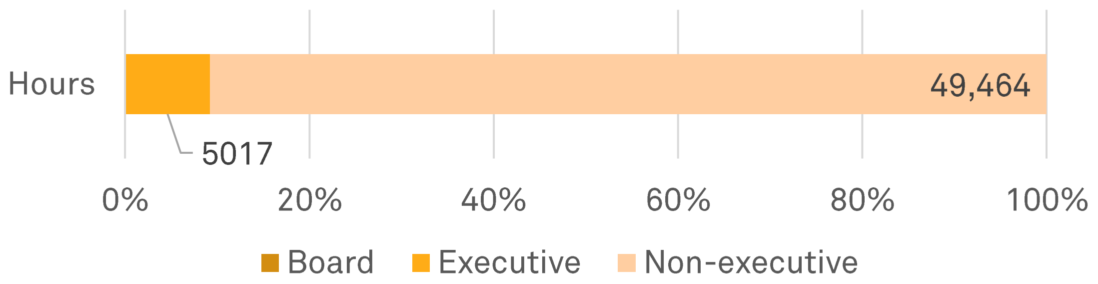
Training and Education

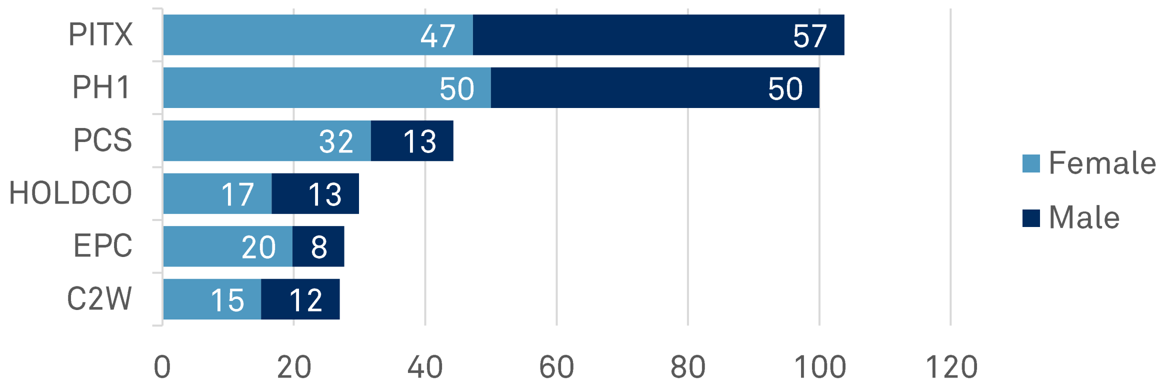
Total training hours By Gender



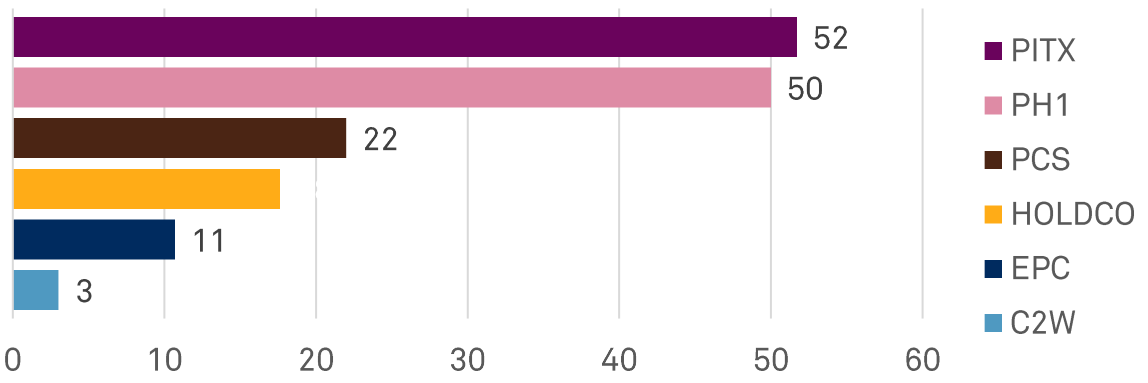
Total training hours By Employee Category



Average training hours By Gender



Overall Average training hours By Business Units



Social

Employee Engagement, Diversity and Inclusion

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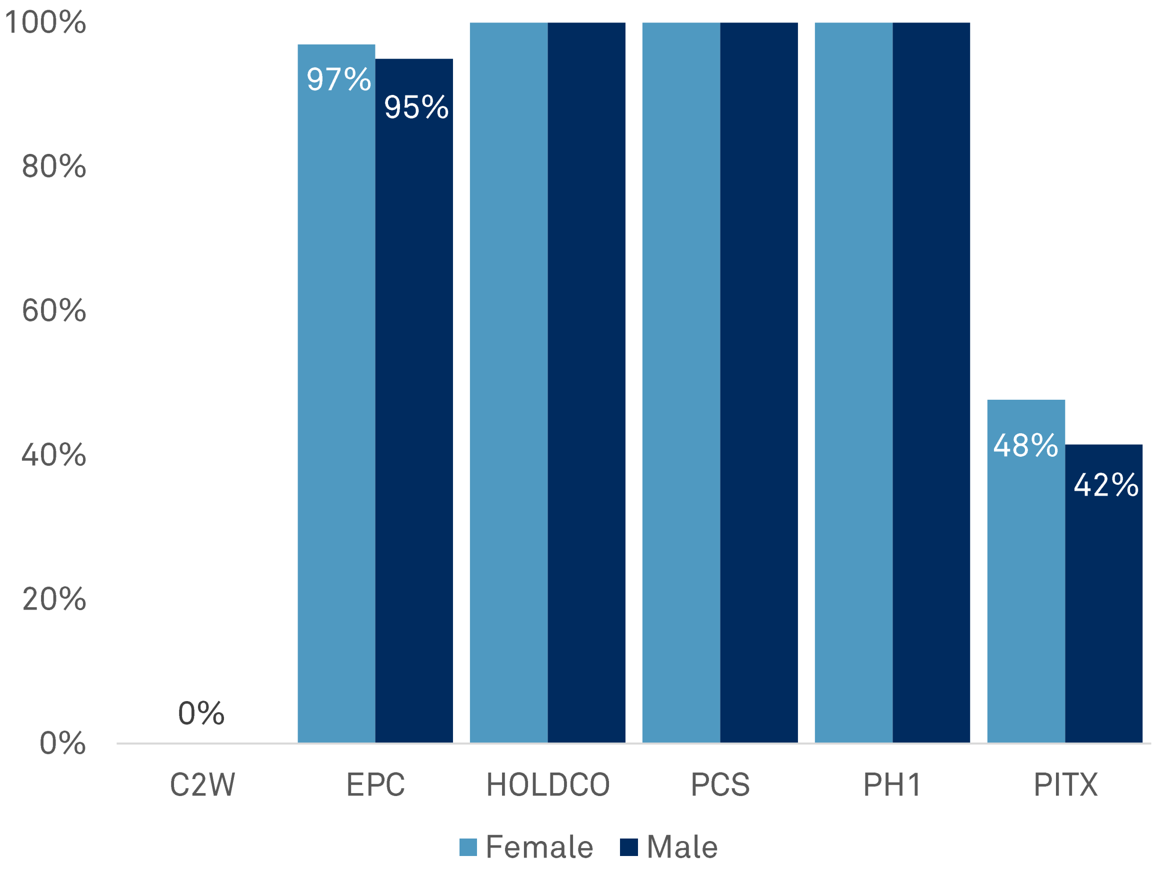
Performance and Career Development

Percentage of employees receiving regular performance by gender

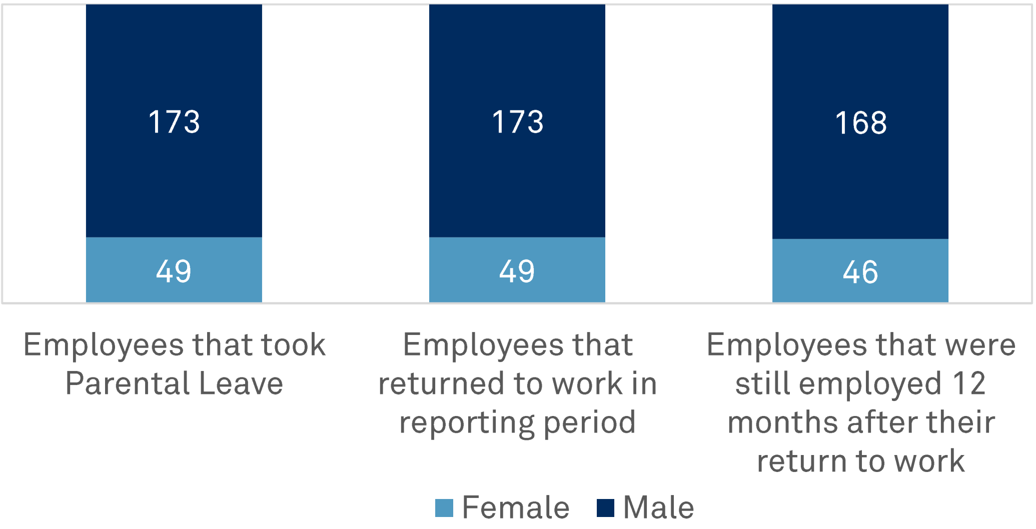


Frequency of employees receiving regular performance reviews

EPC	HOLDCO	PCS	PH1	PITX
Annual	Annual	Semi Annual	Semi Annual	Semi Annual

Parental Leave

- 100% Employees that took Parental Leave returned to work
- 94% Retention rate of Female employees that took parental leave
- 97% Retention rate of Male employees that took parental leave



Social

Employee Engagement, Diversity and Inclusion

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Benefits Provided To Full-Time and Not-Full-Time Employees

Percentage Employees who availed benefits for the year	C2W		EPC		HOLDCO		PCS		PH1		PITX	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Life Insurance	0%	0%	0%	0%	0%	0%	1%	17%	90%	90%	0%	0%
Health Care	15 %	9%	65%	35%	24%	17%	11%	51%	90%	90%	78%	78%
Disability And Invalidity Coverage	0%	0%	0%	0%	0%	0%	0%	0%	90%	90%	0%	0%
Parental Leave	0%	0%	15%	85%	0%	2%	3%	17%	90%	90%	0%	0%
Retirement Provision	0%	0%	0%	0%	0%	1%	0%	0%	90%	90%	0%	0%
Stock Ownership	0%	0%	0%	0%	0%	0%	0%	0%	90%	90%	0%	0%
Others	0%	0%	0%	0%	0%	0%	0%	0%	90%	90%	0%	0%

Company Specific benefits availed for the year	PCS		PITX	
	Female	Male	Female	Male
SSS	11%	29%	0%	0%
PhilHealth	17%	43%	0%	0%
Pag-Ibig	14%	46%	0%	0%
Vacation Leaves	32%	65%	79%	65%
Sick Leaves	34%	56%	50%	55%
Housing Assistance	18%	32%	0%	0%

Social

Product Design & Lifecycle Management

Sustainable1

About the Topic

- The topic addresses incorporation of environmental, social, and governance (ESG) considerations in characteristics of products and services provided or sold by the company. It includes, managing the lifecycle impacts of products and services.
- Example: Sourcing of construction materials and the everyday use of buildings may contribute to direct and indirect greenhouse gas (GHG) emissions, resource constraints, water stress and negative human health outcomes.

Evolving Market

- Various opportunities are being created for industries in the value chain—from suppliers that can provide sustainable materials, to entities in the Engineering & Construction Services industry that can provide sustainability-oriented project design and construction services.
- Such services can provide a competitive advantage and revenue growth opportunities as client demand for economically advantageous sustainable projects increases and related regulations evolve.
- Entities unable to effectively integrate such considerations into their services may lose market share in the long term.

Risk Indicators

- Buildings and major infrastructure projects are among the largest users of natural resources in the economy; these projects often consume significant amounts of resources in the form of energy and water.
- So, client and regulatory pressures to develop a sustainable built environment are contributing to the growth of markets intended to reduce the lifecycle impacts of buildings and infrastructure projects.
- Hence, various international sustainable building and infrastructure certification schemes assess, project's use-phase energy and water efficiency, impacts on human health, and the use of sustainable construction and building materials

Lifecycle Impacts of Buildings & Infrastructure

Operational-phase energy and water efficiency considerations incorporated by PCS in project planning and design

- **Utilities consumptions** of Taytay Industrial Plant, Santolan and Head Office are monthly monitored by FMD and reported. Any deviations in consumption are analyzed and corrected immediately. **Utilities consumption per concrete production volume** or number of workers are being monitored and the tendences are analyzed regularly. Additionally, internal procedures to control the utilities consumption are included in the Building Operations and Maintenance Manuals

- **Sewage Treatment Plants of Taytay 1 and Taytay 2** are tested as per environmental requirements of Local Government at regular intervals and a separate policy on Waste Management is developed by PCS.

Product Design & Lifecycle Management

Sustainable1

Management of Tenant Sustainability Impacts

PCS's Tenants and Metering for Electricity and Water

- All organizations in Santolan (Holdco), Head Office (PCS & EPC), Taytay 1 and 2 (PCS) have separated electricity meter consumption
- 100% Percentage of tenants are separately metered, or sub metered for grid electricity consumption
- 100% Percentage of tenants are separately metered, or sub metered for water withdrawals

PCS's approach to measuring, incentivizing and improving sustainability impacts of tenants

- FMD disposes of one House Rules, where the operations and maintenance procedure are explained and assumed by tenants.
- Environmental initiatives, as waste management or selective indoor waste collection have been implemented.
- Monitoring in-place A/C temperatures to avoid excessive consumption is performed daily.

Social

Climate Impacts of Business Mix

About the topic	Evolving Market	Risk Indicators
•Addresses company's capacity to manage risks and opportunities associated with incorporating social, environmental, and political transitions into long-term business model planning. •Example: Projects that may contribute to global GHG emissions include those in extractive industries, as well as large buildings. Whereas some infrastructure projects, such as renewable energy projects, are designed to reduce GHG emissions.	•Several entities in the industry generate a substantial share of revenue and profits from clients in carbon-intensive industries and whose future capital investments may be at risk because of evolving climate regulations. •The downside risks in such cases may manifest through project delays, cancellations and diminished long-term revenue growth opportunities. •On the other hand, entities that specialize in infrastructure projects that contribute to GHG mitigation could develop competitive advantages as they continue to focus on these growing markets.	•The industry and its customers continue to operate within an uncertain business environment and face increasing environmental and regulatory requirements. •Assessing and communicating the risks and opportunities stemming from climate change that are embedded in an entity's backlog and future business prospects may help investors in assessing the overall business impact of climate change.

- PCS Reported

  – **1,841 mPHP** as the amount of backlog associated with renewable energy projects in 2023. The backlogs are because of 3 sites. (125 MW Lumbaga Solar Power Plant, MCC Citicore Projects & Meralco Substation)

  – **176,939 mPHP** as the amount of backlog associated with renewable energy projects in 2023. The backlogs are because of 2 sites. (Mandaluyong Aglipay Sewage Treatment Plant & Las Pinas Water Center)

Climate Change Adaptation

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- The category addresses the company's ability to manage risks and opportunities associated with direct exposure of its owned or controlled assets and operations to actual or potential physical impacts of climate change.
- It captures environmental and social issues that may arise from operational disruptions due to physical impacts of climate change.
- It further captures socio-economic issues resulting from companies failing to incorporate climate change consideration in products and services sold, such as insurance policies and mortgages.
- The category relates to the company's ability to adapt to increased frequency and severity of extreme weather, shifting climate, sea level risk, and other expected physical impacts of climate change.
- Management may involve enhancing resiliency of physical assets and/or surrounding infrastructure as well as incorporation of climate change-related considerations into key business activities (e.g., mortgage and insurance underwriting, planning and development of real estate projects).
- Megawide does not report on this material topic yet, however it plans to work on assessing Physical Impact of Climate Change in 2024

Material Topics – Governance

S&P Global

Business Ethics

Sustainable1

Malpractice
policies and practices for prevention of bribery & corruption and anti-competitive behavior in the project bidding processes

The Board of Directors of the Company approved the Code of Business Conduct and Ethics (the "Code") which sets forth the Company's ethical beliefs, values, and commitment to the conduct of day-to-day business activities and endeavors of all directors, officers, employees, interns, agents, consultants, sub-contractors, and other persons associated with or representing the Company.

The Code provides that the Company will not tolerate any act of bribery, corruption, or any unethical practices, whether directly or indirectly, that would result in the violation of the Company's policies and/or applicable anti-bribery laws. The Company will not only terminate the employment and/or severance of business relations with employees who will fail to comply with these laws and/or policies but will also entail civil and/or criminal penalties.

The Company firmly believes that fair competition is fundamental to the continuation of the free enterprise system. The Code provides that the Company will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely with the Company. Moreover, the Company prohibits its personnel from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anti-competitive behavior.

Business Ethics

Communication On Anti-corruption Policies And Procedures, 2023

100%

- Of governance body members have been communicated the organization's anti-corruption policies and procedures
- Of employees have been communicated the organization's anti-corruption policies and procedures
- Of business partners have been communicated the organization's anti-corruption policies and procedures

Training On Anti-corruption Policies And Procedures, 2023

100%

- Of governance body members have received training on anti-corruption
- Of employees that have received training on anti-corruption

Confirmed Cases Of Corruption Incidents, 2023

0

- confirmed incidents of corruption
- confirmed incidents in which employees were dismissed or disciplined for corruption
- confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption
- public legal cases regarding corruption brought against the organization or its employees

Action Taken on Corruption Incidents, 2023

0

- Incidents where contracts with business partners were terminated due to incidents of corruption
- Incidents in which directors were removed or disciplined for corruption

Economic Performance

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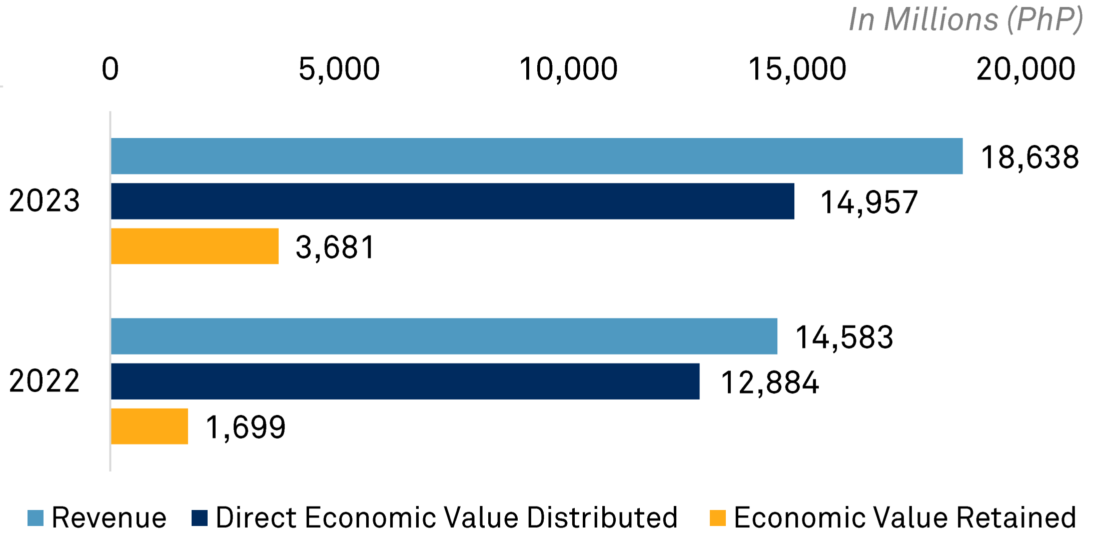
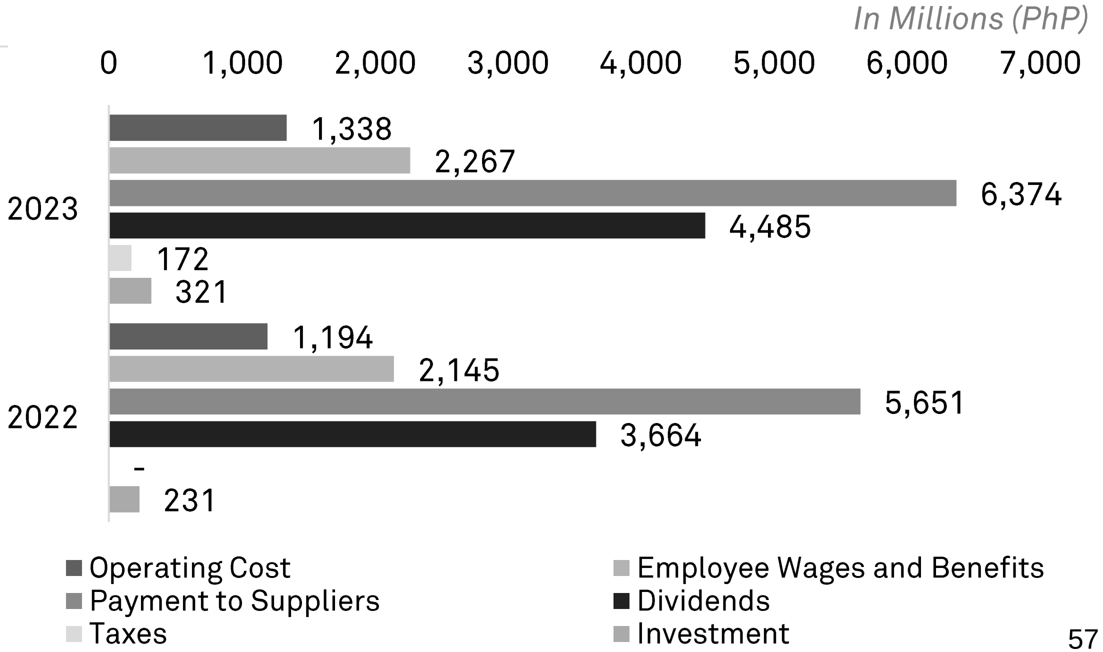
Direct Economic Value Generated and Distributed

- **28%** increase in **Revenue** in 2023 compared to the previous year
- **16%** increase in **Direct Economic Value Distributed** in 2023 from 2022
- **2 X** increase in **Economic Value Retained** for 2023 compared to 2022



Components of Direct Economic Value Distributed

- **12%** increase in **Operating Cost** in 2023 compared to previous year
- **6%** increase in **Employee Wages and Benefits** in 2023 compared to previous year
- **13%** increase in **Payment to Suppliers** in 2023 from 2022
- **22%** increase in **Dividends** in 2023 from 2022
- **39%** increase in **Investment** in 2023 from 2022



Appendices

Appendix I – Sustainability Frameworks

- **Sustainability Accounting Standards Board (SASB)** – Developed to facilitate disclosure based on financially-material, sector-specific sustainability topics. SASB offers 26 topics with coverage spanning 77 unique industries.
- **Global Reporting Initiative (GRI)** – The GRI Standards are modularly grouped into Economic, Environmental and Social categories, with each further containing specific topics. These topics are broad yet comprehensive and focuses on stakeholder consultation in identifying the material topics.

Sustainable1's materiality assessment approach is anchored on the **SASB standard** followed by an overlay with **GRI standards** and topics reported by peers. Together, this approach allows Megawide **to consider both the business impact and wider economic, environmental and societal impacts perceived by stakeholders** when determining the materiality of an ESG topic.

Appendix II – Descriptions of ESG Material Topics

Sustainable1

#	Material Topics	Brief Description
1	GHG Emissions	The category addresses Scope 1, 2 and 3 greenhouse gas (GHG) emissions that a company generates through its operations and its plans to manage and/or reduce emissions.
2	Energy Management	The category addresses the company's management of energy in manufacturing and/or for provision of products and services derived from utility providers (grid energy) not owned or controlled by the company.
3	Water & Wastewater Management	The category addresses a company's water use, water consumption, wastewater generation, and other impacts of operations on water resources, which may be influenced by regional differences in the availability and quality of water.
4	Waste & Hazardous Material Management	The category addresses a company's management of solid wastes in manufacturing, agriculture, and other industrial processes. It covers treatment, handling, storage, disposal, and regulatory compliance
5	Ecological Impact	The category addresses Environmental Impacts of Project Development that involves environmental considerations before project initiation, as well as continuing to evaluate them during project development, and be prepared to mitigate potential environmental issues and the associated financial risks that may occur.
6	Product Quality & Safety	The category addresses managing the lifecycle impacts of products and services, such as those related to packaging, distribution, use-phase resource intensity, and other E & S externalities that may occur during their use-phase or at the end of life.
7	Human Rights and Community Relations	The category addresses management of the relationship between businesses and the communities in which they operate, including, management of direct and indirect impacts on core human rights and the treatment of indigenous peoples
8	Labour Practices	The category addresses the company's ability to uphold commonly accepted labour standards in the workplace, including compliance with labour laws and internationally accepted norms and standards.
9	Employee Health & Safety	The category addresses a company's ability to create and maintain a safe and healthy workplace environment that is free of injuries, fatalities, and illness.
10	Employee Engagement, Diversity & Inclusion	The category addresses a company's ability to ensure that its culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the makeup of local talent pools and its customer base.
11	Lifecycle Impacts of Buildings & Infrastructure	The topic addresses incorporation of environmental, social, and governance (ESG) considerations in characteristics of products and services provided or sold by the company. It includes, managing the lifecycle impacts of products and services.
12	Climate Impacts of Business Mix	The topic addresses company's capacity to manage risks and opportunities associated with incorporating social, environmental, and political transitions into long-term business model planning.
13	Climate Change Adaptation	The category addresses the company's ability to manage risks and opportunities associated with direct exposure of its owned or controlled assets and operations to actual or potential physical impacts of climate change.
14	Business Ethics	The category addresses the company's approach to managing risks and opportunities surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities, and unethical component.
15	Economic Performance	The category addresses company's ability to deliver long-term economic, financial growth, and value to stakeholders.

Appendix III – ESG Index

Sustainable1

No.	Material ESG Topics	SASB	GRI	PHL-SEC
1	GHG Emissions		3-3, 305-1, 305-2, 305-3, 305-4, 305-5	Yes
2	Energy Management		302-1	Yes
3	Water & Wastewater Management		303-1, 303-2, 303-3, 303-4, 303-5	Yes
4	Waste & Hazardous Material Management		306-5	Yes
5	Ecological Impact	IF-EN-160a.1., IF-EN-160a.2.		Yes
6	Product Quality & Safety			Yes
7	Human Rights and Community Relations		413-1, 413-2, 411-1	Yes
8	Labour Practices		402-1, 407-1, 408-1, 409-1	Yes

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No.	Material ESG Topics	SASB	GRI	PHL-SEC
9	Employee Health & Safety	IF-EN-320a.1.	403-1, 403-2, 403-3, 403-4, 403-8, 403-6, 403-7, 403-9, 403-10	Yes
10	Employee Engagement, Diversity & Inclusion		401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405 -1, 405-2, 406-1	Yes
11	Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1., IF-EN-410a.2., IF-RE-410a.1., IF-RE-410a.2., IF-RE-410a.3.		
12	Climate Impacts of Business Mix	IF-EN-410b.1., IF-EN-410b.2., IF-EN-410b.3.		
13	Climate Change Adaptation	IF-RE-450a.1., IF-RE-450a.2.		
14	Business Ethics		205-1, 205-2, 205-3	Yes
15	Economic Performance		201 -1, 201-2, 201-3, 201-4	Yes

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