

FOCUSED

Towards a First-World Philippines



 **MEGAWIDE**

2023 ANNUAL SUSTAINABILITY REPORT

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ABOUT THIS REPORT

The past year tested the mettle of the world with a plethora of challenges, from lingering effects of the pandemic and supply-chain disruptions to geopolitical uncertainties and climate change. Amid these trials, Megawide has not merely endured — we have honed our focus and emerged more concentrated, purposeful and determined to realize our vision of a first-world Philippines.

This report, themed 'Focused', encapsulates our journey of precision, strategic clarity and unwavering commitment. It reflects our deliberate steps in navigating uncertainty, embracing innovation and driving sustainable growth.

In these pages, you will discover:

- How we are proactively managing risks through robust strategies, including climate risk assessments and value chain footprinting, to ensure long-term sustainability.
- How we are embracing strategic expansion with key acquisitions such as PH1 World Developers, Inc. (PH1), strengthening our capabilities and unlocking new opportunities.
- How we are deepening our commitment to ESG principles by integrating them into our operations, decision-making processes and stakeholder engagement.

'Focused' is more than a theme. It's a promise — a promise to maintain our concentration on key objectives, to turn challenges into avenues of growth and to relentlessly pursue a brighter future for the Philippines. We invite you to explore our story and join us on this dedicated journey of engineering a first-world Philippines.

REPORTING FRAMEWORK

The ASR has been prepared adhering to the Philippine Securities and Exchange Commission's (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies. It also conforms to the Global Reporting Initiative (GRI) 2021 standards and is aligned with Sustainability Accounting

Standards Board (SASB) and United Nations Sustainable Development Goals (UNSDGs).

In the coming year, our plan is to evaluate our climate-related risks and opportunities in accordance with Task Force on Climate-Related Financial Disclosures (TCFD) and the International Financial Reporting Standard (IFRS) S1 and S2 standards.

This report elaborates on our performance across identified material topics that have an impact on our business and our ability to create value. Along with this report, we have provided reporting index consisting of the global standards and material topics covered.

REPORTING PERIOD AND CYCLE

This report covers Megawide's financial and sustainability performance for the period from January 1 to December 31, 2023. The report is published annually, providing a comprehensive overview of our activities, achievements and future directions.

CONTACT INFORMATION

1. For all sustainability concerns and queries, please contact us through our Megawide Foundation office at foundation@megawide.com.ph
2. For inquiries from customers, investors, analysts, and the financial community, please contact Investor Relations at ir@megawide.com.ph
3. For media and other stakeholders, please contact Corporate Communications at corpaffairs@megawide.com.ph

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MESSAGE FROM THE CHAIRMAN AND CEO

MY FELLOW SHAREHOLDERS,

We begin our journey to the next 25 years with greater purpose and stronger resolve towards our vision of engineering a First-World Philippines.

The years 2020-2022 bore the ill-effects and scars of the COVID-19 pandemic but in 2023, the worst is over. Our performance as a Company exhibited this and was achieved amid a global economic slowdown. The Philippines bucked this trend and posted the 3rd best performing GDP growth around the world at 5.6%.

This welcome feat unlocks enormous opportunities for companies, ours included, who serve in the economy's major growth pillars – private consumption demand, infrastructure, and trade. In our case, it also gives us more flexibility to pursue a more focused, sustainable, and inclusive long-term growth agenda.

We begin our journey to the next 25 years with greater purpose and stronger resolve towards our vision of engineering a First-World Philippines.

RENEWED FOCUS



After more than 25 years of thriving under evolving commercial landscapes, changing regulatory environments, and shifting political and economic directions, it became second nature to respond accordingly in every occasion and remain relevant. Yet it takes more than just reflex to endure every challenge – we also learned to focus on our key advantages to turn every crisis into an opportunity. Together, these developed our agility as an organization.

For instance, our divestment in our airport subsidiary two years ago allowed us to pivot and balance our corporate objectives between optimizing economic gains, maximizing social impact, and managing environmental footprint.

A case in point is our acquisition of PH1 World Developers, Inc. (PH1), which completes a step in our natural progression as a construction company towards a higher value-added business. It also realizes our forward integration with our existing capabilities, particularly our Precast and Construction Solutions (PCS), to harness synergies within our internal value chain. This new segment will provide us a platform to help address the domestic housing backlog, showcase our expertise in employing ESG-friendly construction methodologies, and integrate green developments with modern living.

We have mandated ourselves to pursue inclusivity and are also making progress on this front through the Carbon Market redevelopment in Cebu City. Our early gains uphold the project's objective to serve as the model for urban renewal and a template for economic, environmental, and social transformation.

Across our portfolio, we have been more mindful to advocate ESG-responsive projects and practices that are also aligned with our identified United Nations' Sustainable Development Goals (SDGs).

A BOUNCE BACK PERFORMANCE



Our company last year recorded a consolidated net income of P263 million from continuing operations and reversed the comparative consolidated loss incurred in the previous year. Our revenues were also higher by 26%, amounting to P18.6 billion, courtesy of a strong construction segment, which contributed 97% or P18.2 billion to the total. The performance was also complemented by steady recovery of the landport operations at Paranaque Integrated Terminal Exchange (PITX), contributing P348 million, and the

initial contribution from our newly acquired property development arm PH1 World Developers, Inc. (PH1), churning in P149 million.

Though we are not yet at our desired levels, our operating performance gives us much confidence that we are on track to reach our targets in the medium to long-term. We also believe that our improved topline should be complemented with initiatives that will deliver a wholistic, responsible, and impactful value to all our stakeholders.

3-D PERSPECTIVE



To sustain our gains, we will sharpen our focus by taking on a 3-D approach to our short- to medium-term plans. This will provide us a more realistic and detailed view of our Company and enhance our understanding of our strengths and opportunities, to guide us in developing a more effective and responsive value-creation strategy.

The first “D” is Delivery

In the construction segment, we aim to deliver steady completion and stable revenues from new and ongoing projects, such as Westside City Resorts, Malolos Clark Railway, and Metro Manila Subway System. We also want to maintain an order book equivalent to 2-3 years' worth of revenues.

In our landport, PITX hosted more than 100,000 average daily passengers last year – the highest since it opened in 2018. We target to serve 40 million passengers in 2024 and reach the 150 million milestone in the same year. We also aim to convert this traffic to higher revenues by creating a diverse mix of high-yielding tenants to spur passenger spending. The office towers also attracted more stable tenants – including government offices, travel agencies, and transport-oriented services – and we target to fully lease out the available spaces with long-term contracts, both traditional and non-traditional, in the next 12 months. Outside PITX, our TCD expansion continues to gain traction and we hope to break ground in 2024.

For our real estate venture, we need to complete projects on time and on specification, to quickly convert the P3.2 billion in reservation sales last year into revenues. We will complement this with strategic project launches, preferably via asset light models, to sustain revenue generation and increase market share, while managing the balance sheet.

While still on its nascent stage, we expect the Carbon Market Redevelopment to further strengthen and expand its ESG impact and achieve its objective of becoming a critical piece in Cebu's urban renewal and the Company's value creation drive.

The second D is De-levering

The Company's balance sheet as of end-2023 remained sound and compliant with the parent company's bank covenants – ending at 1.9x Debt-to-Equity (D-E) ratio against the 2.33x D-E ratio covenant. This was also significantly lower from the high of 2.6x in 2021 prior to our airport transaction. Still, we intend to reduce this to an even more comfortable and bankable level in the next 24 months, by gradually paying down our debt and bring down our D-E ratio to around 1.4x in the medium-term.

The immediate impact of this measure is to ease interest expenses, which will help enhance margins, strengthen the balance sheet, and boost overall shareholder value.

The last D is for Disclosure

Our Company is an industry trailblazer when it comes to ESG advocacy and reporting, publishing our First Sustainability Report in 2018 ahead of our peers.

The Securities and Exchange Commission (SEC) mandated all publicly-listed companies (PLCs) to disclose, on top of the regular financial disclosures, sustainability norms and climate-related disclosures, in accordance with the International Financial Reporting Standards (IFRS) S1 and S2 provisions, respectively.

While this will be effective starting January 2025, we already started in 2023 and will publish in this report a more comprehensive ESG Disclosure Report. This will allow us to measure our impacts and provide our investors and stakeholders a clearer picture of where we are and plan to be in our ESG aspirations.

THE NEXT 25 YEARS



The year 2023 demonstrated our ability to get back on our feet but the way forward will take more than our bounce-back performance last year. It will require a stronger commitment from our stakeholders and a renewed focus from our Company, to achieve a Triple-Bottomline objective of People, Planet, and Profit, for the benefit of generations to come.

To our employees, partner communities, business associates, government regulators, and investors, thank you very much for your never-ending trust and confidence in our Company. Let us stay together in this journey to the next 25 years and towards engineering a First-World Philippines.



ABOUT MEGAWIDE



Megawide is a leading Philippine infrastructure and engineering conglomerate driven by a vision of engineering a first-world Philippines through sustainable and inclusive growth. Our expertise spans engineering, procurement, and construction (EPC), pre-cast and construction solutions (PCS), land port operations through the Parañaque Integrated Terminal Exchange and property development through our subsidiary PH1 World Developers, Inc. (PH1). We leverage innovative engineering and construction technologies to deliver landmark projects that prioritize social responsibility, commercial mobility and environmental sustainability.

We are committed to minimizing our environmental footprint through energy-efficient solutions, resource optimization and responsible waste management practices. Our community engagement initiatives focus on empowering local communities, fostering education and skills development and creating economic opportunities. By upholding the highest ethical standards and investing in our workforce, we strive to create a positive and lasting impact on the communities we operate with, contributing to a more sustainable and progressive Philippines.

Our expertise spans engineering, procurement, and construction (EPC), pre-cast and construction solutions (PCS), land port operations through the Parañaque Integrated Terminal Exchange (PITX) and property development through our subsidiary PH1 World Developers, Inc. (PH1).



VISION

We will be a First-World Philippines.



MISSION

We will be at the forefront of building a First-World Philippines through engineering excellence and innovation.



VALUES

Excellence

We consistently try to do well in whatever task we take on, great or small because we owe it to ourselves to try and become better in what we do.

Teamwork

We are all on the same team, driven by the same purpose. We help fuel each other's ideas, support each other's efforts, and trust each other instead of competing against one another.

Malasakit

We are moved to action by the people and ideals we deeply care about, such as our families, colleagues, and our desire for a better life for ourselves and our fellow Filipinos.

Innovation

We do not fear change but embrace it, taking the chance to reinvent ourselves and our industry. We keep ourselves open to new ideas and fresh perspectives and look for better ways to deliver output.

Integrity

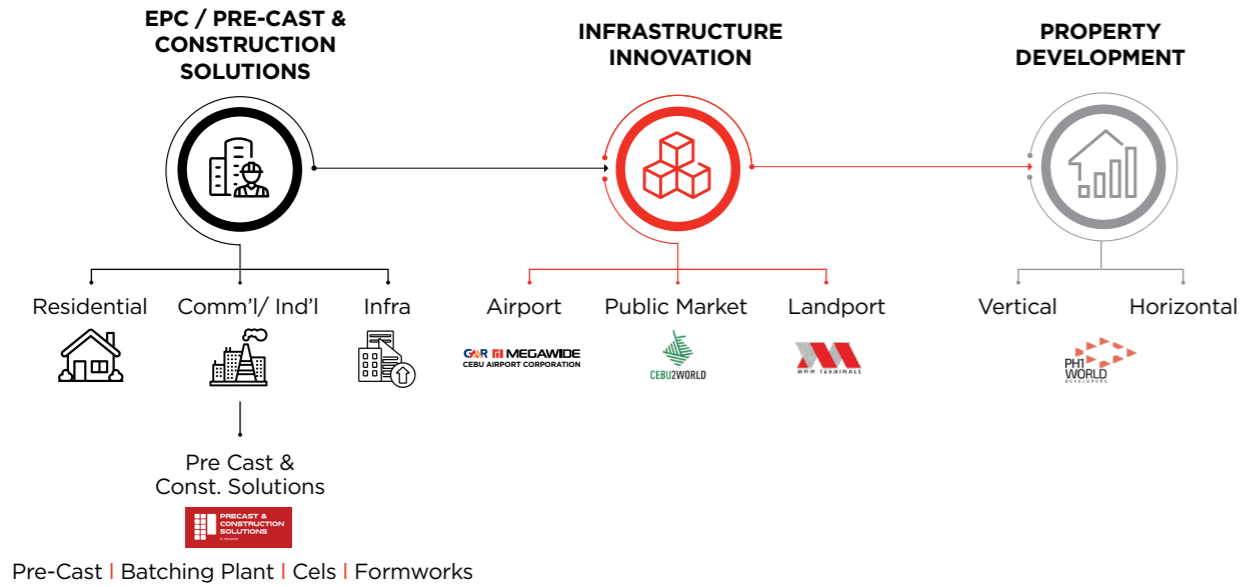
We treat our colleagues and partners with honesty and respect as we strive to be good people guided by our conscience and malasakit.

Community

Our actions affect the communities we work with, so we partner with them to ensure that we can leave lasting positive social impact through our projects.



A publicly listed diversified engineering conglomerate focused on CONSTRUCTION and INFRASTRUCTURE DEVELOPMENT



INFRASTRUCTURE INNOVATION

Megawide's commitment to progress extends beyond traditional construction. We are pioneers in developing innovative infrastructure solutions that enhance connectivity, efficiency and public service delivery, transforming the way Filipinos live, work and connect:

Airports

Megawide has a proven track record in developing and operating world-class airport terminals that set new benchmarks for passenger comfort, operational efficiency, and sustainable design. Our landmark achievement, the Mactan Cebu International Airport (MCIA), exemplifies this commitment with its innovative design and passenger-centric facilities. MCIA's transformation into a world-class airport underscores Megawide's capability in delivering large-scale, complex projects that improve travel experiences and boost tourism. We continue to pursue opportunities to enhance airport infrastructure across the country, aiming to replicate the success of MCIA in other regions.

Commercial

Megawide delivers comprehensive construction services for a range of commercial projects, including office buildings, retail complexes and multi-use developments. Our innovative construction methods and dedication to excellence help us create dynamic commercial environments that spur economic growth and foster community development. We incorporate sustainable building practices and innovative design solutions to minimize our environmental footprint while maximizing functionality and aesthetic appeal. Noteworthy projects include Suncity's Westside City Resorts Complex as well as a handful of Lander's Superstores branches and several Double Dragon Towers.

Infrastructure

Megawide plays a crucial role in national infrastructure development, undertaking significant projects such as highways, bridges and rail systems. Our expertise in precast construction helps us deliver projects with enhanced efficiency, reduced environmental impact and superior quality, ensuring these vital projects stand the test of time. The use of precast and construction solutions ensures these infrastructure projects are durable, efficient and completed within prescribed timelines. Projects such as the Package 1 of the Malolos Clark Railway Project and Metro Manila Subway System's Contract Package 104 are prime examples of Megawide's capability to enhance the country's connectivity and transportation efficiency, directly contributing to national progress.



Land ports

Megawide is at the forefront of developing modern land port terminals that redefine public transportation in the Philippines. Our land port projects integrate seamless passenger experiences with sustainable design elements and operational excellence, creating comfortable, efficient and environmentally responsible transportation hubs. The Parañaque Integrated Terminal Exchange (PITX), the Philippines' first and premier land port, exemplifies this commitment. PITX integrates various modes of transportation, providing commuters with a seamless, safe and efficient travel experience while helping alleviate traffic congestion in Metro Manila.



BUSINESS SEGMENTS EPC/PRECAST CONSTRUCTION SOLUTIONS (PRECAST, BATCHING PLANT, CELS, FORMWORKS)

Our EPC segment — bolstered by our advanced PCS unit — forms the foundation of our expertise in delivering high-quality, efficient and sustainable infrastructure projects. We cater to a diverse range of sectors, contributing to the nation's growth and development.

Residential

We build homes and residences, partnering with leading developers to address the urgent need for quality housing in the Philippines. Our commitment to affordability and innovation ensures accessible and dignified housing options for more Filipinos. We utilize advanced precast technologies across our projects — from horizontal to vertical developments — to enhance construction efficiency, quality and sustainability. This approach accelerates project timelines while ensuring structural integrity and building longevity. Key projects such as PH1's The Hive, MyEnso Lofts and PHirst Park Homes, where our PCS unit has secured multiple supply and build contracts for several locations, demonstrate our commitment to providing high-quality, affordable living spaces.





PUBLIC MARKETS

We believe in the power of vibrant public spaces to foster community and drive economic opportunity. Megawide is committed to revitalizing public markets across the Philippines, starting with the redevelopment of the age-old Carbon Market in Cebu City through Cebu2World Development, Inc. (C2W), by incorporating modern infrastructure, sanitation and waste management solutions. Our future public market projects will provide the blueprint for urban renewal and create cleaner, safer and more vibrant community spaces that support local entrepreneurship and enhance the quality of life for residents. These projects aim to revitalize local economies by offering better facilities for vendors and shoppers, promoting community engagement and supporting local commerce.

PROPERTY DEVELOPMENT (PH1 WORLD DEVELOPERS)

In a strategic move that embodies our 'Focused' theme for the year, Megawide acquired PH1 marking a strategic entry into the property development sector. This vertical integration and natural progression allow us to leverage our EPC and PCS expertise to deliver end-to-end solutions for sustainable and innovative housing, ensuring quality, affordability and a focus on enhancing shareholder value and resident well-being.

Vertical

PH1 is developing modern and stylish vertical residences in strategic urban locations to meet the evolving needs of a growing urban population. Our vertical projects incorporate sustainable features, resident-centric designs and a focus on creating thriving communities within a vertical setting, offering a modern and sustainable approach to urban living. PH1's developments, such as My Enso Lofts and Modan Lofts Ortigas Hills, exemplify this innovative approach. These projects provide residents the flexibility to customize their living spaces through unique innovations such as Add-Loft technology, which maximizes space and functionality. Upcoming projects are set to further elevate urban living standards by integrating advanced design and engineering solutions.



Horizontal

Our horizontal housing projects focus on breathable residences and landscapes that prioritize affordability, comfort and environmental responsibility. By incorporating green building practices, energy-efficient solutions and thoughtful community planning, we create sustainable and desirable living spaces that enhance the quality of life for residents while minimizing our environmental impact. In the horizontal development segment, PH1 launched its maiden development, the Northscapes San Jose Del Monte in Bulacan, which showcases energy-efficient solutions, incorporating technologies such as solar panels, insulated walls, tinted windows, e-shuttles and solar-powered streetlights. These features provide residents sustainable and green living environments at no additional cost.

KEY MILESTONES

Strategic Partnerships

Acquisition of PH1 World Developers: In July 2023, Megawide acquired 100% stake in PH1 World Developers for PHP 5.2 billion, enhancing the forward integration and natural progression of the Company's EPC and PCS capabilities into property development.

Partnership with Evolution Data Centres, Inc. (EDC): In February, Megawide signed a shareholders' agreement with EDC to construct and operate a 69MW carrier-neutral data centre in Silang, Cavite. The project is set to be developed in phases over five years.

Engineering, Procurement, and Construction (EPC)

Metro Manila Subway (MMSP) and Malolos Clark Railway Projects (MCRP): Continued progress on the MCRP Phase 1 construction and commenced groundworks for the MMSP in the Ortigas District.

Westside City Resort Complex: Development remains on track, contributing significantly to the EPC segment's revenue.

New Contracts. The construction of Hotel 101 in Libis and the development of Lumbangan Solar Power Plant Phase 1 in Batangas were awarded to Megawide in 2023.

Landport Developments

Record Foot Traffic: Significant increase in foot traffic at the country's first land port, with record numbers during the holiday season.

Increased Passenger Spending: With huge passenger volume, the retail segment continued to be robust and drove higher revenues, together with increased foot traffic.

New Projects and Recognitions

Launch of Residential Projects: PH1 launched Modan Lofts Ortigas Hills and Northscapes San Jose del Monte Bulacan to beef up its portfolio, with existing projects like My Enso Lofts showing strong sales.

Awards and Recognitions: Won multiple awards including Best Managed Company, Best CEO, Best CFO, and Best Consumer Cyclicals at the Finance Asia Best Managed Companies' 2023 Poll.

Pre-Cast and Construction Solutions (PCS)

Internal and External Growth:

Sustained capacity utilization build-up with significant contracts:



PHP 923 million contract for CP-104 of the Metro Manila Subway System.



New contracts with PHirst Park Homes across multiple locations.



PHP 1.0 billion contract with Leighton Asia for the Candaba Viaduct expansion.



PHP 108 million deal for the MRT-7 Line.



PHP 158 million contract with Vitro Data Centre marking an expansion into digital infrastructure.



STRATEGIC PRIORITIES AND FUTURE OUTLOOK



ALIGNMENT WITH VISION AND MISSION

Our vision of a first-world Philippines is not merely aspirational; it is a call to action. We are driven by a deep-seated belief that every Filipino deserves access to world-class infrastructure, breathable living spaces, a thriving economy and a healthy environment. Our sustainability journey is intrinsically anchored on this vision, providing a roadmap for achieving lasting progress while safeguarding the well-being of our planet and its people.

Our sustainability framework is intrinsically linked to our overarching vision of building a firstworld Philippines. We believe that true progress encompasses not only economic development but also social inclusion, environmental responsibility, and ethical governance. Our short-term, medium-term and long-term goals are strategically aligned to advance this vision, ensuring that our pursuit of growth is always balanced with our commitment to sustainability.

This year, “Focused” underpins our commitment to:

Proactively mitigating risks: We have sharpened our risk management practices to navigate a complex and ever-changing world. With a precise risk mitigation strategy in place, we are well-equipped to anticipate and address potential challenges, ensuring a resilient and sustainable path toward our goals.



Implementing targeted solutions: We are committed to challenging the status quo and exploring innovative approaches to infrastructure development, community engagement and environmental stewardship. Our “Focused” mindset empowers us to implement solutions that drive positive change and create a lasting legacy.



Leading with transparency and accountability: We believe that transparency and accountability are essential for building trust and fostering meaningful progress. We are committed to openly communicating our sustainability performance, both successes and challenges, and engaging with our stakeholders in a spirit of collaboration and continuous improvement.



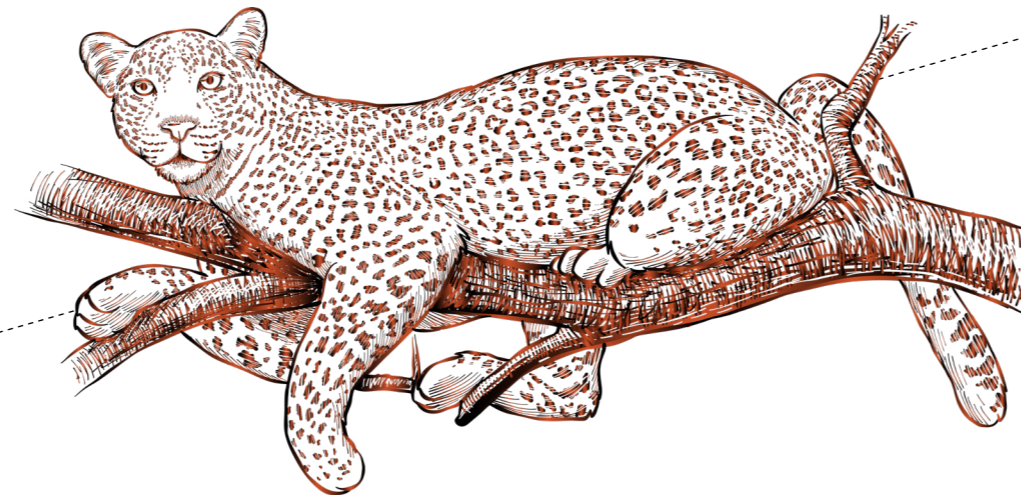
SUSTAINABILITY GOALS

Short-term:
1-3 years



- **Establish a robust sustainability baseline:** We will undertake a comprehensive assessment of our environmental footprint, including a baseline of our greenhouse gas (GHG) emission, to outline a sustainability strategy and accurately track its progress
- **Strengthen governance and risk management:** We will develop and implement robust policies to enhance corporate governance, promote transparency, and strengthen our risk management framework, proactively addressing potential challenges and ensuring business continuity
- **Forge strategic partnerships for better impact:** We will actively collaborate with non-governmental organizations, community organizations, and other stakeholders on environmental conservation initiatives, and identify areas where our support can create the most significant impact

Medium-term:
3-5 years



- **Reduce environmental footprint:** We will implement concrete measures to reduce our GHG emission, improve energy efficiency across our operations, and minimize our impact on natural resources
- **Operationalize sustainability policies:** We will ensure full compliance with our newly established sustainability policies, integrating those into our daily operations and decision-making processes
- **Activate community development programs:** We will launch and implement targeted programs to support community development in the locations where we operate, focusing on education, skill development, livelihood creation, and access to essential services

Long-term:
Beyond 5 years



- **Achieve net-zero carbon emission:** We are committed to achieving net-zero carbon emission across our operations by adopting innovative technologies and sustainable practices
- **Strengthen organizational sustainability:** We will continuously strengthen our organization with regard to governance-, social-, and labor-related aspects, and foster a culture of transparency, accountability, and respect for human rights
- **Promote stronger community ties:** We will cultivate deeper, more meaningful relationships with the communities where we operate, working collaboratively to address local challenges and create shared value for future generations

Strategies for sustainable growth

Our commitment to “focused” sustainability is embedded in our core business strategy, ensuring that our pursuit of growth is always responsible, inclusive, and future-proof.

Proactive risk management: We recognize that a rapidly changing world presents new and evolving risks. Our focused risk-management approach allows us to anticipate, assess, and mitigate potential challenges, ensuring business continuity and safeguarding our stakeholders’ interests

Climate action as a business imperative: We are integrating climate action as a core business imperative, embedding climate considerations into our investment decisions, operational practices, and long-term strategies

Value chain sustainability: We are dedicated to promoting sustainability across our value chain, working closely with suppliers, contractors, and partners to uphold ethical sourcing practices, environmental responsibility, and fair labor standards. Our focused collaboration ensures that every link in our value chain aligns with our sustainability goals.

2023 BUSINESS REVIEW

EPC

Our construction segment demonstrated agility and resilience, securing key projects and delivering exceptional results despite a challenging market environment. In 2023, revenue from the segment stood at Php18.1 – 24% higher than the previous year – and contributed 97% to total consolidated revenue. Likewise, our order book remained healthy, at P43.1 billion, equivalent to a burn rate of 2-3 years.

2023 was a year of strategic repositioning for Megawide. Our performance across all business segments reflected our commitment to sustainable growth, with focus on resiliency and progressive infrastructure development.



MCRP Phase 1: We made significant progress on the construction of the Malolos Clark Railway Project (MCRP) Phase 1, achieving close to 45% completion as of year-end 2023. The project will soon contribute to increased commerce and mobility from Metro Manila to Central Luzon.



Metro Manila subway project: The project's initial groundwork commenced at Ortigas District, marking a crucial step in this landmark project that will transform urban transportation in Metro Manila



Suncity's Westside City Resort Complex: Development remained on track, with our construction and engineering expertise being leveraged to create a world-class entertainment and tourism destination

Sustainability highlights

Implementation of green building practices: We incorporate sustainable building materials and energy-efficient technologies in our construction projects, reducing our environmental footprint and promoting sustainable development

Enhanced safety protocols: We prioritize the safety and well-being of our workforce, having implemented enhanced safety protocols and training programs to ensure a secure and healthy work environment

PRE-CAST AND CONSTRUCTION SOLUTIONS

Our Pre-Cast and Construction Solutions (PCS) unit continued to demonstrate strength and versatility, securing inhouse as well as external contracts, and expanding into new market segments. As of end-2023, the total order book was over Php8 billion, with external clients comprising 71% share.

Metro Manila Subway System: Our PCS unit secured a Php923 million contract for the supply of precast components for CP-104 section of the Metro Manila subway system, showcasing our expertise in large-scale infrastructure projects



Infrastructure expansion: PCS also secured a Php1.0 billion contract from Leighton Asia for the Candaba Viaduct expansion and a Php108 million contract for the MRT-7 line, further demonstrating our ability to deliver high-quality precast solutions for critical infrastructure



Residential partnerships: We secured three new supply and build contracts from PHirst Park Homes, Inc. as well, bringing our total partnership to nearly 19,000 units across 11 locations nationwide

New market entry: We also secured a Php158 million contract from Vitro Data Center, establishing a foothold in the rapidly growing digital infrastructure space

Sustainability highlights

Reduced waste and emissions: Our precast manufacturing process prioritizes waste reduction and minimizes onsite construction waste, contributing to a cleaner and more sustainable construction industry

Enhanced resource efficiency: Our precast solutions optimize material usage, thereby reducing the overall environmental footprint of our projects and promoting resource conservation

INFRASTRUCTURE INNOVATION

Our infrastructure segment played a pivotal role in advancing the country's development agenda, undertaking projects that enhance connectivity, mobility, and economic opportunity for all Filipinos.

Carbon Market redevelopment. Apart from transport-related infrastructure, we are also focusing on urban renewal through the redevelopment of the Carbon Market in Cebu City. Once completed, the historic site will be transformed into a tourist destination and a shopping center while preserving the area's cultural heritage

Data center operations: We signed a shareholders' agreement with EDC for the construction and operation of a 69MW carrier-neutral data center in Silang, Cavite. This project will bolster the Philippines' digital infrastructure and attract foreign investment

Sustainability highlights

Community engagement in infrastructure projects: We prioritize community engagement throughout the lifecycle of our infrastructure projects, ensuring that local voices were heard, and projects delivered tangible benefits to the surrounding communities

Sustainable infrastructure design: We incorporate sustainable design principles into our infrastructure projects, minimizing environmental impact, and enhancing the resilience of our infrastructure to climate change

LANDPORT OPERATIONS

The PITX, which is the country's only land port, continued to see substantial growth in passenger traffic, solidifying its position as a vital transportation hub.

Record passenger traffic: PITX reached a record 200,000 passengers during the peak holiday season in December 2023, and averaged 117,000 passengers daily by year-end

Robust retail performance: The retail segment at PITX flourished, with average spending per passenger reaching P40/passenger, up from P30/passenger in the previous year

Growing office occupancy: The office segment attracted a diverse range of tenants, with 57% of available spaces leased-out by year-end



PROPERTY DEVELOPMENT



The acquisition of PH1 World Developers marked a transformative step in our journey, enabling us to offer end-to-end solutions for sustainable housing and capitalize on synergies across our business segments.

In 2023, PH1 launched 1,075 units between Northscapes SJD and Modan Lofts Ortigas Hills. Also, Tower D - the last of the four towers - of The Hive Residences was handed over before the year-end.

Strategic acquisition: We acquired a 100% stake in PH1 World Developers from Citicore Holdings Investment Inc. for Php5.2 billion, completing our vertical integration strategy

New project launches: PH1 World Developers launched two new residential projects - Modan Lofts Ortigas Hills in Taytay, Rizal, and Northscapes in San Jose del Monte, Bulacan - valued at -Php11 billion

Strong sales performance: Existing projects, such as My Enso Lofts, continued to perform well, with a uptake rate of over 70%. Newly-launched projects have also performed very well, with average uptake of over 70%

Industry recognition: Both Megawide and PH1 World Developers received prestigious industry awards, recognizing our commitment to excellence, innovation, and sustainability

Sustainability highlights

Affordable and sustainable housing solutions: PH1 World Developers remains committed to providing Filipinos with access to affordable and sustainable housing options, incorporating green building practices and energy-efficient technologies in its projects

Community development initiatives: PH1 World Developers actively engages with communities in the vicinity of its projects, implementing initiatives that promote social development, education, and livelihood creation

FEATURED PROJECTS

Parañaque Integrated Terminal Exchange (PITX): Revolutionizing Public Transportation

With a strategic location and multi-modal transport nature, serving various destinations within and outside the capital, PITX is an ideal business hub. PITX complements the terminal with diverse offerings to enhance passenger experience, which stands as a testament to our commitment to revolutionizing public transportation in the Philippines. This world-class terminal provides passengers with a safe, comfortable, and efficient commuting experience while setting a new benchmark for sustainable infrastructure design.

Megawide's commitment to building a First-World Philippines is embodied in the transformative projects we undertake. These featured projects showcase our expertise, innovation, and unwavering dedication to creating a more sustainable, resilient, and prosperous future for all Filipinos.

KEY HIGHLIGHTS:

Route Development: 16 new routes, within and outside the main island of Luzon, were opened last year, serving more passengers and increasing connectivity in and out of Metro Manila.

Passenger Milestone: PITX reached a milestone, accommodating 127 million passengers since its opening in 2018. It expects to welcome its 150-millionth passenger in 2024.

Diversifying Office Tenancy: With high vacancy affecting the local office industry, the PITX Commercial team has been successful in attracting other traditional office tenants, such as government agencies, travel agencies, logistics, and transport-related companies, to fill in vacant spaces.

Energy-efficient Design: PITX incorporates natural ventilation and lighting, reducing energy consumption and operating costs.

Water Conservation Measures: Water-saving fixtures and rainwater harvesting systems minimize water usage.

Green Spaces and Waste Management: Landscaped areas and green roofs enhance air quality and promote biodiversity. In addition, PITX champions proper waste management through campaigns, such as "Broom-broom, Sweep-sweep", in collaboration with nearby barangays.



Carbon Market: Catalyzing Environmental, Economic, and Social Renewal



The ongoing redevelopment of Carbon Market in Cebu is a showcase of how the neglected state of public markets in the country can be improved and eventually be transformed into a model of economic, environmental, and social revival.

KEY HIGHLIGHTS:

Livelihood Opportunities: Cebu City's first hawker center, The Barracks, was relaunched at Carbon Market last year, providing residents with livelihood opportunities, while giving friends, families, and visitors more reason to enjoy Carbon.

Youth-oriented Programs: Completed various behavioural and academic learning and tutorial sessions for the Carbon Youth through the Children's Haven, in cooperation with local government unit agencies and other volunteers, to promote personal development.

Economic transformation: Carbon Market's redevelopment is providing jobs and sustainable livelihood opportunities to residents in the vicinity and surrounding areas to support economic growth and development.

Environmental and Health Preservation: Poor drainage and sewerage systems have been improved and upgraded, offering residents with clean water and better sanitation. The cleaned-up area also helps protect the marine biodiversity in the nearby bay.

Social Development: In collaboration with the district's Police Force, various campaigns focusing on the Carbon youth are continuously being undertaken as a means of luring them away from the influence of drugs, crimes, and violence.

Modan Lofts Ortigas Hills and Northscapes: Redefining Modern Green Living



PH1 World Developers, a testament to our commitment to delivering innovative and sustainable housing solutions, launched two new residential projects: Modan Lofts Ortigas Hills in Taytay, Rizal, and Northscapes in San Jose del Monte, Bulacan.

KEY HIGHLIGHTS:

Innovative Design: Both projects feature modern and functional designs, maximizing space utilization and offering residents flexible living options.

Affordable Luxury: PH1 World Developers is committed to providing Filipinos with access to affordable housing without compromising on quality or amenities.

Sustainable Design Solutions: Energy-efficient lighting, appliances, and building materials are key features, ensuring sustainable and environmentally responsible construction.

Green Living Enhancements: The projects prioritize resident well-being and connection to nature by incorporating green spaces, parks, and community-focused amenities.

Integrated Water Management: Water conservation is addressed through the inclusion of water-saving fixtures and the implementation of rainwater harvesting systems.

Malolos Clark Railway Project and Metro Manila Subway System: Building Critical Infrastructure

Our expertise in precast construction and infrastructure development is evident in our contributions to the Metro Manila Subway Project and the Candaba Viaduct Expansion.

KEY HIGHLIGHTS:

Malolos Clark Railway Project: Together with our Korean partners, Dong AH Construction and Hyundai Engineering, collectively known as HDMJV, we are almost halfway through this landmark structure that is expected to boost commerce and connectivity between Metro Manila and Central Luzon.

Metro Manila Subway System: On top of constructing the above-ground stations and underground railway system with our Japanese counterparts, Tokyu Construction and Tobishima Corporation, Megawide will also supply the tunnel-lining system products for CP-104 of the Metro Manila Subway System.

Precast Construction Benefits: Our precast and construction solutions methods minimize on-site waste, reduce material usage, and accelerate construction timelines, resulting in a smaller environmental footprint.

Durable and Resilient Infrastructure: Precast products and its components are designed for durability and resilience, ensuring the long-term sustainability of these critical infrastructure projects.

Foray into Data Centre: Powering the Digital Future

Our partnership with Evolution Data Centers, Inc. (EDC) for the construction and operation of a 69MW carrier-neutral data center in Silang, Cavite, highlights our commitment to supporting the Philippines' digital transformation.

KEY HIGHLIGHTS:

World-Class Data Center: The facility will meet the growing demand for data storage and processing capacity, attracting foreign investment and supporting the growth of the digital economy.

Local Economic Empowerment: Beyond direct employment, the project will stimulate local economies through partnerships with local businesses and service providers.

Job Creation and Skills Development: The project will generate numerous job opportunities across various skill levels, from construction to highly specialized technical roles.

Bridging the Digital Divide: The data center will contribute to improving digital infrastructure and accessibility, promoting digital inclusion for communities in the region.

Energy Efficiency: The data center will be designed and operated with a focus on energy efficiency, utilizing the latest technologies to minimize energy consumption and reduce its carbon footprint.

These featured projects represent a fraction of the impactful initiatives Megawide is undertaking across the Philippines. We are proud to contribute to the nation's progress and remain committed to building a First-World Philippines, one project at a time.



MATERIALITY ASSESSMENT

A cornerstone of this focused approach is Megawide's materiality assessment. More than a compliance exercise, this process is a strategic tool that allows us to pinpoint and prioritize the ESG topics most critical to our business and stakeholders. Since its inception in 2018 and refinement in 2021, our materiality-assessment framework has been instrumental in aligning our sustainability efforts with both the Global Reporting Initiative (GRI) Standards and the Philippine Securities and Exchange Commission's (SEC) Sustainability Reporting Guidelines for Publicly-Listed Companies.



Identification of Material Topics

The identification of material topics is a critical component of Megawide's sustainability strategy. This process ensures that the company focuses on the ESG issues that are most relevant to its business operations and stakeholders. For the fiscal year 2023, Megawide conducted a comprehensive materiality assessment. This assessment was based on a methodology that references both the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) frameworks, as well as disclosures from industry peers.

Process of Identifying Material ESG Topics

The materiality assessment involved a rigorous process of gathering inputs from both internal and external stakeholders. This engagement aimed to understand the perceived importance of various ESG topics and their impact on Megawide's business. The process included surveys, interviews, and workshops with key stakeholders, ensuring a broad and inclusive approach to topic identification.

List of 15 Material ESG Topics for 2023

Through this comprehensive assessment, 15 material ESG topics were identified. These topics were scored based on their importance to both the business and its stakeholders. The outcomes of this assessment are illustrated in a materiality matrix, which provides a visual representation of the significance of each topic. The 15 material ESG topics for 2023 are:

Our materiality-assessment framework has been instrumental in aligning our sustainability efforts with both the Global Reporting Initiative (GRI) Standards and the Philippine Securities and Exchange Commission's (SEC) Sustainability Reporting Guidelines for Publicly-Listed Companies.

- | | | | |
|--|-----------------------------------|--|--|
| | 1. Occupational Health and Safety | | 6. Environmental Impact and Management |
| | 2. Customer Health and Safety | | 7. Business Ethics |
| | 3. Employment Practices | | 8. Data Privacy and Security |
| | 4. Labor/ Management Relations | | 9. Community Engagement |
| | 5. Economic Performance | | 10. Employee Well-being |
| | | | 11. Product Quality and Safety |
| | | | 12. Supply-chain Management |
| | | | 13. Climate Change Mitigation |
| | | | 14. Resource Efficiency |
| | | | 15. Corporate Governance |

Changes from Previous Year

The 2023 materiality assessment reflects some changes from the previous year, incorporating new insights and evolving stakeholder concerns.

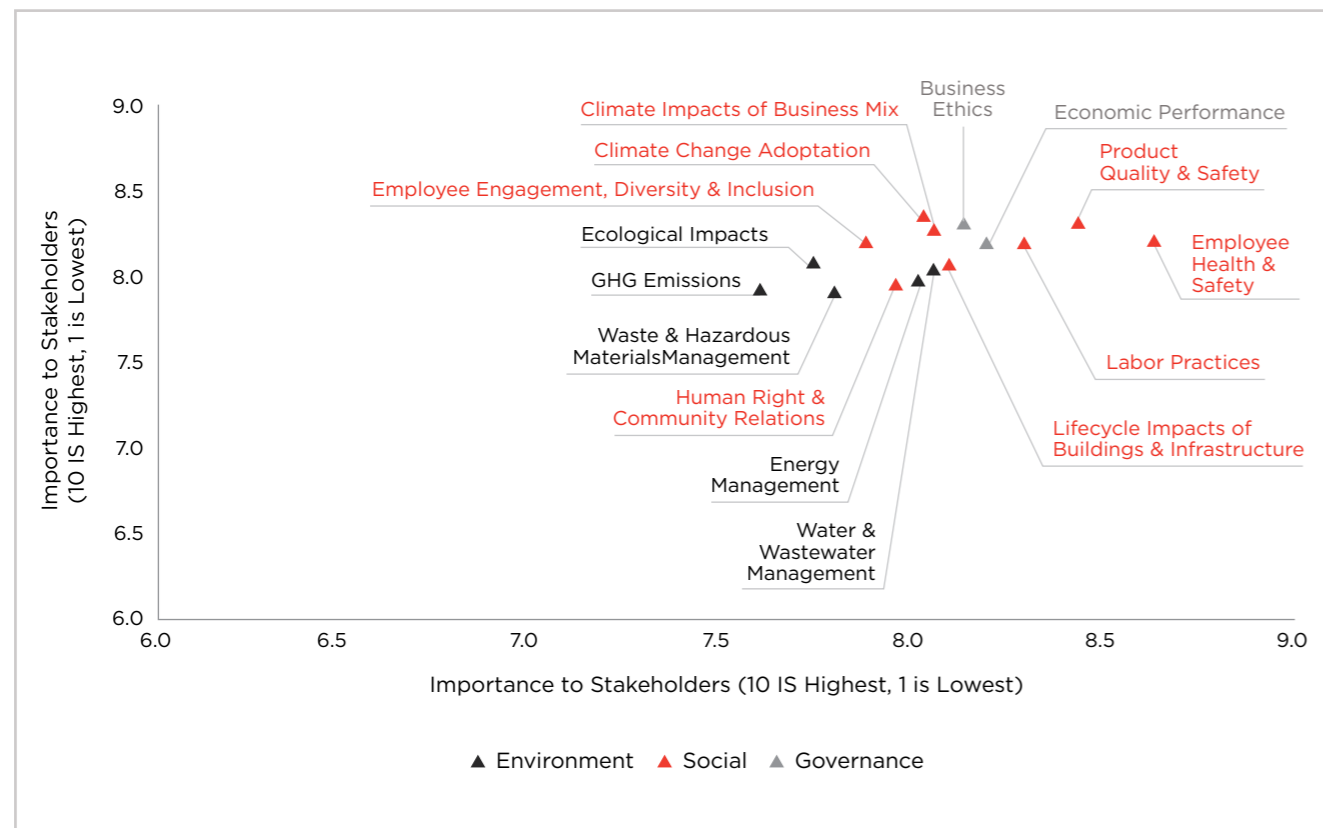
For instance, the heightened focus on data privacy and security and climate change mitigation aligns with global trends and regulatory requirements. Additionally, the emphasis on community engagement and employee well-being underscores Megawide's commitment to social sustainability.

Stakeholder Input and Feedback

The engagement process was instrumental in identifying these material topics. Internal stakeholders, including employees and management, provided insights into operational challenges and opportunities. External stakeholders, such as customers, investors and community representatives, highlighted their expectations and concerns regarding Megawide's sustainability performance. The feedback received was crucial in refining the list of material topics and ensuring that they reflect the interests of all stakeholder groups.


Materiality Matrix Overview

The materiality matrix serves as a strategic tool for Megawide, guiding the company's sustainability initiatives and resource allocation. The matrix categorizes the identified ESG topics based on their significance to stakeholders and their impact on the business.



MATERIAL TOPICS

The materiality assessment for 2023 has identified the top five ESG topics that are significant to Megawide's operations and its stakeholders. These topics are crucial for guiding the company's sustainability initiatives and ensuring alignment with stakeholder expectations. Here is a detailed analysis of each of these topics:



Employee Health & Safety


1

Importance:
Employee health and safety has been identified as the most critical ESG topic for Megawide. It indicates the company's commitment to providing a safe and healthy working environment for all its employees, which is fundamental to its operational integrity and workforce morale.

Key Initiatives:

- **Safety Protocols:** Implementation of rigorous safety protocols and regular safety training sessions to minimize workplace accidents and injuries
- **Health Programs:** Introduction of health programs, including regular medical check-ups and mental health support, to ensure overall well-being
- **Monitoring and Reporting:** Continuous monitoring of health and safety metrics and transparent reporting to stakeholders

Impact:
A strong emphasis on health and safety not only protects employees but also enhances productivity and reduces downtime, thereby positively impacting economic performance.



Product Quality & Safety


2

Importance:
Product quality and safety is paramount for maintaining customer trust and satisfaction. High standards in this area are essential for Megawide to uphold its reputation and competitive edge in the market.

Key Initiatives:

- **Quality Management Systems:** Adoption of stringent quality management systems to ensure that all products meet or exceed industry standards
- **Safety Audits:** Regular safety audits and inspections to identify and mitigate potential risks
- **Customer Feedback:** Systematic collection and analysis of customer feedback to continuously improve product quality and safety

Impact:
Ensuring high product quality and safety mitigates the risk of recalls and legal liabilities, thus safeguarding the company's financial performance and reputation.



Labor Practices


3

Importance:
Fair and ethical labor practices are essential for fostering a positive and productive workplace. This topic covers aspects such as fair wages, non-discrimination and respect for workers' rights.

Key Initiatives:

- **Fair Wage Policies:** Implementation of fair wage policies to ensure that all employees are compensated equitably
- **Non-discrimination:** Strict non-discrimination policies and practices to promote an inclusive workplace
- **Labor Rights:** Ensuring that the rights of all workers are respected and upheld, including the right to unionize and collective bargaining

Impact:
Adhering to ethical labor practices enhances employee satisfaction and retention, reducing turnover costs and fostering a loyal and motivated workforce.



Economic Performance


4

Importance:
Economic performance remains a top priority as it directly affects the company's ability to create value for shareholders and invest in sustainable initiatives. It includes financial stability, profitability and sustainable growth.

Key Initiatives:

- **Strategic Investments:** Making strategic investments that drive long-term growth and profitability
- **Cost Management:** Implementing effective cost management practices to maintain financial health
- **Sustainable Practices:** Integrating sustainability into business operations to achieve economic resilience

Impact:
Strong economic performance provides the resources needed to invest in sustainability initiatives and ensures the long-term viability of the company.



Business Ethics

5

Importance:
Business ethics is critical for maintaining trust and integrity in all business operations. It involves adherence to ethical standards and practices, including anti-corruption measures and transparent governance.

Key Initiatives:

- **Ethics Training:** Providing regular ethics training to employees to ensure understanding and compliance with ethical standards.
- **Anti-corruption Measures:** Implementing robust anti-corruption measures, including policies, audits, and reporting mechanisms
- **Transparent Governance:** Ensuring transparent governance practices through clear communication and reporting

Impact:
Strong business ethics enhances the company's reputation, builds stakeholder trust and reduces the risk of legal and financial repercussions.




FINANCIAL IMPACT OF MATERIAL ESG TOPICS

Understanding the financial impact of material ESG topics is crucial for Megawide as it navigates its path towards sustainable growth. Stakeholder perspectives provide valuable insights into which ESG topics could pose significant financial risks or opportunities if not managed effectively. This section delves into the financial implications of the top material ESG topics identified in the 2023 assessment.

Stakeholder Perspective on Financial Impact

Stakeholders have highlighted several ESG topics that they believe could have substantial financial implications for Megawide. These insights were gathered through a series of engagements and reflect both the internal and external stakeholders' views on the potential financial risks and opportunities associated with these topics.


Most Negative Financial Impact to the Business



Waste & Hazardous Materials Management

1


- **Stakeholder Insight:** Identified by 11 out of 15 stakeholders as a topic that can cause severe negative financial impacts
- **Potential Impact:** Poor management of waste and hazardous materials can lead to regulatory fines and cleanup costs and damage the company's reputation. Mishandling of these materials could also result in operational disruptions and increased liability, significantly affecting the company's financial stability



Labor Practices

2


- **Stakeholder Insight:** Highlighted by internal stakeholders as a critical area that can cause negative financial impacts if not managed properly
- **Potential Impact:** Non-compliance with internationally accepted labor laws and standards can result in legal penalties, loss of employee trust and damage to the company's reputation. This can lead to increased turnover rates, higher recruitment and training costs, and potential strikes or work stoppages, all of which can adversely affect the company's financial performance



GHG Emissions

3


- **Stakeholder Insight:** Identified by external stakeholders as a significant environmental issue with financial implications
- **Potential Impact:** High GHG emissions can lead to increased regulatory scrutiny and potential fines. Additionally, failure to manage emissions effectively can result in higher operational costs because of carbon taxes and the need for investments in cleaner technologies. The reputational damage from poor environmental performance can also affect customer and investor confidence, further impacting financial outcomes



Employee Health & Safety

4

- **Stakeholder Insight:** Recognized as a top priority by both internal and external stakeholders owing to its direct impact on operational efficiency and workforce morale
- **Potential Impact:** Inadequate health and safety measures can lead to workplace accidents, resulting in increased medical expenses, legal liabilities and compensation claims. It can also lead to operational disruptions and loss of productivity, negatively impacting the company's financial performance. Ensuring robust health and safety protocols is, therefore, essential to mitigate these risks



Product Quality & Safety

5

- **Stakeholder Insight:** Emphasized by customers and investors as critical for maintaining trust and market reputation
- **Potential Impact:** Poor product quality and safety can lead to recalls, legal liabilities and loss of customer trust. This can result in significant financial losses owing to compensation claims, legal fees and reduced sales. Maintaining high standards in product quality and safety is essential to avoid these financial risks and sustain long-term profitability

STAKEHOLDER ENGAGEMENT



Stakeholder engagement is not just good practice at Megawide; it is the foundation upon which we build trust and align our operations with the needs and expectations of our diverse stakeholder groups. This commitment to effective engagement drives transparency, enhances accountability and ensures we remain responsive to concerns while adapting to changing external conditions.

Engaging our stakeholders is essential for gathering diverse perspectives and insights that inform our sustainability initiatives. This process not only strengthens our ability to manage risks and seize opportunities but also reinforces our commitment to ethical business practices

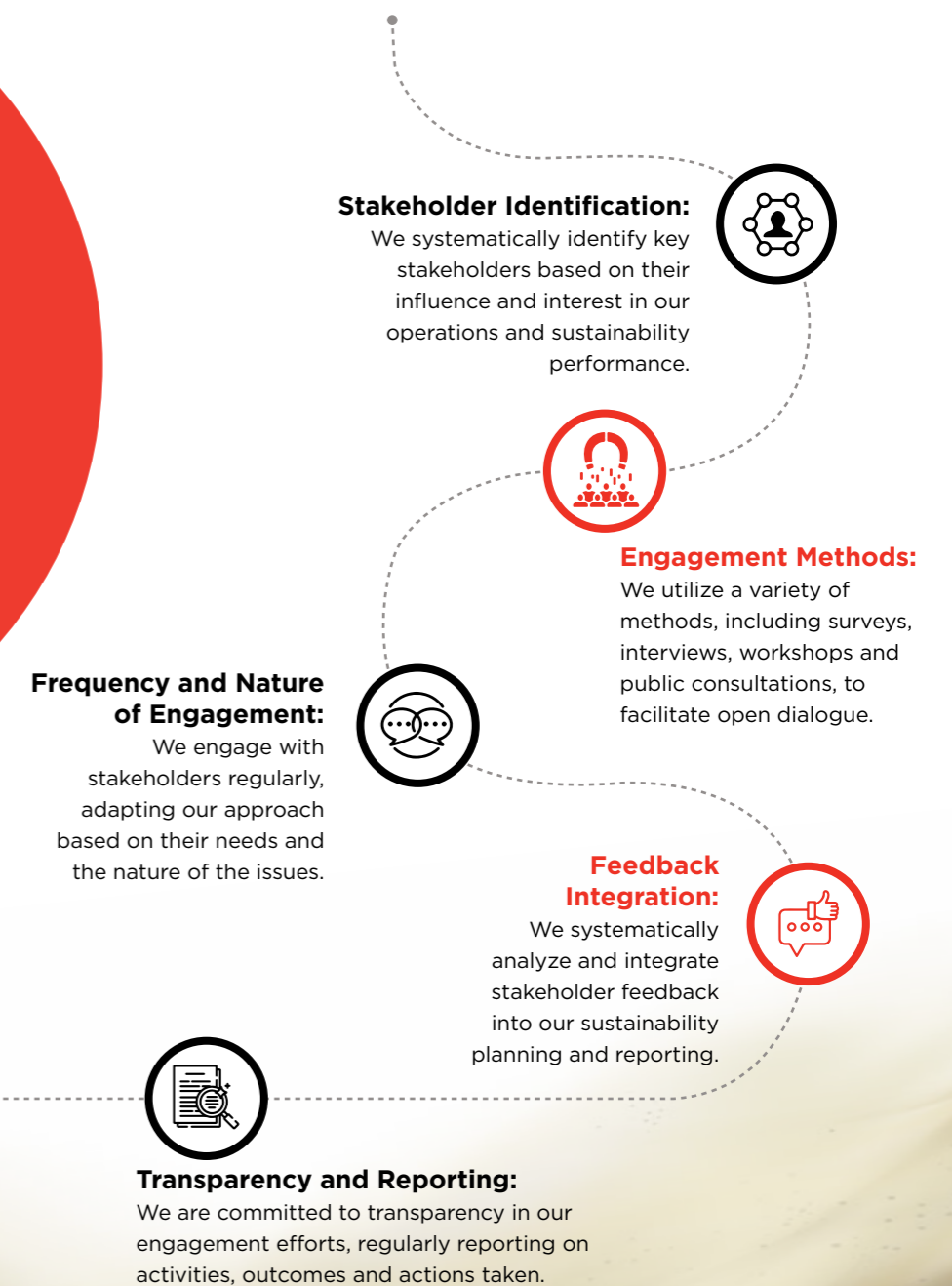
and long-term value creation. By actively involving our stakeholders in our sustainability journey, we foster collaboration, drive innovation and enhance our overall ESG performance.

Our Objectives:

- **Understand:** Deepen our understanding of stakeholder concerns and expectations
- **Gather:** Collect valuable feedback on our sustainability performance and initiatives
- **Incorporate:** Integrate stakeholder perspectives into our strategic planning and decision-making processes

By actively involving our stakeholders in our sustainability journey, we foster collaboration, drive innovation and enhance our overall ESG performance.




OUR APPROACH:



IDENTIFICATION AND PRIORITIZATION OF STAKEHOLDERS

Megawide recognizes that our success is intertwined with the well-being of our stakeholders. We have identified several key stakeholder groups, categorized by their influence and interest:

Internal Stakeholders:

	Executive and Senior Management: Responsible for setting strategic direction and overseeing sustainability efforts
	Middle Management: Crucial for implementing strategies and ensuring operational efficiency
	Full-time Employees: Directly impacted by our policies and practices, their well-being is paramount

External Stakeholders:

	Customers/Clients: Their feedback is essential for continuous improvement and innovation
	Investors: Concerned with our economic performance, long-term viability and responsible growth
	Suppliers/ Vendors: Critical partners in our supply chain, their sustainability performance is integral to ours
	Regulators: We prioritize compliance with laws, regulations and industry standards
	Communities/ NGOs: We strive to create shared value and minimize any negative impacts on local communities
	Independent Directors: Provide oversight and ensure adherence to strong governance practices
	Industry Associations: We actively engage with industry peers to promote best practices and drive positive change

Criteria for Identification:

Our stakeholder identification process is guided by specific criteria to ensure a comprehensive and inclusive approach:

- **Influence on the Company:** Prioritizing stakeholders with significant impact on our operations and decision-making
- **Impact of the Company:** Recognizing stakeholders significantly affected by our activities

- **Regulatory and Compliance Requirements:** Engaging with regulators and ensuring compliance
- **Reputation and Trust:** Building and maintaining trust with stakeholders who influence our reputation
- **Operational Dependencies:** Recognizing the critical role of suppliers and vendors in our success
- **Strategic Alignment:** Engaging stakeholders who share our vision and can contribute to our strategic goals

ENGAGEMENT MECHANISMS

Megawide uses a variety of channels and tools to facilitate effective stakeholder engagement, ensuring comprehensive, transparent and continuous dialogue:

Channels and Tools:

	Surveys and Questionnaires: Gathering feedback and understanding stakeholder perspectives
	Interviews and Focus Groups: Gaining in-depth insights into specific issues and concerns
	Workshops and Seminars: Facilitating collaborative discussions and co-creating solutions
	Public Consultations: Engaging with community representatives and local NGOs
	Digital Platforms: Utilizing our website, social media, and email for real-time updates and feedback
	Annual Reports and Sustainability Reports: Disclosing our ESG performance, initiatives, and future plans

Frequency and Nature of Engagement:

- **Regular Meetings:** With executive leadership, middle management, and employees to discuss ESG issues and gather feedback
- **Annual and Semi-Annual Reviews:** With investors, suppliers, and vendors to discuss performance and future plans
- **Quarterly Engagements:** With communities and NGOs to address local concerns and provide project updates
- **Ongoing Digital Engagement:** Providing timely updates and opportunities for feedback through digital channels
- **Ad hoc Engagements:** With regulators and industry associations as needed to address specific requirements or participate in consultations

ADDRESSING STAKEHOLDER CONCERNS

Megawide values the feedback we receive from our stakeholders. Their insights help shape our sustainability initiatives and identify areas for improvement

- **Internal Communication and Engagement:** Enhance internal communication on ESG activities to ensure all employees are informed and engaged
- **Regular Dialogue with Stakeholder Groups:** Increase the frequency and depth of dialogue meetings with specific stakeholder groups to address their unique concerns
- **Disclosure Transparency:** Enhance transparency by providing more detailed and accessible reports on ESG performance, building trust and credibility
- **Lifecycle Impact Management:** Develop and implement strategies to manage the environmental impacts of our projects throughout their lifecycle
- **Energy Management:** Prioritize energy efficiency and increase the use of renewable energy sources in our operations
- **Active Participation and Inputs:** Continue to encourage active participation and feedback from all stakeholder groups
- **Transparency and Trust:** Maintain and expand our efforts to provide clear and comprehensive disclosures, strengthening trust and credibility

Key Takeaways from Stakeholder Feedback

Action Taken Based on Feedback: Turning Insights into Action

We are committed to turning stakeholder feedback into tangible actions. In response to the valuable insights we have received, we have implemented several initiatives.

Initiatives and Changes Implemented:

- **Enhanced Internal Communication:** Increased frequency and depth of internal communications, including town hall meetings, training sessions, and workshops
- **Regular Dialogue Meetings:** Established a schedule for regular town hall meetings, focus groups, and open forums with employees and contractors
- **Improved Disclosure Transparency:** Enhanced transparency by providing more detailed and accessible reports on ESG performance, including metrics, targets, and progress updates
- **Lifecycle Impact Management:** Developed and implemented strategies to manage the environmental impacts of construction materials and buildings, focusing on reducing GHG emissions and resource consumption
- **Energy Management:** Prioritized energy management by investing in energy-efficient technologies, conducting energy audits, and exploring renewable energy options
- **Active Participation Encouragement:** Continued to encourage active participation and feedback from all stakeholder groups, ensuring their voices are heard and considered in decision-making

Future Plans for Enhanced Engagement:

- **Broaden Engagement Channels:** Explore innovative and accessible channels to reach a broader audience and facilitate more inclusive stakeholder participation
- **Increase Engagement Frequency:** Increase the frequency of interactions with stakeholders, particularly middle management and suppliers/vendors, to improve information flow and relationship quality
- **Transparency Efforts:** Continue to improve transparency efforts, particularly targeted at specific stakeholders such as board members and regulators, by providing clear and comprehensive disclosures
- **Execution Capability Enhancement:** Focus on better execution of strategies discussed with stakeholders, demonstrating tangible outcomes to enhance trust and satisfaction
- **Regular Feedback Integration:** Systematically integrate stakeholder feedback into sustainability planning and reporting, ensuring our initiatives remain relevant and impactful

Megawide is dedicated to continuous improvement in our stakeholder engagement efforts. We believe that by working collaboratively with our stakeholders, we can create a more sustainable future for all.

MEGAWIDE FOUNDATION



At Megawide, we believe that true success extends far beyond bricks and mortar, financial statements, and impressive structures. We're committed to providing first-world opportunities for Filipinos, building a future where progress is shared, communities thrive, and everyone can reach their full potential. This belief is woven into the very fabric of our company and finds its most powerful expression through the work of the Megawide Corporate Foundation, Inc.

Established in 2012, the Megawide Foundation serves as the dedicated social responsibility arm of Megawide, embodying our unwavering commitment to creating a positive and lasting impact on the lives of the Filipino people. Guided by our vision of empowering marginalized communities to thrive through sustainable, first-world opportunities, we work tirelessly to engineer a future where everyone has the chance to reach their full potential.

Our core values—Community, Empowerment, Excellence, Integrity, Innovation, and Sustainability—serve as our compass, guiding every decision and action we take. We believe that by working together, fostering self-reliance, and embracing innovative solutions, we can create a ripple effect of positive change that transforms communities and builds a brighter future for generations to come.

*Our core values—
Community,
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action we take.*

EMPOWERING FUTURE LEADERS: THE MEGAWIDE ENGINEERING EXCELLENCE SCHOLARSHIP (MEES) PROGRAM

At the Megawide Foundation, we believe in the power of education to unlock human potential and build a brighter future. Our flagship program, the Megawide Engineering Excellence Scholarship (MEES), embodies this belief by promoting high-quality education for deserving Filipino youth. Since 2015, MEES has provided access to excellent engineering education, empowering talented students to develop their skills and contribute to a better tomorrow.

Nurturing Talent, Transforming Lives

The MEES program is more than just financial aid; it's a comprehensive support system designed to nurture talent and empower scholars to become leaders in their fields and communities. In 2023, the program celebrated the graduation of 15 scholars, with over 15 achieving board exam success in civil and electrical engineering – a testament to their hard work and the program's impact.

“The scholarship program has given me a lot of opportunities. Apart from the financial aid, they also offered us a lot of activities that holistically helped me become a well-rounded engineer and individual.” - John Ralph Julian, a scholar from Technological University of the Philippines (TUP), Mechanical Engineer Board Passer



Beyond the Classroom: The MeGabay Initiative

Recognizing that success requires more than academic excellence, the MEES program provides holistic support through the “MeGabay” initiative. This program equips scholars with essential life and technical skills, preparing them for the challenges and opportunities that lie ahead.

- **5 Capacity Building Workshops:** Through engaging workshops, scholars acquire essential skills that enhance their leadership abilities and prepare them for the transition to professional life
- **Two Business and Site Immersions:** MEES scholars gain invaluable real-world experience through immersive site visits to Megawide projects such as the Parañaque

Integrated Terminal Exchange (PITX) and PHirst Park Homes. These experiences provide first-hand exposure to engineering principles in action and inspire future career paths

- **1 Community Immersion:** Understanding the importance of social responsibility is a key element of the MEES program. Scholars participate in community engagement activities, fostering compassion and empowering them to become agents of change

The MEES program is a testament to the Megawide Foundation’s commitment to investing in the future of the Philippines. By empowering talented young minds, we are not only transforming individual lives but also building a brighter and more prosperous future for the nation.

CATALYZING SUSTAINABLE DEVELOPMENT: SUPPORTING MEGAWIDE’S BUSINESS UNITS

In 2023, the Megawide Foundation demonstrated its commitment to sustainable impact by launching a comprehensive CSR workshop series for our Strategic Business Units (SBUs). Recognizing that empowered teams drive meaningful change, these workshops equipped SBU leaders with the knowledge, tools, and collaborative networks to develop and implement impactful CSR programs that align with community needs and Megawide’s values.

A Four-Part Journey Towards Sustainable Impact:

The workshop series unfolded across four carefully structured sessions:

- **Shared Prosperity and Needs Assessment (May 19):** This foundational workshop introduced participants to the core principles of CSR and the concept of shared prosperity. SBUs gained practical skills in conducting needs assessments, ensuring their programs addressed the most pressing challenges within their communities. The workshop culminated in the development of individual CSR roadmaps, which provide a strategic framework for future action.
- **CSR Framework (July 28):** Building on the foundation of Shared Prosperity, this workshop delved into the Megawide Foundation’s three guiding principles for sustainable CSR. Participants explored how to integrate these principles into program design, ensuring long-term impact and alignment with global best practices.
- **Planning the Impactful-Sustainable-Innovative (ISI) Way (August 11):** This hands-on workshop focused on the practical application of the ISI process for effective



CSR project implementation. Participants gained a deep understanding of the process’s steps, from initial planning to execution and evaluation. By the end of the workshop, SBUs were equipped to confidently plan and manage their CSR projects, ensuring efficient resource allocation and maximized impact.

- **All Set for 2024:** Elaboration of CSR Programs (September 15): The series culminated in a forward-looking session in which each SBU presented their targeted CSR programs for 2024. This collaborative forum fostered peer learning and cross-departmental idea exchange. Crucially, the workshop established a standardized reporting process, enabling SBUs to measure their program’s performance accurately and transparently communicate their achievements to stakeholders.



From Workshops to Action: SBU-Led Initiatives

The 2023 CSR workshop series proved to be a resounding success, empowering SBUs to develop and implement impactful initiatives in their communities.

Cebu2World



- 1. Paglaum para sa Batang Carbon:** Focuses on protecting at-risk children from negative influences and fostering their overall well-being. This project offers a range of activities, including health and dental programs, Bible studies, drawing and coloring sessions, and math and reading tutorials. With the support of the University of San Jose-Recoletos (USJ-R) and other community partners, this project engages 60 children every Saturday.
- 2. Carbon Children's Choir:** Uses the power of music to engage and inspire children. Through voice lessons, vocal assignments, and opportunities for mass appreciation, this project provides a platform for children to develop their musical talents and participate in meaningful activities. Sponsored by USJ-R, the choir program involves 20 children per session.
- 3. Carbon Vendor's Capacity Building:** Aims to upskill vendors, enhancing their livelihood opportunities and promoting business compliance with regulatory standards. This project offers a range of activities, including women's and men's empowerment seminars, a seminar against illegal drugs, a no-smoking seminar, and basic bookkeeping training. Conducted twice a month, these sessions engage 60 participants per session, although attendance varies depending on the topic. The

project is a collaborative effort, partnering with the PNP, Market Operations Division, and the Cebu Chamber of Commerce and Industry.

- 4. Livelihood for Carbon Community:** Focuses on providing employment opportunities to identified individuals within the Carbon community. These individuals are employed as part of the housekeeping team and will also receive capacity building support to further enhance their skills and self-sufficiency. This project, with a smaller group of 15 participants and is supported by the PNP.
- 5. Libreng Tupi (Gupit):** Launched in September 2023, is a monthly initiative providing access to basic services, specifically haircuts. This project benefits 70 individuals per session, with the support of 20 volunteer barbers from the AFP, PNP, and the local community.
- 6. Clean Up Drive:** C2W is committed to maintaining cleanliness and promoting proper waste management around Carbon Market. The "Clean up Drive" project, which takes place every second week of the month, aims to achieve this objective. The project mobilizes 50 volunteers, fostering community involvement in maintaining a cleaner and healthier environment for everyone.

Megawide Construction

- 1. Solar Street Lights Project:** Megawide Construction is implementing the "Solar Street Lights Project" to enhance road safety for both the community and its employees. This project involves the installation of adequate streetlights on Valencia Street and Gilmore Ave., located in Brgy. Valencia, to improve visibility and safety near the Megawide Head Office.

Precast and Construction Solutions (PCS)

- 1. Alternative Learning System (ALS):** PCS is deeply committed to providing accessible education through its ALS program. Recognizing that traditional learning environments aren't suitable for everyone, the program offers flexible learning opportunities tailored to individual needs and situations. This commitment aligns with their vision of contributing to a first-world Philippines. The program has already supported 22 graduates in its first batch and is currently assisting 17 elementary and junior high school learners, with another 15 senior high school learners to follow. This project is executed in partnership with DepEd Rizal.



- 2. Project KKK (Kagandahan ng Kapaligiran para sa kabataan) Brigada Eskwela 2023:** This initiative focuses on the beautification of classrooms in nearby schools by painting and cleaning them. In Muzon, Taytay, and Angono, Rizal, the project has already benefited 200 students. The project saw active participation from 118 PCS employees and five EPC employees, demonstrating a strong commitment to community engagement. The project is supported by DepEd Taytay, Rizal, and DepEd Angono, Rizal.

Megawide Corporation



- 1. MegaAklatan:** This project involves organizing book drives, with a recent one held for their corporate office employees. The collected books are then distributed to various beneficiaries, including the CSWDD of San

Juan, public libraries, and other information or reading corners within the community. MegaAklatan aims to make a positive impact by fostering a culture of reading and learning. The project has successfully donated 50-100 books to the CSWDD and 70 books to libraries and other reading corners. Partners in this initiative include Barangay Batis and the Ortigas Foundation Library. By providing access to books, MegaAklatan empowers individuals and communities to learn and grow.

- 2. Healthy, Nourished, Sheltered:** Ensuring the Right Life for All: In celebration of National Children's Month 2023, Megawide Corporation, along with Megawide Foundation's 'MeGabay' initiative, and in partnership with CSWDD and San Juan City, organized an outreach program for children with disabilities in Brgy. Batis. The program focused on contributing to the well-being and education of these children. This involved providing books, school supplies, and hygiene kits to 96 children. The aim was to support their educational and personal development, fostering a positive impact on their lives and promoting inclusivity within the community. The project involved two volunteers and 12 scholars.
- 3. Pasko Natin 'To:** This heartwarming initiative involved giving gifts to the often-unsung heroes of the company - the housekeeping, utility, security, landscaping, and groundskeeping staff. A total of 163 individuals received gifts, demonstrating Megawide's appreciation for their hard work. The project was coordinated by a dedicated committee of 15 volunteers.

MWM Terminals



- 1. Barkada ni Pete:** MWM Terminals is committed to promoting road safety and improving the lives of its transport stakeholders through its "Barkada ni Pete" initiative. This program involves conducting training for 100 PUV drivers, covering topics such as road safety, LTO seminar guidelines, and healthy vision practices. These training sessions are conducted in collaboration with the Philippine Association of Ophthalmology and the Philippine Association for Road Safety. In addition, "Barkada ni Pete" includes an eye checkup initiative in partnership with Fred Hollows Foundation and PARS. This initiative was held on May 23, 2023 to ensure that drivers have access to essential eye care services.

Citicore Foundation

- 1. Balik-Eskwela and Brigada Eskwela Project:** A fundraising campaign to provide students in grades 1-3 with school bags containing notebooks and writing implements. This initiative, conducted in partnership with the Megawide Foundation, benefits students throughout the year, ensuring they have the necessary tools for learning. The project also assists host public elementary schools in preparing their facilities for the upcoming school year through the “Brigada Eskwela” initiative. The project has impacted 17 schools and 1,000 students, partnering with DepEd for implementation.
- 2. CommuniTree Project:** This initiative focuses on reforestation efforts to restore vegetative cover in the country’s upland areas. By planting trees, the project aims to enhance climate change mitigation and adaptation strategies. As part of this project, 300 seedlings were planted with the help of 25 employee volunteers from the head office and Central Luzon sites. The project was conducted in partnership with Malino National High School in Mexico, Pampanga.

By working hand-in-hand with our SBUs, the Megawide Foundation fosters a culture of shared responsibility and ensures that every facet of Megawide’s operations contributes to building a more sustainable and equitable future for the Philippines.

RESPONDING WITH RESILIENCE: DISASTER RELIEF AND COMMUNITY SUPPORT

When disaster strikes, Megawide Foundation provides a beacon of hope through its unwavering commitment to support the well-being and resilience of Filipino communities. We recognize that true progress is not just about building structures but creating a strong and more resilient society that is prepared to weather any storm.

MegaTulong: Extending a Helping Hand in Times of Need

Our disaster relief initiative, “MegaTulong,” reflects our deep-rooted belief in the spirit of bayanihan – coming together to support one another, especially in times of adversity. In 2023, MegaTulong was activated to provide swift and compassionate assistance to communities impacted by unforeseen events:

- Providing Relief to Fire Victims in Cebu City:** When a devastating fire ripped through Barangay Ermita in Cebu City, leaving hundreds of families displaced and vulnerable, Megawide Foundation acted swiftly in partnership with Cebu2World. We provided essential relief packs containing food, hygiene items, and other necessities to over 134 children and families in distress. **The foundation then aided over 134 children, five C2W employees by providing relief packs**

- Standing with Typhoon-affected Communities in Pampanga:** In the aftermath of widespread damage across Northern Luzon due to Typhoon Egay, Megawide Foundation joined forces with Megawide Construction and Precast and Construction Solutions to extend a helping hand to affected communities in Apalit, Pampanga. **Recognizing the urgent need for food security, we delivered sacks of rice to 300 families, providing sustenance and a sense of hope during a challenging period of recovery**

The disaster donations in 2023 were Php100,000 for Pampanga and Php45,200 for Cebu

“Malaking tulong ang donasyon ng Megawide at Megawide Foundation para sa aming komunidad. Ang tulong na ito ay maiibsan and epekto ng bagyo sa mga nasalantang pamilya,” (The donation from Megawide and Megawide Foundation is a big help to our community. This assistance will alleviate the effects of the typhoon on the affected families.) said the local government of Apalit, Pampanga

Megawide Foundation’s commitment to disaster relief goes beyond immediate aid. We are dedicated to supporting long-term recovery efforts and building more resilient communities. We work closely with local government units, community organizations, and other partners to ensure that our assistance is timely, effective, and aligned with the specific needs of those we serve.

Through MegaTulong, we reaffirm our pledge to stand in solidarity with Filipino communities, providing not only material aid but also a message of hope and resilience – a testament to our belief that we can overcome any challenge together.

STRATEGIC PARTNERSHIPS: AMPLIFYING THE IMPACT THROUGH COLLABORATION

At Megawide Foundation, we recognize that we cannot achieve our vision of shared prosperity alone. We believe that true progress requires collaboration, bringing together diverse perspectives, resources, and expertise to create a more significant impact. Hence, we prioritize building and nurturing strategic partnerships with organizations that share our commitment to building a better Philippines.

ORGANIZATION	PROGRAM/PROJECT	YEAR STARTED
Academic Institution		
Technological University of the Philippines - Manila	Megawide Engineering Excellence Scholarship (MEES) Program	2015
Polytechnic University of the Philippines - Manila		2016
Pamantasan ng Lungsod ng Maynila		2017
University of the Philippines – Diliman		2018
Cebu Technological University		2019
Non-government Organization		
Primary Structures Educational Foundation, Inc. – School of Knowledge for Industrial Labor, Leadership Engineering and Service (PSEFI-SKILLS)	MEES Program	2022
Membership/Affiliations/Certifications		
League of Corporate Foundations (LCF) Inc.	Membership	2016
Philippine Business for Social Progress (PBSP)	Membership	2018
Department of Welfare and Social Development (DSWD)	Certification	2023



Working Together for a Common Goal

In 2023, we collaborated with a range of esteemed partners, with each contributing their unique strengths to our shared mission:

- **PBSP:** Our partnership with PBSP continued to flourish to support community-driven development projects and promote sustainable opportunities



- **League of Corporate Foundations (LCF) Inc.:** It fosters collaborations among its member organizations through various committees anchored on knowledge-sharing, building partnerships, and leveraging resources. LCF has a current membership of 96 operating and grant-making corporate and family foundations and corporations practicing CSR in the Philippines



- **DSWD-ABSNet East Cluster:** The foundation collaborated with DSWD-ABSNet East Cluster to promote social welfare advocacy to drive positive change and empower communities across the Philippines



- **Academic Institutions:** The foundation values its partnership with Cebu Technological University, Pamantasan ng Lungsod ng Maynila, Polytechnic University of the Philippines, Technological University of the Philippines to provide high-quality education to young and bright Filipino students
- **PSEFI-SKILLS:** The foundation works hand-in-hand with like-minded organizations to provide holistic care to its beneficiaries and communities

Our strategic partnerships are a testament to the power of collective action. By working together, sharing knowledge, and leveraging each other's strengths, we can achieve far more than we ever could alone. These collaborations amplify our reach, enhance our impact, and support our vision of a brighter and more equitable future for all Filipinos.

LOOKING AHEAD: A VISION FOR A BRIGHTER FUTURE

As we reflect on the achievements of 2023, Megawide Foundation is filled with a sense of gratitude for the opportunity to serve Filipino communities and contribute to building a brighter future for all. We are energized by the progress we have made and are even more excited about the possibilities that lie ahead.

Strengthening Our Foundation for Enhanced Impact

In the coming year, we will continue to build on our success while also embracing new opportunities for growth and innovation. Our strategic priorities include:

Strengthening Internal Administration: We are committed to ensuring that our internal operations are as strong and efficient as possible. This includes optimizing our organizational structure, streamlining processes, and investing in technology to enhance our effectiveness.

Ensuring Financial Sustainability: To maximize our impact, we will continue to explore innovative fundraising strategies and diversify our funding sources to ensure the long-term sustainability of our programs.

Refining and Expanding Program Offerings: We are thoroughly evaluating programs to identify areas for improvement and expansion, including relaunching our flagship MEES program with renewed focus and providing enhanced support for our scholars.

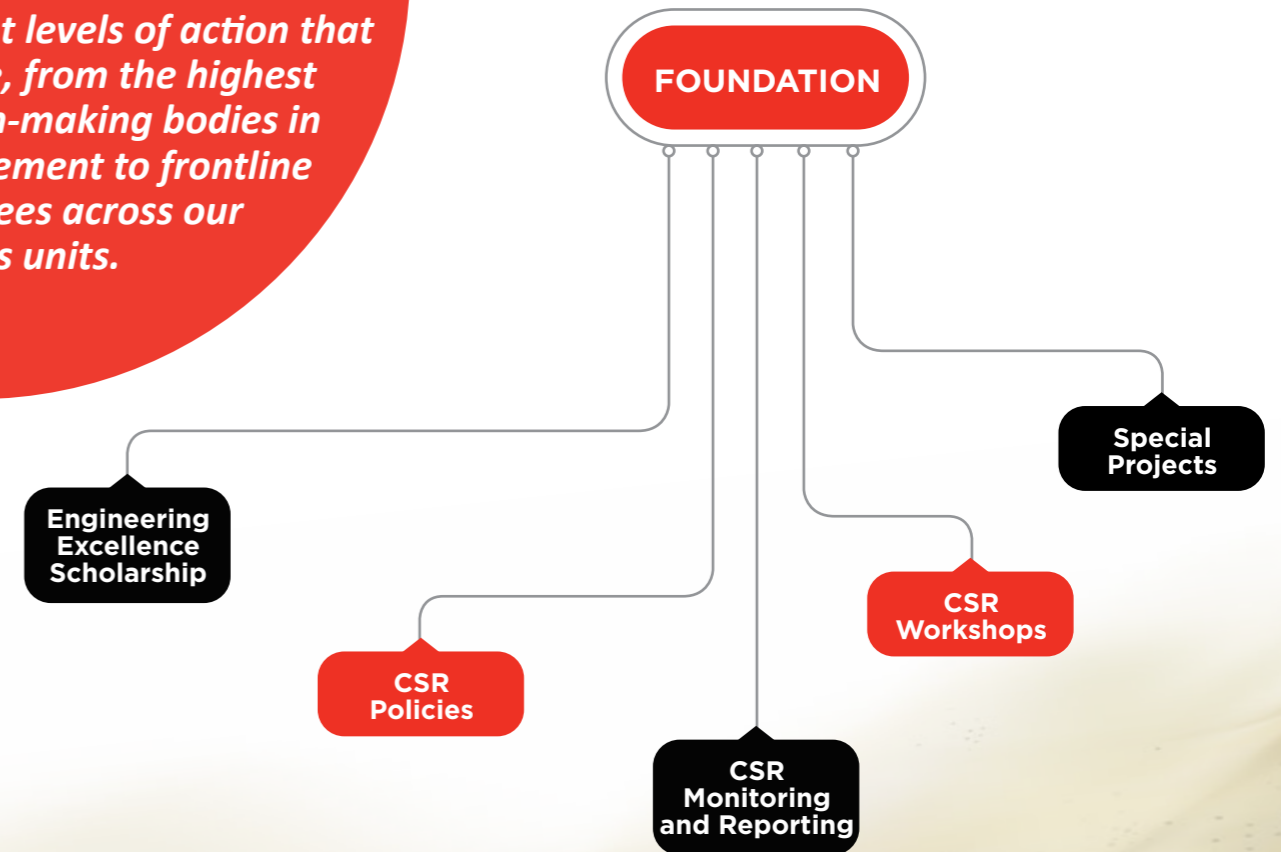
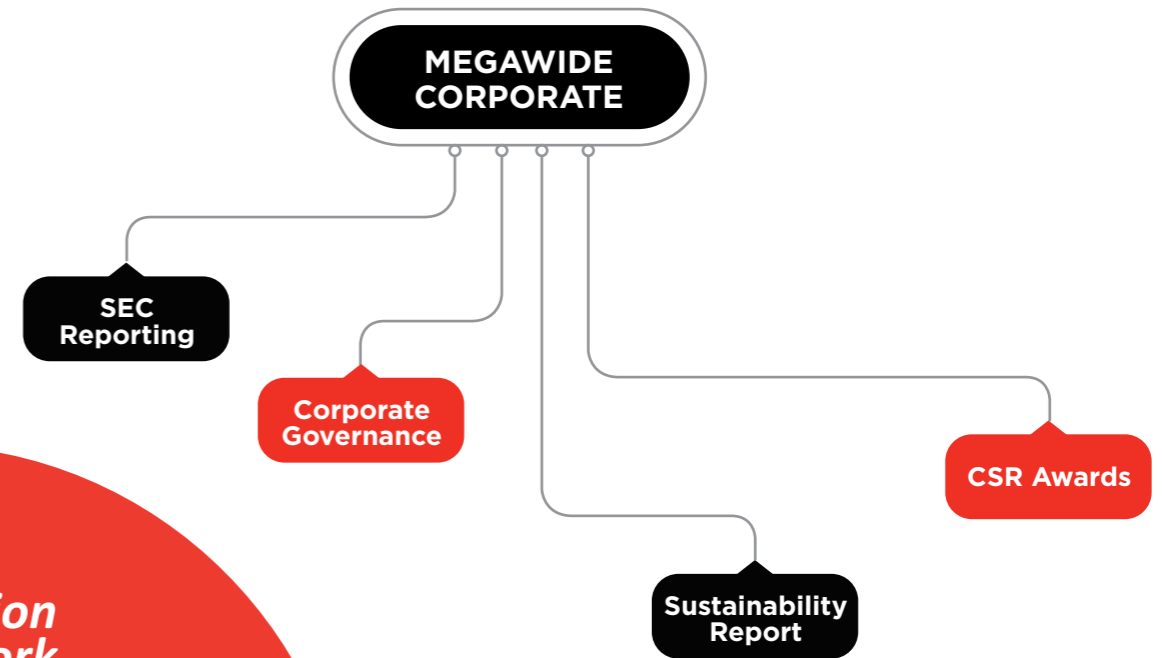
Embracing Innovation, Forging New Partnerships: We recognize that our communities face complex and constantly evolving challenges. Hence, we are committed to embracing innovation, exploring new approaches, and forging new partnerships to maximize our impact. We actively seek opportunities to collaborate with like-minded organizations, leveraging technology, and exploring new frontiers in social responsibility.

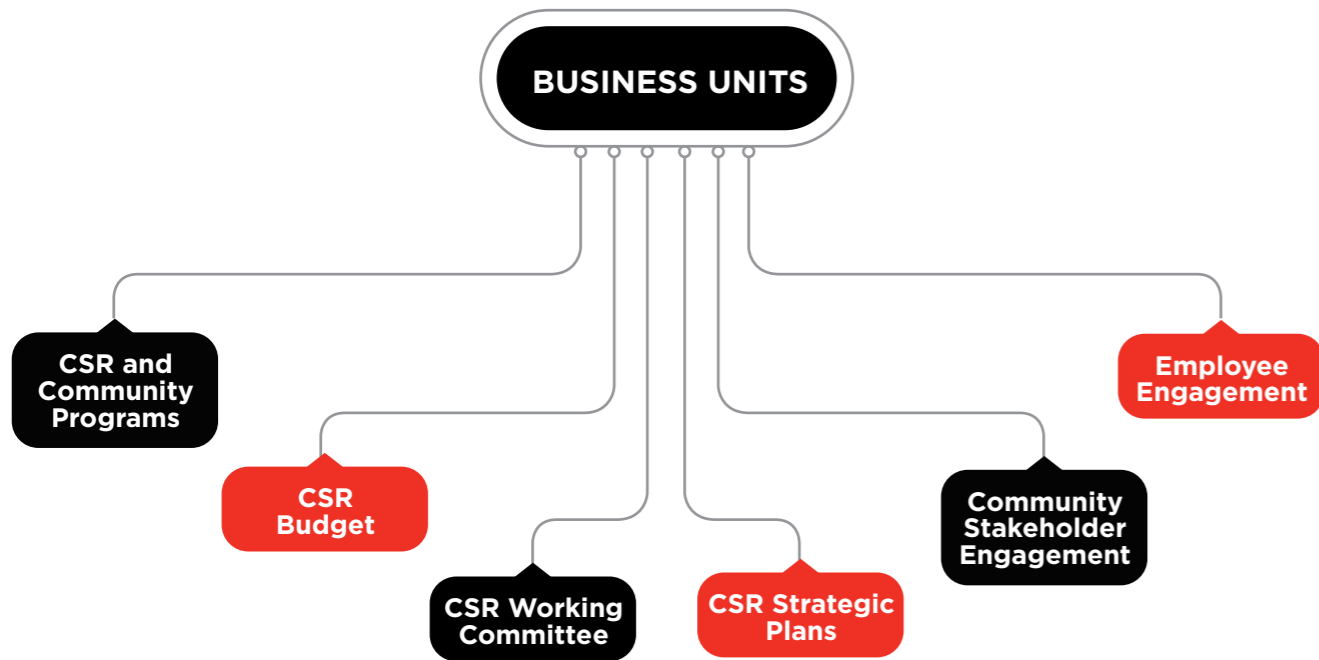
SUSTAINABILITY AND FOUNDATION FRAMEWORK



Foundation Framework

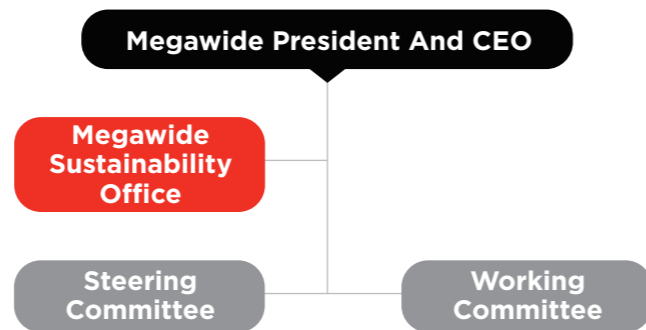
Everyone in Megawide has a role to play in sustainability and corporate social responsibility. Our Framework shows the different levels of action that we take, from the highest decision-making bodies in Management to frontline employees across our business units.





SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability-related strategies and oversight are governed by Megawide’s sustainability governance structure composed of the Sustainability Office and the Megawide Foundation. At the highest level, the Megawide President and CEO oversees the sustainability direction of the Company while the Megawide Foundation monitors and capacitates other units in the organization to carry out programs and initiatives.



	HIGH-LEVEL RESPONSIBILITY
Megawide President and CEO	<ul style="list-style-type: none"> Leads the Company’s sustainability initiative Provides management direction and support
Megawide Sustainability Office	<ul style="list-style-type: none"> Determines sustainability initiatives and strategies to be implemented across the different business units Supports the Steering and Working Committees in providing technical expertise Offers technical and financial support for program implementation
Steering Committee	<ul style="list-style-type: none"> Review and assess the targets and initiatives for the respective business units Support the Working Committee in identifying BU/ department level strategies
Working Committee	<ul style="list-style-type: none"> Implement programs in their respective business units and departments Coordinate and work closely with the Steering Committee

SUSTAINABILITY FRAMEWORK

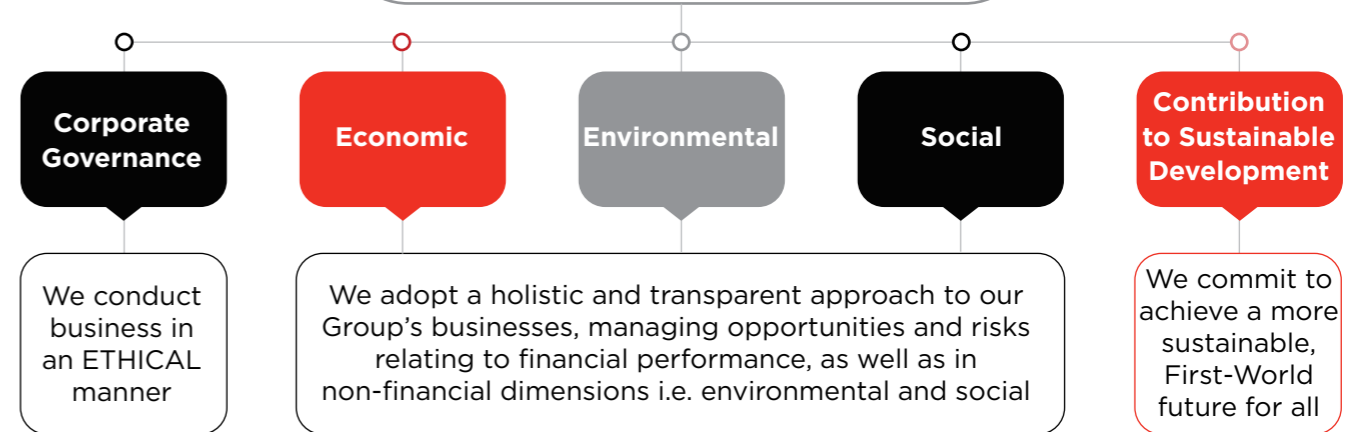
Megawide’s own sustainability framework is our blueprint for synergizing our business strategy and sustainability goals. It illustrates the Company’s strengths in engineering excellence and innovation, and through ethical leadership and management, how these translate to value creation for society.

WHAT WE DO

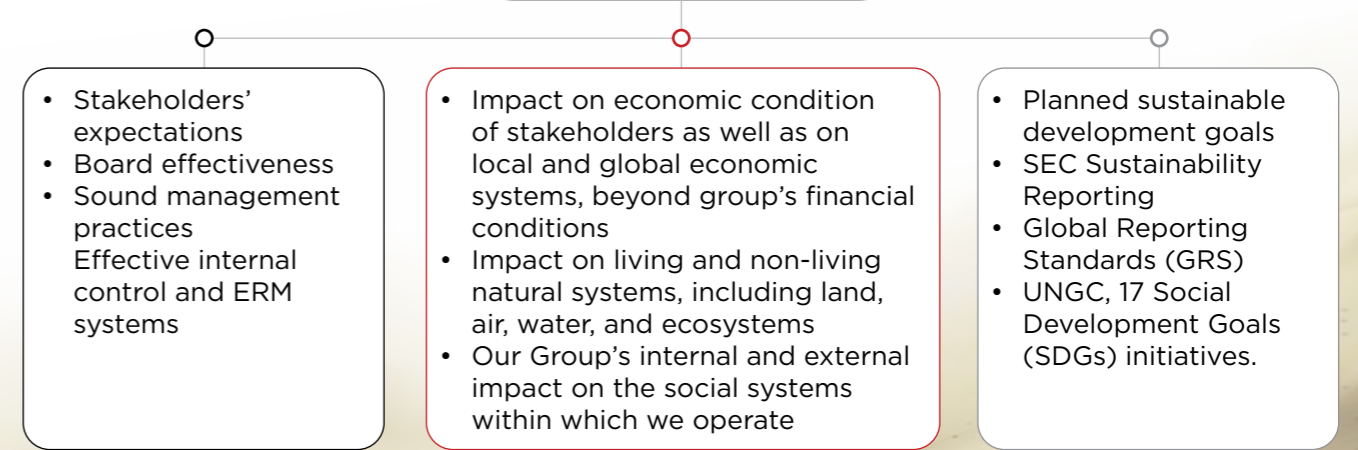
We will be at the forefront of building a First-World Philippines through engineering excellence and innovation.



OUR COMPANY IS A FIRST-WORLD SUSTAINABLE BUSINESS



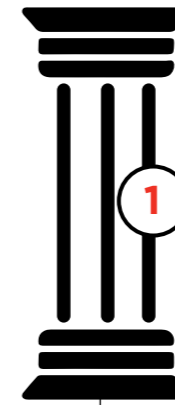
WHAT WE MANAGE



ENVIRONMENTAL PERFORMANCE



In 2023, Megawide remained focused on minimizing its environmental footprint across all operations, driven by a commitment to responsible resource management and a proactive approach to compliance.

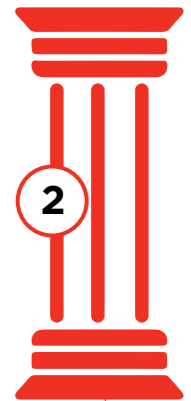


Focused on Efficiency:

- **GHG Emissions:** Despite challenges posed by reliance on fossil fuels and increasing energy demands, Megawide actively pursued emission reduction strategies, including stringent monitoring, third-party verification, and exploration of renewable energy solutions.
- **Energy Management:** Recognizing the dominance of indirect energy consumption, the company focused on energy conservation measures, explored solar power integration, and participated in the Retail Competition and Open Access (RCOA) to lower electricity rates.
- **Water Stewardship:** Megawide implemented water-efficient fixtures, treated wastewater responsibly through dedicated treatment plants, and actively explored water reuse and recycling opportunities, especially in operations.
- **Waste Reduction:** The company focused on minimizing waste generation through robust segregation programs, material recovery facilities, and partnerships for recycling initiatives.

Focused on Compliance:

- Megawide maintained a strong overall compliance record, demonstrating a commitment to meeting environmental regulations.
- PITX, while facing challenges leading to Notices of Violation, took immediate corrective actions, including strengthening training programs, enhancing leadership oversight, and ensuring prompt resolution of compliance gaps.



Focused on the Future:

Megawide remains dedicated to continuous improvement in its environmental performance. The company will continue to:

- Enhance resource efficiency across all operations, exploring innovative solutions for energy, water, and waste management.
- Strengthen environmental management systems, ensuring alignment with evolving regulations and best practices.
- Promote transparency and stakeholder engagement, fostering collaboration and shared responsibility for a sustainable future.

GHG Emissions

As a major player in the construction and engineering industry, Megawide recognizes its responsibility in addressing climate change. We understand that our operations contribute to greenhouse gas (GHG) emissions, and we are committed to minimizing our environmental impact through proactive measures and continuous improvement.

In 2023, Megawide recorded a total of **24,420 tonnes of CO2 equivalent (tCO2e)** in GHG emissions. This figure

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

Throughout 2023, Megawide made significant strides in managing and monitoring its environmental footprint:

- **Stringent Emission Monitoring and Compliance:** We maintained rigorous emission monitoring protocols across all business units, ensuring compliance with DENR standards. This included regular equipment maintenance, stack emission testing at PCS, and quarterly self-monitoring reports from EPC.
- **Third-Party Verification:** MWM Terminals Inc. (MWMTI), the operator of PITX, partnered with independent auditors to verify emission levels, consistently demonstrating adherence to regulatory requirements.
- **Continuous Improvement Culture:** We fostered a culture of environmental responsibility across all levels of the organization, promoting awareness and encouraging sustainable practices.

Looking ahead, Megawide is committed to further minimizing its environmental footprint through a multi-pronged approach:

- **Enhanced Monitoring and Reporting:** We will continue to refine our data collection and reporting systems to improve transparency and identify areas for improvement.
- **Accelerated Adoption of Renewable Energy:** We are actively exploring and implementing renewable energy solutions, such as solar power, to reduce our reliance on fossil fuels and decrease Scope 2 emissions.
- **Sustainable Construction Practices:** We are committed to integrating sustainable practices throughout our

Energy Consumption Breakdown

Our energy consumption varies across different business units, reflecting the diverse nature of our operations:

BUSINESS UNIT	DIRECT ENERGY (kWh)	INDIRECT ENERGY (kWh)	TOTAL ENERGY (kWh)
Total	18,261,973	27,878,040	46,140,013

encompasses both direct emissions from our operations (Scope 1) and indirect emissions from purchased electricity (Scope 2).

- **Scope 1 emissions** amounted to **4,602 tCO2e**, primarily stemming from fuel combustion in stationary and mobile equipment.
- **Scope 2 emissions** reached **19,818 tCO2e**, reflecting our reliance on grid electricity.

We track our emissions intensity across key metrics to understand our environmental efficiency:

construction processes, including utilizing low-carbon materials and implementing energy-efficient designs.

- **Community Engagement and Education:** We will engage with local communities and stakeholders to raise awareness about climate change and promote environmental stewardship.
- **Technological Innovation:** We will invest in cutting-edge technologies and innovative solutions to monitor, manage, and reduce our environmental impact further.

ENERGY MANAGEMENT

At Megawide, we recognize that responsible energy management is not only an environmental imperative but also a fundamental aspect of operational efficiency and cost-effectiveness. We are committed to minimizing our energy footprint by optimizing consumption, improving efficiency, and maximizing the use of renewable energy sources.

In 2023, Megawide's total energy consumption reached **46,140,013 kWh**. This figure encompasses both direct energy consumption from fuel usage and indirect consumption from purchased electricity.

- **Direct energy consumption** amounted to **18,261,973 kWh**, primarily attributed to diesel fuel used in construction equipment and vehicles.
- **Indirect energy consumption**, derived from purchased electricity, totalled **27,878,040 kWh**, signifying our reliance on the grid to power our operations.

Energy Intensity

We track our energy intensity across various metrics to assess our efficiency in resource utilization:

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

Indirect Energy Dominance: Indirect energy consumption represents 60% of our total energy use, highlighting the significance of purchased electricity in our operations.

Major Consumers: PCS and PITX emerge as the largest energy consumers, collectively accounting for 94.6% of total energy consumption, indicating areas for targeted efficiency measures.

Throughout 2023, we implemented various initiatives to enhance our energy efficiency and promote responsible energy use:

- **Energy Conservation Practices:** Our Facilities Management Department (FMD) implemented energy-saving measures across our offices, such as optimizing lighting schedules and equipment usage, and participated in RCOA to lower rates.
- **Solar-Powered Lighting:** PCS installed solar-powered floodlights and LED lighting systems at the Taytay Industrial Complex, reducing reliance on grid electricity. In PH1's horizontal developments, solar powered street lamps are embedded in the design, together with other green features.
- **Renewable Energy Exploration:** PCS actively explored the feasibility of integrating renewable energy sources, such as the use of solar panels, into its operations and submitted its annual energy report to the Department of Energy (DOE).

Moving forward, Megawide is committed to pursuing a multi-faceted approach to energy management:

- **Enhanced Energy Efficiency:** We will continue to prioritize energy conservation measures across all our offices and facilities, leveraging metering devices to track progress and identify further optimization opportunities. MWMTI will focus on implementing energy-efficient practices and conducting regular maintenance of electrical systems to minimize losses. For PH1, each development will feature energy-efficient designs and technology to reduce electricity consumption.
- **Renewable Energy Expansion:** PCS will persist in exploring and implementing renewable energy solutions despite market challenges, while continuing its energy-saving initiatives.
- **Robust Tracking and Reporting:** PCS will maintain meticulous energy consumption tracking systems and submit annual reports to the DOE, ensuring continuous improvement.

Over the long run, Megawide aims to achieve 100% renewable energy use at its Taytay Industrial Plant and Head Office by partnering with Citicore Energy REIT Corp. and leveraging the Philippine government's Green Energy Option Program (GEOP).



WATER AND WASTEWATER MANAGEMENT

Water is a precious resource, and Megawide recognizes its responsibility in ensuring its sustainable use. We are committed to minimizing our water footprint by implementing efficient water management practices, reducing consumption, treating wastewater responsibly, and exploring innovative solutions.

In 2023, Megawide withdrew a total of **112,464,671 liters of water** for various operational purposes. After treatment, we discharged **47,126,000 liters**, resulting in a total water consumption of **65,338,671 liters**.

We closely monitor our water intensity across key metrics to gauge our water efficiency:

INDICATOR	ABSOLUTE WATER (m ³)	WATER INTENSITY (m ³ /mPeso)	WATER INTENSITY (m ³ /FTE)	WATER INTENSITY (m ³ /m ²)
Water Withdrawn	112,464.67	6,034	29,871	283.08
Water Discharged	47,126	2,528	12,517	118.62
Water Consumption	65,338.67	3,506	17,354	164.46

Water Consumption Breakdown

Our water consumption patterns differ across business units due to varying operational needs:

WATER WITHDRAWN (LITERS)	WATER DISCHARGED (LITERS)	WATER CONSUMPTION (LITERS)
112,464,671	47,126,000	65,338,671

Throughout 2023, we made significant strides in optimizing our water management practices:

- Establishing Baseline Water Consumption Data:** EPC focused on understanding its water consumption patterns by establishing a baseline. By collecting and analyzing this data, EPC could identify areas for improvement and implement measures to reduce water usage. One example of this is the installation of water-efficient faucets, which helped to lower overall water consumption and address water-related impacts more effectively.
- Daily Monitoring of Water Consumption:** HOLDCO division has a robust process in place for the daily monitoring of water consumption. This practice involves analyzing water usage data to identify anomalies and hotspots. By doing so, we can pinpoint specific areas that require attention and implement targeted strategies to mitigate water-related issues.
- Building-Specific Monitoring and Goal Setting:** PCS takes a detailed approach by monitoring water consumption for each building separately. This granular level of monitoring provides valuable insights into how water is used within different facilities. By understanding these interactions and impacts, we could set specific water-related goals and targets, ensuring that each building operates as efficiently as possible.
- Utilizing Main Water Sources and Treating Wastewater:** At PITX, the primary source of water comes from Maynilad. This water is used for a variety of purposes, including consumption, cleaning, and other commercial and office activities. To minimize environmental impacts,

PITX treats wastewater through a Sewage Treatment Plant (STP) before discharge. Additionally, PITX monitors tenants' compliance with wastewater discharge standards to ensure that all activities align with the company's sustainability goals.

Wastewater Management

We are committed to responsible wastewater management. EPC, PCS, and PITX operate dedicated Sewage Treatment Plants (STPs) to treat wastewater before it is discharged into public sewers. These STPs ensure compliance with the stringent effluent standards stipulated by the Department of Environment and Natural Resources (DENR) Clean Water Act.



WASTE AND HAZARDOUS MATERIALS MANAGEMENT

Megawide is dedicated to minimizing our environmental footprint, and responsible waste management is a core component of this commitment. We strive to reduce waste generation, promote recycling, and reuse, and ensure the safe handling and disposal of all waste materials.

In 2023, Megawide generated a total of **10,792 tonnes of waste**, comprising **10,789 tonnes of non-hazardous waste** and **3 tonnes of hazardous waste**. We diligently track our waste intensity across different metrics to guide our waste reduction efforts:

CATEGORY	TOTAL WASTE (Tonnes)	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	0.000017	0.00085	0.00001
Total	10,792	0.57905	2.86649	0.02716

Waste Management Practices

Megawide employs a rigorous waste management system, emphasizing accurate measurement by tonnage for both hazardous and non-hazardous waste streams. This meticulous tracking allows for comprehensive monitoring, efficient resource allocation, and informed decision-making in our waste management strategies.

We are pleased to report significant progress in our waste management initiatives throughout 2023:

- **Waste Segregation Programs:** EPC successfully implemented its 3R Program (Reduce, Reuse, Recycle), promoting waste segregation at source through clearly-labelled, color-coded bins. This initiative, complemented by a zero-waste policy, underscores our commitment to minimizing waste generation.
- **Material Recovery Facilities:** PITX significantly enhanced its waste processing capacity by constructing a dedicated Material Recovery Facility (MRF). This facility allows for efficient sorting, processing, and diversion of recyclable materials, contributing to a circular economy.
- **Partnerships and Community Engagement:** Megawide partnered with the local government of Quezon City on the “Trash to Cashback” program, incentivizing recycling and promoting community participation in waste reduction efforts. PITX actively collaborates with NGOs to explore and implement innovative recycling solutions, fostering a collaborative approach to waste management.

- **Compliance and Monitoring:** HOLDCO ensures the safe and compliant handling of hazardous waste through a certified third-party contractor, adhering to all regulatory policies.

Megawide is committed to implementing the following actions to further enhance our waste management practices:

- **Strengthening Waste Segregation and Education:** EPC will continue to prioritize employee training and awareness programs on waste segregation and waste reduction best practices. This includes extending online training and seminars to project sites, ensuring consistent implementation of waste management protocols across all operations. PITX will continue its community engagement efforts through its “Sweep! Sweep! Broom! Broom!” program, educating the community on effective waste management practices and fostering a sense of shared responsibility for a cleaner environment.
- **Compliance and Monitoring:** HOLDCO remains dedicated to continuous monitoring of waste generation and ensuring full compliance with all relevant regulatory bodies, including the DENR and LLDA. This includes regular audits of waste management practices, transparent reporting, and proactive engagement with regulatory authorities to stay informed about evolving guidelines and best practices.

- **Penalties and Non-Compliance Overview:** The NOV's resulted in monetary penalties totaling PHP 59,000. The table below provides a detailed overview of the environmental non-compliance incidents at PITX:

INDICATOR	UNIT	QUANTITY
Incidents of non-compliance with environmental permits, standards, and regulations	#	4
Total monetary fines for non-compliance with environmental laws and regulations	PHP	59,000
Non-monetary sanctions for non-compliance with environmental laws and regulations	#	4
Cases resolved through dispute resolution mechanisms	#	4

PITX Corrective Actions

PITX has taken immediate and comprehensive corrective actions to address the compliance issues and prevent future occurrences:

- **Issue Resolution:** PITX promptly addressed the compliance gaps identified in the DENR's NOV's, ensuring all outstanding documentation was submitted and necessary permits and licenses were secured.
- **Training Initiatives:** PITX implemented advanced training programs for its Pollution Control Officers (PCOs), enhancing their knowledge and understanding of environmental regulations and reporting requirements. These training programs equipped PCOs with the skills and expertise to effectively manage environmental compliance at the facility.
- **Leadership Enhancement:** To strengthen environmental oversight and accountability, PITX appointed a new Managing Head for Environmental Compliance. This dedicated leadership role will ensure robust implementation of environmental policies, procedures, and reporting mechanisms.

Commitment to Continuous Improvement

Megawide is committed to continuous improvement in our environmental performance. We will continue to:

- **Strengthen Environmental Management Systems:** We will regularly review and enhance our environmental management systems across all business units, ensuring they align with leading practices and evolving regulatory requirements. This includes refining our risk assessment procedures, monitoring protocols, and emergency response plans.
- **Promote Transparency and Stakeholder Engagement:** We are dedicated to transparently communicating our environmental performance to our stakeholders. We will continue to engage with regulatory bodies, local communities, and other stakeholders to address concerns, share best practices, and foster collaborative solutions for environmental protection.
- **Invest in Innovation and Technology:** We will explore and implement innovative technologies and solutions to minimize our ecological footprint. This includes exploring renewable energy sources, improving energy efficiency, reducing water consumption, and implementing sustainable waste management practices.

ENVIRONMENTAL AND ECOLOGICAL IMPACTS

Megawide recognizes the importance of responsible environmental stewardship and its impact on ecosystems. We are committed to minimizing our ecological footprint by complying with environmental regulations, proactively managing risks, and implementing initiatives that protect biodiversity and habitats.

We prioritize adherence to environmental regulations across all our operations. In 2023, C2W, EPC, HOLDCO, PHI, and PCS demonstrated exemplary compliance, with no reported instances of environmental non-compliance. This achievement reflects our robust environmental management systems and commitment to meeting regulatory requirements.

Challenges and Corrective Actions at PITX

While overall compliance remained strong, PITX faced specific challenges in 2023:

- **Notices of Violation:** PITX received four Notices of Violation (NOVs) from the Department of Environment and Natural Resources (DENR) on May 3, 2023. These NOV's were issued due to delays in submitting essential documentation, including Self-Monitoring Reports (SMRs) and Compliance Monitoring Reports (CMRs), and delays in processing necessary permits and licenses.



SOCIAL PERFORMANCE

Megawide's 2023 Social Performance demonstrates a focused commitment to its people and communities. Recognizing the value of its workforce, the company prioritizes their health and safety through proactive hazard management, comprehensive health services, and robust employee participation. This focus is reflected in dedicated safety committees, stringent adherence to international standards, and tailored training programs across business units.

Beyond safety, Megawide cultivates a diverse and inclusive workplace, actively tracking workforce demographics and implementing initiatives to ensure equal opportunities for all. The company is focused on closing the gender pay gap, promoting employee skills development,

and maintaining open communication channels to address diversity and inclusion concerns.

Megawide's focused approach extends to its community engagement efforts. The company implements programs tailored to specific community needs, addressing issues such as public health, education, and disaster response. Recognizing the potential impact of its operations, Megawide actively seeks solutions to mitigate negative consequences, such as promoting cleaner transportation options.

In 2023, Megawide remained focused on its social responsibility, fostering a safe, inclusive, and supportive environment for its employees while actively engaging with and contributing to the well-being of the communities it serves.

Recognizing the value of its workforce, the company prioritizes their health and safety through proactive hazard management, comprehensive health services, and robust employee participation.

EMPLOYEE HEALTH AND SAFETY

At Megawide, we recognize that our people are our most valuable asset. We are committed to providing a safe and healthy working environment for all employees, contractors, and visitors across all our business units. This commitment extends beyond compliance to fostering a proactive safety culture where everyone feels empowered to contribute to their well-being and that of their colleagues.

This year, we have continued to strengthen our Occupational Health and Safety (OHS) management system, building on our existing framework and incorporating international best practices. Our approach focuses on:

1. Proactive Hazard Identification and Risk Management:

- **Collaborative Hazard Assessment:** We engage employees and contractors in identifying potential hazards through regular workplace inspections, daily walk-throughs, and toolbox talks. This collaborative approach ensures diverse perspectives are considered, leading to more effective hazard identification and control measures.
- **Robust Risk Assessment:** We utilize a comprehensive risk assessment process, including the Job Hazard Analysis (JHA), and Hazard Identification, Risk Assessment, and Risk Control (HIRARC) methodologies. This allows us to prioritize risks and implement appropriate controls, minimizing the likelihood and severity of potential incidents.
- **Effective Incident Investigation:** We conduct thorough investigations for all work-related incidents using root cause analysis methodologies, such as the fishbone analysis. This helps us understand the underlying causes of incidents and implement corrective and preventive actions to prevent recurrence.

2. Comprehensive Occupational Health Services:

- **Regular Medical Examinations:** We provide pre-employment, return-to-work, and annual medical examinations to assess employee health and fitness for work.
- **Accessible On-site Medical Care:** Our workplace medical clinics, staffed with qualified medical professionals, offer on-site medical services, first aid, and over-the-counter medications. We also have agreements with external clinics and laboratories for specialized medical services.

3. Empowering Employee Participation and Consultation:

- **Open Communication Channels:** We encourage employees to actively participate in OHS matters through open communication channels, including toolbox meetings, safety committees, and online platforms.
- **Regular Training and Education:** We conduct comprehensive OHS training programs for all

- employees, covering topics such as hazard identification, risk assessment, emergency procedures, and the use of personal protective equipment (PPE).
- **Information Dissemination:** We regularly share OHS information and updates through emails, bulletin boards, and internal communication platforms, ensuring employees have access to the latest safety guidelines and procedures.

TOPIC	DESCRIPTION	MEGAWIDE
Total number of work-related injuries		
• Fatalities	Number of fatalities due to work-related injuries	1
• High-consequence injuries	Number of high-consequence injuries excluding fatalities	2
• Recordable injuries	Number of recordable work-related injuries	16
Total number of work-related ill health cases		
• Fatalities	Number of fatalities due to work-related ill health	-
• Recordable ill health	Number of recordable work-related ill health cases	336
• Hours worked	Total number of hours worked	53,007,558

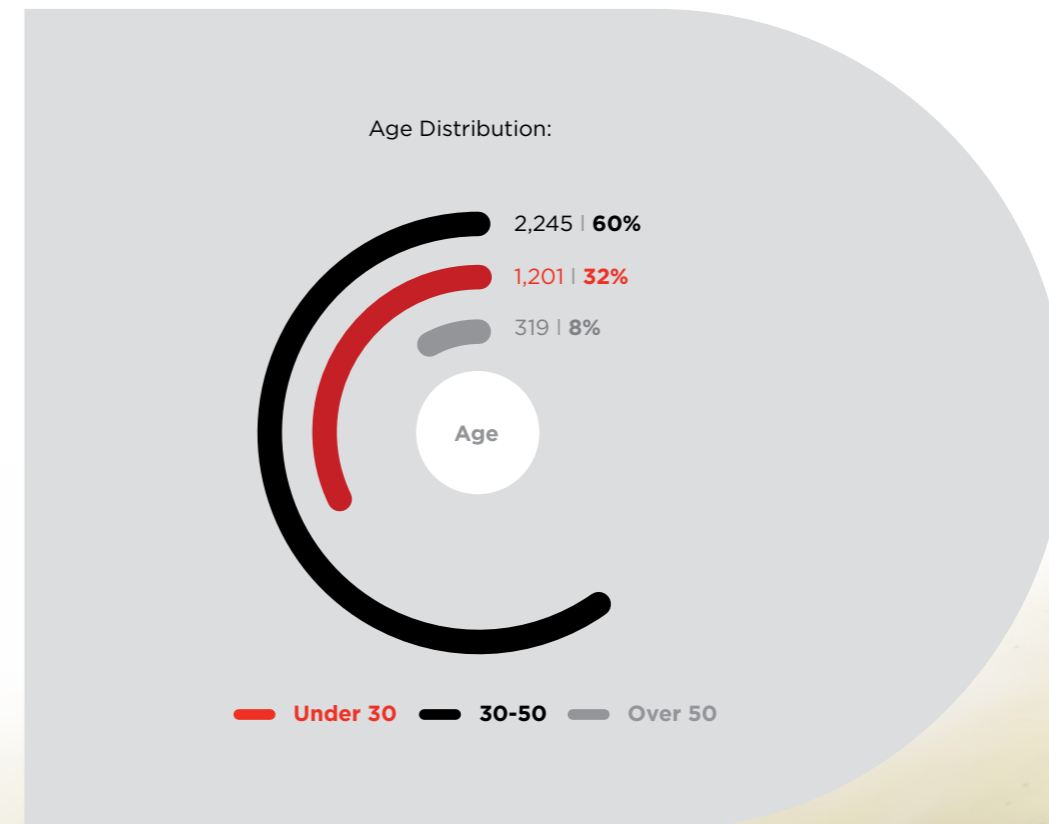
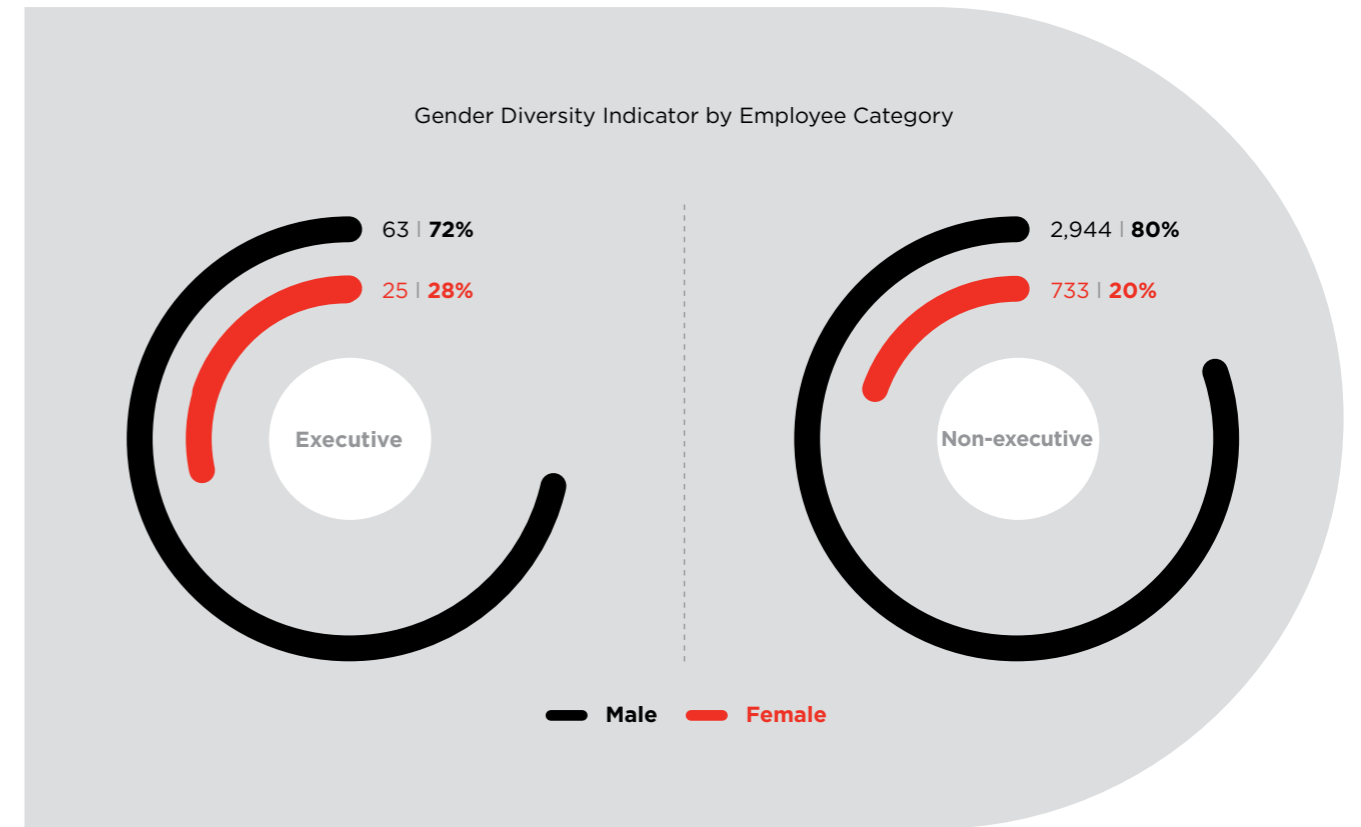
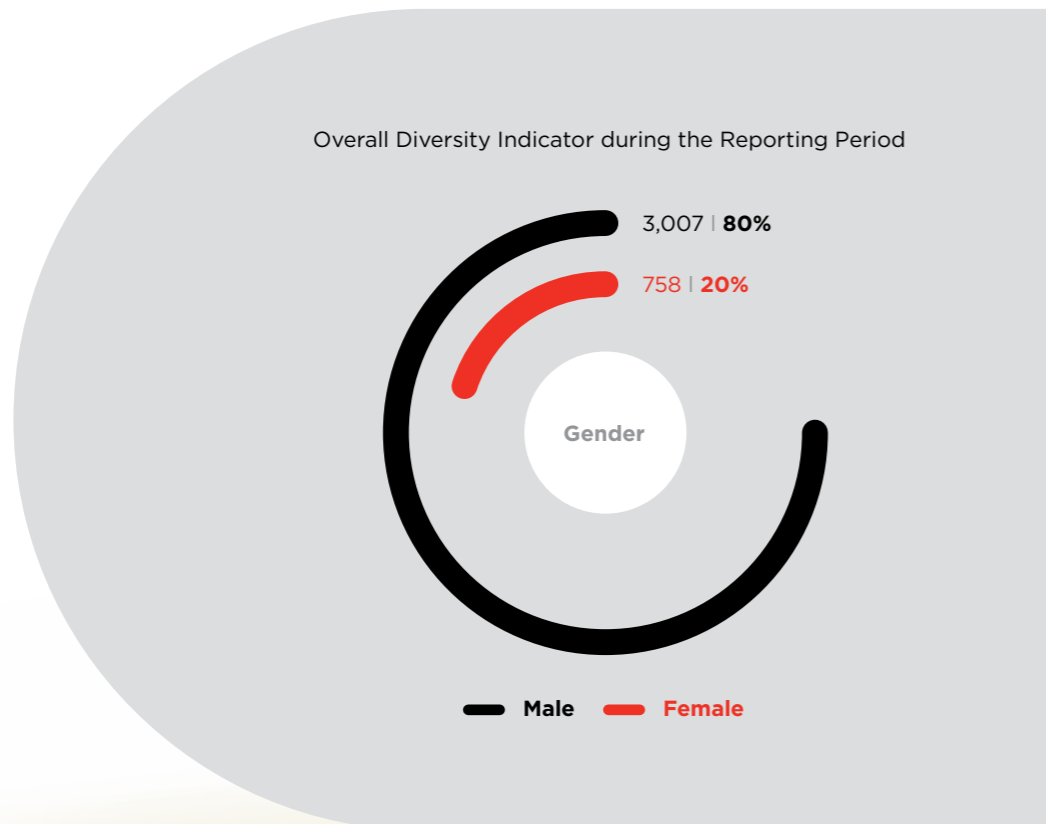
EMPLOYEE ENGAGEMENT, DIVERSITY, AND INCLUSION

At Megawide, we believe that a diverse and inclusive workplace is essential for our success. We are committed to creating a culture where everyone feels respected, valued, and empowered to contribute their unique talents.

Workforce Diversity

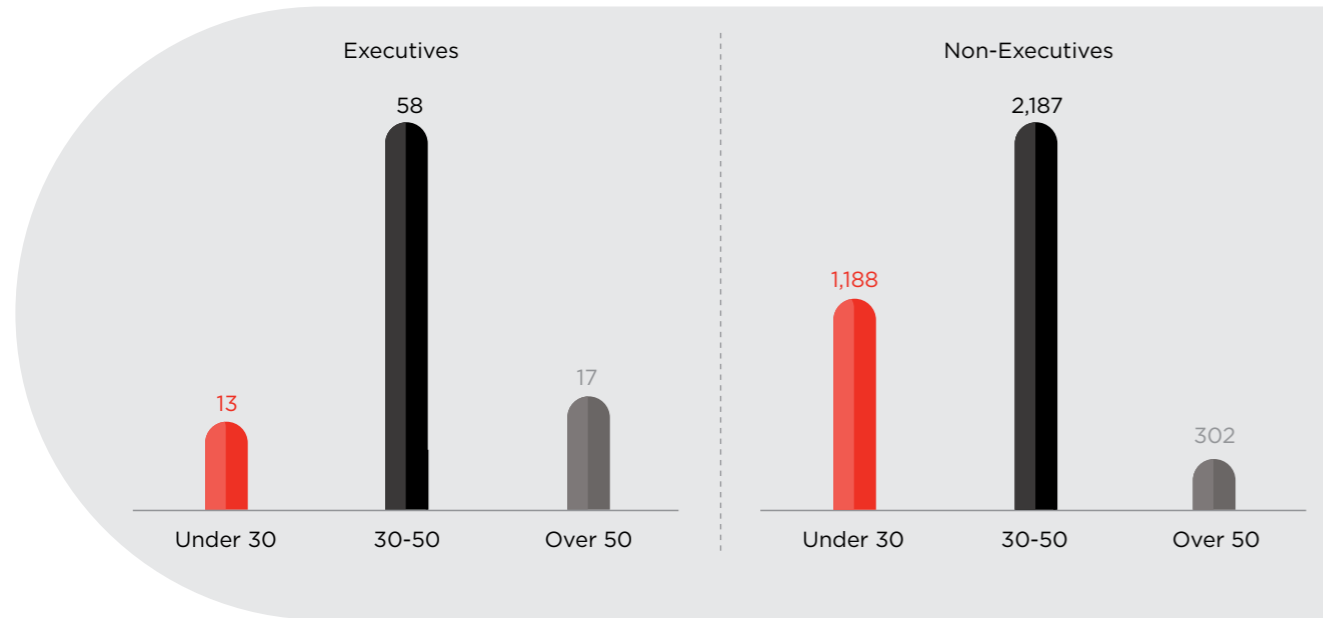
We track key diversity metrics to understand our workforce composition and identify areas for improvement. As of December 31, 2023, Megawide had a total of 3,765 employees.

Gender Diversity:



Diversity of New Hires and Turnover:

We strive to attract and retain a diverse workforce. Our 2023 new hire and turnover data, categorized by gender and age group, are as follows:




Workplace Discrimination


Megawide has a zero-tolerance policy for workplace discrimination. We are pleased to report that **no cases of workplace discrimination were reported in 2023.**

Diversity and Inclusion Initiatives


We have implemented various initiatives to promote diversity and inclusion across our operations:



Equal Opportunity
Employer: We uphold the principles of equal opportunity and non-discrimination in all aspects of employment, including recruitment, promotion, training, and compensation. We comply with all relevant laws and regulations prohibiting discrimination based on race, color, religion, sex, national origin, age, sexual orientation, or disability.



Employee Skills Development Programs:
 We provide diverse learning and development opportunities for all employees, including leadership training, technical skills development, and professional development programs. These programs are designed to enhance skills, foster career growth, and promote a culture of continuous learning.



Employee Engagement and Communication:
 We value open communication and encourage employees to share their feedback and suggestions. We conduct regular employee surveys, focus groups, and town hall meetings to gather input and address concerns related to diversity and inclusion.

We recognize that our journey towards a truly diverse and inclusive workplace is ongoing. We are committed to:



TRAINING AND EDUCATION

At Megawide, we are committed to fostering a culture of learning and development, empowering our employees to enhance their skills and reach their full potential. We believe that investing in our people is crucial for driving innovation, improving operational excellence, and achieving sustainable business growth.

Training Hours:

We actively promote employee participation in various training programs. In 2023, a total of **54,481 training hours** were provided across the organization.

By Gender	Female: 20,016 hours Male: 34,465 hours
By Employee Category	Board: 5,017 hours Non-executive: 49,464 hours

Performance and Career Development:

We are dedicated to fostering a performance-driven culture and providing regular feedback to support employee growth.

Performance Reviews: We conduct regular performance reviews for all employees. The frequency varies by business unit, with annual reviews conducted at EPC and HOLDCO, and semi-annual reviews at PCS, PH1, and PITX.

Key Initiatives and Programs:

- Individual Development Plans (IDPs):** HOLDCO implements IDPs based on performance and competency gaps, covering both technical and leadership training. Coaching and mentoring programs are also in place to support employee development.
- Competency Assessment Gap.** In addition, through the Competency Assessment Test, HOLDCO is identifying the competence gaps of employees. If any, these will be addressed through seminars, on-the-job trainings, and other tools.
- Training Needs Analysis:** PCS utilizes a training tracker and incorporates training attendance in performance evaluations. They partner with external institutions to offer diverse training programs, including technical, soft skills, and pre-retirement planning.
- Competency-Based Training:** EPC focuses on competency profiles and needs assessments to inform training programs. They emphasize continuous education on People Management Principles and utilize a check-back system to assess training effectiveness.

Parental Leave:

We are proud of our supportive work environment that enables employees to balance their work and family responsibilities.

- Return-to-Work and Retention Rates:** We are pleased to report a 100% return-to-work rate for employees who took parental leave in 2023. Furthermore, we have a 94% retention rate for female employees and a 97% retention rate for male employees who took parental leave.

PRODUCT DESIGN AND LIFE CYCLE MANAGEMENT

At Megawide, we recognize the significant environmental impact of the construction industry and acknowledge our responsibility to minimize our footprint throughout the life cycle of our projects. We are committed to integrating environmental, social, and governance (ESG) considerations into our product design, construction practices, and building operations.

Evolving Market and Opportunities

The construction industry is witnessing a growing demand for sustainable buildings and infrastructure. Clients are increasingly seeking projects that minimize environmental impact, reduce operational costs, and enhance occupant well-being. This shift presents significant opportunities for companies like Megawide to differentiate ourselves through innovative, sustainable solutions.

Lifecycle Impacts of Buildings and Infrastructure:

Buildings and infrastructure projects are resource-intensive endeavors with significant environmental impacts throughout their lifecycle, from material extraction and construction to operation and eventual demolition. We are committed to addressing these impacts at every stage:

Sustainable Design and Construction:

- We prioritize resource efficiency by optimizing building design to minimize material use and waste generation.
- We promote the use of sustainable building materials with lower embodied carbon and environmental footprints.
- We implement construction practices that minimize pollution, conserve water, and protect ecosystems.

Operational Efficiency:

- **Energy Efficiency:** We design and construct buildings with energy-efficient features, such as optimized building envelopes, high-performance glazing, and energy-efficient HVAC systems.
 - At our facilities, including the Taytay Industrial Plant, Santolan Town Plaza Corporate Office, and Head Office, we closely monitor monthly utility consumption, analyze data to identify areas for improvement, and implement corrective actions promptly.
 - We analyze utility consumption per concrete production volume or worker count to identify efficiency opportunities.

- **Water Conservation:** We implement water-saving fixtures and appliances in our projects and explore innovative water management solutions, such as rainwater harvesting.
 - All tenants in our facilities are separately metered for both electricity and water consumption, enabling us to track usage patterns and identify areas for improvement.
- **Waste Management:** We implement comprehensive waste management plans during construction and operation, promoting waste reduction, reuse, and recycling.
 - Our Taytay facilities have dedicated Sewage Treatment Plants that are regularly tested to meet local government environmental requirements.
 - We have a company-wide Waste Management Policy to guide our efforts.

Management of Tenant Sustainability Impacts:

We believe in extending our sustainability commitment beyond our operations to encompass our tenants. We engage with them to promote sustainable practices within our facilities:

- **House Rules:** Our Facilities Management Department (FMD) has established House Rules that outline operational and maintenance procedures, including guidelines for sustainable practices.
- **Environmental Initiatives:** We implement environmental initiatives, such as waste management programs and selective indoor waste collection, to minimize our collective environmental footprint.
- **Monitoring and Feedback:** We actively monitor in-place air conditioning temperatures to prevent excessive energy consumption.

Future Focus Areas:

- **Embodied Carbon Reduction:** We will explore strategies to measure and reduce the embodied carbon footprint of our projects, focusing on material selection and construction processes.
- **Circular Economy Principles:** We will integrate circular economy principles into our design and construction practices, promoting material reuse and minimizing waste generation.
- **Tenant Engagement Programs:** We will develop comprehensive tenant engagement programs to raise awareness about sustainable practices, encourage participation in our initiatives, and foster a culture of shared responsibility.

CLIMATE IMPACTS OF BUSINESS MIX

Climate change presents both risks and opportunities for Megawide. We recognize the importance of understanding and managing our impact on the climate, as well as adapting to a changing environment.

We acknowledge that our operations and the industries we serve can contribute to greenhouse gas (GHG) emissions. Conversely, we recognize the role we play in developing infrastructure that supports the transition to a low-carbon economy.

Opportunities and Risks:

- **Growing Sustainable Infrastructure Market:** As the demand for renewable energy and other sustainable infrastructure projects increases, we are well-positioned to leverage our expertise and capture market share. In 2023, our backlog associated with renewable energy projects reached PHP 1,841 million, encompassing three sites, including the 125 MW Lumbangan Solar Power Plant.
- **Transition Risks in Carbon-Intensive Industries:** We are aware of the potential risks associated with our involvement in carbon-intensive industries. We are actively monitoring evolving climate regulations and engaging with our clients to understand and mitigate potential transition risks.
- **Transparency and Disclosure:** We are committed to transparently disclosing the climate-related risks and opportunities embedded in our backlog and future business prospects. This information empowers our stakeholders to make informed decisions.

Climate Change Adaptation:

We are committed to proactively adapting to the physical impacts of climate change to ensure the resilience of our operations, assets, and surrounding communities.

Our Approach:

- **Risk Assessment:** In 2024, we will commence a comprehensive assessment to identify climate-related risks to our operations and assets. This assessment will consider factors such as extreme weather events, sea-level rise, and changes in precipitation patterns.
- **Adaptation Strategies:** Based on the findings of our risk assessment, we will develop and implement appropriate adaptation strategies. These strategies may include:
 - **Enhancing Infrastructure Resilience:** Implementing measures to strengthen our infrastructure and assets against extreme weather events and other climate-related hazards.
 - **Water Management:** Implementing water conservation measures and exploring alternative water sources to mitigate the risks of water scarcity.
 - **Supply Chain Resilience:** Working with our suppliers to assess their climate-related risks and develop contingency plans to ensure business continuity.

Megawide is committed to being a responsible corporate citizen and contributing to a sustainable future. We believe that by proactively addressing climate change, we can mitigate risks, seize opportunities, and create long-term value for our stakeholders.

HUMAN RIGHTS AND COMMUNITY RELATIONS

At Megawide, we believe that respecting human rights and fostering strong community relationships are fundamental to our success. We are committed to upholding the dignity and well-being of our employees, contractors, and the communities in which we operate. This section outlines our approach to human rights, community engagement, and stakeholder engagement.

Human Rights:

We have a zero-tolerance policy for any form of human rights violation. We strictly adhere to all applicable labor laws and international human rights principles.

Our Commitment:

- **Prohibition of Forced and Child Labor:** We employ only individuals of legal working age, conducting thorough background checks and requiring proof of age. Our employment contracts explicitly prohibit forced labor, and we have robust internal controls to prevent this practice.
- **Non-Discrimination:** We foster a workplace free from discrimination based on race, color, religion, sex, national origin, age, sexual orientation, or disability. We provide equal opportunities for all employees in hiring, promotion, training, compensation, and termination.
- **Harassment-Free Workplace:** We maintain a zero-tolerance policy for any form of harassment, including sexual harassment. We provide regular training and awareness programs to our employees on respectful workplace conduct.
- **Prevention of Workplace Violence:** We are committed to providing a safe and secure working environment for all employees. We have strict policies against violence, intimidation, and bullying in the workplace.

Our Practices:

- **Code of Business Conduct and Ethics:** Our Code of Business Conduct and Ethics clearly outlines our commitment to human rights and provides guidelines for ethical conduct. We conduct annual reorientation programs for all employees to reinforce these principles.
- **Grievance Mechanisms:** We have established accessible grievance mechanisms for employees to report any concerns or violations of our human rights policies. All reports are taken seriously and investigated promptly and confidentially.

Community Relations:

We recognize the importance of building strong and lasting relationships with the communities in which we operate. We strive to be a good neighbor by engaging with communities, understanding their needs, and contributing to their well-being.

Community Engagement Programs

Our community engagement programs are designed to address specific community needs and priorities. In 2023, we implemented a variety of initiatives across our business units:

- **HOLDCO:** Implemented five community development programs, developed 19 stakeholder engagement plans, conducted 12 participatory training sessions for scholars, and established dedicated committees for disaster response and employee well-being.
- **PCS:** Organized quarterly blood donation drives, improved public school safety through the Brigada Eskwela program, and launched hygiene and feeding programs for children at project sites.
- **PITX:** Conducted 270 CSR programs for public transportation workers, offered a Conductor's Theoretical Course in partnership with the LTO, collaborated with Ospital ng Makati for a health initiative, and held focus group discussions with program beneficiaries.

Addressing Potential Impacts:

We acknowledge our operations can have potential impacts on local communities. For example, at PITX, we recognize the potential for high CO2 emissions from public utility vehicles. We are actively exploring solutions to mitigate this impact, such as promoting cleaner transportation options and implementing emission reduction measures.

LABOR PRACTICES

Megawide is committed to upholding commonly accepted labor standards in the workplace, ensuring compliance with labor laws and internationally accepted norms and standards. We prioritize the protection of basic human rights related to child labor, forced or bonded labor, exploitative labor, fair wages, and overtime pay, among other essential workers' rights.

- **Compliance with Labor Laws:** Megawide adheres to all relevant labor laws and internationally accepted standards to ensure fair treatment and protection of workers' rights.
- **Prohibition of Forced and Child Labor:** The company strictly prohibits the use of forced or compulsory labor and child labor in its operations.
- **Fair Wages and Benefits:** We ensure the provision of fair wages and benefits to our workforce, which influences how we attract, retain, and motivate our employees.
- **Minimum Wage Policies:** Megawide complies with all minimum wage laws and strives to provide competitive compensation to all employees.
- **Employee Relations:** The company fosters a positive relationship with its employees, emphasizing the importance of organized labor and freedom of association.

Freedom of Association and Collective Bargaining

Megawide does not currently have any employee unions. Therefore, aspects related to Freedom of Association and Collective Bargaining are considered not applicable.

Commitment to Ethical Labor Practices

Megawide is dedicated to maintaining ethical labor practices across its operations. We continuously review and improve our policies to ensure they align with global standards and best practices, fostering a safe and respectful work environment for all our employees.



BENEFITS PROVIDED TO FULL-TIME AND NOT-FULL-TIME EMPLOYEES

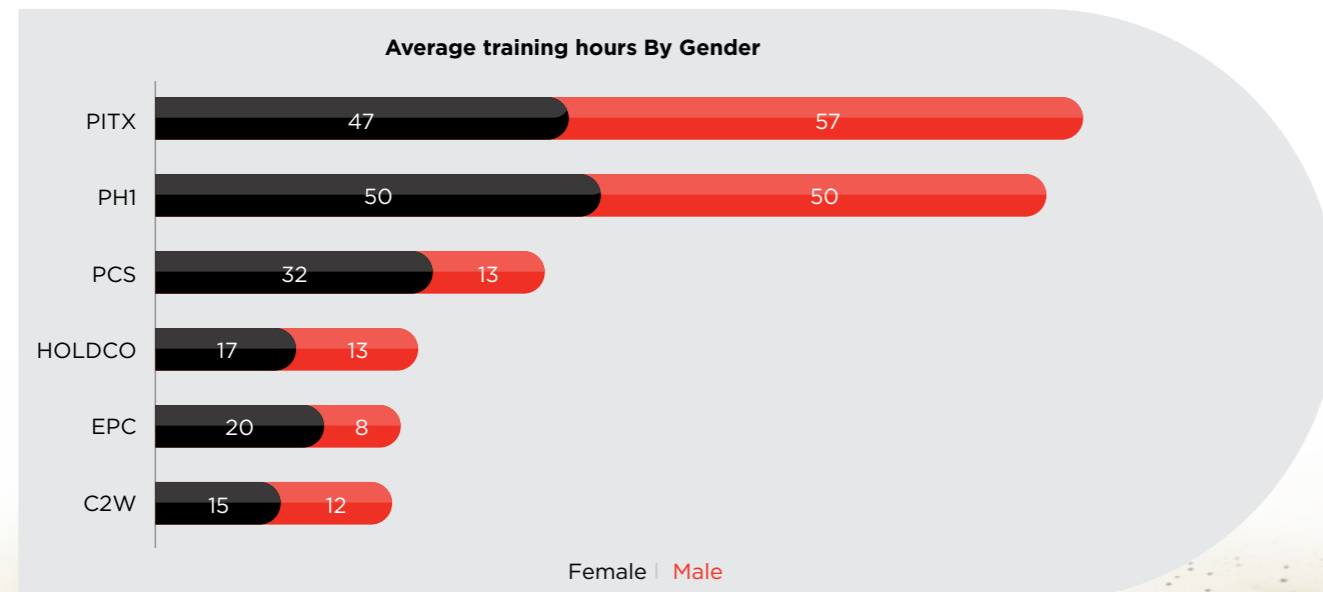
Benefits Provided To Full-Time and Not-Full-Time Employees

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%

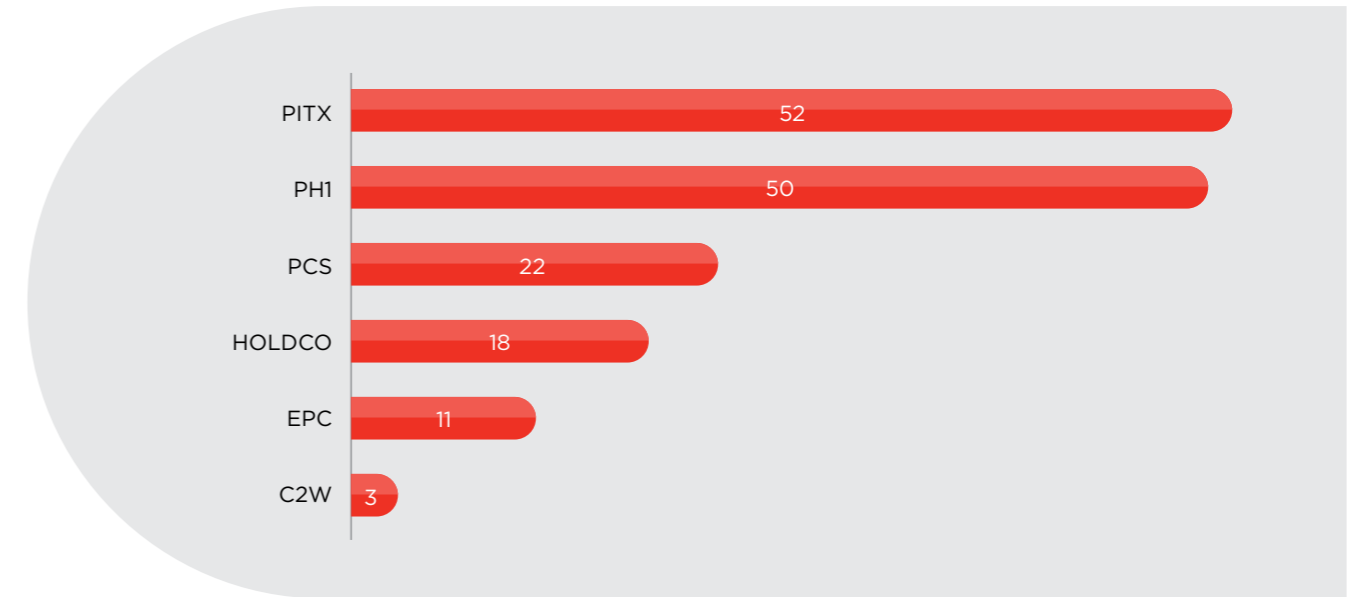
Parental Leaves



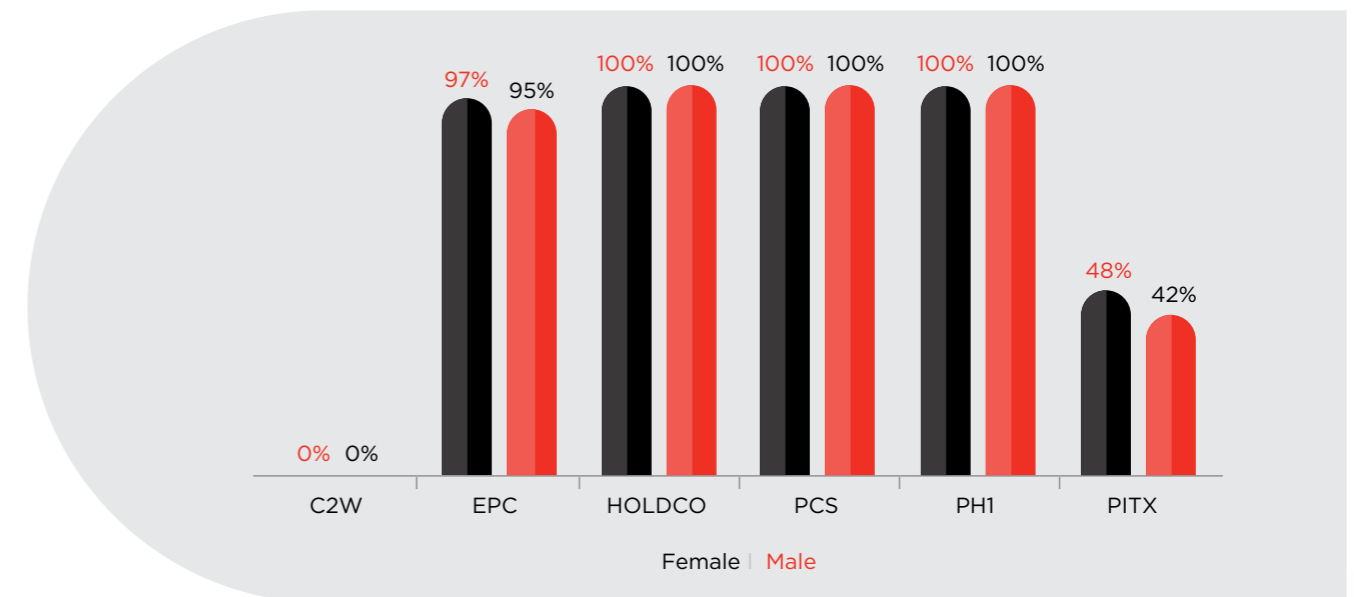
Average hours of training per year per employee



Overall Average training hours By Business Units



Percentage of employees receiving regular performance and career development reviews



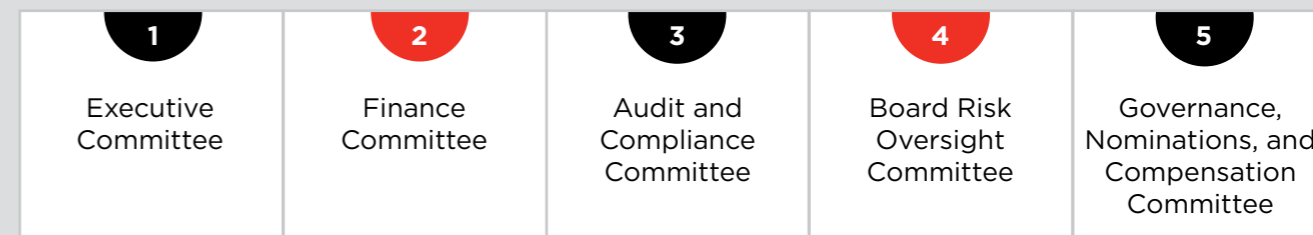
Ratio of Basic Salary and Remuneration of Women to Men

	C2W	EPC	HOLDCO	PCS	PH1	PITX
Ratio of the basic salary and remuneration of women to men	0%	0%	0%	0%	0%	0%
Ratio of lowest paid employee against minimum wage	15%	9%	65%	35%	24%	17%

CORPORATE GOVERNANCE



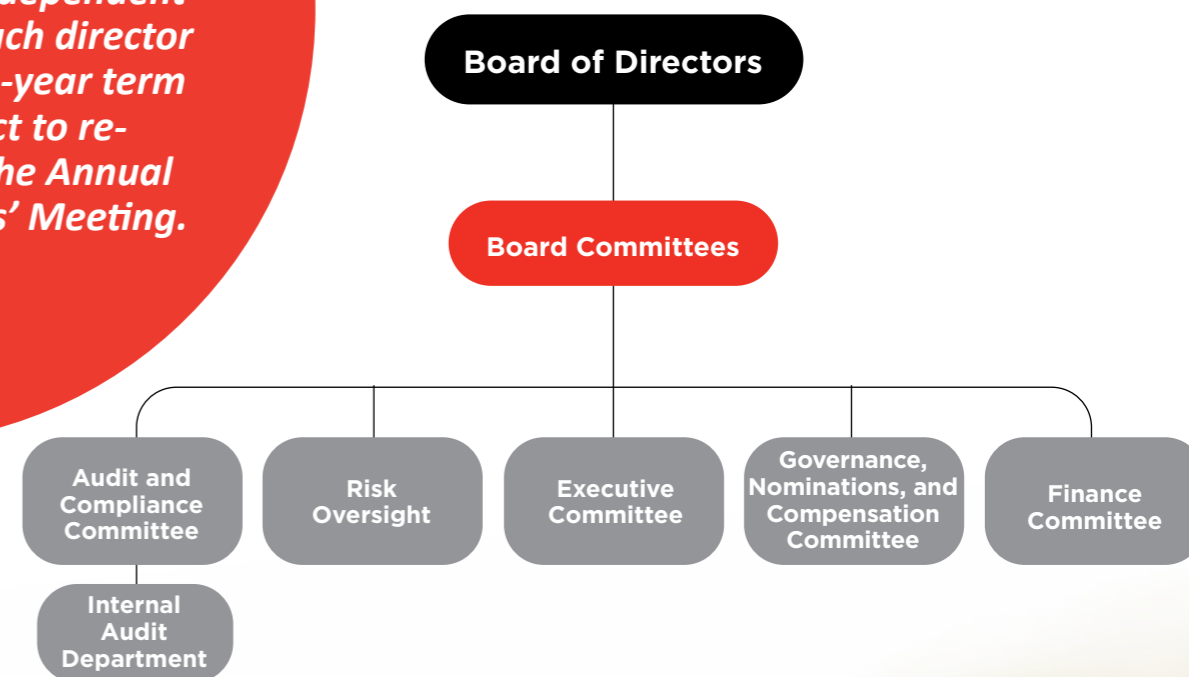
FIVE BOARD COMMITTEES SUPPORT THE BOARD'S FUNCTIONS



Megawide is governed by a seven-member Board of Directors, comprising four Executive Directors and three Independent Directors. Each director serves a one-year term and is subject to re-election at the Annual Stockholders' Meeting.

Members of these committees are elected annually during the Organizational Meeting following the Annual Stockholders' Meeting.

To ensure independence, Megawide's Independent Directors are limited to a maximum cumulative term of five years. After this period, they are ineligible for re-election as Independent Directors but may be nominated and elected as non-Independent Directors. If the Company wishes to retain an Independent Director beyond the five-year limit, the Board must provide compelling justification and obtain shareholder approval at the Annual Stockholders' Meeting.



NAME	POSITION	NO. OF MEETINGS	MEETINGS ATTENDED
Edgar B. Saavedra	Chairman of the Board	21	21
Manuel Louie B. Ferrer	Vice Chairman and Executive Director for Infrastructure Development	21	21
Oliver Y. Tan	Non-Executive Director	21	21
Ramon H. Diaz	Non-Executive Director	21	21
Hilario G. Davide, Jr.	Independent Director	21	21
Celso P. Vivas	Independent Director	21	21
Lilia B. De Lima*	Independent Directors	9	9

BOARD OF DIRECTORS



Mr. Edgar B. Saavedra

Chairman of the Board, CEO and President

Age: 49

Citizenship: Filipino

Term of Office: Yearly

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.

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.



Mr. Manuel Louie B. Ferrer

Vice Chairman of the Board and Executive Director for Infrastructure Development

Age: 48

Citizenship: Filipino

Term of Office: Yearly

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.

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



Mr. Oliver Y. Tan

Non-Executive Director

Age: 46

Citizenship: Filipino

Term of Office: Yearly

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.

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.



Mr. Ramon H. Diaz

Non-Executive Director

Age: 65

Citizenship: Filipino

Term of Office: Yearly

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.

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.



Ret. Chief Justice Hilario G. Davide, Jr.

Independent Director

Age: 88

Citizenship: Filipino

Term of Office: Yearly

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.

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.



Mr. Celso P. Vivas

Independent Director

Age: 76

Citizenship: Filipino

Term of Office: Yearly

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. 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).

KEY OFFICERS

Corporate Office



Edgar B. Saavedra
CEO and President



Manuel Louie B. Ferrer
Executive Director for
Infrastructure Development



Christopher A. Nadayag
Treasurer and Group Comptroller³



Atty. Raymund Jay S. Gomez
Chief Legal Officer, Compliance
Officer, and Data Protection Officer



Jez G. Dela Cruz
Chief Finance Officer¹



Maria Belinda B. Morales
Chief Human Resources Officer



Mohit Malhi
Chief Executive Advisor



Martin Miguel B. Flores
Chief Risk Officer⁴



Abigail Joan R. Cosico
Chief Investor Relations Officer²



Jaime Raphael C. Feliciano
Chief Business Development Officer



Zheena E. Ocampo
Acting Chief Audit Executive



Rolando S. Bondoy
AVP - Investor Relations⁵

¹Replaced Ramon Diaz
²Assigned as Citicore's Chief Investor Relations Officer

³Replaced Mia Cortez
⁴Concurrent Procurement Head of Megawide Construction
⁵Replaced Joan Cosico as Head of Investor Relations

KEY OFFICERS

Precast And Construction Solutions



Rogelio P. Ramos, JR
Head - Corporate Branding⁶



Robert Jason L. Torres
AVP - Corporate Affairs⁷



**Atty. Anthony Leonard
G. Topacio**
AVP - Corporate Legal



Markus Hennig
EVP - Precast & Construction Solutions



Jeralbine Nuguid
AVP - Precast Business Unit



Rexford Ilagan
AVP - RMC Business Unit



Teofilo Marzabal
AVP - QA/QC



Marizel Rahon
AVP - Finance Comptroller



Roderick Reyes
AVP - HR & Admin Head

⁶Atty. Teodulo Antonio G. San Juan Jr. (Corporate Secretary), replaced Al-Shwaid Ishmael
⁷Assigned to PH1 World Developers Inc as Branding Head
⁷Assigned as Head of Citicore's Corporate Affairs and Foundation



Dennis Makalintal
Head - C.E.L.S



Dennis Sembrano
AVP - Sales and Marketing Head



Melona Dablo
Sr. Manager - Supply Chain Management



Ruel Alma
Sr. Manager - Facilities Management

KEY OFFICERS
Engineering, Procurement and Construction



Frederick Tan
Chief Operating Officer



Manuel Ongjuco
Human Resources Head⁸



Masashi Watanabe
AVP - Engineering Head



Reynaldo Rodrin
AVP - Operations



Jules Ronquillo
AVP - Operations



Grant Lee Fellowes
Project Director



Melvino Faustino
Project Manager, MMSP CP 104



Bena Kristie Balandra
AVP - Supply Chain Management

⁸Replaced Bonnie Bryan Sy

KEY OFFICERS

Megawide Corporate Foundation Inc.



Manuel Louie B. Ferrer
Chairman of the Board



Tata Saavedra
President and Executive Director



Edgar B. Saavedra
Vice-Chairperson



Celso Vivas
Independent Trustee



Paulette Lui
Independent Trustee



Christopher A. Nadayag
Treasurer

**Atty. Teodulo Antonio G. San Juan Jr. - Corporate Secretary
***Hazelmer S. Fernandez - Assistant Corporate Secretary

KEY OFFICERS

MWM Terminals, Inc.	Cebu2World Development, Inc.	PH1 World Developers
Jaime Raphael Feliciano President	Manuel Louie B. Ferrer President	Ma. Gilda Alcantara President
Mohit Malhi Chief Executive Advisor	Lydwena R. Eco Deputy General Manager	Spike Ching Head of Business & Project Development
Ralph Gilbert G. Binos Director - Terminal Operations & Facilities Management	Dandie C. Español Finance Manager	Lester Hari Head of Design & Construction
Ruth P. Morales Head - Commercial Operations	Maria Rhodora R. San Diego Commercial Head	Fernando Cuartina Jr. Head of Account Management
Alena Xandra A. Tan Head - Finance & Accounting	Jham A. Ronolo Operations Manager	Eric Gregor Tan General Manager - PH1 Landscapes
Maria Althea N. Masangkay Head - HR and Admin	Joworski B. Alipon Public Affairs Lead	Aileen Morales VP Sales and Marketing - PH1 Landscapes
Jose Mari T. Salvador Head - Corporate Affairs and Government Relations	April Dianne P. Mantuhac Project Development Lead	Rowelyn Merencillo Head of Account Management - PH1 Landscapes
	Maria Theresa A. Merced Public Market Lead	
	Maryrose H. Camajalan Business Development Officer	
	Cornelio A. Escobal Jr. Human Resource Officer	

Remuneration of the Board

Megawide prioritizes aligning the remuneration of its Board members and key officers with the Company's long-term interests. This is achieved through the Governance, Nominations, and Compensation Committee (GNCC), which plays a crucial role in establishing and overseeing the Company's compensation program.

Guiding Principles:

- **Alignment with Long-Term Interests:** The GNCC ensures that the remuneration packages for Board members and key officers incentivize and reward contributions to Megawide's sustained success.
- **Performance-Based Compensation:** A clearly defined policy, formulated and adopted by the GNCC, establishes a direct link between remuneration and performance.
- **Transparency and Compliance:** Directors' compensation adheres to the Company's bylaws and requires approval from stockholders during the annual stockholders' meeting. The Board also approves reasonable per diem payments for attending Board and committee meetings.

Key Responsibilities of the GNCC:

The GNCC's responsibilities extend beyond setting compensation and encompass a holistic approach to human capital management:

- **Succession Planning:** Overseeing human resource planning, including robust succession plans for the

CEO and other senior executive positions. This involves recommending shortlisted candidates for Board approval and annually reviewing the emergency succession plan.

- **CEO Performance Evaluation and Compensation:** Evaluating the CEO's performance and approving their annual salary, bonuses, incentive awards, remuneration, and executive benefits based on company performance, shareholder return, industry benchmarks, and past awards.
- **Senior Officer Compensation:** Reviewing and approving compensation packages for senior officers based on established criteria and ensuring regulatory compliance.
- **Severance Packages:** Reviewing and approving severance or similar termination payments for current or former senior officers.
- **Benchmarking and Best Practices:** Regularly reviewing and recommending adjustments to Board compensation levels to align with best practices observed in comparable public companies.
- **Self-Evaluation and Reporting:** Conducting annual self-evaluations of the GNCC's performance and reporting the findings to the Board. Preparing and approving all GNCC reports in compliance with SEC regulations.
- **Delegated Responsibilities:** Discharging any additional responsibilities related to compensation programs as delegated by the Board.

Transparency in Action:

For the year ended December 31, 2023, the total per diem paid to Directors amounted to Php 3,156,000.

BOARD COMMITTEES

Executive Committee

The Executive Committee is empowered to act on behalf of the Board in matters requiring immediate attention, particularly during periods when a full Board meeting is not feasible or practical. This includes exercising the Board's fiduciary powers and overseeing the management of the Company's business and affairs within the bounds of the bylaws.

NAME	POSITION	NO. OF MEETINGS	MEETINGS ATTENDED
Edgar B. Saavedra	Chairman	1	1
Manuel Louie B. Ferrer	Vice Chairman	1	1
Ramon H. Diaz	Member	1	1
Oliver Y. Tan	Member	1	1

Audit and Compliance Committee

The Audit and Compliance Committee assists the Board in fulfilling its oversight responsibilities related to the Company's internal controls, audit processes, financial reporting, and related party transactions.

NAME	POSITION	NO. OF MEETINGS	MEETINGS ATTENDED
Celso P. Vivas	Chairman	5	5
Hilario G. Davide, Jr.	Vice-Chairman	5	5
Oliver Y. Tan	Member	5	5

Finance Committee

The Finance Committee supports the Board in its oversight role by monitoring the management's regular financial functions. This includes overseeing the Company's asset management and bidding activities.

NAME	POSITION	NO. OF MEETINGS	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*	Independent Director	1	1

*Tenure ended May 12, 2023

Governance, Nominations and Compensation Committee (GNCC)

The GNCC plays a crucial role in assisting the Board with various corporate governance matters. This includes overseeing the nomination and election process for Directors and key officers, as well as determining their appropriate compensation packages.

NAME	POSITION
Hilario G. Davide, Jr.	Chairman
Lilia B. De Lima	Vice-Chairman
Celso P. Vivas	Member
Manuel Louie B. Ferrer	Member

Risk Oversight Committee

The Board Risk Oversight Committee assists the Board in overseeing the Company's ERM framework and security management systems. Guided by this framework, the committee plays a vital role in identifying and assessing Megawide's risk exposure, while also evaluating the effectiveness of existing risk management strategies.

NAME	POSITION
Lilia B. De Lima	Chairman
Celso P. Vivas	Vice-Chairman
Hilario G. Davide, Jr.	Member
Edgar B. Saavedra	Member
Ramon H. Diaz	Member

Business Ethics and Corporate Policies

Megawide believes that strong corporate governance and unwavering ethical conduct are fundamental to its long-term success and sustainability. It is committed to conducting business with integrity, transparency, and accountability, adhering to the highest ethical standards and complying with all applicable laws and regulations.

Megawide's Framework for Ethical Conduct:

The company's commitment to ethical behavior is embedded in its core values and reflected in its comprehensive suite of corporate policies, which provides clear guidelines for ethical conduct and responsible business practices. These policies are regularly reviewed and updated to ensure they are relevant and effective in addressing emerging risks and challenges.

Key Policies and Initiatives:

- **Anti-Bribery and Anti-Corruption:** Megawide has a zero-tolerance policy for bribery and corruption, as outlined in its Code of Business Conduct and Ethics, Employee Code of Discipline, and Code of Conduct and Ethical Standards for Suppliers. It conducts regular training programs to ensure all employees and business partners understand and comply with these policies.

- **Whistleblower Protection:** The policy and Sumbong Anomaly Para sa Kompanya campaign provide safe and confidential channels for employees, contractors, and other stakeholders to report any suspected unethical or illegal activities.
- **Conflict of Interest Management:** Megawide requires its employees, officers, and directors to complete annual Conflict of Interest Disclosure Forms to identify and manage potential conflicts of interest.

2023 Highlights:

- **Zero Confirmed Corruption Incidents:** Megawide has reported zero confirmed incidents of corruption in 2023, demonstrating the effectiveness of its robust ethics and compliance program.
- **100% Communication and Training Coverage:** It achieved 100% communication and training coverage on its anti-corruption policies and procedures, ensuring that all members of its governance body, employees, and business partners are aware of their responsibilities.

Megawide has implemented a comprehensive suite of policies covering various aspects of corporate governance, including, but are not limited to:

POLICY TITLE	DESCRIPTION
Anti-Fraud Policy	Establishes the guidelines, procedures, and controls that facilitate the prevention, detection, reporting, investigation, and punishment of fraudulent activities committed by members of the Company.
Board Charter	Specifies the duties, functions, procedures, composition, and qualifications of the Board and its members.
Board Self-Evaluation Policy	Provides an avenue for the Board and its members to assess, appraise, and measure their annual performance.
Code of Conduct and Business Ethics	States the Company's ethical beliefs, values, and commitments to guide the transactions and activities of Company personnel.
Code of Conduct and Ethical Standards for Suppliers	Informs suppliers of the virtues, values, and practices that they must uphold in dealing with the Company.
Conflict of Interest - Supplemental Guidelines	Reiterates to Company personnel that they must avoid conflicts of interest and situations where their personal and/or financial interests could influence the Company's performance.
Data Privacy Manual	Informs clients, employees, partners, and stakeholders of the Company's data protection and security measures.
Employee Code of Discipline	Standardizes the procedures in handling administrative cases and the imposition of administrative sanctions for violations committed by Company personnel.
New Manual on Corporate Governance	Complies with the SEC code of corporate governance for publicly listed companies and institutionalizes the best practices of good corporate governance throughout the organization.
Quality, Environmental, Safety and Health Policy	Details the objectives, controls, and initiatives to be implemented at the Company to maintain full compliance with legal requirements and health and safety standards.
Related Party Transactions Policy	Provides guidelines and procedures for handling such transactions in a manner that promotes transparency, fairness, and compliance.
Trading Policy	Sets out the implementing guidelines for ensuring the compliance of all Company directors, officers, and employees with applicable securities laws, rules, and regulations.
Whistleblower Policy	Encourages and allows individuals to report fraudulent activity, misrepresentation, and other breaches of guidelines and compliance policies to the Company.

Megawide is committed to a culture of exceptional corporate governance and accountability. The company actively works to develop, maintain, and enforce these policies to ensure ethical and responsible business practices.

ENTERPRISE RISK MANAGEMENT (ERM)

At Megawide, we understand that a robust ERM program is crucial for sustainable growth and long-term success. We view ERM as a fundamental element of good corporate governance, enabling us to proactively identify, assess, and manage potential uncertainties. This proactive approach allows us to protect our business, enhance stakeholder value, and make informed decisions in a constantly evolving environment.

Our ERM framework is built upon the globally recognized ISO 31000:2018 standard, ensuring a structured and comprehensive approach to managing risk. This framework is tailored to Megawide Group's specific operational context and is seamlessly integrated into our business units and strategic planning processes.

Key pillars of our ERM framework include:

- **Leadership & Commitment:** Our Board of Directors, through the Board Risk Oversight Committee, provides active oversight of our ERM program. This dedicated committee, along with our President & Chief Executive Officer, champion a risk-aware culture across all levels of the organization.
- **Integrated Risk Management:** We believe that everyone is a risk manager. Therefore, we've embedded risk management principles into our daily operations, ensuring alignment between our risk appetite and strategic objectives.
- **Common Risk Language:** Our Megawide Business Risk Dictionary provides a standardized vocabulary

for discussing and analyzing risks, fostering clear communication and shared understanding across the organization.

- **Continuous Improvement:** We subject our ERM framework and processes to regular reviews and updates, incorporating lessons learned, industry best practices, and evolving risk landscapes. Internal Audit plays a key role in assessing the maturity and effectiveness of our ERM program, identifying areas for enhancement.

We follow a clearly defined ERM process that guides us through the entire risk management lifecycle:

1. **Establishing the Scope, Context, and Criteria:** We define the boundaries of our risk management activities, considering both our internal and external environments, and establishing clear criteria for evaluating risk significance.
2. **Risk Assessment:** We systematically identify potential risks across all areas of our business, analyze their potential impact and likelihood of occurrence, and evaluate their overall significance against our defined criteria.
3. **Risk Treatment:** We develop and implement appropriate risk mitigation strategies based on the outcomes of our risk assessments. These strategies range from risk avoidance and reduction to risk transfer and acceptance, ensuring alignment with our risk appetite.
4. **Communication and Consultation:** We maintain open and transparent communication channels with our stakeholders, actively engaging them in risk-related discussions and ensuring they are informed about our risk management processes and outcomes.
5. **Review and Monitoring:** We continuously monitor the effectiveness of our risk management efforts, making necessary adjustments to ensure they remain relevant and effective in addressing the ever-changing risk landscape.

FINANCIAL PERFORMANCE

Megawide recognizes its role as a key driver of economic growth and development. We are committed to creating and distributing economic value responsibly and sustainably, benefiting our employees, suppliers, communities, and shareholders.

Strong financial performance in 2023. We are pleased to report strong financial performance for 2023, with a 28% y-o-y increase in revenue to PHP 18.638 billion. This growth reflects the resilience of our diversified business model and our ability to capitalize on emerging opportunities.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

As a result of our strong performance, we were able to distribute PHP 14.957 billion in direct economic value in 2023, representing a 16% increase from 2022. This value was distributed across key stakeholder groups:



Employees

Employee wages and benefits increased 6% y-o-y in 2023, reflecting our commitment to providing competitive compensation and benefits packages



Suppliers

Payments to suppliers increased 13% y-o-y in 2023, demonstrating our commitment to supporting local suppliers and fostering economic activity within our supply chain



Shareholders

Dividends distributed to shareholders rose 22% y-o-y in 2023, reflecting our commitment to delivering value to our investors



Communities

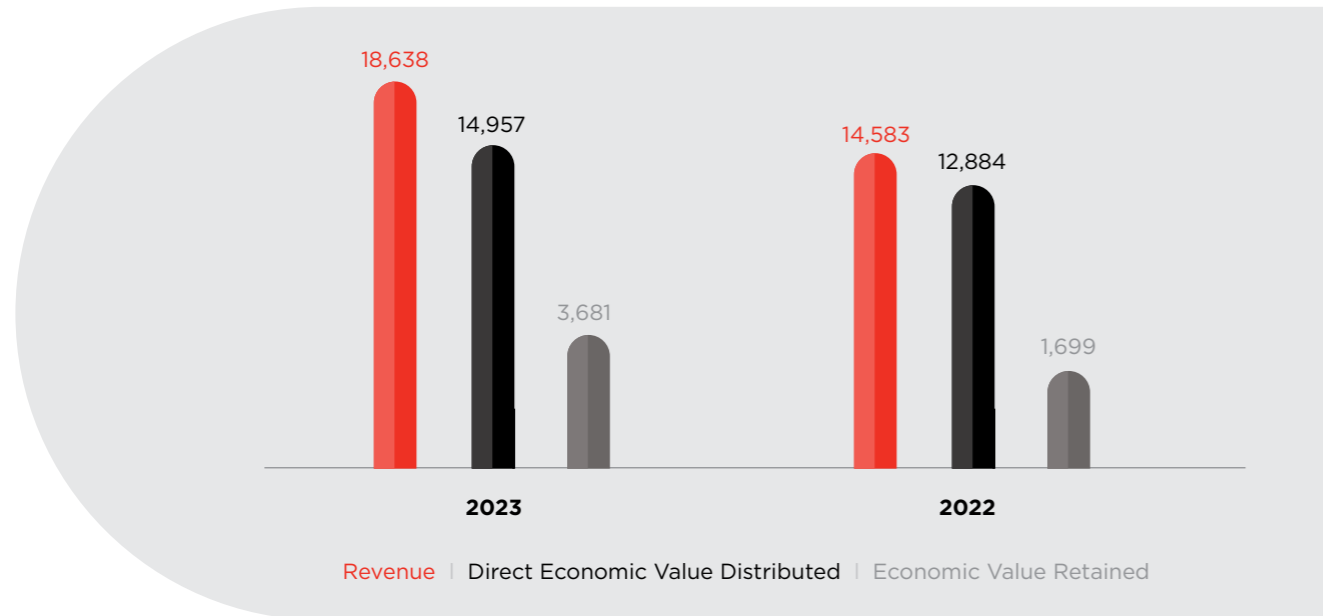
Contributed significantly to government revenue through taxes, which increased 22% compared with the previous year. This contribution supports essential public services and infrastructure development



Reinvestment

Made significant investments in 2023 as well, with a 39% increase compared with 2022. These investments are focused on strengthening our core businesses, expanding into new growth areas, and enhancing our operational efficiency. This reinvestment strategy is crucial for our long-term sustainability and our ability to continue generating economic value for all stakeholders

In millions (PhP)



Breakdown of direct economic value distributed (million PHP):

Component	2023	2022	Change
Operating cost	6,374	5,651	+12%
Employee wages and benefits	2,267	2,145	+6%
Payment to suppliers	1,338	1,194	+13%
Dividends	321	231	+22%
Investment	172	231	+39%
Taxes	4,485	3,664	+22%
Total	14,957	12,884	+16%

Economic value retained:

In addition to the providing direct economic value, we retained PHP 3.681 billion in 2023, representing a significant increase from the previous year.

This retained value was essential for:

 **Funding future growth and expansion**

 **Investing in research and development**

 **Strengthening our financial position**

 **Enhancing our resilience to economic shocks**

Looking ahead:

Megawide is committed to maintaining strong financial performance and continuing to create and distribute economic value in a responsible and sustainable manner. We will continue to:



Invest in our people



Support our local communities



Engage responsibly with our suppliers



Deliver value to our shareholders

By pursuing these commitments, we aim to create a virtuous cycle of sustainable and inclusive economic growth that benefits all stakeholders

AWARDS AND RECOGNITION

MEGAWIDE CONSTRUCTION CORPORATION

Finance Asia Best Managed Companies' Poll 2023

- **Best Company in the Philippines** - Gold
- **Best Consumer Cyclicals Company in the Philippines** - Gold
- **Best CEO in the Philippines** - Silver to Edgar Saavedra

International Finance Awards 2023

- Best PPP Project Developer
- **Best Investor Relations Team** - Philippines



CEBU2WORLD DEVELOPMENT, INC.

C2W Mayor's Special Award 2023 was awarded to **Ms. Lydwena Eco** for her passionate and unconditional dedication in the service of constituents and programs in Cebu City.

PH1 WORLD DEVELOPERS, INC.

BCI Asia Awards 2023

- Top 10 Developer

DOT Property Philippines Awards 2023

- **Best Loft Type - Condo Development:** My Enso Lofts

Lamudi.com.ph The Outlook Philippine Real Estate Awards 2023

- **Real Estate Innovation of the Year** - My Enso Lofts

Brand Asia 2023

- **Top Global Brand** - Real Estate Developer

Carousell Property Awards 2023

- **Best Housing Development** - Northscapes SJDM
- **Best Green Development** - Northscapes SJDM

PropertyGuru Philippines Property Awards

- **Highly Commended:** Best Breakthrough Developer - 2021
- **Best Condo Development - Central Luzon:** The Hive Residences - 2021
- **Highly Commended:** Best Lifestyle Development - My Enso Lofts - 2023
- **Highly Commended:** Best Mid End Condo Development - Metro Manila - My Enso Lofts - 2023
- **Highly Commended:** Best Condo Development - Luzon - Modan Lofts Ortigas Hills - 2023

Precast Construction Solutions

- 15M Safe Man-hours Milestone 2023 was awarded to Taytay Plant

Taytay Urban Fire Olympics 2023

- **1st Place** - Industrial Category
- **1st Place** - Busted Hose and Up the Ladder
- **2nd Place** - Fire Extinguishment
- **3rd Place** - Rescue and Transfer Relay
- Best in Uniform

EPC

Safety Awards 2023

- Mr. Jay Hafalia

HR Awards 2023

- Mr. Manny Ongjuco
- Mr. Marvin Tablizo

PECCA Winner for Decorative Concrete of Carbon

- Sto. Nino Chapel was awarded to the Program Management Office.

PITX (MWM TERMINALS)

Inter-agency Council for Traffic

- I-ACT Special Recognition Award.

ANNEX

MANAGEMENT'S DISCUSSION AND ANALYSIS

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% pul 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 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.

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% pul 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 FY2020Results of Operations

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		
	2023	2022	2021
Cash Flow			
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.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE
TO THE BOARD OF DIRECTORS**
For the Year Ended 31 December 2023

This report covers the activities of the Audit and Compliance Committee (“ACC”) of the Board of Directors (the “Board”) of Megawide Construction Corporation (“Megawide”) for the year ended 31 December 2023, pursuant to the provisions of Megawide’s New Manual on Corporate Governance Manual.

During the year, the ACC met every two (2) months and its regular agenda included the following:

- a. Approval of its previous minutes;
- b. Report or updates on the audit activities of the Internal Audit Department (“IAD”), focusing on the control environment and the enterprise risk management (“ERM”) program;
- c. Review of Megawide’s material Related Party Transactions; and
- d. Review of Megawide’s Quarterly and Annual Reports, which are submitted to the Securities and Exchange Commission (“SEC”).

The ACC also performed the following for the audit year of 2023:

- a. Reviewed and approved the 2023 IAD Risk-Based Internal Audit Plan.
- b. Reviewed and approved all the audit fees and services provided by Megawide’s external auditor, Punongbayan & Araullo (“P&A”).
- c. Evaluated the non-audit work furnished by P&A, including the non-audit fees paid, particularly, on its impact on the total annual audit fees and consultancy expenses of Megawide. As determined by the ACC, the non-audit work performed by P&A did not appear to be in conflict with their duties as external auditor, nor posed a threat to their independence.
- d. Reviewed and discussed with P&A the scope and methodology of their audit, the results of their examination, and the quality of their financial reports.
- e. Evaluated the performance, independence, and qualifications of P&A in the conduct of their audit. In this regard, the ACC received a letter from P&A confirming their independence and containing other matters that require disclosure under applicable auditing standards. Based on its review, the ACC recommended the re-appointment of P&A as the external auditor of Megawide for the year 2023.
- f. In behalf of the ACC and before the audit was finalized, the Chairman of the ACC, Mr. Celso P. Vivas, (in lieu of a face-to-face meeting) had a private tele-conversation meeting with P&A, through its engagement partner, Mr. Endel S. Mata, and his team. The said meeting was not attended by any of Megawide’s Executives or Officers, as required by the rules and regulations of the SEC and the Manual. Mr. Vivas asked P&A if there are any unresolved critical and/or material audit issues. P&A confirmed that there are no unresolved audit issues.
- g. After P&A presented Megawide’s 2023 Consolidated Audited Financial Statements, the ACC reviewed the same and recommended its approval to the Board. Upon careful deliberation, the Board approved Megawide’s 2023 Consolidated Audited Financial Statements.

AUDIT AND COMPLIANCE COMMITTEE

By:

MR. CELSO P. VIVAS
Chairman of the ACC
Date: 14 April 2024

Noted by:

MR. EDGAR B. SAAVEDRA
Chairman of the Board, Chief Executive Officer, and President
Date: 11 April 2024



**STATEMENT OF THE ACTING CHIEF AUDIT EXECUTIVE
ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM
OF MEGAWIDE CONSTRUCTION CORPORATION**

For the Year Ended 31 December 2023

I, ZHEENA E. OCAMPO, as the Acting Chief Audit Executive of Megawide Construction Corporation (“Megawide”), including its subsidiaries and affiliates (collectively the “Megawide Group”), hereby states that:

- With the guidance and supervision of the Audit and Compliance Committee (“ACC”) of the Board of Directors (“Board”) of Megawide, the Internal Audit Department (“IAD”) has been focused on enhancing and strengthening the internal control system of the Megawide Group by providing independent assurance and recommendations in a systematic and disciplined approach, which are designed to add value and improvements to the Megawide Group’s business and operations.
- The Megawide Group’s present internal control system appears strong and able to provide reasonable assurance on the accomplishment of its overall business objectives, which include:
 - i. producing reliable financial reports;
 - ii. developing effective enterprise risk management (“ERM”) programs across its departments and business units; and
 - iii. complying with corporate governance, financial, legal, and tax reporting requirements.
- The management of the Megawide Group and its process owners have consistently adopted the recommendations of the IAD for the improvement of its internal control systems and for the effectiveness of its ERM programs.
- The IAD has complete independence with respect to the departments and business units in the Megawide Group that it is auditing. In fact, the Board and the management of the Megawide Group have not placed any limitations or restrictions on the scope of the audit of the IAD.
- Lastly, the Board, through the ACC, and the Office of the Chief Executive Officer have provided the IAD with general direction and guidance on the scope of its work and the activities covered in its 2023 annual Audit Plan.

Prepared by:

MS. ZHEENA E. OCAMPO
Acting Chief Audit Executive
Date: 11 April 2024

Concurred by:

MR. CELSO P. VIVAS
Chairman of the ACC
Date: 11 April 2024

MR. EDGAR B. SAAVEDRA
Chairman, Chief Executive Officer, and President
Date: 11 April 2024



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. 73;
Book No. 1;
Series of 2024.



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

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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.

Certified Public Accountants
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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
ASSETS			
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
		<u>47,240,687,075</u>	<u>50,914,956,172</u>
Non-current asset classified as held for sale	10	2,879,769,625	2,879,769,625
		<u>50,120,456,700</u>	<u>53,794,725,797</u>
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
		<u>16,206,683,752</u>	<u>12,658,030,257</u>
TOTAL ASSETS		P 66,327,140,452	P 66,452,756,054

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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		
Equity attributable to shareholders of the Parent Company:	27	
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			
Construction operations	21 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			
Cost of construction operations	22 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			
Continuing operations	30 (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 to 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	(14,333,438)	(743,200,819)	(550,191,849)
	(28,666,876)	(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 (Sec. Note 27)										Non-controlling Interests (Sec. Note 27)	Total
	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit on future stock subscription	Treasury Shares	Revaluation Reserves	Other Reserves	Retained Earnings	Total	Total		
Balance at January 1, 2023	2,399,456,127	128,626,010	16,987,855,617	2,250,000	8,615,690,576	149,758,638	-	8,613,106,239	19,664,332,055	2,548,533	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	-	-	-	-	-	-	-	-	-	-	-	
Deposit on future stock subscription	-	-	-	2,250,000	-	-	-	-	2,250,000	-	2,250,000	
Effect of disposal of subsidiaries	-	-	1,472,934,050	-	-	-	-	2,423,686,587	1,487,934,050	-	1,487,934,050	
Increase in non-controlling interest from conversion of shareholder loans to capital stock	-	-	-	-	-	-	-	-	-	528,475,534	528,475,534	
Increase in other reserves during the year	-	-	-	-	-	26,028,481	-	283,400,119	309,518,600	(14,333,438)	295,185,162	
Total comprehensive income (loss) for the year	2,399,456,127	128,626,010	16,987,855,617	2,250,000	11,257,083,576	175,977,119	6,471,967,771	5,555,676,962	16,416,083,318	516,690,629	16,932,773,947	
Balance at December 31, 2023	2,399,456,127	128,626,010	16,987,855,617	2,250,000	8,615,690,576	149,758,638	6,471,967,771	14,173,086	16,527,451,199	2,673,476,480	19,200,927,679	
Balance at January 1, 2022	2,399,456,127	128,626,010	16,987,855,617	-	8,615,690,576	94,011,896	22,474,837	5,555,676,962	16,527,451,199	2,673,476,480	19,200,927,679	
Declaration of cash dividends	-	-	-	-	-	-	-	-	-	-	-	
Deposit on future stock subscription	-	-	-	2,250,000	-	-	-	-	2,250,000	-	2,250,000	
Effect of disposal of subsidiaries	-	-	3,920,144,008	-	-	-	-	489,629,428	489,629,428	-	489,629,428	
Increase in non-controlling interest from conversion of shareholder loans to capital stock	-	-	-	-	-	-	-	-	-	273,479,232	273,479,232	
Increase in other reserves during the year	-	-	-	-	-	5,540,912	37,187,923	31,647,011	225,000	-	273,479,232	
Total comprehensive income (loss) for the year	2,399,456,127	128,626,010	16,987,855,617	2,250,000	8,615,690,576	61,287,654	14,713,086	3,577,083,716	3,638,993,370	743,314,991	2,895,678,379	
Balance at December 31, 2022	2,399,456,127	128,626,010	16,987,855,617	2,250,000	8,615,690,576	149,758,638	6,471,967,771	8,613,106,239	19,664,332,055	2,548,533	19,666,880,588	
Balance at January 1, 2021	2,399,456,127	87,010,010	13,057,711,569	-	4,615,690,576	8,958,023	22,474,837	6,440,291,624	17,301,313,954	3,221,153,930	20,522,467,884	
Declaration of cash dividends	-	40,000,000	3,920,144,008	-	-	-	-	-	3,970,144,008	-	3,970,144,008	
Subscription of preferred shares (Series 3)	-	1,625,000	-	-	-	-	-	-	96,629,428	-	96,629,428	
Retirement of preferred shares (Series 1)	-	-	-	-	-	-	-	-	1,625,000	-	1,625,000	
Total comprehensive income (loss) for the year	2,399,456,127	128,626,010	16,987,855,617	-	8,615,690,576	94,011,896	22,474,837	5,555,676,962	16,527,451,199	2,673,476,480	19,200,927,679	

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)

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	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 :

- 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).
- 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).
- 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).
- 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.

GRI INDEX

Megawide Construction Corporation has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 in accordance with the GRI Standards.



2023

GRI STANDARD	C2W	DISCLOSURE	Page Number(s)	DIRECT ANSWER(S)/ REASON(S) FOR OMISSION
GRI 2: General Disclosures 2021	2-1	REASON(S) FOR OMISSION	3	
	2-2	Entities included in the organization's sustainability reporting	65%	This ASR reports on the perations of the following strategic business units (SBUs): 1. Megawide Construction Corporation (MCC) a. Corporate Office (HoldCo) b. Precast and Construction Solutions (PCS) c. Engineering, Procurement, and Construction(EPC) 2. MWM Terminals Inc. (MWMTI) 3. PH1 World Developers Inc.
	2-3	Reporting period, frequency and contact point	3	
	2-4	Restatements of information		No restatements
	2-5	External assurance		This report has not undergone external assurance.
	2-6	Activities, value chain and other business relationships	9-13	
	2-7	Employees	60	
	2-8	Workers who are not employees		Information is unavailable because the initial data was not validated due to time constraints. Improvements on a more efficient data gathering process will be discussed before the preparation of the next report.
	2-9	Governance structure and composition	67	
	2-10	Nomination and selection of the highest governance body		See p. 2 of Governance, Nominations and Compensation Committee Charter
	2-11	Chair of the highest governance body		The Chairman of the Board is also the President and Chief Executive Officer of the Company. Possible issues on conflicts of interest are managed by the Board and Board Committees through the enforcement of the Manual on Corporate Governance and policies relating to conflict of interest and related party transactions.
	2-12	Role of the highest governance body in overseeing the management of impacts	67	
	2-13	Delegation of responsibility for managing impacts		Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.

GRI STANDARD	C2W	DISCLOSURE	Page Number(s)	DIRECT ANSWER(S)/ REASON(S) FOR OMISSION
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting		See pp. 5 & 24-25 of the Manual on Corporate Governance
	2-15	Conflicts of interest	80	
	2-16	Communication of critical concerns		Critical concerns are reported to the Board as an agenda item during the regular board meeting or, if warranted, during the special board meeting.
	2-17	Collective knowledge of the highest governance body		The Board of Directors undergo annual training on corporate governance which includes ESG topics to advance collective knowledge.
	2-18	Evaluation of the performance of the highest governance body		The Board conducts an annual board selfevaluation. The results are reported and considered in the election of the members of the Board during the Annual Stockholders Meeting (ASM).
	2-19	Remuneration policies	80	
	2-20	Process to determine remuneration	80	
	2-21	Annual total compensation ratio		Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-22	Statement on sustainable development strategy	5-8	
	2-23	Policy commitments		Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-24	Embedding policy commitments		Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-25	Processes to remediate negative impacts		Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-26	Mechanisms for seeking advice and raising concerns	87	
	2-27	Compliance with laws and regulations	80	
	2-28	Membership associations	45	
	2-29	Approach to stakeholder engagement	35-37	
2-30	Collective bargaining agreements		This disclosure is not applicable as Megawide is not unionized.	

GRI STANDARD	C2W	DISCLOSURE	Page Number(s)	DIRECT ANSWER(S)/ REASON(S) FOR OMISSION
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	29-30	
	3-2	List of material topics	31-32	
Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of material topic	83-85	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	84	
Corruption/Fraud & Ethical Business Operations				
GRI 3: Material Topics 2021	3-3	Management of material topic	80	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		No significant risks of corruption were identified in operations
	205-2	Communication and training about anticorruption policies and procedures	80	
	205-3	Confirmed incidents of corruption and actions taken	80	
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	29-30	
	3-2	List of material topics	31-32	
Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of material topic	83-85	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	84	
Corruption/Fraud & Ethical Business Operations				
GRI 3: Material Topics 2021	3-3	Management of material topic	80	
GRI 205: Anti-corruption 2016	201-1	Direct economic value generated and distributed	84	
	205-1	Operations assessed for risks related to corruption		No significant risks of corruption were identified in operations
	205-2	Communication and training about anticorruption policies and procedures	80	
	205-3	Confirmed incidents of corruption and actions taken	80	
Material Topics - Energy Management/Efficiency				
GRI 3: Material Topics 2021	3-3	Management of material topic	50	
GRI 302: Emissions 2016	302-1	Energy consumption within the organization	50	

GRI STANDARD	C2W	DISCLOSURE	Page Number(s)	DIRECT ANSWER(S)/ REASON(S) FOR OMISSION
Water and Effluents				
GRI 3: Material Topics 2021	3-3	Management of material topic	52	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	52	
	303-2	Management of water discharge related impacts	52	
GRI 3: Material Topics 2021	303-3	Water withdrawal	52	
	303-4	Water discharge	52	
	303-5	Water consumption	52	
GHG Emissions/Climate Change				
GRI 3: Material Topics 2021	3-3	Management of material topic	50	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	50	
	305-2	Energy indirect (Scope 2) GHG emissions	50	
	305-4	GHG emissions intensity	50	
	305-5	Reduction of GHG emissions	50	
Employee Welfare and Well-being, & Employee Turnover, Attrition, and Retention				
GRI 3: Material Topics 2021	3-3	Management of material topic	58-60	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	60	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	89	
	401-3	Parental leave	89	
Employee Health & Safety				
GRI 3: Material Topics 2021	3-3	Management of material topic	57-58	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	57-58	
	403-2	Hazard identification, risk assessment, and incident investigation	57-58	
	403-3	Occupational health services	57-58	
	403-4	Worker participation, consultation, and communication on occupational health and safety	57-58	
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	57-58	
	403-6	Promotion of worker health	57-58	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	57-58	
	403-9	Work-related injuries	58	
	403-10	Work-related ill health	58	

GRI STANDARD	C2W	DISCLOSURE	Page Number(s)	DIRECT ANSWER(S)/ REASON(S) FOR OMISSION
Employee Training and Competency				
GRI 3: Material Topics 2021	3-3	Management of material topic	60	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	89	
	404-2	Programs for upgrading employee skills and transition assistance programs	60	
	404-3	Percentage of employees receiving regular performance and career development reviews	90	
Diversity and Equal Opportunity				
GRI 3: Material Topics 2021	3-3	Management of material topic	58-60	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	58-59	
	405-2	Ratio of basic salary and remuneration of women to men	90	
Non-discrimination				
GRI 3: Material Topics 2021	3-3	Management of material topic	60	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	60	
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic	64-65	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		No significant risks of child labor were identified in operations.
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic	64-65	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	64-65	No significant risks of child labor were identified in operations.
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic	64-65	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples		No violations were identified in operations.
Impact on Community/Contribution to Society				
GRI 3: Material Topics 2021	3-3	Management of material topic	64-65	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	64	
	413-2	Operations with significant actual and potential negative impacts on local communities	64	

ACKNOWLEDGEMENTS

The 2023 Megawide Annual and Sustainability Report was made possible through the cooperation between the following teams and strategic business units:

- **CORPORATE AFFAIRS, COMMUNICATION AND BRANDING**
- **FACILITIES MANAGEMENT**
- **FINANCE**
- **HUMAN RESOURCES**
- **INFORMATION TECHNOLOGY**
- **INTERNAL AUDIT**
- **INVESTOR RELATIONS**
- **LEGAL**
- **OFFICE OF THE CORPORATE SECRETARY**
- **SECURITY**
- **ENGINEERING, PROCUREMENT, AND CONSTRUCTION**
- **PRECAST AND CONSTRUCTION SOLUTIONS**
- **MEGAWIDE FOUNDATIONS**
- **MWM TERMINALS, INC.**
- **CEBU2WORLD DEVELOPMENT, INC.**

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COMMON STOCK

The Company's common stock (MWIDE) is listed and traded in the Philippine Stock Exchange

SHAREHOLDER SERVICES AND ASSISTANCE

Stock Transfer Service, Inc. serves as the Company's stock transfer agent registrar.

For matters concerning dividend payments, account status, lost or damaged stock certificates, or change of address, please write or call:

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Unit 34-D Rufino Pacific Tower,
6784 Ayala Avenue, Makati City,
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To view and download the 2023 Annual and Sustainability Report:



The logo features a stylized icon on the left consisting of three vertical bars of varying heights, with the tallest bar on the left and the two shorter bars on the right. To the right of this icon, the word "MEGAWIDE" is written in a bold, uppercase, sans-serif font. The entire logo is centered horizontally and is set against a dark, atmospheric background with a horizontal band of light and color (red, orange, yellow) behind the text.

MEGAWIDE