The Preliminary Prospectus is being displayed on the website of Megawide Construction Corporation to make the Preliminary Prospectus accessible to more investors. The Philippine Stock Exchange, Inc. (the "PSE") assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed in the Preliminary Prospectus. Furthermore, the PSE makes no representation as to the completeness of the Preliminary Prospectus and disclaims any liability whatsoever for any loss arising from or in reliance in whole or in part on the contents of the Preliminary Prospectus.

MEGAWIDE CONSTRUCTION CORPORATION

20 N. Domingo Street, Brgy. Valencia,
Quezon City, Metro Manila
Telephone No. +63 2 8655 1111

**Preliminary Prospectus relating to the
Primary Offer in the Philippines of 30,000,000
Cumulative, Non-Voting, Non-Participating, Non-Convertible,
Redeemable (Non-Reissuable), Perpetual
Series 6 Preferred Shares
with an Oversubscription Option of up to
30,000,000 Non-Voting Perpetual Series 6 Preferred Shares
Consisting of
Series 6A Preferred Shares ("MWP6A")
Series 6B Preferred Shares ("MWP6B")
Series 6C Preferred Shares ("MWP6C")
at an Offer Price of ₱100.00 per Series 6 Preferred Share
to be listed and traded on the
Main Board of The Philippine Stock Exchange, Inc.**

Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners

PNB Capital RCBC Capital Corporation SECURITY BANK CAPITAL A Subsidiary of Security Bank

Selling Agents

Trading Participants of The Philippine Stock Exchange, Inc.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

This Revised Preliminary Prospectus is dated March 5, 2025.

MEGAWIDE CONSTRUCTION CORPORATION
20 N. DOMINGO STREET, BRGY. VALENCIA,
QUEZON CITY, METRO MANILA
Telephone No. +63 2 8655 1111
http://www.megawide.com.ph/

This Preliminary Prospectus relates to the offer and sale of up to 60,000,000 cumulative, non- voting, non-participating, non-convertible, redeemable (non-reissuable), perpetual preferred shares with a par value of One Peso (₱1.00) per share (the "**Series 6 Preferred Shares**", "**Offer Shares**" or "**Shares**") of Megawide Construction Corporation ("**Megawide**" or "**MWIDE**" or the "**Company**" or the "**Issuer**"), a corporation incorporated and existing under Philippine laws (the "**Offer**"). The Offer is for a total of up to 60,000,000 Series 6 Preferred Shares with a base offer of 30,000,000 Series 6 Preferred Shares (the "**Firm Shares**") to be issued in three (3) subseries: Series 6A Preferred Shares, Series 6B Preferred Shares and Series 6C Preferred Shares. In the event of an oversubscription, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners with the consent of the Company, reserve the right but not the obligation to increase the size of the Offer by up to an additional 30,000,000 Series 6 Preferred Shares (the "**Oversubscription Option**", and the Series 6 Preferred Shares pertaining to such option, the "**Oversubscription Option Shares**"), subject to the registration requirements of the Securities and Exchange Commission ("**SEC**"). The Offer Shares are to be issued at a subscription price of ₱100.00 per share (the "**Offer Price**"). The Offer Shares will be issued by the Company from its 60,000,000 unissued cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable), perpetual Series 6 Preferred Shares.

The distribution and sale of the Series 6 Preferred Shares shall be made solely in the Philippines through PNB Capital and Investment Corporation ("**PNB Capital**"), RCBC Capital Corporation ("**RCBC Capital**"), Security Bank Capital Investment Corporation ("**Security Bank Capital**"), each a "**Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner**", and together, the "**Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners**") and the Selling Agents named herein who shall sell and distribute the Series 6 Preferred Shares to third party buyers/investors at the Offer Price.

In the event that Oversubscription Option is exercised, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, in consultation with the Issuer, have the discretion to allocate the Oversubscription Option Shares in either Series 6A Preferred Shares, Series 6B Preferred Shares or Series 6C Preferred Shares at the end of the Offer Period based on actual demand.

The Series 6 Preferred Shares will be listed on the Main Board of the Philippine Stock Exchange, Inc. ("**PSE**") on [April 14, 2025], (the "**Listing Date**") under the trading symbols "**MWP6A**" for the Series 6A Preferred Shares, "**MWP6B**" for the Series 6B Preferred Shares and "**MWP6C**" for the Series 6C Preferred Shares.

On October 25, 2024, the Company's Board of Directors approved the increase in the authorized capital stock of the Company from Five Billion One Hundred Sixteen Million Pesos (Php5,116,000,000.00) divided into Four Billion Nine Hundred Thirty Million (4,930,000,000) common shares with par value of One Peso (Php1.00) per share and One Hundred Eighty Six Million (186,000,000) cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares with par value of One Peso (Php1.00) per share, to Five Billion One Hundred Eighty Million Pesos (Php5,180,000,000.00) divided into Four Billion Nine Hundred Thirty Million (4,930,000,000) common shares with par value of One Peso (Php1.00) per share and Two Hundred Fifty Million (250,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable), perpetual preferred shares with par value of One Peso (Php1.00) per share.

The foregoing resolution was approved and ratified by the affirmative vote of stockholders owning at least 2/3 of the entire outstanding capital stock of the Company, during the Special Stockholders' Meeting held on December 10, 2024. The power and authority to: (a) implement the issuance of the Preferred Shares in series, subseries, or in tranches, (b) fix the terms and conditions of the Preferred Shares as they may be issued in series, sub-series, or in tranches, and (c) determine the manner by which the Preferred Shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering, is delegated to the Board of Directors. The increase in the Company's authorized capital stock was approved by the SEC on December 27, 2024.

As of date, the Company has 2,516,832,007 issued shares composed of: (a) 2,013,409,717 outstanding Common Shares, (b) 386,016,410 Common Shares held in treasury, (c) 17,405,880 issued and outstanding Series 2B Preferred Shares, (d) 45,000,000 issued and outstanding Series 3 Preferred Shares, (e) 40,000,000 issued and outstanding Series 4 Preferred Shares, and (f) 15,000,000 Series 5 Preferred Shares.

Following the Offer and assuming Oversubscription Option is exercised in full, the Company will have 2,013,409,717 issued and outstanding Common Shares and 386,016,410 Common Shares held in treasury; 17,405,880 issued and outstanding Series 2B Preferred Shares, 45,000,000 issued and outstanding Series 3 Preferred Shares, 40,000,000 issued and outstanding Series 4 Preferred Shares, 15,000,000 issued and outstanding Series 5 Preferred Shares, and to 60,000,000 issued and outstanding Series 6 Preferred Shares.

The holders of the Series 6 Preferred Shares do not have identical rights and privileges with holders of the existing Common Shares and existing Series 2B Preferred Shares, Series 3 Preferred Shares, Series 4 Preferred Shares and Series 5 Preferred Shares of the Company. Any and all Preferred Shares of the Corporation shall have preference over Common Shares in dividend distribution and in case of liquidation or dissolution. For further discussion, please refer to "*Description of Shares*".

The declaration and payment of dividends on each Dividend Payment Date will be subject to the sole and absolute discretion of the Board of Directors (the "**Board**"), to the extent permitted by law and subject to the covenants (financial or otherwise) in the loans and credit agreements to which Megawide is a party and the requirements under applicable laws and regulations. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders.

As and if declared by the Board, dividends on the Series 6A Preferred Shares, Series 6B Preferred Shares, and Series 6C Preferred Shares shall be at the fixed rates of [●]% per annum, [●]% per annum and [●]% per annum, respectively, in all cases calculated in respect of each share by reference to the Offer Price thereof for the Dividend Period (as defined below) (each, the "**Initial Dividend Rate"** for the relevant series). Subject to the limitations described in this Preliminary Prospectus, cash dividends on the Series 6 Preferred Shares will be payable on a quarterly basis in arrears on a Dividend Period (as defined herein).

Unless the Series 6 Preferred Shares have been redeemed by the Company on, in respect of the Series 6A Preferred Shares, by the 3rd anniversary of the Listing Date, in respect of the Series 6B Preferred Shares, by the 5th anniversary of the Listing Date, and in respect of the Series 6C Preferred Shares, by the 7th anniversary of the Listing Date, the Initial Dividend Rate on each subseries will be adjusted as follows:

(a) For the Series 6A, the higher of (a) the sum of (i) the simple average of the closing per annum rates of 5-year BVAL rate, or if the 5-year BVAL rate is not available or cannot be determined, the interpolated 5-year BVAL rate, or if such interpolated 5-year BVAL rate is not available or cannot be determined, any such successor rate generally accepted by the Bankers Association of the Philippines ("**BAP**") or the Bangko Sentral ng Pilipinas ("**BSP**"), as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for three consecutive days ending on (and including) the day 3 years from Listing date and (ii) 4.00% or (b) the floor rate of 12.00% (the "**MWP6A Step Up Rate**");

(b) For the Series 6B, the higher of (a) the sum of (i) the simple average of the closing per annum rates of the 7-year BVAL rate, or if the 7-year BVAL rate is not available or cannot be determined, the interpolated 7-year BVAL rate, or if such interpolated 7-year BVAL rate is not available or cannot be determined, any such successor rate generally accepted by the BAP or the BSP, as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for three consecutive days ending on (and including) the day 5 years from Listing date and (ii) 4.00% or (b) the floor rate of 12.00% (the "**MWP6B Step Up Rate**"); and

(c) For the Series 6C, the higher of (a) the sum of (i) the simple average of the closing per annum rates of the 10-year BVAL rate, or if the 10-year BVAL rate is not available or cannot be determined, the interpolated 10-year BVAL rate, or if such interpolated 10-year BVAL rate is not available or cannot be determined, any such successor rate generally accepted by the BAP or the BSP, as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for three consecutive days ending on (and including) the day 7 years from Listing date and (ii) 4.00% or (b) the floor rate of 12.00% (the "**MWP6C Step Up Rate**").

Provided, that in the event the relevant Series 6A Preferred Shares' Optional Redemption Date, Series 6B Preferred Shares' Optional Redemption Date or Series 6C Preferred Shares' Optional Redemption Date falls on day that is not a Banking Day:

(a) the rate setting will be done on the immediately succeeding Banking Day using the average of the relevant BVAL rates for the three (3) consecutive Banking Days preceding and inclusive of the said rate setting date; and

(b) the applicable MWP6A Step Up Rate, MWP6B Step Up Rate and the MWP6C Step Up Rate (the "**Step-Up Rate**", see "*Summary of the Offer*") will be applied commencing on the Step-Up Date (which is the 3 years from the Listing Date of the Series 6A Preferred Shares, 5 years from the Listing Date of the Series 6B Preferred Shares, and 7 years from the Listing Date of the Series 6C Preferred Shares).

Dividends on the Series 6 Preferred Shares will be cumulative. If for any reason the Issuer's Board does not declare a dividend on the Series 6 Preferred Shares for a Dividend Period, the Issuer will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series 6 Preferred Shares as of record date of such dividends must receive the dividends due them on such Dividend Payment Date as well as all dividends due and payable or dividends in arrears in respect of prior Dividend Periods ("**Dividends in Arrears**") (see "*Description of the Shares*").

As and if declared by the Board, the Issuer may redeem the Series 6 Preferred Shares as follows:

(a) in whole (not in part), the Series 6A Preferred Shares on the third (3rd) anniversary Listing Date or on any Dividend Payment Date thereafter (each of redemption date and the Dividend Periods thereafter, a "**Series 6A Optional Redemption Date**");

(b) in whole (not in part), the Series 6B Preferred Shares 3rd anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption dates and the Dividend Payment Dates thereafter, a "**Series 6B Optional Redemption Date**"); and

(c) in whole (not in part), the Series 6C Preferred Shares on the 5th anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption dates and the Dividend Payment Dates thereafter, a "**Series 6C Optional Redemption Date**").

(each Series 6A Optional Redemption Date, Series 6B Optional Redemption Date and Series 6C Optional Redemption Date, an "**Optional Redemption Date**").

at a redemption price equal to the following:

Series 6A	
Optional Redemption Date	**Redemption Price**
On the 3rd anniversary of the Listing Date and every Dividend Payment Date thereafter.	100% of the Issue Price
Series 6B	
Optional Redemption Date	**Redemption Price**
On the 3rd anniversary of the Listing Date or every Dividend Payment Date prior to the 4th anniversary of the Listing Date.	101.0% of the Issue Price
On the 4th anniversary of the Listing Date or every Dividend Payment Date prior to the 5th anniversary of the Listing Date.	100.5% of the Issue Price

On the 5th anniversary of the Listing Date or every Dividend Payment Date thereafter.	100% of the Issue Price
Series 6C	
Optional Redemption Date	**Redemption Price**
On the 5th anniversary of the Listing Date or every Dividend Payment Date prior to the 6th anniversary of the Listing Date.	101.0% of the Issue Price
On the 6th anniversary of the Listing Date or every Dividend Payment Date prior to the 7th anniversary of the Listing Date.	100.5% of the Issue Price
On the 7th anniversary of the Listing Date or every Dividend Payment Date thereafter.	100% of the Issue Price

In all cases, plus all dividends due them on such Optional Redemption Date as well as all Dividends in Arrears after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption. Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Issuer has the option to redeem, in whole but not in part, any or all of the subseries.

In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem any or all of the subseries falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Price and the amounts of dividends to be paid.

The Issuer may also redeem the Series 6 Preferred Shares in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing, having given not less than thirty (30) days nor more than sixty (60) days' notice prior to the intended date of redemption. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the redemption price equal to the Offer Price plus all dividends due them on such Optional Redemption Date as well as all Dividends in Arrears after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption, which shall be paid within five (5) Banking Days after the exercise of the right to redeem the Series 6 Preferred Shares.

The Series 6 Preferred Share has a liquidation right equal to the Offer Price plus an amount equal to any dividends declared but unpaid in respect of the previous dividend period and any accrued and unpaid dividends for the then current dividend period to (and including) the date of commencement of the Company's winding up or the date of any such other return of capital, as the case may be (the "**Liquidation Right**").

Upon listing on the PSE, Megawide may purchase the Series 6 Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE. The Series 6 Preferred Shares so purchased may be redeemed (pursuant to their terms and conditions as set out in the Preliminary Prospectus) and cancelled. However, while they are considered retired, it shall remain in treasury until removed from the capital stock by decreasing the authorized capital stock of the Company, through an application with the SEC.

All payments in respect of the Series 6 Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government of the Republic of the Philippines (the "**Government**"), including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of Series 6 Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable, provided, however, that the Issuer shall not be liable for (a) the final withholding tax applicable on dividends earned on the Series 6 Preferred Shares, (b) as applicable, any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), and documentary stamp tax on the redemption or buy back of the Series 6 Preferred Shares or on the liquidating distributions as may be received by a holder of Series 6 Preferred Shares, (c) expanded VAT which may be payable by any holder of the Series 6 Preferred Shares on any amount to be received from the Issuer under the Offer, (d) any withholding tax on any amount payable to any holder of Shares or any entity which is a non-resident foreign corporation and (e) applicable taxes to any subsequent sale or transfer of the Series 6

Preferred Shares by any holder of the Series 6 Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes). If payments become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Shares in whole, but not in part, on any Dividend Payment Date (having given not more than thirty (30) days nor less than sixty (60) days' notice from the intended date of redemption which must be a Banking Day) at the Redemption Price (Please see "*Summary of the Offer*"; the taxes applicable on the Series 6 Preferred Shares are discussed in the section on "*Taxation*").

Documentary stamp tax for the primary issue of the Series 6 Preferred Shares and the documentation, if any, shall be for the Issuer's account.

The Series 6 Preferred Shares will constitute direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and ratably without preference or priority among themselves and with all other preferred shares issued or to be issued by the Issuer.

The Series 6 Preferred Shares will be issued in scripless form. Title to the Series 6 Preferred Shares shall pass by endorsement and delivery to the transferee and registration in the registry of shareholders to be maintained by the Registrar and Depository Agent (as defined herein). Settlement of the Series 6 Preferred Shares in respect of such transfer or change of title to the Shares shall be similar to the transfer of title and settlement procedures for listed securities in the PSE (see "*Summary of the Offer*").

Through the Offer and based on the Offer Price set forth above, the Company expects to raise gross proceeds of ₱3,000,000,000.00 or if the Oversubscription Option is exercised in full, ₱6,000,000,000.00. The net proceeds from the Offer, estimated to be at ₱2,964,413,272.85 and if the Offer is fully oversubscribed, at ₱5,946,458,272.85, determined by deducting from the gross proceeds the SEC registration fees, underwriting and selling fees, documentary stamp taxes and other related fees and out-of-pocket expenses, will be used by the Company primarily for the redemption of the outstanding Series 4 perpetual preferred shares of Megawide which will be due for step up on April 27, 2025. (See "*Use of Proceeds*"). The remaining proceeds, if any, will be used for partial financing of projects in the pipeline and for general corporate purpose. No part of the proceeds will be used to reimburse the Company for the filing fees and expenses incurred in connection with the increase in capital stock to create the Series 6 Preferred Shares.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall receive underwriting fees of 0.55% of the gross proceeds of the Offer, inclusive of amounts to be paid to the Selling Agents, if any. The commissions to be paid to the Selling Agent shall be equivalent to 0.125% of the total proceeds of the sale of Series 6 Preferred Shares by such Selling Agent. The 0.125% commissions shall be inclusive of VAT and will be paid to the Selling Agent less any applicable withholding tax.

No dealer, salesman, or any other person has been authorized to give any information or to make any representation not contained in this Preliminary Prospectus. If given or made, any such information or representation must not be relied upon as having been authorized by the Company, and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The distribution of this Preliminary Prospectus and the offer and sale of the Series 6 Preferred Shares may, in certain jurisdictions, be restricted by law. The Company and Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners require persons into whose possession this Preliminary Prospectus come, to inform them of and observe all such restrictions. This Preliminary Prospectus does not constitute an offer of any securities, or any offer to sell, or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person to whom it is unlawful to make such offer in such jurisdiction.

Unless otherwise stated, the information contained in this Preliminary Prospectus has been supplied by the Company to the best of its knowledge and belief. The Company (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in this Preliminary Prospectus is correct, and that there is no material statement or omission of fact which would make any statement in this Preliminary Prospectus misleading in any material respect. The Company hereby accepts full and sole responsibility for the accuracy of the information contained in this Preliminary Prospectus. The Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners have exercised due diligence in ascertaining that all material representations contained in the Preliminary Prospectus, its amendments and supplements, are true and correct, and that no material information was omitted which was necessary in order to make the statements contained in the aforementioned documents not misleading. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners confirm that it has exerted reasonable efforts to verify the information contained herein. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, which have made all reasonable enquiries, confirm that this document contains all information with respect to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, and the Series 6 Preferred Shares which is material in the context of the issue and offering of the Offer Shares, that the information contained herein is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts, the omission of which would, in the context of the issue and offering of the Series 6 Preferred Shares, make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and that all reasonable enquiries have been made by the Issuer to verify the accuracy of such information. The Issuer accepts responsibility accordingly.

Unless otherwise indicated, all information in this Preliminary Prospectus is as of date hereof. Neither the delivery of this Preliminary Prospectus nor any sale made pursuant to this Preliminary Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company and its Subsidiaries since such date. Market data and certain industry forecasts used throughout this Preliminary Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Company, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners make any representation as to the accuracy of such information. Each person contemplating an investment in the Series 6 Preferred Shares should make his own independent investigation and analysis of the creditworthiness of Megawide and his own determination of the suitability of any such investment. The risk disclosure herein does not purport to disclose all the risks and other significant aspects of investing in the Shares. A person contemplating an investment in the Series 6 Preferred Shares should seek professional advice if he or she is uncertain of or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those high-risk securities. Investing in the Series 6 Preferred Shares involves a higher degree of risk compared to debt instruments. For a discussion of certain factors to be considered in respect of an investment in the Series 6 Preferred Shares, see the section entitled “*Risk Factors*”.

Megawide is incorporated under the laws of the Philippines. Its principal office address is at the 20 N. Domingo St, Quezon City, Metro Manila, Philippines, with telephone number +63 2 8655 1111.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OF COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SERIES 6 PREFERRED SHARES.

MEGAWIDE CONSTRUCTION CORPORATION
By:

EDGAR B. SAAVEDRA
Chairman, Chief Executive Officer, and President

SUBSCRIBED AND SWORN to before me this _______________ in __________, Philippines, by affiant who is personally known to me and exhibited to me his [●]issued on [●]at DFA Manila.

Doc. No.:
Page No.:
Book No.:
Series of 2025.

TABLE OF CONTENTS

DEFINITION OF TERMS *1*
FORWARD LOOKING STATEMENTS *6*
EXECUTIVE SUMMARY *7*
SUMMARY OF FINANCIAL INFORMATION *12*
SUMMARY OF THE OFFER *16*
RISK FACTORS *30*
USE OF PROCEEDS *47*
DETERMINATION OF THE OFFER PRICE *51*
DILUTION *52*
PLAN OF DISTRIBUTION *53*
DESCRIPTION OF SHARES *64*
INTEREST OF NAMED EXPERTS AND INDEPENDENT COUNSEL *80*
DESCRIPTION OF BUSINESS *82*
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *147*
DIRECTORS, EXECUTIVE OFFICERS, AND KEY PERSONS *173*
CAPITALIZATION *196*
DIVIDEND POLICY *197*
MATERIAL CONTRACTS *199*
REGULATORY AND ENVIRONMENTAL MATTERS *210*
PHILIPPINE CONSTRUCTION INDUSTRY *225*
PHILIPPINE STOCK MARKET *231*
MARKET INFORMATION *239*
PHILIPPINE FOREIGN INVESTMENT, FOREIGN OWNERSHIP AND EXCHANGE CONTROLS . *244*
PHILIPPINE TAXATION *248*
CORPORATE INCOME TAX *255*
FINANCIAL AND OTHER INFORMATION *256*

DEFINITION OF TERMS

AGMCAC	Aboitiz GMR Megawide Cebu Airport Corporation
AIC	Aboitiz InfraCapital, Inc.
Affiliate	A corporation that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under the common Control of, another corporation
Affordable Housing	Housing units with a price range of ₱400,000.00 to ₱3,000,000.00 per unit
Altria	Altria East Land, Inc.
Applicant	A person, whether natural or juridical, who seeks to subscribe to the Offer Shares by submitting an Application under the terms and conditions prescribed in this Prospectus
Application	An application to subscribe for Offer Shares pursuant to the Offer
Business Day	A day (except Saturdays, Sundays and holidays) on which banks in the Philippines are open for business in Metro Manila, Philippines
BBB	Build, Build, Build Program
BIR	Bureau of Internal Revenue
Board or Board of Directors	The Board of Directors of the Company
BOT	Build-Operate-Transfer Program
BSP	Bangko Sentral ng Pilipinas, the central bank of the Philippines
Citicore	Citicore Holdings Investment, Inc., also referred to in the Prospectus as the Ultimate Parent Company
CMCI	Citicore-Megawide Consortium Inc.
Company, Issuer, Megawide, Parent Company	Megawide Construction Corporation
COVID-19	A disease caused by a new strain of coronavirus. Formerly referred to as '2019 novel coronavirus' or '2019-nCoV'.
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
Depository Agent	Philippine Depository and Trust Corp.
DOH	Department of Health
DOTC	Department of Transportation and Communication
DOTr	Department of Transportation
DPWH	Department of Public Works and Highways
ECQ	Enhanced Community Quarantine

Eligible Investors	Applicants who are qualified to subscribe to the Offer Shares
EPC	Engineering, procurement, and construction
FIA	Foreign Investments Act of 1991, as amended
Firm Shares	30,000,000 Series 6 Preferred Shares each with a par value of ₱1.00
Formwork Systems	Temporary or permanent molds into which concrete or similar materials are poured
GAIBV	GMR Airports International, B.V.
GCQ	General Community Quarantine
Government	The Government of the Republic of the Philippines
GMCAC	GMR-Megawide Cebu Airport Corporation, a partnership among Megawide, GMR and AIC.
GMR	GMR Infrastructure Limited
High Technology Building Systems	Pre-Cast Concrete and Formwork Systems currently employed by the Company in construction
Indebtedness	Any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money.
Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners	PNB Capital and Investment Corporation, RCBC Capital Corporation and Security Bank Capital Investment Corporation
Listing Date	The date on which the listing and trading of the Offer Shares on the PSE begin, expected to be on [April 14, 2025].
Local Small Investors or LSIs	Means a “share subscriber” who is willing to subscribe to a minimum board lot and whose subscription does not exceed One Hundred Thousand Pesos (₱100,000.00).
LSI Guidelines	Means the application and settlement procedures for Local Small Investors under the small investors program of the Securities and Exchange Commission (“SEC”) and The Philippine Stock Exchange, Inc. (“PSE”).
LSI Shares	Means the Firm Shares to be allocated for distribution and sale to Local Small Investors through the PSE Electronic Allocation System or “PSE EASy.”
Material Adverse Effect	Any event, circumstance, effect or occurrence or any combination thereof arising or occurring which, as may be reasonably determined by the Joint Issue Managers, Lead Underwriters and Joint Bookrunners, is, or is reasonably likely to be, materially adverse to the business, operations, condition (financial or otherwise), assets, liabilities, condition or prospects of the Company taken as a whole, the Offer or to the transactions contemplated by this Preliminary Prospectus.

MCIA	Mactan Cebu International Airport
MCIAA	Mactan-Cebu International Airport Authority
MECQ	Modified Enhanced Community Quarantine
Megawide Group	Collectively, Megawide and its Ultimate Parent Company, Subsidiaries, and Affiliates.
MWCCI	Megawide World Citi Consortium, Inc., a joint venture between Megawide and World Citi, Inc.
MWMTI	MWM Terminals Inc.
MySpace	MySpace Properties Inc.
NAIA	Ninoy Aquino International Airport
NIRC	Philippine National Internal Revenue Code, as amended
Offer	The offer for subscription of up to 60,000,000 Series 6 Preferred Shares to Eligible Investors subject to the terms and conditions in this Preliminary Prospectus and in the Application
Offer Period	The period when the Offer Shares are available for subscription commencing at 9:00 a.m., Manila time on [26 March 2025 and ending at 12:00 p.m., Manila time on 4 April 2025], or such other dates as the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may agree in writing, with the approval of the SEC and the PSE. If for any reason, [26 March 2025 and/or 4 April 2025] is/are a non-Banking Day, then, the relevant Offer Period shall commence at 9:00 a.m. and/or expire at 12:00 p.m. of the immediately succeeding Banking Day following said dates, unless the aforesaid Offer Periods are sooner terminated or extended upon the mutual consent of the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.
Offer Price	₱100.00 per Offer Share
Offer Shares or Shares	Up to 60,000,000 Series 6 Preferred Shares each with a par value of ₱1.00
₱, P, or Php	Philippine Pesos, the lawful currency of the Republic of the Philippines
PCAB	Philippine Contractors Accreditation Board
PCD	The Philippine Central Depository
PCD Nominee Corporation	The PCD Nominee Corporation, a corporation wholly owned by the PDTC
P.D. No. 1746	Presidential Decree No. 1746, entitled "Creating the Construction Industry Authority of the Philippines", as amended by R.A. No. 4566
PDS	The Philippine Dealing System
PDTC	The Philippine Depository and Trust Corp., the central securities depositary of, among others, securities listed and traded on the PSE

PDTC Rules and Operating Procedures	The SEC-approved rules of the PDTC, including the PDTC Operating Procedures and PDTC Operating Manual, as may be amended, supplemented, or modified from time to time.
PFRS	Philippine Financial Reporting Standards
PIFITA	House Bill No. 4339 and Senate Bill No. 900 or the Passive Income and Financial Intermediary Taxation Act
PITX	Paranaque Integrated Terminal Exchange
Philippine Nationals	Pursuant to the FIA, any of the following: (a) a citizen of the Philippines; or (b) a domestic partnership or association wholly owned by citizens of the Philippines; or (c) a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; or (d) a corporation organized abroad and registered as doing business in the Philippines under the Corporation Code of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or (e) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of the Philippine nationals. Where a corporation and its non-Filipino stockholders own stocks in an SEC-registered enterprise, at least 60% of the capital stock outstanding and entitled to vote of both corporations must be owned and held by citizens of the Philippines and at least 60% of the members of the Board of Directors of both corporations must be citizens of the Philippines, in order that the corporations shall be considered a Philippine national Pursuant to SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the FIA and other existing laws, amendments thereto, and implementing rules and regulations of said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.
PNB Capital	PNB Capital and Investment Corporation
PPP	Public-Private Partnership
Pre-Cast Concrete System	A construction product resulting from casting concrete in a reusable mold which is then cured in a controlled environment, transported to the construction site and lifted into place

Preferred Shares	Preferred Shares of the Company as stated in the Amended Articles of Incorporation which may be issued in series, sub-series or in tranches, with specific terms and conditions, as may be determined by the Board of Directors
Preliminary Prospectus	This Preliminary Prospectus together with all its annexes, appendices and amendments
PSE	The Philippine Stock Exchange, Inc.
Qualified Institutional Buyer	Any of the qualified buyers provided under Rule 10 of the Securities and Regulations Code as amended by SEC Memorandum Circular No. 6, Series of 2021, and any other juridical persons that possesses at the time of registration with an authorized registrar: (a) have gross assets of at least One Hundred Million Pesos (₱100,000,000.00) or (b) a total portfolio investment in securities registered with the SEC or financial instruments issued by the government of at least Sixty Million Pesos (₱60,000,000.00).
R.A. No. 4566	Republic Act No. 4566 or the "Contractor's License Law"
RCBC Capital	RCBC Capital Corporation
Registrar	Stock Transfer Service Inc.
Receiving Agent	Stock Transfer Service Inc.
Revised Corporation Code	Republic Act 11232 or the Revised Corporation Code of the Philippines
SEC	The Philippine Securities and Exchange Commission
Security Bank Capital	Security Bank Capital Investment Corporation
Series 6 Preferred Shares	The Company's Series 6 Preferred Shares which are subject of the Offer, each with a par value of ₱1.00
SRC	Republic Act No. 8799, otherwise known as "The Securities Regulation Code"
Step-Up Date	3 years from the Listing Date of the Series 6A Preferred Shares, 5 years from the Listing Date of the Series 6B Preferred Shares, and 7 years from the Listing Date of the Series 6C Preferred Shares
Subsidiary	A corporation which is controlled, directly or indirectly, by another corporation which thereby becomes its Parent
Trading Day	Any day on which trading is allowed in the PSE
Underwriting Agreement	The agreement entered into by and between the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, indicating the terms and conditions of the Offer and providing that the Offer shall be fully underwritten by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.
VAT	Value Added Tax

FORWARD LOOKING STATEMENTS

This Preliminary Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties and should not in any way be confused or considered as statements of historical fact. Some of these statements can be identified by forward looking terms such as, “anticipate”, “believe”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “should”, “will”, “and”, “would” or other similar words. These words, however, are not the exclusive means of identifying forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

(a) Known and unknown risks;
(b) Uncertainties and other factors which may cause Megawide’s actual results, performance or achievements to deviate significantly from any future results;
(c) Performance or achievements expressed or implied by forward-looking statements;
(d) Megawide’s overall future business, financial condition and results of operations, including, but not limited to, its financial position or cash flow;
(e) Megawide’s goals for or estimated of its future operational performance of results;
(f) Megawide’s submission of proposal or planned participation in future projects;
(g) Megawide’s dividend policy; and
(h) Changes in Megawide’s regulatory environment including but not limited to, policies, decisions and determinations of governmental or regulatory authorities.

Such forward-looking statements are based on numerous assumptions regarding Megawide‘s present and future business strategies and the environment in which Megawide will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those disclosed under “*Risk Factors*”. These forward-looking statements speak only as of the date of this Preliminary Prospectus.

Statements in this Preliminary Prospectus as to the opinions, beliefs and intentions of Megawide accurately reflect in all material respects the opinions, beliefs and intentions of its management as to such matters at the date of this Preliminary Prospectus, although Megawide can give no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Preliminary Prospectus discloses, under the section “*Risk Factors*” and elsewhere, important factors that could cause actual results to differ materially from the expectation of the Issuer. All subsequent forward-looking statements attributable to Megawide or persons acting on behalf of Megawide are expressly qualified in their entirety by cautionary statements.

Megawide and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in Megawide’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. In the light of all the risks, uncertainties and assumptions associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Preliminary Prospectus might not occur in the way Megawide expects or even at all. Investors should not place undue reliance on any forward-looking information.

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information, including the Company's consolidated financial statements and the notes relating thereto, appearing elsewhere in this Preliminary Prospectus. Prospective purchasers of the Series 6 Preferred Shares must read the entire Preliminary Prospectus carefully, including the section on "Risk Factors". Capitalized terms not defined in this summary are defined in the section "Definition of Terms".

COMPANY OVERVIEW

Megawide was registered with the SEC on July 28, 2004. The Company is one of the country's most progressive infrastructure conglomerates, with a portfolio in Engineering, Procurement and Construction ("**EPC**"), and Progressive Property Development. The Company's revolutionary construction and engineering solutions continue to shape the industry by integrating its comprehensive EPC capabilities with innovative construction solution technologies such as precast, formworks, concrete batching, and specialized logistics systems. Its principal office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Company's Common Shares were listed at The Philippine Stock Exchange, Inc. ("**PSE**") on February 18, 2011, under the trading symbol "**MWIDE**" while the Company's Series 1 Preferred Shares were listed in the PSE on December 3, 2014 under the trading symbol "**MWP**" and were redeemed by the Company on December 3, 2021. The Company's Series 2A Preferred Shares and Series 2B Preferred Shares were listed on the PSE on November 27, 2020, under the trading symbol "**MWP2A**" and "**MWP2B**", respectively, and Series 2A were redeemed on May 29, 2023. The Company's Series 4 Preferred Shares were listed on the PSE on October 29, 2021, under the trading symbol "**MWP4**". The Company's Series 5 Preferred Shares were listed on the PSE on April 17, 2023, under the trading symbol "**MWP5**". The Company's Series 3 Preferred Shares are not listed in the PSE.

On October 25, 2024, the Company's Board of Directors approved the increase in the authorized capital stock of the Company from ₱5,116,000,000.00, divided into 4,930,000,000 Common Shares with par value of ₱1.00 per share and 186,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual Preferred Shares with a par value of ₱1.00 per share, to ₱5,180,000,000.00, divided into 4,930,000,000 Common Shares with par value of ₱1.00 per share and 250,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable), perpetual Preferred Shares with a par value of ₱1.00 per share.

The foregoing resolution was approved and ratified by the affirmative vote of stockholders owning at least 2/3 of the entire outstanding capital stock of the Company, during the Special Stockholders' Meeting held on December 10, 2024. The power and authority to: (a) implement the issuance of the Preferred Shares in series, subseries, or in tranches, (b) fix the terms and conditions of the Preferred Shares as they may be issued in series, sub-series, or in tranches, and (c) determine the manner by which the Preferred Shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering, is delegated to the Board of Directors. The increase in the Company's authorized capital stock was approved by the SEC on December 27, 2024.

Pursuant to such delegated authority of the Board of Directors to issue the Preferred Shares in series, sub-series or in tranches, the Board of Directors, in its meetings on October 5, 2020, February 26, 2021, November 4, 2022, February 6, 2023, October 25, 2024, and 7 February 2025 approved the creation of the series of Preferred Shares, as follows:

(a) Series 1 Preferred Shares consisting of 40,000,000 Preferred Shares which were redeemed on December 3, 2021, and has been transferred to the Company's Treasury Shares;

(b) Series 2 Preferred Shares consisting of not more than 50,000,000 Preferred Shares, listed in the PSE and allocated between Subseries 2A Preferred Shares and Subseries 2B Preferred Shares; the Subseries 2A Preferred Shares consisting of 26,220,130 Preferred Shares which were redeemed on May 29, 2023, and has been transferred to the Company's Treasury Shares;

(c) Series 3 Preferred Shares consisting of 45,000,000 existing, issued and outstanding Preferred Shares;

(d) Series 4 Preferred Shares consisting of 40,000,000 existing, issued and outstanding Preferred Shares and listed in the PSE;

(e) Series 5 Preferred Shares consisting of 15,000,000 existing, issued and outstanding Preferred Shares and listed in the PSE; and

(f) Series 6 Preferred Shares consisting of up to 60,000,000 Preferred Shares, to be listed in the PSE and to be allocated between Subseries 6A Preferred Shares, Subseries 6B Preferred Shares and Subseries 6C Preferred Shares.

The Offer Shares will be coming from the Series 6 Preferred Shares.

The authorized capital stock of the Company is ₱5,180,000,000.00 divided into 4,930,000,000 Common Shares with a par value of ₱1.00 per share and 250,000,000 Preferred Shares with a par value of ₱1.00 per share.

As of date, the Company has (a) 2,013,409,717 issued and outstanding Common Shares and 386,016,410 Common Shares held in treasury; (b) 17,405,880 issued and outstanding Series 2B Preferred Shares; (c) 45,000,000 issued and outstanding Series 3 Preferred Shares; (d) 40,000,000 issued and outstanding Series 4 Preferred Shares and (e) 15,000,000 issued and outstanding Series 5 Preferred Shares.

Following the Offer and assuming Oversubscription Option is exercised in full, the Company will have (a) 2,013,409,717 issued and outstanding Common Shares and 386,016,410 Common Shares held in treasury; (b) 17,405,880 issued and outstanding Series 2B Preferred Shares; (c) 45,000,000 issued and outstanding Series 3 Preferred Shares; (d) 40,000,000 issued and outstanding Series 4 Preferred Shares; (e) 15,000,000 issued and outstanding Series 5 Preferred Shares; and (f) 60,000,000 issued and outstanding Series 6 Preferred Shares.

As of date of this Preliminary Prospectus, Megawide's Board is composed of Mr. Edgar B. Saavedra, Mr. Manuel Louie B. Ferrer, Mr. Oliver Y. Tan, Mr. Ramon H. Diaz, former Chief Justice Hilario G. Davide, Jr., and Mr. Celso P. Vivas. Meanwhile, Megawide's management team is headed by its President, CEO, and Chairman of the Board, Mr. Edgar B. Saavedra, a licensed civil engineer, who has been practicing for over twenty (20) years.

As of December 31, 2024, the Company's major shareholders are PCD Nominee Corporation (Filipino) with 67.50% of the total issued and outstanding common stock, Citicore with 29.71% and PCD Nominee Corporation (Non-Filipino) with 0.79%. Meanwhile, Megacore Holdings, Inc., whose common stock in the Company are lodged with PCD Nominee Corporation (Filipino), has a 30.68% ownership interest in the same.

The Company is currently servicing a number of strategically located high-rise residential, commercial, office and mixed-use development projects in Metro Manila for several major local developers, primarily for its use of High Technology Building Systems, and quality workmanship. While Megawide is constantly invited to bid for major domestic high-rise building projects, it opts to focus on a selected clientele that provides synergy in business operations and better risk management. The Company's major clients include a variety of large and small property developers such as Suntrust Home Developers, Inc., Megaworld Corporation, 8990 Holdings, Inc., and Double Dragon Properties Corp., among others.

Among the large-scale new contracts sealed by the construction segment are the Suntrust Home Developers' Suncity West Side City project and the DOTr's Malolos Clark Railway Phase 1 Project which is a joint venture project with Hyundai Engineering & Construction Co., Ltd., and Dong-ah Geological Engineering Company Ltd both from Korea, and Contract Package 104 (CP-104) of the Metro Manila Subway System Project with partners Tokyu Construction and Tobishima Corporation both from Japan. Other new projects include the Hotel 101 in Libis and Landers Superstore Aseana branch. The Company also signed a joint venture agreement with the local government of Cebu City for the modernization of the Carbon Market. The new market will serve as Cebu City's heritage district and will be composed of a restored Compania Maritima, a refurbished Freedom Park, and a modernized Carbon Market. For details of these projects, see "*Description of Business"* of this Preliminary Prospectus.

To support its contracts and to gear up for more projects in the upcoming years, the Company has state-of-the-art Pre-cast Concrete Manufacturing Complex located in the Company's 23-hectare property in Taytay, Rizal. The facility is fully automated and is considered to be the largest and most advanced pre-cast plant in the country. Through this technology, Megawide will be able to realize the full potential and inherent benefits of pre-cast concrete building solutions such as shorter construction period, cost efficiency, increased productivity and enhanced operational capability.

In addition, another Megawide subsidiary also operates the first and only landport, the Parañaque Integrated Terminal Exchange, which currently serves as the model for a safe, secure, and efficient public transport system in the Philippines. Both these assets were secured through separate concession agreements from the government.

The Company, through its affiliated company, also operated the second-largest airport in country, the Mactan-Cebu International Airport, which serves as the gateway to Cebu and other top tourist destinations in the Southern Philippines.

On December 16, 2022, the Company and GAIBV executed the transaction with AIC for AIC's acquisition of shares in GMCAC, the developer and operator of the award-winning MCIA.

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

On October 30, 2024, Megawide opted to exchange its remaining 33 and 1/3% plus 1 share of outstanding capital stock in AGMCAC – operator of the award-winning MCIA – in favor of AIC for a total consideration of ₱7.76 billion.

The transaction was in accordance with the Share Subscription and Transfer Agreement among Megawide, GAIBV, and AIC, which includes the issuance of Exchangeable Notes from both Megawide and GAIBV for the remaining 66 and 2/3% plus one (1) share of AGMCAC's outstanding capital stock amounting to ₱15.5 billion.

COMPETITIVE STRENGTHS

The Company believes that its principal strengths are the following: (1) AAAA and Large B Contractor's License; (2) Largest and most-advanced pre-cast and construction solutions (PCS) platform in the country; (3) Operational Synergies from Vertical Integrations Resulting in Flexible Contractual engagements (4) Operator of country's premier landport, which serves as an anchor for an organized transport hub-and-spoke model across the country (5) Natural progression into property development, focusing largely on the affordable to mid-income segment of the end-user market, to drive higher value; (6) strong brand name and proven track record; and (7) Organizational Capability and Flexibility, backed by a young and dynamic workforce.

Collectively, these advantages support the Company's strategic progression to the higher-value and scalable business platform of property development.

For a discussion of these strengths, see "*Description of Business*" of this Preliminary Prospectus.

BUSINESS STRATEGY

The Company sees various opportunities in the private domestic real estate construction, and development, public infrastructure projects, and transport-oriented developments, specifically in terms of addressing and improving the infrastructure development in the country through the National Government's initiative under its Modified BBB Program. Specifically, the Company is keen on the following business strategies: (1) expand its business into other segments, including but not limited to public infrastructure developments; (2) actively pursue value-accretive transport-oriented projects in the government pipeline; (3) capitalize on its fully-integrated EPC advantages; (4) leverage organizational competence and flexibility; and (5) constantly improve productivity and enhance operational efficiency in its on-going and future projects. For details of these strategies, see "*Description of Business*" of this Preliminary Prospectus.

RISK FACTORS

Before making an investment decision, investors should carefully consider the risks associated with an investment in the Series 6 Preferred Shares. These risks include:

1. Risks relating to the Company and its business

- The Company is exposed to the cyclical nature of a construction business coupled by risks associated with the Philippine's property development market, including potential construction contract cancellations.
- The occurrence of a pandemic similar to COVID-19 could have negative effects on the Company's business operations.
- The Company is exposed to credit risk on its receivables.
- The Company is a party to a number of related party transactions.
- The Philippine Construction Industry is subject to extensive regulation by the Government.
- The Company is highly dependent on its current senior management team and loss of the members of the team is critical to the Company's operations.
- The Company may not be able to obtain financing at favorable terms and interest rates.

a. **Risks relating to the Construction Segment**

- The construction industry is facing a skilled labor shortage.
- The volatility in the price of construction materials could affect the Company's profitability.
- The Company's reputation will be adversely affected if its projects are not completed on time, or if projects do not meet customer requirements.
- The Company may be exposed to liquidity risk from delayed collections of payments of progress billings and retention of receivables.
- The availability of construction materials may affect the Company's projects.
- The Company has exposure to government projects.
- The Company has tough competition from domestic and international players for large infrastructure projects.
- The operation of the Company's construction sites may be stalled should its license as a contractor be suspended or revoked.
- Construction defects and other building-related claims against the Company may cause the Company to be subject to liability for such claims.

b. **Risks relating to the Landport (PITX) Segment**

- Ban on POGO may affect office tenancy in the towers.
- Existing floor space may be limited with opening of the Asia World Station.

c. **Risks relating to real estate development**

- Property development may be affected by economic and market cycles.
- The local real estate market is highly competitive, with multiple players across segments.
- Real estate may require sizeable capital for land banking and development purposes.
- Land titles owned may be contested by third parties.
- The Company may be exposed to the risk of asset bubbles in real estate due to historically low interest rates, expansion in overall liquidity, extensive construction of condominium and housing units, and other factors.
- The Company may be exposed to Metro Manila's 34 month inventory turnover rate in the real estate market.
- The potential buyers of the Company's properties may default on their payments.

d. **Risks relating to projects with Original Proponent Status**

- Projects under Original Proponent Status ("OPS") may not necessarily be awarded to the Company.

2. **Risks relating to the Company's Series 6 Preferred Shares**
   - The Series 6 Preferred Shares may not be a suitable investment for all investors.
   - The market price of the Series 6 Preferred Shares may be volatile, which could cause the value of investors' investments in the Series 6 Preferred Shares to decline.
   - The dividends on the Series 6 Preferred Shares may not be paid in full, or in part.
   - The Series 6 Preferred Shares are subordinate to the Issuer's other indebtedness.
   - There may be insufficient distributions upon liquidation.
   - The ability of the Company to make payments to the holders of Series 6 Preferred Shares is limited by terms of Megawide 's other indebtedness.
   - The Series 6 Preferred Shares have no fixed maturity date and Megawide has the sole right to redemption.
   - There may be a lack of public market for the Series 6 Preferred Shares.
   - There may be a limited market for the Series 6 Preferred Shares, so there may be limited liquidity in the market.
   - Non-payment of dividends may affect the Trading Price of the Series 6 Preferred Shares.
   - Holders of Series 6 Preferred Shares may not be able to reinvest at a similar return on investment.
   - The Series 6 Preferred Shares have no voting rights.
   - There are restrictions on foreign ownership of Megawide's Series 6 Preferred Shares by non-Philippine Nationals.
   - The Series 6 Preferred Shares may be affected by the PIFITA.
   - There is no assurance that the Series 6 Preferred Shares will be listed in the PSE.

3. **Risks Relating to the Philippines**
   - The Company's business may be negatively affected by slowdown in the Philippine and global economy.
   - Political or social instability, acts of terrorism or military conflict or changes in laws and policies could adversely affect the financial results of the Company.
   - The Company's operations may also be affected by acts of insurgency and terrorism which could have an impact on financial results and performance.
   - If foreign exchange controls were to be imposed, the Company's ability to access foreign currency to purchase raw materials and equipment and to service foreign currency denominated debt obligations could be adversely affected.
   - The occurrence of natural catastrophes or man-made catastrophes or electricity blackouts may materially disrupt the Company's business.
   - Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

4. **Risks Relating to Pending Material Legal Proceedings**
   - The Company's finances may be negatively affected should any of the claims for sum of money be granted.
   - The Company's goodwill or relationship with its clients and subcontractors may be negatively affected due to the issues which brought about the material legal proceedings.
   - The suspension of the Company's licenses and franchises may negatively affect its reputation and impact its future transactions.
   - Overall risk management strategy.

CORPORATE INFORMATION

The Company has its principal place of business at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Metro Manila. The Company's Finance department, headed by its Chief Finance Officer, Mr. Jez G. Dela Cruz, and Assistant Vice President for Investor Relations, Mr. Rolando Bondoy, can be reached at +632 8655 1111 loc. 803. Information on the Company may be obtained at www.megawide.com.ph.

SUMMARY OF FINANCIAL INFORMATION

The selected financial information set forth in the following table has been derived from Megawide's unaudited interim consolidated financial statements as of and for the period ended September 30, 2024 and September 30, 2023, and the Company's audited consolidated financial statements as of and for the years ended December 31, 2023, 2022, and 2021, and should be read in conjunction with the consolidated financial statements and notes thereto contained in this Prospectus and the section entitled "Management's Discussion & Analysis of Financial Condition" and other financial information included herein Unless otherwise indicated, the financial information presented are on consolidated basis.

The consolidated financial statements of the Company for the years ended December 31, 2023, 2022 and 2021 were audited by Punongbayan & Araullo. The summary of financial information set forth below does not purport to project the results of operations or financial conditions of Megawide for any future period or date.

(Amounts in ₱ thousands)	As of September 30		As of December 31		
	2024	2023	2023	2022	2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	₱5,849,242	₱4,931,406	₱4,878,885	₱15,758,197	₱5,846,088
Trade and other receivables – net	20,840,603	23,694,202	19,155,919	18,361,000	16,970,555
Construction materials	1,985,961	3,308,722	2,279,339	2,126,166	2,045,159
Contract assets	6,131,152	5,006,449	5,640,189	5,106,308	4,777,705
Real estate inventories	4,301,213	-	3,872,922	-	-
Other current assets	10,443,281	10,376,495	11,413,433	9,563,285	10,132,960
Non-current assets held for sale	2,879,770	2,879,770	2,879,770	2,879,770	-
Total Current Assets	52,431,221	50,197,045	50,120,457	53,794,726	39,772,467
NON-CURRENT ASSETS					
Financial assets as fair value through other comprehensive income	3,544	3,544	3,544	3,544	3,544
Investments in associates	282,883	295,446	257,239	231,296	861,513
Concession assets	-	-	-	-	30,503,823
Property, plant, and equipment -net	5,924,827	7,556,492	6,277,620	6,734,023	7,166,867
Investment properties	4,763,191	4,715,230	4,818,852	4,699,071	4,493,344
Goodwill	3,797,070	3,395,155	3,797,070	-	-
Deferred tax assets - net	733,913	799,799	697,716	689,305	24,595
Other non-current assets	393,571	307,740	354,643	300,790	2,350,476
Total Non-current Assets	15,898,999	17,073,406	16,206,684	12,658,030	45,404,162
TOTAL ASSETS	**₱68,330,220**	**₱67,270,451**	**₱66,327,140**	**₱66,452,756**	**₱85,176,629**
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Interest-bearing loans and borrowings	₱18,900,560	₱16,064,451	₱21,043,828	₱14,707,802	₱14,780,086
Trade and other payables	4,571,582	7,145,662	4,653,529	5,332,738	8,616,715
Contract liabilities	3,727,082	4,200,402	4,901,661	3,590,333	3,703,189
Exchangeable notes	7,763,200		7,763,200	-	-
Other current liabilities	430,507	479,258	357,162	306,529	265,860
Total Current Liabilities	35,392,931	27,889,772	38,719,379	23,937,401	27,365,850

(Amounts in ₱ thousands)	As of September 30		As of December 31		
	2024	2023	2023	2022	2021
NON-CURRENT LIABILITIES					
Interest-bearing loans and borrowings	14,988,491	12,816,672	9,558,176	13,071,220	34,721,410
Contract liabilities	347,381	1,544,053	373,703	1,405,179	2,056,202
Post-employment defined benefit obligation	249,417	239,090	249,417	237,401	300,125
Exchangeable notes	-	7,763,200	-	7,763,200	-
Deferred tax liabilities - net	-	-	-	-	872,561
Other non-current liabilities	282,863	447,836	493,691	371,474	659,573
Total Non-current Liabilities	15,868,152	22,810,851	10,674,987	22,848,474	38,609,871
Total Liabilities	51,261,083	50,700,623	49,394,367	46,785,875	65,975,721
EQUITY					
Equity attributable to shareholders of the Parent Company:					
Common stock	2,399,426	2,399,426	2,399,426	2,399,426	2,399,426
Preferred stock	145,876	143,626	145,876	128,626	128,626
Additional paid-in capital	18,460,790	18,460,790	18,460,790	16,987,856	16,987,856
Deposit on future stock subscription	-	2,250	-	2,250	-
Revaluation reserves	181,528	170,262	175,787	149,759	94,012
Other reserves	-	-	-	-	(22,475)
Treasury shares	(11,237,704)	(11,237,704)	(11,237,704)	(8,615,691)	(8,615,691)
Retained earnings	6,617,344	6,629,387	6,471,908	8,612,106	5,555,677
Total equity attributable to shareholders of the Parent Company	16,567,260	16,568,037	16,416,083	19,664,332	16,527,431
Non-controlling interests	501,877	1,790	516,691	2,549	2,673,476
Total Equity	17,069,137	16,569,828	16,932,774	19,666,881	19,200,908
TOTAL LIABILITIES AND EQUITY	**₱68,330,220**	**₱67,270,451**	**₱66,327,140**	**₱66,452,756**	**₱85,176,629**

(Amounts in ₱ thousands)	For the nine months ended September 30		For the years ended December 31		
	2024	**2023**	**2023**	**2022**	**2021**
CONTINUING OPERATIONS					
REVENUES					
Construction operation revenues	₱15,521,869	₱15,182,522	₱18,141,512	₱14,583,322	₱14,329,464
Landport operations revenues	386,015	339,734	347,752	258,329	715,039
Real estate revenues	440,177	36,525	148,891	-	-
	16,348,061	15,558,781	18,638,156	14,841,651	15,044,503
DIRECT COSTS					
Cost of construction operations	12,809,301	13,345,176	16,025,104	12,557,582	12,130,698
Cost of landport operations	245,836	257,010	360,846	364,306	369,474
Cost of real estate operations	186,737	22,804	72,152	-	-
	13,241,874	13,624,990	16,458,102	12,921,888	12,500,172
GROSS PROFIT	3,106,187	1,933,791	2,180,054	1,919,763	2,544,331
OTHER OPERATING EXPENSES	1,068,065	1,057,535	1,337,721	2,916,213	1,345,510
OPERATING PROFIT	2,038,122	876,256	842,333	(996,451)	1,198,822
OTHER INCOME (CHARGES)					
Finance costs - net	(1,300,104)	(792,060)	(1,014,740)	(1,131,048)	(1,042,777)
Others - net	145,001	262,754	499,183	(433,681)	415,160
	(1,155,103)	(529,306)	(515,558)	(1,564,729)	(627,617)
PROFIT BEFORE TAX	888,019	346,950	326,775	(2,561,179)	571,204
TAX EXPENSE	(308,099)	(14,401)	(57,618)	689,157	(92,508)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**₱574,920**	**₱332,549**	**₱269,157**	**(₱1,872,022)**	**₱478,696**
DISCONTINUED OPERATIONS					
Income (loss) before tax	₱-	₱-	₱-	₱4,888,130	(₱1,294,986)
Tax expense	-	-	-	(183,362)	(76,865)
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**₱-**	**₱-**	**₱-**	**₱4,704,768**	**(₱1,379,851)**
NET PROFIT (LOSS)	**₱574,920**	**₱332,549**	**₱269,157**	**₱2,832,746**	**(₱893,154)**

Net Profit Attributable To:

Shareholders of the Parent Company					
Continuing operations	₱589,734	₱333,308	₱283,490	(₱1,871,908)	₱478,706
Discontinued operations	-	-	-	5,449,614	(821,690)
	589,734	333,308	283,490	3,577,706	(342,985)
Non-controlling interests					
Continuing operations	(14,814)	(758)	(14,333)	(144)	(9)
Discontinued operations	-	-	-	(744,846)	(550,160)
	(14,814)	(758)	(14,333)	(744,960)	(550,169)
	₱574,920	₱332,549	₱269,157	₱2,832,746	(₱893,154)
Earnings (Loss) per Share:	₱0.13	₱0.02	(₱0.06)	₱1.54	(₱0.42)

For more information on the Company's key performance indicators, please refer to the section entitled "Management's Discussion & Analysis of Financial Condition" and "Key Performance Indicators" of this Preliminary Prospectus.

SUMMARY OF THE OFFER

The following do not purport to be a complete listing of all the rights, obligations and privileges of the Series 6 Preferred Shares. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective shareholders are enjoined to perform their own independent investigation and analysis of the Issuer and the Series 6 Preferred Shares. Each prospective shareholder must rely on its own appraisal of the Issuer and the proposed financing, and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to participate in the proposed financing and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective shareholder's independent evaluation and analysis.

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information in this Preliminary Prospectus. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the Series 6 Preferred Shares. Accordingly, any decision by a prospective investor to invest in the Series 6 Preferred Shares should be based on a consideration of this Preliminary Prospectus as a whole. Should there be any inconsistency between the summary below and the final documentation, the final documentation shall prevail.

Issuer	Megawide Construction Corporation ("**Megawide"** or the "**Company**")
Instrument	Cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) and perpetual PHP- denominated Preferred Shares consisting of 30,000,000 preferred shares, and in case the oversubscription option is exercised, up to an additional 30,000,000 preferred shares (collectively, the "**Series 6 Preferred Shares**")
Offer Size	30,000,000 Series 6 Preferred Shares (subject to the Oversubscription Option as provided below), to be issued in three (3) subseries: Series 6A Preferred Shares, Series 6B Preferred Shares and Series 6C Preferred Shares. In the event that Oversubscription Option is exercised, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, in consultation with the Company, have the discretion to allocate the Oversubscription Option of up to 30,000,000 shares in either Series 6A Preferred Shares, Series 6B Preferred Shares or Series 6C Preferred Shares at the end of the Offer Period based on actual demand.
Registration and Listing	To be registered with the SEC and listed on the PSE subject to compliance with SEC regulations and PSE listing rules. Upon listing, the Series 6A Preferred Shares, Series 6B Preferred Shares and Series 6C Preferred Shares shall be traded under the symbols "MWP6A", "MWP6B" and "MWP6C", respectively.
Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners	PNB Capital and Investment Corporation ("**PNB Capital**") RCBC Capital Corporation ("**RCBC Capital**") Security Bank Capital Investment Corporation ("**Security Bank Capital**")
Use of Proceeds	The net proceeds will be utilized for: 1. the redemption of the outstanding Series 4 Perpetual Preferred Shares on April 27, 2025; 2. partial financing for projects in the pipeline; and 3. general corporate purpose.
Par Value	The Series 6 Preferred Shares have a par value of ₱1.00 per share.
Offer Price	The Series 6 Preferred Shares shall be offered at a price of ₱100.00 per share.

Offer Period	The Offer period shall commence at 9:00 a.m. on [March 26, 2025] and end at 12:00 p.m. on [April 4, 2025]. The Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE, as applicable.
Listing Date	On [April 14, 2025], or such other date when the Series 6 Preferred Shares are listed in the PSE.
Dividend Rate	The Series 6 Preferred Shares shall, subject to the Conditions for the Declaration and Payment of Dividends, bear cumulative non-participating cash dividends based on the Issue Price, payable quarterly in arrears every Dividend Payment Date, at the Dividend Rate per annum from Listing Date. Dividends will be calculated on a 30/360-day basis. The term (" **Dividend Rate**") means (a) from the Listing Date up to the Step Up Date, the Initial Dividend Rate, and (b) from the Step Up Date, the applicable Step Up Rate. (Please see below relevant definitions).
Initial Dividend Rate	The initial dividend rate shall be at the fixed rate of: • Series 6A Preferred Shares: [●]% per annum; • Series 6B Preferred Shares: [●]% per annum; and • Series 6C Preferred Shares: [●]% per annum; in all cases calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (each, the "**Initial Dividend Rate"** for the relevant series). The initial dividend rates will be determined on initial dividend rate setting date via a bookbuilding process.
Dividend Payment Dates	Cash dividends will be payable on July 14, October 14, January 14, and April 14 of each year (each a "**Dividend Payment Date**"), being the last day of each 3-month period (a "**Dividend Period**"), as and if declared by the Board of Directors in accordance with the terms and conditions of the Preferred Shares. The first Dividend Payment Date will be on the 1st quarter after the Listing Date and the succeeding dates will the following 3-month periods after it. If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid. A "**Banking Day**" means a day, except Saturday or Sunday or legal holidays, in which facilities of the Philippine banking system are open and available for clearing and the banks are open for business in Metro Manila, Philippines.
Conditions on Declaration and Payment of Cash Dividends	The declaration and payment of cash dividends on each Dividend Payment Date will be subject to the discretion of the Board of Directors, the covenants (financial or otherwise) in the loans and credit agreements to which the Issuer is a party and the requirements under applicable laws and regulations. If the profits available for distribution as cash dividends are, in the opinion of the Board of Directors, not sufficient to enable the Company to pay in full cash dividends on the Series 6 Preferred Shares and cash dividends

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<td>that are scheduled to be paid on or before the same date on shares that have an equal right to dividends as the Series 6 Preferred Shares (“Comparable Shares”), the Company is required to pay cash dividends on the Series 6 Preferred Shares and any Comparable Shares pro rata to the amount of the cash dividends scheduled to be paid to the Series 6 Preferred Shares and the Comparable Shares, respectively. For purposes of this paragraph, the amount scheduled to be paid shall include all dividends due on such Dividend Payment Date as well as all accumulated dividends due and payable or dividends in arrears in respect of prior Dividend Periods (“Dividends in Arrears”).

The profits available for distribution are, in general and with some adjustments pursuant to applicable laws and regulations, equal to the accumulated, realized profits of the Company less accumulated, realized loss.</td>
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<tr>
<td>Optional Redemption Dates</td>
<td>As and if declared by the Board of Directors of the Company and subject to the requirements of applicable laws and regulations, the Company may, at its sole option, redeem in whole (but not part), any subseries of the Series 6 Preferred Shares as follows:

a. in respect of Series 6A Preferred Shares, on the third (3^{rd}) anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption date and the Dividend Payment Dates thereafter, a “Series 6A Optional Redemption Date”),

b. in respect of Series 6B Preferred Shares, on the third (3^{rd}) anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption dates and the Dividend Payment Dates thereafter, a “Series 6B Optional Redemption Date”), and

c. in respect of Series 6C Preferred Shares, on the fifth (5^{th}) anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption date and the Dividend Payment Dates thereafter, a “Series 6C Optional Redemption Date”)

(each Series 6A Optional Redemption Date, Series 6B Optional Redemption Date, and Series 6C Optional Redemption Date an “Optional Redemption Date”)

at a redemption price equal to the following:

<table>
<tr><td colspan="2">Series 6A</td></tr>
<tr><td>Optional Redemption Date</td><td>Redemption Price</td></tr>
<tr><td>On the 3^{rd} anniversary of the Listing Date and every Dividend Payment Date thereafter.</td><td>100% of the Issue Price</td></tr>
<tr><td colspan="2">Series 6B</td></tr>
<tr><td>Optional Redemption Date</td><td>Redemption Price</td></tr>
<tr><td>On the 3^{rd} anniversary of the Listing Date or every Dividend Payment Date prior to the 4^{th} anniversary of the Listing Date.</td><td>101.0% of the Issue Price</td></tr>
<tr><td>On the 4^{th} anniversary of the Listing Date or every Dividend Payment Date prior to the 5^{th} anniversary of the Listing Date.</td><td>100.5% of the Issue Price</td></tr>
<tr><td>On the 5^{th} anniversary of the Listing Date or every Dividend Payment Date thereafter.</td><td>100% of the Issue Price</td></tr>
<tr><td colspan="2">Series 6C</td></tr>
<tr><td>Optional Redemption Date</td><td>Redemption Price</td></tr>
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<tr><td>On the 5th anniversary of the Listing Date or every Dividend Payment Date prior to the 6th anniversary of the Listing Date.</td><td>101.0% of the Issue Price</td></tr>
<tr><td>On the 6th anniversary of the Listing Date or every Dividend Payment Date prior to the 7th anniversary of the Listing Date.</td><td>100.5% of the Issue Price</td></tr>
<tr><td>On the 7th anniversary of the Listing Date or every Dividend Payment Date thereafter.</td><td>100% of the Issue Price</td></tr>
</table>
In all cases, plus all dividends due on such Optional Redemption Date as well as all Dividends in Arrears. The Company shall give not less than thirty (30) days nor more than sixty (60) days prior written notice of its intention to redeem the Series 6 Preferred Shares, which notice shall be irrevocable and binding upon the Company to effect such early redemption of the Series 6 Preferred Shares at the Optional Redemption Date stated in such notice.
The Company may also redeem the Series 6 Preferred Shares, in whole but not in part, at any time if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing, having given not less than thirty (30) days nor more than sixty (60) days‘ written notice prior to the intended date of redemption which must be a Banking Day, which notice shall be irrevocable and binding upon the Company to effect such redemption of the Series 6 Preferred Shares to the Stock Transfer Agent, at the redemption date stated in such notice. The redemption due to an Accounting Event or a Tax Event shall be made by the Company at the redemption price equal to the Offer Price plus all dividends due them on such Optional Redemption Date as well as all Dividends in Arrears after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption, which shall be paid within five (5) Banking Days of the exercise of the right to redeem the Series 6 Preferred Shares on the date of redemption set out in the notice.
The foregoing redemption prices shall hereinafter be referred to as “Redemption Price” as the case may be.
Any required notice as stated in the preceding paragraphs shall be provided to the PSE in accordance with the amended consolidated listing and disclosure rules of the PSE.
Once redeemed, the Series 6 Preferred Shares shall be considered retired and can no longer be reissued. However, while they are considered retired, it shall remain in treasury until removal from the capital stock by decreasing the authorized capital stock of the Company.
Upon listing on the PSE, the Company may purchase the Series 6 Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE. The Series 6 Preferred Shares so purchased may be redeemed (pursuant to their terms and conditions as set out in the Preliminary Prospectus) and cancelled. However, while they are considered retired, it shall remain in treasury until removal from the capital stock by decreasing the authorized capital stock of the Company, through an application with the SEC.
</td>
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<tr>
<td>Dividend Rate Step Up</td>
<td>If the Series 6 Preferred Shares shall not have been redeemed by the Company by the 3rd anniversary of the Listing Date for the Series 6A Preferred Shares, by the 5th anniversary of the Listing Date for the Series 6B Preferred Shares, and by the 7th anniversary of the Listing Date for the Series 6C Preferred Shares, the Initial Dividend Rate shall be adjusted as follows:</td>
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</table>

	a. for Series 6A Preferred Shares, the higher of (a) the simple average of the closing per annum rate of 5-year BVAL, or if the 5-year BVAL rate is not available or cannot be determined, the interpolated 5-year BVAL rate, or if such interpolated 5-year BVAL rate is not available or cannot be determined, any successor rate as determined by the *Bankers Association of the Philippines* ("**BAP"**) or the *Bangko Sentral ng Pilipinas* ("**BSP**"), as shown on the PDEX page (or such successor page of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the rate setting date, plus 4.00%; or (b) the floor rate of 12.00%; b. for Series 6B Preferred Shares, the higher of (a) the simple average of the closing per annum rate of the 7-year BVAL, or if the 7-year BVAL rate is not available or cannot be determined, the interpolated 7-year BVAL rate, or if such interpolated 7-year BVAL rate is not available or cannot be determined, any successor rate as determined by the BAP or the BSP, as shown on the PDEX page (or such successor page of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the rate setting date, plus 4.00% or (b) the floor rate of 12.00%; and c. for Series 6C Preferred Shares, the higher of (a) the simple average of the closing per annum rate of the 10-year BVAL, or if the 10-year BVAL rate is not available or cannot be determined, the interpolated 10-year BVAL rate, or if such interpolated 10-year BVAL rate is not available or cannot be determined any successor rate as determined by the BAP or the BSP, as shown on the PDEX page (or such successor page of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the rate setting date, plus 4.00% or (b) the floor rate of 12.00%. The date of the listing of Series 6A Preferred Shares, the Series 6B Preferred Shares and the Series 6C Preferred Shares is referred to as the "**Listing Date**". The date 3 years from the Listing Date referred to in (a), the date 5 years from the Listing Date referred to in (b), and the date 7 years from the Listing Date referred to in (c) are each referred to as a "**Step Up Date**". The adjusted rates referred to in (a), (b) and (c) are each referred to as a "**Step Up Rate**". In the event the relevant Step-up Date falls on a day that is not a Banking Day: a. the rate setting will be done on the immediately succeeding Banking Day using the average of the relevant BVAL rates for the three (3) consecutive Banking Days preceding and inclusive of the said rate setting date, and b. the higher of the applicable Initial Dividend Rate and the applicable Step-Up Rate will be applied commencing on the Step-Up Date (which is 3 years from the Listing Date of the Series 6A Preferred Shares, 5 years from the Listing Date of the Series 6B Preferred Shares, and 7 years from the Listing Date of the Series 6C Preferred Shares). In the event that BVAL is replaced by a new benchmark rate as determined by the BAP or the BSP, such new benchmark rate shall be adopted for purposes of determining the Dividend Rate (the "**New Benchmark Rate"**). In the absence of such new replacement benchmark rate as determined by the BAP or the BSP and there is a mandatory directive by the BAP or the BSP to no longer use applicable BVAL, the Company and the Joint Issue Managers, Joint Lead Underwriters and

	Joint Bookrunners shall negotiate to adopt an alternative rate that will serve as the New Benchmark Rate. Any required notice on the foregoing shall be provided to the PSE in accordance with the amended consolidated listing and disclosure rules of the PSE.
No Sinking Fund	The Company is not legally required to establish, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series 6 Preferred Shares.
Redemption by reason of an Accounting Event	In the event an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Issuer stating that the Series 6 Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Company prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year ("**Accounting Event**"), and such event cannot be avoided by use of reasonable measures available to the Company, the Company having given not more than 60 days' nor less than 30 days' notice prior to the intended date of redemption which must be a Banking Day, may redeem the Series 6 Preferred Shares in whole, but not in part at the Redemption Price. See "*Summary of the Offer*" and "*Description of the Preferred Shares*" of this Preliminary Prospectus.
Redemption by reason of a Tax Event	In the event payments in respect of the Series 6 Preferred Shares become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof ("**Tax Event**"), and such tax cannot be avoided by use of reasonable measures available to the Company, the Company having given not more than 60 days' nor less than 30 days' notice prior to the intended date of redemption which must be a Banking Day, may redeem the Series 6 Preferred Shares at any time in whole but not in part, at the Redemption Price. See "*Summary of the Offer*" and "*Description of the Preferred Shares*" of this Preliminary Prospectus.
Taxation	All payments in respect of the Series 6 Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any future taxes or duties imposed by or on behalf of Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Company will pay additional amounts so that holders of the Series 6 Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that the Company shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to: (a) the final withholding tax applicable on dividends earned on the Series 6 Preferred Shares, (b) as applicable, any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax) and documentary stamp tax on the redemption of the Series 6 Preferred Shares or on the liquidating distributions as may be received by a holder of Series 6 Preferred Shares, (c) any expanded VAT which may be payable by any holder of the Series 6 Preferred Shares on any amount to be received from the Company under the terms and conditions of the Series 6 Preferred Shares,

	(d) any withholding tax on any amount payable to any holder of Series 6 Preferred Shares or any entity which is a non-resident foreign corporation, and (e) applicable taxes to any subsequent sale or transfer of the Series 6 Preferred Shares by any holder of the Series 6 Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes). All sums payable by the Company to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities. Documentary stamp tax and all other costs and expenses for the issuance of the Series 6 Preferred Shares and the documentation, if any, shall be for the account of the Company.
Form, Title and Registration of the Preferred Shares	The Series 6 Preferred Shares will be issued in scripless form through the electronic book-entry system of Stock Transfer Service, Inc. as Registrar for the Offer, and lodged with PDTC as Depository Agent on Listing Date through PSE Trading Participants respectively nominated by the applicants. For this purpose, applicants shall indicate in the proper space provided for in the Application Form the name of a PSE Trading Participant under whose name their shares will be registered. After Listing Date, holders of the Series 6 Preferred Shares (the "**Shareholders**") may request the Registrar, through their respective nominated PSE Trading Participants, to (a) open a scripless registry account and have their holdings of the Series 6 Preferred Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Series 6 Preferred Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder. Legal title to the Series 6 Preferred Shares will be shown in an electronic register of shareholders ("**Registry of Shareholders**") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Series 6 Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Registrar shall send (at the cost of the Company) at least once every quarter a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.
Selling and Transfer Restrictions	Initial placement and subsequent transfers of interests in the Series 6 Preferred Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time.
Governing Law	The Series 6 Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines.

<table>
<tr><th colspan="2">Features of the Series 6 Preferred Shares</th></tr>
<tr><td>Status</td><td>The Series 6 Preferred Shares rank or shall rank at least pari passu in all respects and ratably without preference of priority among themselves and with all other Preferred Shares issued or to be issued by the Company.

The obligations of the Company in respect of the Series 6 Preferred Shares are direct and subordinated to all indebtedness of the Company.

The obligations of the Company under the Series 6 Preferred Shares are unsecured and will, in the event of the winding-up of the Company in rank junior in right of payment to all indebtedness of the Company and claims against the Company which rank or are expressed to rank senior to the Series 6 Preferred Shares. Accordingly, the obligations of the Company under the Series 6 Preferred Shares will not be satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Series 6 Preferred Shares.

There is no agreement or instrument that limits the ability of the Company to issue Preferred Shares or other securities that rank pari passu with the Series 6 Preferred Shares.</td></tr>
<tr><td>Cumulative Dividends</td><td>Dividends on the Series 6 Preferred Shares will be cumulative. If for any reason the Board of Directors of the Company does not declare a dividend on the Series 6 Preferred Shares for a Dividend Period, the Company will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series 6 Preferred Shares shall receive the dividends due them on such Dividend Payment Date as well as all Dividends in Arrears. Holders of the Series 6 Preferred Shares shall not be entitled to participate in any other or further dividends, cash, property or stock, beyond the dividends specifically payable on the Preferred Shares.

The Company covenants that, in the event (for any reason):

(a) any cash dividends due with respect to any Series 6 Preferred Shares then outstanding for any period are not declared and paid in full when due,

(b) where there remains Dividends in Arrears on the Series 6 Preferred Shares, or

(c) any other amounts payable in respect of the Series 6 Preferred Shares pursuant to the terms and conditions of the Series 6 Preferred Shares, are not paid in full when due,

then the Company will not:

(i) declare or pay any dividends or other distributions in respect of shares ranking pari passu with or junior to the Series 6 Preferred Shares (unless such payment in respect of shares ranking pari passu with the Series 6 Preferred Shares shall be in accordance with the “Conditions on Declaration and Payment of Cash Dividends”), or

(ii) repurchase or redeem, securities ranking pari passu with, or junior to, the Series 6 Preferred Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking pari passu with, or junior to, the Series 6 Preferred Shares),

until any and all the amounts described in (a), (b) and (c) have been paid in full to the holders of the Series 6 Preferred Shares.</td></tr>
</table>

No Voting Rights	Holders of the Series 6 Preferred Shares will not be entitled to vote at the Company's stockholders' meetings, except as otherwise provided by law.
Non-Participating	Holders of the Series 6 Preferred Shares shall not be entitled to participate in any other or future dividends beyond the cash dividends specifically payable on the Series 6 Preferred Shares.
Non-Convertible	Holders of the Series 6 Preferred Shares shall have no right to convert the Series 6 Preferred Shares into any other preferred shares or common shares of the Company.
No Pre-emptive Rights	Holders of the Series 6 Preferred Shares will have no pre-emptive rights to subscribe to any shares (including, without limitation, treasury shares) that will be issued by the Company.
Perpetual	Series 6 Preferred Shares are perpetual and have no fixed final maturity date. Holders of Series 6 Preferred Shares have no right to require the Company to redeem the Series 6 Preferred Shares at any time and they can only be disposed of by sale in the secondary market.
Liquidation Rights	In the event of a return of capital in respect of the liquidation, dissolution or winding up of the affairs of the Company but not on a redemption or purchase by the Company of any of its share capital, the holders of the Series 6 Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Company available for distribution to shareholders, together with the holders of any other shares of the Company ranking, as regards repayment of capital, *pari passu* with the Series 6 Preferred Shares and before any distribution of assets is made to holders of any class of shares of the Company ranking after the Series 6 Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Redemption Price as of (and including) the date of commencement of the winding up of the Company or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of the Company, the amount payable with respect to the Series 6 Preferred Shares and any other shares of the Company ranking as to any such distribution *pari passu* with the Series 6 Preferred Shares are not paid in full, the holders of the Series 6 Preferred Shares and of such other shares will share proportionately in any such distribution of the assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Series 6 Preferred Shares will have no right or claim to any of the remaining assets of the Company and will not be entitled to any further participation or return of capital in a winding up.
Other Terms of the Offer	
Offer Period	The Offer Period shall commence at 9:00 a.m. on March 26, 2025 and end at 12:00 p.m. on April 4, 2025. The Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE.
Minimum Subscription	Each Application shall be for a minimum of 500 Series 6 Preferred Shares, and thereafter, in multiples of 10 Series 6 Preferred Shares. No Application for multiples of any other number of Series 6 Preferred Shares will be considered.
Eligible Investors	The Series 6 Preferred Shares may be owned or subscribed to by any person, partnership, association, or corporation regardless of nationality (except U.S. Persons as defined below), provided that the Company may reject an Application or reduce the number of Series 6 Preferred Shares

	applied for subscription or purchase for purposes of complying with any applicable constitutional or statutory nationality requirement. In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors, as set out in applicable regulations. In the case of Series 6 Preferred Shares, since these are non-voting, its determination of the compliance with the required percentage on nationality requirement will be based on test (b), the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. The Offer Shares shall not be sold to persons classified as U.S. Persons under the Foreign Account Tax Compliance Act of the United States, as this may be amended from time to time. "**U.S. Persons**" means any of the following: (i) a U.S. citizen (including dual citizen); (ii) a U.S. resident alien for U.S. tax purposes; (iii) a US partnership; (iv) a U.S. corporation; (v) any U.S. estate; (v) any U.S. trust if: (y) a court within the United States is able to exercise primary supervision over the administration of the trust; or (z) one of more U.S. persons have the authority to control all substantial decisions of the trust; and (vi) any other person that is not a non-US person. Law may restrict subscription to the Series 6 Preferred Shares in certain jurisdictions. Foreign investors interested in subscribing for or purchasing the Series 6 Preferred Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, shall warrant that their purchase of the Series 6 Preferred Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Series 6 Preferred Shares.
Procedure for Application	Application to Purchase for the subscription of Series 6 Preferred Shares may be obtained from the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents. All applications shall be evidenced by the Application Form, duly executed in each case by an authorized signatory of the applicant and accompanied by two (2) completed signature cards, the corresponding payment for the Series 6 Preferred Shares covered by the Application and all other required documents including documents required for registry with the registrar and depository agent ("**Application**"). The duly executed Application Form to Purchase and required documents should be submitted to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents on or prior to the deadline for submission of Applications for Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners and Selling Agents, respectively by 12:00 p.m. on April 4, 2025. If the applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents: a. a certified true copy of the applicant's latest articles of incorporation and by-laws and other constitutive documents, each as amended to date, duly certified by the corporate secretary (or equivalent officer); b. a certified true copy of the applicant's SEC Certificate of Registration, duly certified by the corporate secretary (or equivalent officer);

	c. a certified true copy of the applicant's latest General Information Sheet, duly certified by the corporate secretary (or equivalent officer); d. a duly notarized corporate secretary's certificate setting forth the resolution of the applicant's board of directors or equivalent body authorizing (i) the purchase of the Series 6 Preferred Shares indicated in the Application, and (ii) the designated signatories for the purpose, including their respective specimen signatures e. two (2) specimen signature cards fully completed and signed by the applicant, and certified by the corporate secretary (or equivalent officer); and f. one (1) government issued ID of an individual applicant or signatories for a corporation If the applicant is an individual, two (2) specimen signature cards duly authenticated by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or the Selling Agent which forwarded the Application.
Payment for the Preferred Shares	The Series 6 Preferred Shares shall be paid for in full upon submission of the Application. The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed Application and signature cards together with the requisite attachments. Payment for the Series 6 Preferred Shares being subscribed for shall be made either by: (i) personal or corporate check drawn against an account with a BSP authorized bank at any of its branches located in Metro Manila, or (ii) manager's or cashier's check drawn against any of such authorized bank at any of its branches located in Metro Manila. The check shall be made to the order of "**MWP6 FOO**". The check must be dated on or about (but not later than) the date of the filing of the application and crossed "For Payee's Account Only". Cash and checks should be paid via BDO Bills Payment Facility in the name of "**MWP6 FOO**". Applications and the related payments shall be received by the Receiving Agent at a designated place during the Offer Period. Applicants may also remit payment for their Series 6 Preferred Shares through BDO Mobile Banking or Internet Banking via Bills Payment with the Biller/Merchant as "**MWP6 FOO**". For the Series 6 Preferred Shares, the payment may also be made by online payment via Dragonpay through PSE Electronic Allocation System or PSE EASy under the account name: "**MWP6 FOO"**. All refunds applicable to LSIs may be made to the LSI's nominated TP by transferring immediately available funds to the relevant bank account of, or via issuance of a check to, each relevant nominated TP in such amount representing the total refund due to all the affected LSI clients of the relevant nominated TP starting on the fifth (5th) business day after the end of the Offer Period, or on April 14, 2025. Refunds to the nominated TP is subject to the latter's consent to receive the refund on behalf of its LSI clients.
Acceptance/Rejection of Applications	The actual number of Series 6 Preferred Shares that an applicant will be allowed to subscribe for is subject to the confirmation of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, in consultation with the Company, reserve the right to accept or reject, in whole or in part, or to reduce any application due to any grounds specified in the

	Underwriting Agreement. Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Moreover, any payment received pursuant to the Application does not constitute as approval or acceptance by the Company of the Application. On the Banking Day following the Listing Date, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall advise all the Selling Agents, if any of any Applications that were rejected and/or scaled-down, with copy to the Company. An Application, when accepted, shall constitute a binding and effective agreement between the applicant and the Company for the subscription to the Series 6 Preferred Shares at the time, in the manner and subject to terms and conditions set forth in the Application Form and in this Prospectus. Notwithstanding any provision to the contrary as may be found in the Application, this Preliminary Prospectus, and other offer-related document. Notwithstanding the acceptance of any Application, the actual issuance of the Series 6 Preferred Shares to an Applicant shall take place only upon the listing of the Series 6 Preferred Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to the Withdrawal of the Offer section of the Preliminary Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.
Refunds for Rejected Applications	In the event that the number of Series 6 Preferred Shares to be allotted to an applicant, as confirmed by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agent, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund, without interest, within five (5) Banking Days from the end of the Offer Period, all or a portion of the payment corresponding to the number of Series 6 Preferred Shares wholly or partially rejected. All refunds shall be made through the Selling Agent with whom the applicant has filed the Application at the applicant's risk. The Selling Agents are strongly encouraged to process the refunds via Real Time Gross Settlement ("**RTGS**"). However, should the refund be made via check, an Applicant may retrieve such check refund at the office of the relevant Selling Agent with whom the Applicant has filed the Application. Refund checks that remained unclaimed after thirty (30) days from the date such checks are made available for pick-up shall be delivered through registered mail, at the Applicant's risk, to the address specified by the Applicant in the Application. The RTGS fees shall be at the Applicant's expense.
Withdrawal of the Offer	The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and PSE. Please refer to the section on the "Plan of Distribution - Withdrawal of the Offer" of the Preliminary Prospectus. The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Listing Date, if there is a supervening force majeure or fortuitous event, as enumerated in the section on the "Plan of Distribution - Withdrawal of the Offer" of the Preliminary Prospectus."

<table>
<tr><td>Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' Firm Commitment to Purchase</td><td>The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners will fully underwrite, on a firm commitment basis, the Firm Shares.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the (I) inability of the Company or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to sell or market the Offer Shares or (ii) the refusal or failure by the Company, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any other entity or person to comply with any undertaking or commitment to take up any shares remaining after the Offer Period.

In undertaking the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' Firm Commitment to Purchase, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners hereby manifests its conformity to comply with and be bound by all duly promulgated and applicable listing and disclosure rules, requirements, and policies of the PSE.</td></tr>
<tr><td>Expected Timetable</td><td>The timetable of the Offer is expected to be as follows:

SEC En Banc approval	February 26, 2025
Issuance of Pre-effective letter	February 26, 2025
Issuance of PSE Notice of Approval	February 27, 2025
Dividend Rate Setting	March 21, 2025
Issuance of Permit to Sell and Order of Registration	March 25, 2025
Offer Period	March 26 – April 4, 2025
PSE Trading Participants' Submission of Firm Undertaking	March 28, 2025
PSE Trading Participants' Allocation	March 28, 2025
Trading Participants Settlement Date	April 4, 2025
Listing Date and commencement of trading on the PSE	April 14, 2025

Any change in the dates included above may be subject to approval of the SEC and PSE, as applicable and other conditions.</td></tr>
<tr><td>Depository Agent</td><td>Philippine Depository and Trust Corp.</td></tr>
<tr><td>Registrar, Stock Transfer and Receiving Agent</td><td>Stock Transfer Service Inc.</td></tr>
<tr><td>Selling Agents</td><td>PSE Trading Participants</td></tr>
<tr><td>External Auditor</td><td>Punongbayan & Araullo</td></tr>
<tr><td>Counsel to the Issuer</td><td>Picazo Buyco Tan Fider & Santos</td></tr>
<tr><td>Counsel to the Joint Issue Managers, Joint Lead Underwriters</td><td>Angara Abello Concepcion Regala & Cruz</td></tr>
</table>

and Joint Bookrunners	

RISK FACTORS

An investment in the Series 6 Preferred Shares, as described in this Preliminary Prospectus, involves a certain number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made, as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of these securities. There may be a large difference between the buying price and the selling price of the Series 6 Preferred Shares.

Investors should carefully consider all the information contained in this Preliminary Prospectus, including the risk factors described below, before deciding to invest in the Series 6 Preferred Shares. The occurrence of any of the following events, or other events not currently anticipated, may have an adverse effect on our business, financial condition, results of operations, the market price of the Series 6 Preferred Shares and our ability to make dividend distributions to our shareholders. All or part of an investment in the Series 6 Preferred Shares may be lost.

This section entitled "Risk Factors" does not purport to disclose all of the risks and other significant aspects of investing in these securities. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition and prospects and on the Series 6 Preferred Shares and the investors may lose all or part of their investment. Prospective investors may request publicly available information on the Series 6 Preferred Shares and the Company from the SEC. Prospective investors should undertake independent research and study the trading of these securities before commencing any trading activity. Prospective investors should seek professional advice if he or she is uncertain of or has not understood any aspect of the Offer or the nature of risks involved in purchasing, holding and trading the Series 6 Preferred Shares. Each potential investor should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Series 6 Preferred Shares.

The risk factors discussed in this section are separated into categories for ease of reference, and within each category, are discussed in order of importance.

RISKS RELATING TO THE COMPANY AND ITS BUSINESS

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

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

Recent Government administrations have been keen in developing the infrastructures in Philippines giving Megawide new avenues to explore and win significant projects with the Government. Such opportunities dilute the possible effects of a weak property market.

Megawide seeks to minimize the possible effects of a weak property market by gradually diversifying into the affordable and socialized housing segments, where real consumer demand lies, and infrastructure projects, which the government is pushing due to its significant multiplier effect on the economy.

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

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

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

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

The Company is exposed to credit risk on its receivables.

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

Megawide follows standard industry practice of receiving a down payment for every awarded contract and subject to progress billing thereafter until project completion. There are some cases when the Company accepts payment terms that are milestone-based, subject also to down payment and prior agreement between parties. There have been no instances in the Company's history of material default or write-off in its receivables, caused by failure to deliver and complete the project, within the terms of the contract, or arising from poor workmanship and operational inefficiencies. As an extra measure, the Company strictly enforces its KYC guidelines and diligently completes the scope of work for every project, based on the details of the contract, to mitigate the risk on collection of receivables.

Meanwhile, terminal business is exposed to credit risk if the concessionaires, lessors and airlines are unable to fully settle the unpaid balance of its receivables. To manage this risk, careful evaluations of creditworthiness of its customers are being done in conjunction with the guidance from senior management.

Cancellation of housing or condominium units could have a negative impact the real estate business, financial health, and overall operations if material. As per R.A. 6552, also known as the Maceda Law, applicable to all real estate transactions or contracts payable in installment payments, buyers who have fulfilled at least two years of installments are granted a grace period of one month for every year of payments made to cure any payment defaults. Within this grace period, buyers can settle unpaid installments without incurring additional interest. In case of contract cancellation, the buyer is entitled to a refund of at least 50% of the total payments made, with an additional 5% per annum if five years of installments have been paid but not exceeding 90% of the total payments. Buyers who have paid less than two years of installments and have defaulted on payments are given a 60-day grace period to settle all outstanding installments before the sale can be cancelled, albeit without any entitlement to a refund. Real estate business faces potential significant number of cancellations during economic slowdowns or downturns in the Philippine economy, high interest rates, and/or similar circumstances. Should such cancellations occur in substantial numbers, the business may encounter difficulty in meeting the cash refund obligations to buyers due to insufficient funds and this might necessitate acquiring indebtedness to fulfill these obligations yet securing debt financing can be challenging. Moreover, the Company may struggle to resell properties at acceptable prices. To mitigate this risk, the Company aims to target end-user quality buyers by studying each buyers' profile, and increasing equity contributions while taking into account market demands and competitive dynamics. Higher equity contributions from buyers decrease the likelihood of defaults, as buyers are more committed to their unit purchases with greater capital investment.

In addition to all these, the Company require issuance of post-dated checks as deemed necessary to cover outstanding collectibles and a more active monitoring of receivables due, coupled with digitization and more focused documentation process, specifically in terms of billing and collection.

The Company is a party to a number of related party transactions (RPTs).

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

Megawide understands that the existence of RPTs may create the perception or possibility of conflicts of interest to occur. Therefore, Megawide has adopted the Related Party Transactions Policy (the "Policy"), in accordance with Memorandum Circular No. 10, Series of 2019, of the SEC, to ensure that all RPTs are at an arm's length basis for the protection of Megawide's stakeholders. Under the Policy, the Audit and Compliance Committee of Megawide monitors and reviews all RPTs. Additionally, RPTs falling within certain thresholds require the approval of the Chief Executive Officer and the Board of Director. Megawide has also defined material RPTs as that exceeding one percent (1%) of its consolidated assets, which is more stringent than that recommended by the SEC of ten percent (10%) of a company's total assets. Finally, Megawide fully discloses all RPTs to its stakeholders and regulators through its consolidated financial statements and annual reports. RPTs include but not limited to construction services provided to PH1 projects (Modan Lofts and SJDM Northscapes) as well solar power plants of newly-listed affiliate Citicore Renewable Energy Corp., through affiliate MCC-Citicore Construction, Inc. (See "*Related Party Transactions*" for more details)

On July 8, 2020, the BIR issued Revenue Regulation No. 19-2020 on the New BIR Form No. 1709 – Information Return on Transactions with Related Party to ensure that proper disclosures of related party transactions are made and that these transactions have been conducted at arm's length so as to protect the tax base, there should be an effective implementation of Philippine Accounting Standards (PAS) 24, Related Party Disclosures, for tax purposes. This Revenue Regulation requires the submission of BIR Form No. 1709 and its supporting documents following the guidelines prescribed by the related revenue issuances for the submission of the required attachments to the Annual Income Tax Returns. On December 18, 2020, the BIR issued Revenue Regulation No, 34-2020 which streamlined the guidelines and procedures for submission of BIR Form No. 1709, Transfer Pricing Documentation ("TPD") and other supporting documents by providing safe harbors and materiality thresholds. The Company has complied with the requirements of the aforementioned revenue regulations.

The Philippine construction industry is subject to extensive regulation by the Government.

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

The Company is highly dependent on its current senior management team and loss of the members of the team is critical to the Company's operations.

The Company has a strong and competent executive leadership and relies on a high caliber senior management team to execute its long-term growth agenda and strategic direction that would be lost if any such persons depart or take on reduced responsibilities which could be difficult to replace and may adversely affect the Company's operating efficiency and financial performance.

In view of the changes in the composition of its team through time, the Company continuously trains and develops the technical and leadership skills of its people to maintain its competitiveness and develop a deep pool of talents. This talent development program provides the groundwork for its succession planning program, which ensures a constant level of expertise and experience among its executive team in the event of changes and departures in its senior management.

The Company may not be able to obtain financing at favorable terms and interest rates.

The Company may require external financing to fund its operations, expansion plans, or debt refinancing. However, there is no assurance that the Company will be able to obtain financing on favorable terms. Adverse macroeconomic conditions, changes in monetary policy, fluctuations in interest rates, and regulatory developments may result in increased borrowing costs or more stringent lending requirements. If the Company is unable to secure financing at competitive rates, it may face higher interest expenses, reduced financial flexibility, and potential constraints on its growth initiatives.

To address this risk:

- The Company maintains relationships with multiple financial institutions and explores various financing instruments, including bonds, term loans, and credit facilities, to reduce dependency on a single source of funding.
- The Company evaluates market conditions and, where appropriate, utilizes fixed-rate instruments or hedging strategies to mitigate exposure to interest rate fluctuations.
- The Company continuously monitors its liquidity position and maintains adequate cash reserves to meet financial obligations and reduce reliance on debt financing. The Company employs rigorous financial planning and stress-testing to ensure that any borrowing aligns with its cash flow and profitability projections.
- The Company closely monitors changes in economic and regulatory environments to anticipate potential impacts on financing costs and adjust its financial strategies accordingly.

While the Company endeavors to minimize the impact of unfavorable financing conditions, external factors beyond its control may still affect its ability to secure optimal financing terms. Investors should consider these risks when evaluating an investment in the Company.

RISKS RELATING TO THE CONSTRUCTION SEGMENT

The construction industry is facing a skilled labor shortage.

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

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

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

Commodity prices and supply chain will continue to be affected by geo-political tensions and other global financial and economic developments. As such, raw materials costs, such as oil, steel, and costs for construction, are subject to fluctuations and volatility, which will could delay project launches of developers.

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

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

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

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

As a safeguard, Megawide has a project management team composed of well-trained and experienced technical managers that implement measures to supervise the project's progress, schedules, and quality and ensure a smooth workflow. In addition, contracts with suppliers and subcontractors are covered by warranties, through guarantee, surety, and performance bonds and liability insurance, for workmanship and requirements for timely completion.

As of the date of this Prospectus, there were no projects that were delayed or did not meet client specifications, arising from the Company's fault. Certain projects are subject of variation orders, negotiations and arbitration causing delays and stoppage of projects.

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

The Company may be exposed to liquidity risk from delayed collection of payments of progress billings and retention of receivables.

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

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

The availability of construction materials and other supply chain issues may affect the Company's projects.

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

The Company has exposure to government projects.

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

The current administration has launched the BBM program. BBM is the infrastructure development program of President Ferdinand Marcos Jr. which seeks to expand the previous administration's Build! Build! Build! (BBB) Program to help address the inadequacies of the country's infrastructure. According to the database of the National Economic and Development Authority (NEDA), the BBM infrastructure program for 2023 to 2028 presently includes 198 high impact infrastructure flagship projects (IFPs) with an overall investment cost of P8.8 trillion. Of the 198 IFPs, 124 are entirely new projects while the remaining 74 projects are taken from the previous BBB program.

The Company has tough competition from domestic and international players for large infrastructure projects

Megawide's success heavily relies on its ability to secure construction projects in the future. No assurance can be given that the Company will be able to secure projects successfully.

Recently, domestic and international players have emerged in bidding big infrastructure projects that are similar to Megawide's projects. Some of these competitors may have more extensive experience and financial resources, thus, these companies can win the bid for the projects the Company is bidding for.

To mitigate this risk, Megawide continues to develop a pipeline of projects and improve its ability to turn over high quality projects comparative to the projects of their international competitors. As a domestic player, the Company is one of the dominant players in the Philippines and continue to be so. For more details on the Company's competitors, refer to the section "*Competitors in the Industry*" under "*Description of Business*".

The operation of the Company's construction sites may be stalled should its license as a contractor be suspended or revoked.

Under R.A. No. 4566, no contractor, sub-contractor, and specialty contractor shall engage in the business of contracting without first having secured a license to conduct business from the Philippine Contractors Accreditation Board ("PCAB"). Also, all architects and engineers preparing plans and specifications work to be contracted in the Philippines shall stipulate in the invitation to bidders, whether a resident of the Philippine or not, that any bidder (contractor, sub-contractor, and specialty contractor) must have a license before its bid will be considered. As such, the Company's continued possession of its PCAB license is integral to its construction business.

To avoid or mitigate this risk, the Company ensures that it meets all the requirements under R.A. No. 4566, especially with regard to the qualifications for a PCAB License. The Company has also engaged expert legal counsels who actively defend and protect the interest of the Company.

Construction defects and other building-related claims against the Company may cause the Company to be liable for such claims.

Given the Company's construction business, Megawide may be involved in claims in relation to construction defects and other building-related claims, among others. These scenarios may even lead to legal proceedings which could incur substantial legal costs, delay in construction schedule and delay in payments. Further, the Company may be subject to suits and liability claims and its reputation will be negatively affected if any of its projects experience construction or infrastructure failures, design flaws, significant project delays, or quality control issues.

To mitigate this, Megawide complies with the Building Code and other required documentations, such as permits and licenses, to cover itself from such claims, in case there are potential claims, the Company proactively manages its projects so as to prevent these claims from becoming legal disputes.

RISKS RELATING TO THE LANDPORT (PITX) SEGMENT

Ban on POGO may affect office tenancy in the towers.

While the COVID-19 Pandemic has already been addressed, business continuity programs turned to remote work arrangements to sustain operations during the height of the crisis. As such, this has resulted in significant office vacancy across Metro Manila. The bay area, where PITX is located, records one of the highest vacancy rates nationwide and exposes the office towers to low occupancy risks.

Being situated in one of the most strategic areas in Metro Manila, in addition to the multi-modal transport connectivity offered by the terminal in key destinations around the capital, PITX has a strong and natural demand and attraction for both traditional and non-traditional office locators, outside of the Philippine Offshore Gaming Operators ("**POGO**") industry. Total office towers POGO occupancy dropped from 67% as of end September 2023 to 0% in the same period the following year due to the POGO ban. As a result, the total office towers occupancy dropped from 65% as of September 2023 to 18% by end 2023. However, the team has made headway in contracting traditional office locators, such as government offices, transport and tourism-related entities, and logistics providers increasing its occupancy to 41%, as of September 2024.

Existing floor space may be limited with the influx of passengers from the opening of the Asia World Station.

As of end-September 2024, PITX has reached its full capacity of 200,000 during the peak Holy Week season. On a daily basis, average foot traffic has reached more than 130,000. With more long-term Point-to-Point ("**P2P**") routes being developed and commissioned, this volume is seen to likely grow further. With the impending opening of Asia World Station under the LRT Line 1 Cavite extension project, which currently has a daily ridership of 100,000 passengers, additional pass through and destination foot traffic may further crowd the existing terminal area.

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

RISKS RELATING TO REAL ESTATE DEVELOPMENT

Property development may be affected by economic and market cycles.

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

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

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

In addition, PH1 is also gearing up for the government's Pambansang Pabahay Para sa Pilipino Housing (4PH) program to address the huge housing backlog. Given the 4PH's mechanics and targeted market, the program is less susceptible to economic cycles, thus subduing market risk from a developer's (PH1's) perspective.

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

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

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

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

Real estate requires sizeable capital for land banking and development purposes.

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

Land titles owned may be contested by third parties.

Third parties may claim ownership of land which has already been registered and over which a title has been issued to another person or entity. The Company may be required to defend itself against third parties who claim to be the rightful owners of land.

Megawide conducts extensive due diligence on a property, including its history and ownership, before finalizing the acquisition. In addition, the Company follows strict documentation requirements and procedures to ensure titles are legal and free from being contested which includes legal and tax review, topographical surveys and the like.

The Company may be exposed to the risk of asset bubbles in real estate due to historically low interest rates, expansion in overall liquidity, extensive construction of condominium and housing units, and other factors.

An asset bubble is when demand for property suddenly decreases when the supply on real estate property increases. This can occur when there is aggressiveness in the real estate market and as a result can cause high asset prices to suddenly decline due to a market re-balancing.

The Company constantly monitors the real estate market and the growth or decline in demand and supply. It also believes in the efforts of the BSP to control inflation and prevent the formation of asset bubbles in real estate. In addition, the Company has a sound risk management in place and focus on end-user demand and affordable segment, which are more resilient from property cycles.

The Company may be exposed to Metro Manila's 34-month inventory turnover rate in the real estate market.

Due to the high number of supply in housing units in Metro Manila, the Company may be affected by the long 34-month inventory turnover rate in the market. There can be units of the Company that could remain unsold which could have a negative impact on its financials.

Megawide is focusing generally outside Metro Manila and in the end-user, affordable housing segment where there remains a significant backlog. The Company continues to serve a market that has a real housing need and moreover, selecting locations near outside Metro Manila where there continues to be a demand. Moreover, the Company conducts market studies to analyze the market before finalizing its plans.

The potential buyers of the Company's properties may default on their payments.

The Company faces the risk that buyers of its properties may be unable to fulfill their payment obligations due to various factors, including financial difficulties, changes in economic conditions, industry downturns, or personal circumstances that affect their ability to pay. A significant number of defaults could negatively impact the Company's cash flow, profitability, and overall financial position. Additionally, delays in collections may affect the Company's ability to reinvest in new projects, meet its financial commitments, or fund ongoing operations.

To mitigate this risk, the Company implements stringent credit evaluation processes and conducts thorough due diligence on prospective buyers before entering into sales agreements. This includes assessing their financial capacity, payment history, and creditworthiness. Furthermore, the Company enforces structured payment terms, maintains proactive collection efforts, and closely monitors receivables to ensure timely payments. In cases of potential default, the Company takes necessary actions, including renegotiating payment terms or pursuing legal remedies to recover outstanding balances. Through these measures, the Company aims to minimize its exposure to payment defaults and ensure the sustainability of its financial performance.

RISK RELATING TO POTENTIAL PROJECTS WITH ORIGINAL PROPONENT STATUS

Projects under Original Proponent Status ("OPS") may not necessarily be awarded to the Company.

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

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

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

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

RISKS RELATING TO THE COMPANY'S SERIES 6 PREFERRED SHARES

The Series 6 Preferred Shares may not be a suitable investment for all investors.

Each potential investor in the Series 6 Preferred Shares must determine the suitability of that investment given its own features and circumstances. Each investor should:

- have sufficient knowledge and experience to make an evaluation of the Series 6 Preferred Shares, the merits and risks of relating to Series 6 Preferred Shares and the information contained in the Preliminary Prospectus;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Series 6 Preferred Shares;
- understand thoroughly the terms of the Series 6 Preferred Shares and be familiar with the behavior of any relevant financial markets;
- have access to and knowledge of, appropriate tools to evaluate an investment in the Series 6 Preferred Shares and the impact the Series 6 Preferred Shares will have on its overall investment portfolio; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks

The market price of the Series 6 Preferred Shares may be volatile, which could cause the value of investors' investments in the Series 6 Preferred Shares to decline.

The market price of our Series 6 Preferred Shares may be affected by multiple factors, including:

(a) volatility in stock market prices and volume;
(b) fluctuations in our revenue, cash flow and earnings;
(c) general market, political and economic conditions;
(d) changes in earnings estimates and recommendations by financial analysts;
(e) changes in market valuations of listed stocks in general and other stocks in similar industries;
(f) the market value of our assets;
(g) changes to government policies, legislation or regulations; and
(h) general operational and business risks.

In addition, many of the risks described elsewhere in this Preliminary Prospectus could adversely affect the market price of the Series 6 Preferred Shares. As a result of recent global economic downturns, the global equity markets have historically experienced price and volume volatility that has affected the share prices of many companies. Share prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these could adversely affect the market price of our Shares.

The dividends on the Series 6 Preferred Shares may not be paid in full or in part.

Dividends on the Series 6 Preferred Shares may not be paid in full or in part. Under the terms and conditions governing the Series 6 Preferred Shares, the Company may pay no dividends or less than full dividends on a Dividend Payment Date. Holders of the Series 6 Preferred Shares will not receive dividends on a Dividend Payment Date or for any period during which the Issuer does not have unrestricted retained earnings out of which the dividends will be paid.

If the profits available for distribution as cash dividends are, in the opinion of the Board of Directors, not sufficient to enable Megawide to pay in full cash dividends on the Series 6 Preferred Shares and cash dividends that are scheduled to be paid on or before the same date on Comparable Shares, Megawide is required to pay cash dividends on the Series 6 Preferred Shares and any Comparable Shares *pro rata* to the amount of the cash dividends scheduled to be paid to the Series 6 Preferred Shares and the Comparable Shares, respectively. For purposes of this paragraph, the amount scheduled to be paid shall include all dividends due on such Dividend Payment Date as well as all Dividends in Arrears.

The Series 6 Preferred Shares are subordinate to the Issuer's other indebtedness.

Megawide's obligations in respect of the Series 6 Preferred Shares are subordinated to all of the Company's indebtedness, and it will not make any payments under the Series 6 Preferred Shares unless it can satisfy in full all of its other obligations that rank senior to the Series 6 Preferred Shares.

Megawide's obligations under the Series 6 Preferred Shares are unsecured and will, in the event of the winding-up of the Company, rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Series 6 Preferred Shares. Accordingly, Megawide's obligations under the Series 6 Preferred Shares will not be satisfied unless Megawide can satisfy in full all of its other obligations ranking senior to the Series 6 Preferred Shares.

There are no terms in the Series 6 Preferred Shares that limit Megawide's ability to incur additional indebtedness, including indebtedness that ranks senior to or *pari passu* with the Series 6 Preferred Shares.

There may be insufficient distributions upon liquidation.

In the event of liquidation, the Series 6 Preferred Shares shall rank ahead of the common shares.

Upon any voluntary or involuntary dissolution, liquidation or winding up of Megawide, holders of Series 6 Preferred Shares will be entitled only to the available assets of the Company remaining after the Company's indebtedness is satisfied. If any such assets are insufficient to pay the full amount due to the holders of the Series 6 Preferred Shares, then holders of Series 6 Preferred Shares shall share ratably in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

The ability to make payments to the holders of Series 6 Preferred Shares is limited by the terms of Megawide's other indebtedness.

Under the Revised Corporation Code, the board of directors of a stock corporation may declare dividends out of the unrestricted retained earnings of such corporation. The SEC has issued regulations defining the term unrestricted retained earnings. Under such regulations, unrestricted retained earnings means the amount of accumulated profits and gains realized out of the normal and continuous operations of the company after deducting therefrom distributions to stockholders and transfer to capital stock or other accounts, and which is: (1) not appropriated by its Board of Directors for corporate expansion projects or programs; (2) not covered by a restriction for dividend declaration under a loan agreement; and (3) not required to be retained under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingencies.

In relation to item (2) of the preceding paragraph, Megawide has and will continue to have a certain amount of outstanding indebtedness which may include its bank and term loans under the "*Loans Agreements*" section of Material Contracts. The current terms of Megawide's financing agreements contain provisions that could limit the ability of the Company to make payments on the Series 6 Preferred Shares. For example, if Megawide is in default on its payment obligations to one or more of its lenders, or if it is non-compliant with certain covenants and such non-compliance is uncured for a period of thirty (30) days, the Company may be prohibited from making cash payments in respect of the Series 6 Preferred Shares. Also, Megawide may in the future, directly or indirectly through its Subsidiaries, enter into other financing agreements which may restrict or prohibit the ability of the Company to make payments on the Series 6 Preferred Shares. There can be no assurance that existing or future financing arrangements will not adversely affect Megawide's ability to make payments on the Series 6 Preferred Shares.

The Series 6 Preferred Shares have no fixed maturity date and Megawide has the sole right to redemption.

The Series 6 Preferred Shares have no fixed maturity dates, and the Series 6 Preferred Shares are not repayable in cash unless the Issuer, at its sole discretion, redeems them for cash.

Furthermore, holders of the Series 6 Preferred Shares have no right to require the Issuer to redeem the Series 6 Preferred Shares. The Series 6 Preferred Shares are only redeemable at the option of the Issuer on the Optional Redemption Date, or at any time, if an Accounting Event or Tax Event has occurred and is continuing. Accordingly, if a Series 6 Preferred Share holder wishes to obtain the cash value of the investment, the holder will have to sell the Series 6 Preferred Shares in the secondary market.

There may be a lack of public market for the Series 6 Preferred Shares.

The Philippine securities markets are substantially less liquid and more volatile than major securities markets in other jurisdictions and are not as highly regulated or supervised as some of these other markets. The Company cannot guarantee that the market for the Series 6 Preferred Shares will always be active or liquid upon commencement of their trading on the PSE. The nationality restriction on ownership of the Series 6 Preferred Shares may also restrict the trading and liquidity of the Shares.

There may be a limited market for the Series 6 Preferred Shares, so there may be limited liquidity in the market.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners are not obligated to create a trading market for the Series 6 Preferred Shares and any such market making will be subject to the limits imposed by applicable law and may be interrupted or discontinued at any time without notice. Accordingly, the Company cannot predict whether an active or liquid trading market for the Series 6 Preferred Shares will develop or if such a market develops, if it can be sustained. Consequently, a holder may be required to hold his Series 6 Preferred Shares for an indefinite period of time or sell them for an amount less than the Offer Price.

Non-payment of dividends may affect the Trading Price of the Series 6 Preferred Shares.

If dividends on the Series 6 Preferred Shares are not paid in full, or at all, the Series 6 Preferred Shares may trade at a lower price than they might otherwise have traded if dividends had been paid. The sale of Series 6 Preferred Shares during such a period by a holder of Series 6 Preferred Shares may result in such holder receiving lower returns on the investment than a holder who continues to hold the Series 6 Preferred Shares until dividend payments resume. In addition, because of the dividend limitations, the market price for the Series 6 Preferred Shares may be more volatile than that of other securities that do not have these limitations.

Holders of Series 6 Preferred Shares may not be able to reinvest at a similar return on investment.

On the Step Up Date, or any Dividend Payment Date thereafter, or at any time redemption due to a Tax Event or Accounting Event, Megawide may redeem the Series 6 Preferred Shares for cash at the redemption price, as described in "*Description of the Shares*". At the time of redemption, interest rates may be lower than at the time of the issuance of the Series 6 Preferred Shares and, consequently, the holders of the Series 6 Preferred Shares may not be able to reinvest the proceeds at a comparable rate of return or purchase securities otherwise comparable to the Series 6 Preferred Shares.

The Series 6 Preferred Shares have no voting rights.

Holders of Series 6 Preferred Shares will not be entitled to elect the Directors of the Company. Except as provided by Philippine law, holders of Series 6 Preferred Shares will have no voting rights (see "*Description of the Shares*").

There are restrictions on foreign ownership of Megawide's shares by non-Philippine Nationals.

The Philippine Constitution also limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least sixty percent (60%) owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to forty percent (40%). Accordingly, the Series 6 Preferred Shares may be owned or subscribed by or transferred to any person, partnership, association or corporation regardless of nationality, provided that at any time at least 60% of the Company's outstanding capital stock shall be owned by citizens of the Philippines or by partnerships, associations or corporations, 60% of the voting stock or voting power, and 60% of the total number of outstanding shares of stock, of which is owned and controlled by citizens of the Philippines as set out in applicable regulations.

Moreover, as provided in the Twelfth Regular Foreign Investment Negative List promulgated on 27 June 2022, the procurement of infrastructure projects as defined under the implementing rules of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act, and the operation of public utilities shall be undertaken by Filipino individuals, or corporations, partnerships or associations, the capital of which is 60% owned by citizens of the Philippines.

Finally, to the extent that one or more of the Company's Subsidiaries are engaged or will engage in partly nationalized activities (such as ownership of private land or engagement in the business of a public utility), at least 60% of our outstanding capital stock must be owned by Philippine nationals for our Company and such Subsidiary or Subsidiaries to be considered a Philippine national.

Our businesses accordingly subject our Company to foreign ownership limitations in our issued and outstanding capital stock. As such, we cannot allow the issuance or transfer our Shares to persons other than Philippine nationals, and cannot record transfers in our books, if such issuance or transfer would result in our Company ceasing to be a Philippine National for purposes of complying with the applicable nationality requirements. For more information, please refer to the section entitled "*Regulatory and Environmental Matters*" of this Preliminary Prospectus.

The Series 6 Preferred Shares may be affected by the PIFITA.

On November 14, 2022, the House of Representatives approved on the third reading House Bill No. 4339 or the PIFITA. The PIFITA delivers the fourth part of the Government's comprehensive tax reform package. PIFITA aims to make passive income and financial intermediary taxes simpler, fairer, more efficient, and more competitive regionally. PIFITA is currently undergoing committee hearings in the Senate under Senate Bill No. 900.

In case PIFITA is signed into law in its current form whereby taxes on dividends and interest will be harmonized at 15%, the prospective individual investors will see their net dividends decrease as a result of increase in dividend tax rate (10% to 15%). Further, while said increase in dividend tax is categorized as a Tax Event, the prospective investors cannot be assured that the Series 6 Preferred Shares will be redeemed by the Issuer, as redemption is deemed optional on the part of the Issuer.

Furthermore, Package 2: Corporate Recovery and Tax Incentives for Enterprises (CREATE) which was passed has had a favorable impact to the Company's financial performance due to the reduction in the corporate income tax rate. Package 3: Real Property Valuation Reform, on the other hand, will have minimal impact on the Company's financial position considering that the Company's major business interests discussed in this Preliminary Prospectus do not require significant or have limited real estate ownership.

There is no assurance that the Series 6 Preferred Shares will be listed in the PSE.

The Listing Date is expected to be on or about April 14, 2025. The Company cannot assure that listing will occur on the anticipated Listing Date or at all. Delays, due to regulatory action, in the admission and the commencement of trading in shares on the PSE have occurred in the past. If the Offer Shares will not be listed on the PSE due to regulatory concerns and if the Issuer and the Joint Issue Managers, Joint Lead Underwriters and the Joint Bookrunners will not be able to resolve the said concerns, all application payments will be returned/refunded to the Applicants. However, if the Issuer and the Joint Issue Managers, Joint Lead Underwriters and the Joint Bookrunners will be able to resolve it, the Joint Issue Managers, Joint Lead Underwriters and the Joint Bookrunners, in consultation with the Issuer, reserve the right to move the timetable subject to regulatory approvals and will inform the investors as soon as applicable.

RISKS RELATING TO THE PHILIPPINES

The Company's business may be negatively affected by slowdown in the Philippine and global economy.

In the past, the Philippine economy and securities of Philippine companies have been influenced to varying degrees by economic and market conditions in other countries especially in Southeast Asia, as well as investors' responses to those conditions. The uncertainty surrounding the global economic outlook could cause economic conditions in the Philippines to deteriorate. Any downturn can negatively impact consumer sentiment and general business conditions.

This risk is beyond the control of Megawide but due to its infrastructure business segments, the effect of a weak economy is mitigated. Moreover, there can be no assurance that current or future Philippine government policies will continue to be conducive to sustaining economic growth.

Political or social instability, acts of terrorism or military conflict or changes in laws and policies could adversely affect the financial results of the Company.

From time to time, the Philippines and the region have experienced political and military instability. In recent years, there are public and military protests arising from alleged misconduct from the previous and current administrations. There can be no assurance that acts of political violence will not occur in the future and such events could negatively impact the Philippine economy. An unstable political environment whether due to the impeachment of government officials, imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the business, operations and financial condition of the Company.

In February 2022, Vladimir Putin authorized the use of military force, and the entry of Russian soldiers into the Ukrainian territory. Places across Ukraine, including Kyiv, the national capital, were struck with missiles. Shortly afterwards, Russian Forces entered Ukraine prompting Ukrainian President Volodymyr Zelensky to enact martial law and general mobilization (the "**Russo-Ukrainian War**").

On October 7, 2023, Hamas, a Palestinian militant group, launched an assault on Israel from the Gaza Strip. In response to this, Israel promptly declared war with the intent to destroy Hamas. Due to the ongoing conflict, more than 30,000 people have been killed, and more than 70,000 people injured in Gaza (the "**Israel-Hamas War**").

On November 5, 2024, the United States elected their 45th president, US President-elect President Donald J. Trump. Trump's plan to impose tariffs on all US imports, which would impact global economic growth including the Philippines. Mr. Trump, who was declared the winner of the US presidential elections, has promised to impose 60% tariffs on US imports of Chinese goods, as well as up to 20% tariffs for all imports.

While the Company does not expect any material impact from the ongoing political instabilities to its current and future businesses, ongoing tensions may affect oil and commodity prices in the near to medium term. Any political or economic developments of a global scale could impact prices in general and disrupt supply chains, which could in turn increase the Company's costs for the construction of its future projects. The Company continuously monitors such developments abroad and will assess any direct and indirect impact that the political instabilities may have on its current and future businesses.

In addition, the Company ensures proper and adequate insurance coverages (such as such as Comprehensive General and Contractor All Risk Insurances, among others) for all its projects.

The Company's operations may also be affected by acts of insurgency and terrorism which could have an impact on financial results and performance.

The Philippines has been subject to a number of terrorist attacks. The army has been in conflict with various extremist groups which are responsible for terrorist activities in the country. An increase in the frequency, severity or geographic reach of these terrorist attacks, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in and the performance of the Philippine economy. Any such destabilization could cause interruption to parts of the Company's businesses and materially and adversely affect its financial conditions, results of operations and prospects.

To mitigate this, the Company ensures proper and adequate insurance coverages (such as such as Comprehensive General and Contractor All Risk Insurances, among others) for all its projects.

If foreign exchange controls were to be imposed, the Company's ability to access foreign currency to purchase raw materials and equipment and to service foreign currency denominated debt obligations could be adversely affected.

Generally, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. The Monetary Board of the BSP, with the approval of the President of the Philippines, has statutory authority in the imminence of or during a foreign exchange crisis or in times of national emergency to: (i) suspend temporarily or restrict sales of foreign exchange; (ii) require licensing of foreign exchange transactions; or (iii) require delivery of foreign exchange to the BSP or its designee banks. The Philippine government has, in the past, instituted restrictions on the conversion of Pesos into foreign currency and the use of foreign exchange received by Philippine residents to pay foreign currency obligations.

Any foreign exchange policy that may be imposed by the Government has minimal financial effect to the Company because it only operates in the Philippines.

The occurrence of natural catastrophes or man-made catastrophes or electricity blackouts may materially disrupt the Company's business.

Natural catastrophes may disrupt Megawide's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy. The Philippines has also experienced power outages from power generation shortages and transmission problems, and from disruptions such as typhoons and floods. These types of events may materially disrupt and adversely affect Megawide's business and operations. Prospective investors cannot be assured that the insurance coverage maintained by Megawide will adequately compensate for all damages and economic losses resulting from such natural catastrophes, blackouts or possible business interruptions.

To mitigate this, the Company ensures proper and adequate insurance coverages (such as Comprehensive General and Contractor All Risk Insurances, among others) for all its projects.

Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("**UNCLOS**"). The Philippines made several efforts during the course of 2011 and 2012 to establish a framework for resolving these disputes, calling for multilateral talks to delineate territorial rights and establish a framework for resolving disputes.

In July 2016, the UNCLOS tribunal rendered a decision stating that the Philippines has exclusive sovereign rights over the West Philippine Sea (in the South China Sea) and that China's claim over the same area is invalid. Despite the decision, the Chinese Government has maintained its position that the Tribunal has no jurisdiction over the dispute, and thus, the decision is not binding on the Chinese Government.

In March 2021, more than 180 Chinese military vessels were spotted on Julian Felipe Reef in the West Philippine Sea. The presence of the vessels defied a diplomatic protest and demand for the vessels to leave the area, issued by Philippine Defense Secretary Delfin Lorenzana.

In February 2023, a Chinese Coast Guard ship purportedly harassed a Philippine Coast Guard vessel in the Ayungin Shoal in the West Philippine Sea. In September 2023, the Philippine Coast Guard reported that the Chinese Coast Guard has installed a floating barrier near the Bajo de Masinloc (Scarborough Shoal) in the West Philippine Sea in an attempt to prevent Filipino fishermen from entering the Scarborough Shoal. In a special operation conducted thereafter, the floating barrier was eventually removed by the Philippine Coast Guard.

In March 2024, at least two Chinese Coast Guard ships used water cannons against a smaller military-contracted vessel during a resupply mission to Ayungin Shoal in the West Philippine Sea. Four Filipinos on board the vessel sustained minor injuries during this incident. On March 5, 2024, the Philippines' Department of Foreign Affairs demanded that the Chinese vessels leave the vicinity of Ayungin Shoal immediately.

Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted, and the Company's operations could be adversely affected as a result. In particular, this may lead both countries to impose trade restrictions on the other's imports.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighboring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and our business and financial standing may be adversely affected. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect the Company's business, financial condition, and results of operations.

RISKS RELATING TO PENDING MATERIAL LEGAL PROCEEDINGS

The Company's finances may be negatively affected should any of the claims for sum of money be granted.

The Company is a party to various construction contracts, and from time to time and in the normal course of business, be involved in disputes with counterparties which may involve the scope, time for completion, and building-related defects, among others. These counterparties, in exercising their rights under the contract, may claim sums of money which may lead to filing of legal proceedings against the Company.

The Company may incur substantial costs, and its finances may be adversely affected should the legal proceedings involving claims for sum of money be decided against it. Moreover, the institution of a legal proceeding by or against a client may lead to the termination of the relevant contract, which means that the Company may no longer be entitled to the entire value of such contract or recover its costs and expenses. Further, these may affect the Company's cashflows and expected profitability on such relevant years and may adversely affect the Company's results of operations and financial performance.

The Company, in its normal course of business, receives demands for sums of money and damages from various counterparties. To avoid or mitigate such claims, the Company strives to diligently fulfill all its commitments and obligations under each contract in order to prevent undue claims from arising. Further, the Company engages in good faith negotiations with its counterparties to preserve its business relationships and avoid disputes. Moreover, the Company also engages expert legal counsels to actively defend and protect the interest of the Company.

The Company has also obtained a directors and officers liability insurance policy to cover the costs of protecting its directors and officers against such legal proceedings.

The Company's goodwill or relationship with its clients and subcontractors may be negatively affected due to the issues which brought about the material legal proceedings.

The institution of legal proceedings by or against the Company's clients and subcontractors may lead to the impairment of the goodwill or severance of the relationship between the parties.

To mitigate this, the Company has diversified its pool of clients and subcontractors to avoid concentration risks and continues to build strong relationships with new ones. Moreover, the Company strives to diligently fulfill all its commitments and obligations under each contract in order to prevent undue claims and legal proceedings from arising.

The suspension of the Company's licenses and franchises may negatively affect its reputation and impact its future transactions.

The suspension of the Company's licenses and franchises may prohibit it from conducting its business and undertaking future transactions, which will eventually lead to the closure of the Company. Moreover, its reputation in the industries it operates in may be negatively affected since the suspension of such license or franchise may mean that the Company has committed an illegal act, or an infraction of the law.

To avoid or mitigate this, the Company ensures that it always complies with applicable laws, rules, and regulations, and that it strictly complies with all the requirements, qualifications, terms, and conditions of its licenses and franchises. Additionally, as a publicly listed company, the Company has an Investor Relations Team that proactively manages its investor relations program to enhance and promote the Company's reputation and good will. Furthermore, none of the Company's licenses or franchises have ever been suspended.

Overall risk management strategy

In all our business undertakings, we conduct stringent due diligence to ensure that most of our counterparties are reputable organizations, with sound financial standing and belong to the top 1000 corporations of the Philippines. This includes evaluating the counterparties audited financial statements as well as compliance with regulatory requirements specifically with the BIR, SEC and LGU permits, among others.

USE OF PROCEEDS

Megawide expects to raise gross proceeds amounting to ₱3,000,000,000.00 from the Offer. In the event that the Oversubscription Option is exercised in full, the Company expects to raise gross proceeds from the Offer of ₱6,000,000,000.00.

The following are the estimated expenses to be incurred in relation to the Offer:

	Without Oversubscription (in ₱)	With Oversubscription (in ₱)
SEC Registration Fees	2,083,125.00	2,083,125.00
PSE Filing Fees (inclusive of ₱720,000.00 VAT)	6,720,000.00	6,720,000.00
Documentary Stamp Tax	300,000.00	600,000.00
Underwriting Fees	11,236,102.15*	20,063,602.15*
Selling Fees	8.827,500.00	17,655,000.00
Legal Counsel Fees**	2,240,000.00	2,240,000.00
Receiving and Stock Transfer Agency Fees	1,630,000.00	1,630,000.00
Auditor Fees	2,300,000.00	2,300,000.00
Other Expenses	250,000.00	250,000.00
Total Estimated Expenses	**35,586,727.15**	**53,541,727.15**

Note: Other related expenses are composed of marketing related expenses (e.g., publication fees, investors' presentations, etc.)

**The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall retain an amount of ₱8,827,500.00 and in case of Oversubscription Option, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall retain an amount of ₱17,655,000.00 for underwriting fees and in both cases, pay the estimated fees of ₱2,408,602.15 (inclusive of Value Added Tax) to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' counsel, Angara Abello Concepcion Regala & Cruz Law Office (ACCRALAW).*

***These include fees payable to the Issuer's counsel in respect of the Offer, Picazo Buyco Tan Fider & Santos Law Office (Picazo Law) and independent counsel, Añover San Diego & Primavera Law Offices.*

Megawide expects the net proceeds from the Offer to be ₱2,964,413,272.85 and if the Offer is fully oversubscribed ₱5,946,458,272.85 after deducting the above expenses. The net proceeds for this Offer will be used for the redemption of the outstanding Series 4 Preferred Shares on April 27, 2025, for partial financing for projects in the pipeline, and for general corporate purpose. The Company shall give not less than thirty (30) days nor more than sixty (60) days prior written notice of its intention to redeem the Series 4 Preferred Shares, which notice shall be irrevocable and binding upon the Company to effect such early redemption of the Series 4 Preferred Shares stated in such notice.

Without Oversubscription Option

Use Of Proceeds	Estimated Amount Allocated	Disbursement Schedule	% of Amount Allocated over Total Net Proceeds
Redemption of Series 4 Preferred Shares	2,500,000,000.00	1H 2025	84.3%
Partial financing of pipeline projects	464,413,272.85	2Q 2025 onwards	15.7%
General Corporate Purposes	-	-	-
Total	**2,964,413,272.85**		**100.0%**

With Oversubscription Option			
Use Of Proceeds	**Estimated Amount Allocated**	**Disbursement Schedule**	**% of Amount Allocated over Total Net Proceeds**
Redemption of Series 4 Preferred Shares	4,000,000,000.00	1H 2025	67.3
Partial financing of pipeline projects	1,646,458,272.85	2Q 2025 onwards	27.7%
General Corporate Purposes	300,000,000.00	-	5.0%
Total	**5,946,458,272.85**		**100.0%**

Redemption of Series 4 Preferred Shares

The Company's Series 4 Preferred Shares are cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable), PHP-denominated perpetual preferred shares consisting of 40,000,000 preferred shares issued at ₱100 each or a total of ₱4,000,000,00.00. The Company may, at its sole option, redeem in whole (but not part) the Series 4 Preferred Shares on the date that is 3.5 years from the Listing Date at a redemption price equal to the Issue Price of the Series 4 Preferred Shares plus all dividends due on such Optional Redemption Date as well as all Dividends in Arrears. The Series 4 Preferred Shares have no outstanding Dividends in Arrears and no portion of the proceeds from this offer shall be paid for any such payments.

As of December 31, 2024, 98.27% of the Series 4 Preferred Shares are held by PCD Nominee Corporation (Filipino), while the remaining 2.77% are held by PCD Nominee Corporation (Non-Filipino). The following table summarizes the top 5 shareholders of the Series 4 Preferred Shares, as of December 31, 2024.

PCD Nominee	Shares Held	%
BDO Securities Corporation	9,911,620	24.8%
RCBC Trust Corporation	7,266,000	18.2%
PNB Trust Banking Group	6,045,180	15.1%
PNB Securities, Inc.	2,837,960	7.1%
China Banking Corporation – Trust Group	2,150,000	5.4%

In the event that the net proceeds from the Offer is substantially less than the expected amount, any deficit shall be managed using internally generated funds of the Company.

Partial Financing of Pipeline Projects

Project	Amount Without Oversubscription (in ₱)	Amount With Oversubscription (in ₱)
One Lancaster Park	389,413,272.85	1,046,458,272.85
Lykke Kondo	-	450,000,000.00
Southscapes	75,000,000	150,000,000.00
	464,413,272.85	**1,646,458,272.85**

One Lancaster Park Project

One Lancaster Park is a multi-phase development located in Lancaster New City, Imus, Cavite, featuring 15 residential towers. The towers are designed to range from 8 to 16 floors, with an estimated total of 7,422 residential units. The development follows a phased approach, with the number of floors increasing gradually over time. Final tower heights will be determined based on market conditions.

The project is currently in its second phase. Phase 1, which includes Towers 1 and 2, comprises 382 units, with 78% already pre-sold. Phase 2, consisting of Tower 3, includes 442 units, with 31% pre-sold as of the date of this prospectus. The targeted completion dates for Phase 1 and Phase 2 are Q1 2027 and Q2 2027, respectively.

Phase 3, which includes Towers 4 to 7, is set to commence with the launch of Tower 4 in Q3 2025. Moving forward, the project anticipates an annual launch of additional towers. The overall development is expected to be fully completed by 2043.

Lykke Kondo

Lykke Kondo is a residential development located along Amang Rodriguez Avenue, Pasig City. Phase 1 will feature three 28-story towers, comprising 1,736 residential units and 620 parking slots. Tower 1 was officially launched Q4 2024 and as of the date of this prospectus, 5% of the units have been pre-sold. Commencement of Tower 1 Construction is Q3 2025, and Phase 1 development is expected to be completed in 2029.

Southscapes

Southscapes is a horizontal residential development in Trece Martires, Cavite. The project will utilize our state-of-the-art mobile precast technology and will consist of 337 residential units. The development launched Q3 2024 and is expected to be completed in 2026.

General Corporate Purposes

The Company will also use a portion of the proceeds to provide additional funds for the overhead expenses of the Company.

General Corporate Purposes	Amount Without Oversubscription (in ₱)	Amount With Oversubscription (in ₱)	Estimated Timing of Disbursement
General and administrative costs including permits market studies, marketing and advertisements, research and development, among others.	-	300,000,000.00	Q2-Q4 2025

Partial Exercise of Oversubscription Option

In case of partial exercise of the Oversubscription Option, the net proceeds on the partial exercise of oversubscription shall be allocated to the following obligations in order of priority:

i. Redemption of Series 4 Preferred Shares
ii. Muti-tower residential development in Cavite
iii. Pre-development expenses for the pipeline projects
iv. Storage and warehousing business development
v. General corporate purposes

Should the proceeds be substantially less than the maximum proceeds, the Company intends to source the funds from a combination of internally generated funds or cash flow from operations, utilization of existing credit lines facility and/or by obtaining bridge financing, as necessary.

Fund Disbursement and Reporting

While awaiting disbursements, the Company may deposit the funds in time deposits or special deposit accounts and/or invest the same in Philippine government Peso-denominated securities. The Company will not use any portion of the proceeds to reimburse any of its officers, directors, employees or shareholders for services rendered, asset previously transferred, or money loaned or advanced. Other than the fees relating to the underwriting and issue management of the Company, the Company will not use the proceeds to pay any financial obligations with the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners and its Affiliates.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event there is any change in the Company's development plan, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is better for the Company's and its shareholders' interest taken as a whole. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of any substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC and the stockholders in writing at least thirty (30) days before such deviation, adjustment or reallocation is implemented.

In the event of any significant deviation, material adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PSE. The Company shall regularly disclose to the PSE, through the PSE Electronic Disclosure Generation Technology ("**PSE EDGE**"), any disbursements from the proceeds generated from the Offer. In addition, the Company shall likewise submit via the PSE EDGE the following disclosure to ensure transparency in the use of proceeds:

a. Any disbursements made in connection with the planned use of proceeds from the Offer;
b. Quarterly Progress Report on the application of the proceeds from the Offer on or before the first fifteen (15) days of the following quarter;
c. Annual Summary of the application of proceeds on or before January 31 of the year following the public offering;
d. Approval by the Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the work program. The actual disbursement or implementation of such reallocation will be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation; and
e. Certification by the Company's Chief Financial Officer or Treasurer and of an external auditor on the accuracy of the information reported by the Company to the PSE in the quarterly and annual reports.

DETERMINATION OF THE OFFER PRICE

The Offer Price of ₱100.00 per share is at a premium to the Series 6 Preferred Shares par value of ₱1.00. The Offer Price was arrived at by dividing the desired gross proceeds of up to ₱6,000,000,000.00 by the target Offer Shares.

At the same time, the Issuer, in consultation with the Joint Issuer Managers, Joint Lead Underwriters and Joint Bookrunners, also took into consideration the offer prices of the Series 2B Preferred Shares, Series 4 Preferred Shares and Series 5 Preferred Shares, which are currently listed in the PSE. These Preferred Shares are listed and traded on the PSE under the stock symbol "MWP2B", "MWP4", and "MWP5", respectively.

As of March 4, 2025, the closing prices of the outstanding Preferred Shares are as follows:

Preferred Shares	Offer Price	Closing Price
MWP2B	**₱100.00**	**₱98.75**
MWP4	**₱100.00**	**₱98.00**
MWP5	**₱100.00**	**₱101.00**

DILUTION

The Company is offering to the public up to 60,000,000 Series 6 Preferred Shares with a par value of ₱1.00 per share to be issued from unissued Non-Voting Preferred Share Capital. The issuance of the Shares will not have any dilutive effect on the earnings per Common Share ("**EPS**") of the Company, since the Preferred Shares are not convertible to Common Shares. Therefore, the outstanding number of Common Shares that will be used in computing the EPS will not change.

PLAN OF DISTRIBUTION

Megawide plans to issue the Series 6 Preferred Shares to institutional and retail investors through a public offering to be conducted through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

THE OFFER

The offer by the Company of the Series 6 Preferred Shares is purely domestic and will not include an international offering. PNB Capital, RCBC Capital and Security Bank Capital have been appointed by the Company to act as Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for the Offer. The Trading Participants, who are member-brokers of the PSE, shall act as Selling Agents for the Offer, pursuant to the PSE's rules and regulations.

However, there can be no assurance in respect of: (i) whether Megawide would issue such equity securities at all; (ii) the size or timing of any individual issuance or the total issuance of such equity securities; or (iii) the specific terms and conditions of such issuance. Any decision by Megawide to offer such equity securities will depend on a number of factors at the relevant time, many of which are not within Megawide's control, including but not limited to: prevailing interest rates, the financing requirements of Megawide's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

OBLIGATIONS OF THE JOINT ISSUE MANAGERS, JOINT LEAD UNDERWRITERS AND JOINT BOOKRUNNERS AND SELLING AGENTS

In accordance with the Underwriting Agreement to be entered into with Megawide, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners has agreed to underwrite 30,000,000 of Series 6 Preferred Shares at the Offer Price on a firm basis, and to distribute and sell the Series 6 Preferred Shares in the Offer, subject to the satisfaction of certain conditions, in consideration for certain fees and expenses.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners have committed to underwrite the Offer up to the amount indicated below

PNB Capital	₱ 1,000,000,000.00
RCBC Capital	₱ 1,000,000,000.00
Security Bank Capital	₱ 1,000,000,000.00
Total	₱ 3,000,000,000.00

The underwriting and selling fees to be paid by the Company to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in relation to the Offer shall be equivalent to 0.55% of the gross proceeds of the Offer. This shall be inclusive of underwriting fees to be paid to the Selling Agents, if any, and commissions to be paid to the Trading Participants of the PSE, which shall be equivalent to 0.125% of the total proceeds of the sale of Series 6 Preferred Shares by such Trading Participant. The 0.125% commissions of the Trading Participant shall be inclusive of VAT and will be paid to the Trading Participants less any applicable withholding tax.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners are duly licensed by the SEC to engage in underwriting or distribution of the Series 6 Preferred Shares. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business for Megawide or any of its Subsidiaries.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners have no direct relations with Megawide in terms of ownership by either of their respective major stockholders, and have no right to designate or nominate any member of the Board of Directors of Megawide. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners do not have any direct or indirect interest in the Company or in any securities thereof including options, warrants or rights thereto.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners have no contract or other arrangement with Megawide by which it may return to Megawide any unsold Series 6 Preferred Shares.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may enter into other sub-underwriting agreements with other underwriters who may want to participate in the issuance. There is no agreement for any of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to put back to Megawide any unsold Series 6 Preferred Shares. Megawide further grants the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners an option, exercisable within the Offer Period, to subscribe, on a firm basis, up to an additional 30,000,000 Series 6 Preferred Shares, on the same terms and conditions set forth in this Preliminary Prospectus, solely to cover oversubscriptions, if any. In the event the Oversubscription Option is not exercised, it is deemed cancelled and the filing fee for that over-subscription is forfeited. Final allocation of the Oversubscription Option among the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners will be determined at the end of the offer period.

Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners

PNB Capital is a wholly-owned subsidiary of the Philippine National Bank, and offers a spectrum of investment banking services, including loan syndications and project finance, bond offerings, private placements, public offering of shares, securitization, financial advisory and mergers and acquisitions. It was incorporated on July 30, 1997 and commenced operations on October 8, 1997. PNB Capital is licensed by the SEC to operate as an investment house with a non-quasi-banking license. As of December 31, 2023, it had an authorized capital of ₱2.00 billion and paid-up capital of ₱1.50 billion. PNB Capital is authorized to buy and sell, for its own account, securities issued by private corporations and the Philippine Government. As of December 31, 2023, total assets of PNB Capital were at ₱2.15 billion while total capital was at ₱1.94 billion.

RCBC Capital is a licensed investment house providing a complete range of capital raising and financial advisory services. Established in 1974, RCBC Capital has over 50 years of experience in the underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly-owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country‘s largest fully integrated financial services conglomerates. Prior approval from the SEC is required to effect a termination of the Underwriting Agreement. As of December 31, 2023, its total assets amounted to ₱3.23 billion, and its capital base amounted to ₱3.23 billion

Security Bank Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. Security Bank Capital provides a wide range of investment banking services including underwriting of equity and debt securities, project finance, mergers and acquisitions (M&A), loan arrangement and syndications and financial advisory. Security Bank Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and M&A/advisory transactions and were involved in a lead role in a substantial number of major equity and debt issues as well as in M&A/advisory deals. As of December 31, 2023, its total assets amounted to ₱1.93 billion and its capital base amounted to ₱1.88 billion.

SALE AND DISTRIBUTION

The distribution and sale of the Series 6 Preferred Shares shall be undertaken by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners who shall sell and distribute the Series 6 Preferred Shares to third party buyers/investors. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners are authorized to organize a syndicate of sub-underwriters, soliciting dealers and/or agents for the purpose of the Offer.

Of the 30,000,000 Series 6 Preferred Shares to be offered, 70% or 21,000,000 shares are being offered through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for subscription and sale to Qualified Institutional Buyers and the general public. The Company plans to make available 20% or 6,000,000 shares for distribution to the respective clients of the 122 Trading Participants of the PSE, acting as Selling Agents. Each Trading Participant shall be allocated 49,180 shares ("**Allocation Per TP**") (computed by dividing the Shares allocated to the Trading Participants by [122]). The balance of 40 shares shall be allocated by the Joint Lead Underwriters and Bookrunners among the Trading Participants with unserved demand after the allocation process. Trading Participants may undertake to purchase more than the Allocation per TP. Any requests for shares in excess of the Allocation per TP may be satisfied via the reallocation of any Series 6 Preferred Shares not taken up by other Trading Participants. Each participating Trading Participant shall accept the terms and conditions of the Offer as set out in this Preliminary Prospectus.

Any Series 6 Preferred Shares allocated to the Trading Participants but not taken up by them, will be allocated first to the Trading Participants who subscribed for their full allotment and indicated additional demand, at the sole discretion of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

Prior to the close of the Offer Period, any Series 6 Preferred Shares not taken up by the Trading Participants shall be distributed by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners directly to their clients and the general public.

All Series 6 Preferred Shares not taken up by the Trading Participants, the general public and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' clients, shall be purchased by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the rights of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners from purchasing the Series 6 Preferred Shares for their own respective accounts.

LOCAL SMALL INVESTORS

On April 16, 2024, the PSE issued Memorandum Circular CN No. 2024-0024 ("C.N. 2024-0024") which provides the amendments to Article III, Part F, Section 13 and Article V, Part F of the Consolidated Listing and Disclosure Rules, effective immediately. Under C.N. 2024-0024, the allocation of offer shares to Local Small Investors shall be mandatory.

As such, the Company will allocate up to 3,000,000 Series 6 Preferred Shares or 10% of the Series 6 Preferred Shares to the Local Small Investors through the PSE Electronic Allocation System or "PSE EASy" as the LSI shares. The procedure in subscribing to LSI Shares indicated in the LSI Guidelines to be announced through the PSE EDGE website. PSE EASy was first introduced by the Exchange in June 2019 to increase participation of LSIs in equity capital offerings. This shift to an online platform enabled investors from different provinces and countries, beyond the previous geographic scope of physical kiosks in Metro Manila, to subscribe to the LSI tranche of equity capital offerings.

In the event the total demand for the Retail Offer Shares is five (5) times or more than the initial allocation of up to 3,000,000 Offer Shares, the Offer Shares in the Institutional Offer shall be reallocated to the Trading Participants and Retail Offer and the allocation for the

Retail Offer Shares shall be increased to 4,500,000 Offer Shares (or 15% of the Base Offer Shares) in accordance with Article III, Part F, Section 4 of the PSE Listing Rules.

TERM OF APPOINTMENT

The engagement of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall subsist so long as the SEC's permit to sell the Series 6 Preferred Shares remains valid, unless otherwise terminated by the Company and any of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

The Underwriting Agreement may be terminated by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners prior to the Listing Date of the Offer Shares under certain circumstances such as (a) a cancellation order issued by any court or governmental agency or authority with jurisdiction on the matter, the SEC or the PSE, (b) a change or an impending change of law that would, in the reasonable opinion of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners materially and adversely affect Megawide's profitability or (c) financial, political or economic conditions in the Philippines which would materially and adversely affect the Offer.

ALLOCATION PROCESS

Mechanics of Distribution

1. Upon preparation of the Firm Undertaking report, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall input the number of Offer Shares requested by each TP in a spreadsheet designed for the reservation and allocation of the Offer Shares.

2. The spreadsheet shall distribute the total number of Offer Shares to be allocated to each Participating TP in accordance with the following process:

    a. If the total number of Offer Shares requested by a Participating TP, based on its Firm Undertaking, does not exceed the Allocation per TP, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall fully satisfy the request of such participating TP who signified its commitment to purchase Offer Shares less than or equal to the TP Allocation. The balance, if any, shall be re-distributed among those who have signified a commitment to purchase more than the Allocation per TP in their Firm Undertaking until all the Offer Shares allotted for distribution are fully allocated.

    b. If the total number of Offer Shares requested by a Participating TP exceeds the Allocation per TP, additional Shares may be sourced from the Offer Shares not taken up by the other TPs. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall allocate the Offer Shares to Participating TPs by: (i) fully satisfying the orders to those TPs who have Firm Orders that are less than or equal to the Allocation per TP; and (ii) distributing equitably the remaining TP Allocation to other TPs with orders for additional Shares, but only up to their respective Firm Order.

    c. The allocation will be done based on the total number of shares and in an aggregate basis.

    d. In no case shall any Participating TP be awarded more than the shares indicated in its Firm Undertaking.

    e. If the aggregate number of Offer Shares requested by Participating TPs who submitted a Firm Undertaking is less than the total Offer Shares allotted for distribution through the TPs, the balance shall be returned to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

3. Unless otherwise determined by the Company, the final TP allocation shall be distributed between Series 6A Preferred Shares, Series 6B Preferred Shares and Series 6C Preferred Shares, in the same proportion as each Series bears to the TP's aggregate Firm Undertaking, rounded to the prescribed board lot requirement. The allotment per series will be based on actual demand.

4. The PSE Listings department will confirm and verify the final TP allocation report via email.

5. All deadlines indicated in these procedures shall be strictly followed.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall, at its discretion, determine the manner by which proposals for subscriptions to, and issuances of, Offer Shares shall be solicited, with the primary sale of the Offer Shares to be effected only through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners and Selling Agents. No shares are designated to be sold to specific persons.

APPLICATION TO PURCHASE

All Applications to Purchase of the Series 6 Preferred Shares shall be evidenced by a duly completed and signed Application to Purchase, together with two fully executed specimen signature cards authenticated by the Corporate Secretary with respect to corporate and institutional investors, or by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents which forwarded the Application with respect to individual applicant. The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed Application to Purchase and specimen signature card together with requisite attachments. Payment for the Series 6 Preferred Shares shall be made by (i) manager's check/cashier's check drawn against any of such authorized bank at any of its branches located in Metro Manila, or (ii) corporate check or personal check drawn against any BSP authorized bank or any branch thereof. All checks should be made payable to "**MWP6 FOO**", crossed "Payee's Account Only" and dated on or before the date of the submission of the Application. Cash and checks should be paid via BDO Bills Payment Facility in the name of "**MWP6 FOO**". The soft copies of the Applications and the related proof of payments shall be received via email and hard copies shall be submitted to the office of the Stock Transfer Agent within thirty (30) calendar days from Listing Date.

Applicants may also remit payment for their Series 6 Preferred Shares through BDO Mobile Banking or Internet Banking via Bills Payment with the Biller/Merchant as "**MWP6 FOO**".

Corporate and institutional purchases must also submit a copy of the SEC Certificate of Registration, Articles of Incorporation and By-laws, General Information Sheet or such other relevant organizational or charter documents duly certified as true and correct by the corporate secretary (or equivalent officer)and the original signed and notarized Secretary's certificate confirming the resolution of the board of directors and/or committees or bodies authorizing the purchase of the Series 6 Preferred Shares and designating the authorized signatory/ies therefore. Individual Applicants must also submit a photocopy of any one of the following identification documents ("**ID**"): passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

The BIR revised its procedures for availment of tax treaty relief on dividends by issuing Revenue Memorandum Order No. 14-21 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated March 31, 2021) as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated June 15, 2021). In accordance with the foregoing regulations, all income items derived by nonresident taxpayers entitled to tax treaty relief shall be confirmed by the BIR through filing of: (i) a request for confirmation by the withholding agent, or (b) a tax treaty relief application by the nonresident taxpayer, with the required supporting documents in either case.

An Applicant who is exempt from or is subject to withholding tax or who claims reduced tax rates under the NIRC or tax treaty shall, in addition, be required to submit the following requirements to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners (together with their Applications) who shall then forward the same to the Registrar and Depository Agent, subject to acceptance by the Company as being sufficient in form and substance: (i) in the case of tax exemption, a certified true copy of the original tax exemption certificate, ruling or opinion on tax exemption issued by the BIR addressed to the Applicant as certified by its duly authorized officer; (ii) with respect to reduced tax rates if tax sparing applies, (a) an authenticated certification issued by the foreign tax authority that the dividends received by the non-resident foreign corporation from the domestic corporation were not among the items considered in arriving at the income tax due from the non-resident foreign corporation; (b) the income tax return of the non-resident foreign corporation for the taxable year when the dividends were received; and (c) an authenticated document issued by the foreign tax authority showing that the foreign Government allowed a credit on the tax deemed paid in the Philippines or did not impose any tax on the dividends; or (d) proof of filing of an application for ruling with the BIR; and (iii) with respect to tax treaty relief, (a) prior to initial dividend payment, three (3) original copies of a duly accomplished BIR Form No. 0901, Tax Residency Certificate duly issued by the foreign tax authority, as required under BIR Revenue Memorandum Order No. 14-2021 and three (3) originals of the duly notarized and consularized, if executed outside of the Philippines, Special Order of Attorney executed by the Applicant in favor of its authorized representative (if the BIR Form No. 0901 and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Applicant to the Company no later than the 1st day of the month when such subsequent dividends fall due and, if applicable, including any clarification, supplement or amendment thereto; (iii) an original of the duly notarized undertaking to immediately notify the Company and the Registrar and Depository Agent of any suspension or revocation of its tax exempt status and agreeing to indemnify and hold the Company, the Registrar and Depository Agent and the Paying Agent free and harmless against any claims, actions, suits and liabilities resulting from the non-withholding or reduced withholding of the required tax; and (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities.

ACCEPTANCE / REJECTION OF APPLICATIONS

The actual number of Series 6 Preferred Shares that an applicant will be allowed to subscribe for is subject to the confirmation of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, in consultation with the Company, reserve the right to accept or reject, in whole or in part, or to reduce any application due to any grounds specified in the Underwriting Agreement. Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Moreover, any payment received pursuant to the Application does not constitute as approval or acceptance by the Company of the Application.

On the Banking Day following the Listing Date, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall advise all the Selling Agents, if any of any Applications that were rejected and/or scaled-down, with copy to the Company.

An Application, when accepted, shall constitute a binding and effective agreement between the applicant and the Company for the subscription to the Series 6 Preferred Shares notwithstanding any provision to the contrary as may be found in the Application, this Preliminary Prospectus, and other offer-related document. Notwithstanding the acceptance of any Application, the actual issuance of the Series 6 Preferred Shares to an Applicant shall take place only upon the listing of the Series 6 Preferred Shares on the PSE.

Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to the Withdrawal of the Offer section of the Preliminary Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

MINIMUM PURCHASE

A minimum purchase of 500 Series 6 Preferred Shares shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of 10 Series 6 Preferred Shares.

ELIGIBLE INVESTORS

The Series 6 Preferred Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality (except U.S. Persons as defined below), provided that the Company may reject an Application or reduce the number of Series 6 Preferred Shares applied for subscription or purchase for purposes of complying with any applicable constitutional or statutory nationality requirement.

In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors, as set out in applicable regulations. In the case of Series 6 Preferred Shares, since these are non-voting, its determination of the compliance with the required percentage on nationality requirement will be based on test (b), the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

The Offer Shares shall not be sold to persons classified as U.S. Persons under the Foreign Account Tax Compliance Act of the United States, as this may be amended from time to time. "**U.S. Persons**" means any of the following: (i) a U.S. citizen (including dual citizen); (ii) a U.S. resident alien for U.S. tax purposes; (iii) a US partnership; (iv) a U.S. corporation; (v) any U.S. estate; (v) any U.S. trust if: (y) a court within the United States is able to exercise primary supervision over the administration of the trust; or (z) one of more U.S. persons have the authority to control all substantial decisions of the trust; and (vi) any other person that is not a non-US person.

Law may restrict subscription to the Series 6 Preferred Shares in certain jurisdictions. Foreign investors interested in subscribing for or purchasing the Series 6 Preferred Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, shall warrant that their purchase of the Series 6 Preferred Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Series 6 Preferred Shares.

WITHDRAWAL OF THE OFFER

The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PSE.

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Listing Date, if there is a supervening force majeure or fortuitous event, such as:

a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Preliminary Prospectus, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Preliminary Prospectus, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any other entity/ person to take up any shares remaining after the Offer Period;

b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, the BSP, the SEC or the PSE;

c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, the SEC Permit to Sell or the BSP Approval;

d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;

e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by any of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners of its underwriting obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;

g. The Issuer decides to or is compelled to stop its operations which is not remedied within five (5) Business Days;

h. The Issuer shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Issuer shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Issuer shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Issuer; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;

k. Any event occurs which makes it impossible for the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to perform their underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or directing the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to cease, from performing their underwriting obligations;

l. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability impacts the ability of the Issuer and Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to fully comply with the listing requirements of PSE, if the impact of such unavailability on the listing of the Offer Shares remains unresolved after discussions between the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in good faith; and

m. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

The Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any other entity/ person to take up any shares remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section and the "Plan of Distribution - Withdrawal of the Offer" of the Preliminary Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

If the Offer Shares are not listed on the PSE on Listing Date, all application payments will be returned/refunded to the Applicants. The Joint Issue Managers, Joint Lead

Underwriters and Joint Bookrunners shall notify the Applicant concerned that the Offer Shares were not listed. All refunds, without interest, shall be made through the Selling Agent with whom the Applicant has filed the Application within ten (10) Banking Days from the intended Listing Date.

Notwithstanding the foregoing, the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization and further to its mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the Company and/or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for the cancellation of the Offer if subsequently, the PSE makes a determination that the cancellation or suspension of the offer and/or the underwriting commitment was not warranted based on the facts gathered by PSE after proper evaluation and after due and proper proceedings initiated by the PSE not later than five (5) Business Days after such cancellation, suspension or termination.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on March 26, 2025 and end at 12:00 p.m. on April 4, 2025. The Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE.

REFUNDS

In the event an Application is rejected or the number of Series 6 Preferred Shares applied for is scaled down, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, upon receipt of such rejected and/or scaled down Application, shall notify the Applicant concerned that his Application has been rejected or the amount of Series 6 Preferred Shares applied is scaled down. All refunds, without interest, shall be made through the Selling Agent with whom the Applicant has filed the Application within five (5) Banking Days from the end of Offer Period, at the applicant's risk.

The Selling Agents are strongly encouraged to process the refunds via RTGS. However, should the refund be made via check, an Applicant may retrieve such check refund at the office of the relevant Selling Agent with whom the Applicant has filed the Application. Refund checks that remained unclaimed after thirty (30) days from the date such checks are made available for pick-up shall be delivered through registered mail, at the Applicant's risk, to the address specified by the Applicant in the Application.

The RTGS fees shall be at the Applicant's expense.

In addition, refunds applicable to LSIs may be made to the LSI's nominated TP by transferring immediately available funds to the relevant bank account of, or via issuance of a check to, each relevant nominated TP in such amount representing the total refund due to all the affected LSI clients of the relevant nominated TP starting on the fifth (5th) business day after the end of the Offer Period, or on April 14, 2025. Refunds to the nominated TP is subject to the latter's consent to receive the refund on behalf of its LSI clients.

JOINT ISSUE MANAGERS, JOINT LEAD UNDERWRITERS AND JOINT BOOKRUNNERS' COMMITMENT TO PURCHASE

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners will fully underwrite, on a firm commitment basis, the Firm Shares.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the (i) inability of the Company or the Joint

Issue Managers, Joint Lead Underwriters and Joint Bookrunners to sell or market the Offer Shares or (ii) the refusal or failure by the Company, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any other entity or person to comply with any undertaking or commitment to take up any shares remaining after the Offer Period.

In undertaking the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' Firm Commitment to Purchase, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners hereby manifests its conformity to comply with and be bound by all duly promulgated and applicable listing and disclosure rules, requirements, and policies of the PSE.

SECONDARY MARKET

Megawide may purchase the Series 6 Preferred Shares at any time without any obligation to make pro rata purchases of Series 6 Preferred Shares from all Shareholders.

REGISTRY OF SHAREHOLDERS

The Series 6 Preferred Shares will be issued in scripless form through the electronic book-entry system of Stock Transfer Service, Inc. as Registrar for the Offer, and lodged with PDTC as Depository Agent on Listing Date through PSE Trading Participants nominated by the Applicants. Applicants shall indicate in the proper space provided for in the Application to Purchase the name of the PSE Trading Participant under whose name their Series 6 Preferred Shares will be registered and the relevant PSE Trading Participants shall sign the Application to Purchase on the space provided therefor.

After Listing Date, holders of the Series 6 Preferred Shares (the "**Shareholders**") may request the Registrar, through their respective nominated PSE Trading Participants, to (a) open a scripless registry account and have their holdings of the Series 6 Preferred Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Series 6 Preferred Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.

The legal title to the Series 6 Preferred Shares will be shown in an electronic register of shareholders (the "**Registry of Shareholders**") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Series 6 Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting Shareholder). The Registrar shall send (at the cost of the Company) at least once every quarter a Statement of Account to all Shareholders named in the Registry of Shareholders. Such Statement of Account shall service as evidence of ownership of the relevant Shareholder as of a given date thereof. Any request by Shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Shareholder.

EXPENSES

All out-of-pocket expenses, including, but not limited to, registration with the SEC, printing, publication, communication and signing expenses incurred by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in the negotiation and execution of the transaction will be for Megawide's account irrespective of whether the transaction contemplated herein is completed. Such expenses are to be reimbursed upon presentation of a composite statement of account. See "*Use of Proceeds*" of the Preliminary Prospectus for details of expenses.

DESCRIPTION OF SHARES

Set forth below is the information relating to the Series 6 Preferred Shares. The description is qualified by reference to Philippine law and the Company's Articles of Incorporation ("Articles") and By-Laws ("By- Laws"), both as amended, and the Certificates of Filing of Enabling Resolutions, copies of which are available at the SEC, and the Application to Purchase.

THE COMPANY'S SHARE CAPITAL

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in its articles of incorporation and the by-laws.

On October 25, 2024, the Company's Board of Directors approved the increase in the authorized capital stock of the Company from ₱5,116,000,000.00, divided into 4,930,000,000 Common Shares with par value of ₱1.00 per share and 186,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual Preferred Shares with a par value of ₱1.00 per share to ₱5,180,000,000.00, divided into 4,930,000,000 Common Shares with par value of ₱1.00 per share and 250,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual Preferred Shares with a par value of ₱1.00 per share.

The foregoing resolution was approved and ratified by the affirmative vote of stockholders owning at least 2/3 of the Annual Stockholders entire outstanding capital stock of the Company, during the Special Stockholders' Meeting held on December 10, 2024, whereby the stockholders likewise delegated to the Board of Directors the power and authority to: (a) implement the issuance of the preferred shares in series, subseries, or in tranches, (b) fix the terms and conditions of the preferred shares as they may be issued in series, sub-series, or in tranches, and (c) determine the manner by which the preferred shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering. The increase in the Company's authorized capital stock was approved by the SEC on December 27, 2024.

Pursuant to such delegated authority of the Board of Directors to issue the preferred shares in series, sub-series or in tranches, the Board of Directors, in its meeting on October 5, 2020, February 26, 2021, November 4, 2022, February 6, 2023, October 25, 2024, and February 7, 2025, approved the creation of the series of preferred shares, as follows:

(a) Series 1 Preferred Shares consisting of 40,000,000 Preferred Shares which were redeemed December 31, 2021, and transferred to the Company's Treasury Shares;

(b) Series 2 Preferred Shares consisting of not more than 50,000,000 shares to be allocated between Subseries 2A Preferred Shares which were redeemed on May 29, 2023, and transferred to the Company's Treasury Shares, and Subseries 2B Preferred Shares;

(c) Series 3 Preferred Shares consisting of 45,000,000 existing, issued, and outstanding Preferred Shares;

(d) Series 4 Preferred Shares consisting of 40,000,000 existing, issued, and outstanding Preferred Shares and listed in the PSE;

(e) Series 5 Preferred Shares consisting of 15,000,000 existing, issued, and outstanding Preferred Shares and listed in the PSE; and

(f) Series 6 Preferred Shares consisting of up to 60,000,000 Preferred Shares to be listed in the PSE and to be allocated between Subseries 6A Preferred Shares, Subseries 6B Preferred Shares and Subseries 6C Preferred Shares.

The Offer Shares will be coming from the Series 6 Preferred Shares.

The authorized capital stock of the Company is ₱5,180,000,000.00 divided into 4,930,000,000 Common Shares with a par value of ₱1.00 per share and 250,000,000 Preferred Shares with a par value of ₱1.00 per share. As of date, the Company has 2,516,832,007 issued shares of which 2,013,409,717 are issued and outstanding Common Shares and 386,016,410 Common Shares are held in treasury, 17,405,880 are issued and outstanding Series 2B Preferred Shares, 45,000,000 are issued and outstanding Series 3 Preferred Shares, which are not listed in the PSE, 40,000,000 are issued and outstanding Series 4 Preferred Shares, and 15,000,000 issued and outstanding Series 5 Preferred Shares.

Following the Offer and assuming Oversubscription Option is exercised in full, the Company will have (a) 2,013,409,717 issued and outstanding Common Shares and 386,016,410 Common Shares are held in treasury; (b) 17,405,880 issued and outstanding Series 2B Preferred Shares; (c) 45,000,000 issued and outstanding Series 3 Preferred Shares; (d) 40,000,000 issued and outstanding Series 4 Preferred Shares; (e) 15,000,000 issued and outstanding Series 5 Preferred Shares and (f) 60,000,000 issued and outstanding Series 6 Preferred Shares.

Capital Structure Before the Offer		**Capital Structure After the Offer** (assuming Oversubscription Option is exercised in full)	
Common Shares	2,013,409,717	Common Shares	2,013,409,717
Treasury Shares	386,016,410	Treasury Shares	386,016,410
Series 2B Preferred Shares	17,405,880	Series 2B Preferred Shares	17,405,880
Series 3 Preferred Shares	45,000,000	Series 3 Preferred Shares	45,000,000
Series 4 Preferred Shares	40,000,000	Series 4 Preferred Shares	40,000,000
Series 5 Preferred Shares	15,000,000	Series 5 Preferred Shares	15,000,000
Series 6A,6B, 6C Preferred Shares	-	Series 6A,6B, 6C Preferred Shares	60,000,000

The holders of the Series 6 Preferred Shares do not have identical rights and privileges with holders of other series of preferred shares and the existing common shares of the Company.

THE PREFERRED SHARES

Under the Amended Articles of Incorporation, the preferred shares have the following features, rights and privileges:

- The Preferred Shares have a par value of ₱1.00 per share;

- The issue value of the Preferred Shares shall be determined by the Board at the time of the issuance of the shares;

- The Board shall declare a dividend rate equivalent to the 7-year benchmark rate or any other rate determined by the Board as of issue date, payable on a date to be set by the Board in accordance with Philippine laws, rules and regulations;

- The Preferred Shares shall be non-convertible into Common Shares;

- The holders of Preferred Shares shall have preference over holders of Common Shares in the distribution of corporate assets in the event of dissolution and liquidation of the Company and in the payment of the dividend at the rate specified at the time of issuance;

- Preferred Shares shall be cumulative;

- Preferred Shares shall be non-participating in any other or further dividends beyond that specifically payable on the shares;

- The Preferred Shares shall have no pre-emptive rights to any issue of shares, common or preferred; and

- The Preferred Shares may be redeemed by the Company at the sole option of the Board of Directors at the price to be determined by the Board.

The Amended Articles of Incorporation further provides that the preferred shares shall be issued in series, sub-series or in tranches as the Board of Directors may determine, and authority is granted to the Board of Directors, to establish and designate the series, sub-series or tranches of the preferred shares, fix the issue price and the number of shares in each sub-series or tranche, establish the specific terms and conditions of each sub-series or tranche and determine the manner by which the preferred shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering.

Specific to Offer Shares, please refer to the features of the Series 6 Preferred Shares in the Summary of the Offer and the discussion below.

Issue Price/Offer Price

The Series 6 Preferred Shares shall be offered at a price of ₱100.00 per share.

Cumulative Dividends

Dividends on the Series 6 Preferred Shares will be cumulative. If for any reason the Board of Directors of the Company does not declare a dividend on the Series 6 Preferred Shares for a Dividend Period, the Company will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Series 6 Preferred Shares shall receive the dividends due them on such Dividend Payment Date as well as all Dividends in Arrears. Holders of the Series 6 Preferred Shares shall not be entitled to participate in any other or further dividends, cash, property or stock, beyond the dividends specifically payable on the Preferred Shares.

The Company covenants that, in the event (for any reason):

(a) any cash dividends due with respect to any Series 6 Preferred Shares then outstanding for any period are not declared and paid in full when due,

(b) where there remains Dividends in Arrears on the Series 6 Preferred Shares, or

(c) any other amounts payable in respect of the Series 6 Preferred Shares pursuant to the terms and conditions of the Series 6 Preferred Shares, are not paid in full when due,

then the Company will not:

(i) declare or pay any dividends or other distributions in respect of shares ranking pari passu with or junior to the Series 6 Preferred Shares (unless such payment in respect of shares ranking pari passu with the Series 6 Preferred Shares shall be in accordance with the "Conditions on Declaration and Payment of Cash Dividends"), or

(ii) repurchase or redeem, securities ranking pari passu with, or junior to, the Series 6 Preferred Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking pari passu with, or junior to, the Series 6 Preferred Shares),

until any and all the amounts described in (a), (b) and (c) have been paid in full to the holders of the Series 6 Preferred Shares.

Dividend Policy in Respect of the Series 6 Preferred Shares

The Series 6 Preferred Shares shall, subject to the conditions for the declaration and payment of dividends as set out herein, bear cumulative non-participating cash dividends based on the Issue Price, payable quarterly in arrears on July 14, October 14, January 14 and April 14 of each year (each a "**Dividend Payment Date**"), being the last day of each 3-month period (a "**Dividend Period**"), at the Dividend Rate per annum commencing from the Listing Date. Dividends will be calculated on a 30/360-day basis. If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.

The term "**Dividend Rate**" means (a) from the Listing Date up to the Step Up Date, the Initial Dividend Rate, and (b) from the Step Up Date, the applicable Step Up Rate.

As and if dividends are declared by the Board, dividends on the Series 6A Preferred Shares, Series 6B Preferred Shares, and Series 6C Preferred Shares shall be at the fixed rates of [●]% per annum, [●]% per annum and [●]% per annum, respectively, in all cases calculated in respect of each share by reference to the Offer Price thereof for the Dividend Period (the "**Initial Dividend Rate**").

If the Series 6 Preferred Shares shall not have been redeemed by the Company by the 3rd anniversary of the Listing Date for the Series 6A Preferred Shares, by the 5th anniversary of the Listing Date for the Series 6B Preferred Shares, and by the 7th anniversary of the Listing Date for the Series 6C Preferred Shares, the Initial Dividend Rate shall be adjusted as follows:

a. for Series 6A Preferred Shares, the higher of (a) the simple average of the closing per annum rate of 5-year BVAL or if the 5-year BVAL rate is not available or cannot be determined, any successor rate as determined by the BAP or the **BSP**, as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the rate setting date, plus 4.00%; or (b) the floor rate of 12.00%;

b. for Series 6B Preferred Shares, the higher of (a) the simple average of the closing per annum rate of the 7-year BVAL or if the 7-year BVAL rate is not available or cannot be determined, any successor rate as determined by the BAP or the BSP, as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the rate setting date, plus 4.00% or (b) the floor rate of 12.00%; and

c. for Series 6C Preferred Shares, the higher of (a) the simple average of the closing per annum rate of the 10-year BVAL or if the 10-year BVAL rate is not available or cannot be determined, any successor rate as determined by the BAP or the BSP, as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the rate setting date, plus 4.00% or (b) the floor rate of 12.00%.

The date of the listing of Series 6 Preferred Shares is referred to as the "**Listing Date**". The day three (3) years from the Listing Date referred as a "**Step Up Date**". The adjusted rate is referred to as a "**Step Up Rate**".

In the event the relevant Step-up Date falls on a day that is not a Banking Day,

(a) the rate setting will be done on the immediately succeeding Banking Day using the average of the relevant BVAL rates for the three (3) consecutive Banking Days preceding and inclusive of the said rate setting date, and
(b) the higher of the applicable Initial Dividend Rate and the applicable Step-Up Rate will be applied commencing on the Step-Up Date (which is on the day three (3) years from the Listing Date of the Series 6 Preferred Shares).

In the event that BVAL is replaced by a new benchmark rate as determined by the BAP or the BSP, such new benchmark rate shall be adopted for purposes of determining the Dividend Rate (the "**New Benchmark Rate"**). In the absence of such new replacement benchmark rate as determined by the BAP or the BSP and there is a mandatory directive by the BAP or the BSP to no longer use of apply BVAL, the Company and Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall negotiate to adopt an alternative rate that will serve as the New Benchmark Rate.

Any required notice on the foregoing shall be provided to the PSE in accordance with the Revised Listing Rules of the Exchange amended consolidated listing and disclosure rules of the PSE.

Conditions on Declaration and Payment of Cash Dividends

The declaration and payment of cash dividends on each Dividend Payment Rate will be subject to the discretion of the Board of Directors, the covenants (financial or otherwise) in the loans and credit agreements to which Issuer is a party and the requirements under applicable laws and regulations.

The Board of Directors will not declare and pay dividends on any Dividend Payment Date where payment of the dividend would cause the Company to breach any of its financial covenants.

If the profits available for distribution as cash dividends are, in the opinion of the Board of Directors, not sufficient to enable Issuer to pay in full cash dividends on the Series 6 Preferred Shares and cash dividends that are scheduled to be paid on or before the same date on shares that have an equal right to dividends as the Series 6 Preferred Shares ("**Comparable Shares**")**,** the Issuer is required to pay cash dividends on the Series 6 Preferred Shares and any Comparable Shares pro rata to the amount of the cash dividends scheduled to be paid to the Series 6 Preferred Shares and the Comparable Shares, respectively. For purposes of this paragraph, the amount scheduled to be paid shall include all dividends due on such Dividend Payment Date as well as all accumulated dividends due and payable or dividends in arrears in respect of prior Dividend Periods ("**Dividends in Arrears**").

The profits available for distribution are, in general and with some adjustments, equal to the Issuer's accumulated, realized profits less accumulated, realized loss. In general, under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends.

Holders of Series 6 Preferred Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Preferred Shares.

Redemption of the Series 6 Preferred Shares

As and if declared by the Board of Directors of the Company and subject to the requirements of applicable laws and regulations, the Company may, at its sole option, redeem in whole (but not part), any subseries of the Series 6 Preferred Shares as follows:

a. in respect of Series 6A Preferred Shares, on the third (3^{rd}) anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption date and the Dividend Payment Dates thereafter, a “Series 6A Optional Redemption Date”),

b. in respect of Series 6B Preferred Shares, on the third (3^{rd}) anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption dates and the Dividend Payment Dates thereafter, a “Series 6B Optional Redemption Date”), and

c. in respect of Series 6C Preferred Shares, on the fifth (5^{th}) anniversary of the Listing Date or on any Dividend Payment Date occurring thereafter (each of the redemption dates and the Dividend Payment Dates thereafter, a “Series 6C Optional Redemption Date”)

   (each Series 6A Optional Redemption Date, Series 6B Optional Redemption Date, and Series 6C Optional Redemption Date an “Optional Redemption Date”)

at a redemption price equal to the following:

Series 6A	
Optional Redemption Date	**Redemption Price**
On the 3rd anniversary of the Listing Date or every Dividend Payment Date thereafter.	100% of the Issue Price
Series 6B	
Optional Redemption Date	**Redemption Price**
On the 3rd anniversary of the Listing Date or every Dividend Payment Date prior to the 4th anniversary of the Listing Date.	101.0% of the Issue Price
On the 4th anniversary of the Listing Date or every Dividend Payment Date prior to the 5^{th} anniversary of the Listing Date.	100.5% of the Issue Price
On the 5th anniversary of the Listing Date or every Dividend Payment Date thereafter.	100% of the Issue Price
Series 6C	
Optional Redemption Date	**Redemption Price**
On the 5th anniversary of the Listing Date or every Dividend Payment Date prior to the 6th anniversary of the Listing Date.	101.0% of the Issue Price
On the 6th anniversary of the Listing Date or every Dividend Payment Date prior to the 7^{th} anniversary of the Listing Date.	100.5% of the Issue Price
On the 7th anniversary of the Listing Date or every Dividend Payment Date thereafter.	100% of the Issue Price

in all cases, plus all dividends due on such Optional Redemption Date as well as all Dividends in Arrears. The Company shall give not less than thirty (30) days nor more than sixty (60) days prior written notice from its intended date of redemption, which notice shall be irrevocable and binding upon the Company to effect such early redemption of the Series 6 Preferred Shares at the Optional Redemption Date stated in such notice.

The Company may also redeem the Series 6 Preferred Shares, in whole but not in part, at any time if an Accounting Event or a Tax Event has occurred and is continuing, having given not less than thirty (30) days nor more than sixty (60) days' written notice prior to the intended date of redemption which must be a Banking Day, which notice shall be irrevocable and binding upon the Company to effect such redemption of the Series 6 Preferred Shares at the redemption date stated in such notice. The redemption due to an Accounting Event or a Tax Event shall be made by the Company at the redemption price equal to the Offer Price plus all dividends due them on such Optional Redemption Date as well as all Dividends in Arrears after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption, which shall be paid within five (5) Banking Days of the exercise of the right to redeem the Preferred Shares on the date of redemption set out in the notice.

Any required notice as stated in the preceding paragraphs shall be provided to the PSE in accordance with the amended consolidated listing and disclosure rules of the PSE.

Once redeemed, the Series 6 Preferred Shares shall be considered retired and can no longer be reissued. However, while they are considered retired, it shall remain in treasury until remove from the capital stock by decreasing the authorized capital stock of the Company.

Upon listing on the PSE, the Company may purchase the Series 6 Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE. The Series 6 Preferred Shares so purchased may be redeemed (pursuant to their terms and conditions as set out in the Preliminary Prospectus) and cancelled. However, while they are considered retired, it shall remain in treasury until remove from the capital stock by decreasing the authorized capital stock of the Company, through an application with the SEC.

The Company is not legally required to establish, has not established, and currently has no plans to establish a sinking fund for the redemption of the Series 6 Preferred Shares.

Early Redemption Due to Tax Event

If a Tax Event occurs, the Issuer may redeem the Series 6 Preferred Shares in whole, but not in part, at any time after giving not less than thirty (30) days nor more than sixty (60) days written notice prior to the intended date of redemption which must be a Banking Day. The redemption shall be made by Megawide at the Redemption Price which shall be paid within five (5) Banking Days of the exercise of the right to redeem the Series 6 Preferred Shares on the date of redemption set out in the notice, which notice shall be irrevocable and binding upon Megawide to effect such redemption of the Preferred Shares at the redemption date stated in such notice.

A Tax Event shall occur if in the event payments in respect of the Series 6 Preferred Shares become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Company.

Early Redemption Due to Changes in Accounting Treatment of the Shares

If an Accounting Event occurs the Issuer may redeem the Series 6 Preferred Shares in whole, but not in part, at any time after giving neither less than thirty (30) days nor more than sixty (60) days written notice prior to the intended date of redemption which must be a Banking Day. The redemption shall be made by Megawide at the Redemption Price which shall be paid within five (5) Banking Days of the exercise of the right to redeem the Series 6 Preferred Shares on the date of redemption set out in the notice, which notice shall be irrevocable and binding upon Megawide to effect such redemption of the Series 6 Preferred Shares at the redemption date stated in such notice.

An Accounting Event shall occur if an opinion of any reputable firm authorized to perform auditing services in the Republic of the Philippines has stated that there is more than an insubstantial risk that the funds raised through the issuance of the Series 6 Preferred Shares may no longer be recorded as "**equity**" pursuant to the PFRS, or such other accounting standards which succeed PFRS, as adopted by the Republic of the Philippines and applied by Megawide for drawing up its consolidated financial statements for the relevant financial year.

In General: No Voting Rights

Holders of the Series 6 Preferred Shares shall have no voting rights except as specifically provided by law. Thus, holders of the Series 6 Preferred Shares shall not be eligible, for example, to vote for or elect the Company's Directors or to vote for or against the issuance of a stock dividend.

Holders of Series 6 Preferred Shares, however, may vote on matters which the Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. These matters, which require the approval of shareholders representing at least two-thirds of the issued and outstanding capital stock of the Company in a meeting duly called for the purpose, are as follows:

- Amendment of the Articles of Incorporation;
- Adoption and amendment of the Company's By-laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the Company's corporate property;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of authorized capital stock;
- Merger or consolidation of the Company with another corporation or other corporations;
- Investment of corporate funds in another corporation or business in accordance with the Revised Corporate Code; and
- Dissolution of the Company.

Status

The Series 6 Preferred Shares will constitute direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and rateably without preference or priority among themselves with all other preferred shares issued or to be issued by the Issuer. The Series 6 Preferred Shares rank junior in right of payment to all indebtedness of the Issuer and claims against the Issuer which rank or are expressed to rank senior to the Preferred Shares. Accordingly, the obligations of the Issuer under the Series 6 Preferred Shares will not be satisfied unless the Issuer can satisfy in full all of its other obligations ranking senior to the Series 6 Preferred Shares.

There is no agreement or instrument that limits or prohibits the ability of the Megawide to issue preferred shares or other securities that rank *pari passu* with the Series 6 Preferred Shares.

Liquidation Rights in Respect of the Series 6 Preferred Shares

In the event of a return of capital in respect of the liquidation, dissolution or winding up of the affairs of the Issuer but not on a redemption or purchase by the Issuer of any of its share capital, the holders of the Series 6 Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Issuer available for distribution to shareholders, together with the holders of any other shares of the Issuer ranking, as regards repayment of capital, *pari passu* with the Series 6 Preferred Shares and before any distribution of assets is made to holders of any class of shares of the Issuer ranking after the Series 6 Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Redemption Price as of (and including) the date of commencement of the winding up of the Issuer or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of the Issuer, the amount payable with respect to the Series 6 Preferred Shares and any other shares of the Issuer ranking as to any such distribution *pari passu* with the Series 6 Preferred Shares are not paid in full, the holders of the Series 6 Preferred Shares and of such other shares will share proportionately in any such distribution of the assets of the Issuer in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Series 6 Preferred Shares will have no right or claim to any of the remaining assets of the Issuer and will not be entitled to any further participation or return of capital in a winding up.

Tax Payments in respect of the Series 6 Preferred Shares

All payments in respect of the Series 6 Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of the Series 6 Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that the Issuer shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to: (a) the final withholding tax applicable on dividends earned on the Series 6 Preferred Shares, (b) as applicable, any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax) and documentary stamp tax on the redemption or buy back of the Series 6 Preferred Shares or on the liquidating distributions as may be received by a holder of Series 6 Preferred Shares, (c) expanded VAT which may be payable by any holder of the Series 6 Preferred Shares on any amount to be received from the Issuer under the terms and conditions of the Series 6 Preferred Shares, (d) any withholding tax on any amount payable to any holder of the Share or any entity which is a non-resident foreign corporation, and (e) applicable taxes to any subsequent sale or transfer of the Series 6 Preferred Shares by any holder of the Series 6 Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

All sums payable by the Company to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities.

Documentary stamp tax and all other costs and expenses for the issuance of the Series 6 Preferred Shares and the documentation, if any, shall be for the account of the Company.

No Pre-emptive Rights

The Amended Articles of Incorporation currently deny pre-emptive rights to subscribe to all issues or dispositions of any class of the Company, to all shareholders of the Company including the holders of Series 6 Preferred Shares. However, shareholders representing at least two-thirds of the Company‘s issued and outstanding capital stock voting at a shareholders‘ meeting duly called for the purpose may amend the Articles to grant pre-emptive rights to subscribe to a particular issue or other disposition of shares from Megawide's capital. Pre-emptive rights may not extend to shares to be issued in compliance with laws requiring stock offerings or minimum stock ownership by the public; or to shares to be issued in good faith with the approval of the shareholders representing two-thirds of the outstanding capital stock in exchange for property needed for corporate purposes or in payment of a previously contracted debt.

Transfer of Shares and Share Register

The Series 6 Preferred Shares will be issued in scripless form.

The legal title to the Series 6 Preferred Shares will be shown in the Registry of Shareholders which shall be maintained by the Registrar. The Registrar shall send (at the cost of the Issuer) at least once every quarter a Statement of Account to all Shareholders named in the Registry of Shareholders confirming the number of Shares held by each Shareholder on record in the Registry of Shareholders. Such Statement of Account shall serve as evidence of ownership of the relevant Shareholder as of a given date thereof. Any request by Shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Shareholder.

Initial placement of the Series 6 Preferred Shares and subsequent transfers of interests in the Series 6 Preferred Shares shall be subject to normal Philippine selling restrictions for listed securities as may prevail from time to time.

After Listing Date, holders of the Series 6 Preferred Shares (the "**Shareholders**") may request the Registrar, through their respective nominated PSE Trading Participants, to (a) open a scripless registry account and have their holdings of the Series 6 Preferred Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Series 6 Preferred Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.

Philippine law does not require transfers of the Series 6 Preferred Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. All transfers of shares on the PSE must be effected through a licensed stock broker in the Philippines. See the section entitled *"Taxation"*.

Not Convertible into Common Shares or Other Preferred Shares

Holders of the Series 6 Preferred Shares shall have no right to convert the Series 6 Preferred Shares into any other preferred shares or common shares of the Company.

Non-Participating

Holders of the Series 6 Preferred Shares shall not be entitled to participate in any other or future dividends beyond the cash dividends specifically payable on the Series 6 Preferred Shares.

Perpetual

Series 6 Preferred Shares are perpetual and have no fixed final maturity date. Holders of Series 6 Preferred Shares have no right to require the Company to redeem the Series 6 Preferred Shares at any time and they can only be disposed of by sale in the secondary market.

Other Rights and Incidents Relating to the Series 6 Preferred Shares

Following are other rights and incidents relating to the Series 6 Preferred Shares, which may also apply to other classes of Megawide's stock.

Restrictions on Ownership of Megawide's Shares by non-Philippine Nationals

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least sixty percent (60%) owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to forty percent (40%). Accordingly, the Series 6 Preferred Shares and Megawide's other shares may be owned or subscribed by or transferred to any person, partnership, association or corporation regardless of nationality, provided that it complies with the nationality requirement under the Philippine constitution and other applicable laws. Pursuant to SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the FIA and other existing laws, amendments thereto, and implementing rules and regulations of said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both.

Directors

Unless otherwise provided by law or the Company's By-Laws, the corporate powers of the Company are exercised, its business is conducted, and its property is controlled by the Board. As of the date of this Preliminary Prospectus, Megawide is currently governed by a Board of six (6) Directors composed of Edgar B. Saavedra, Manuel Louie B. Ferrer, Oliver Y. Tan, Ramon H. Diaz, Hilario G. Davide, Jr., and Celso P. Vivas. A seventh director will be elected by the stockholders on March 27, 2025.

The Directors shall hold office for one (1) year or until their successors are elected and qualified. The annual meeting of the stockholders shall be held every 30 June of each year, or the next business day if 30 June falls on a weekend or a holiday. As mentioned, holders of Series 6 Preferred Shares are not entitled to vote for and elect the Company's directors.

Megawide's By-laws currently disqualify or deem ineligible for nomination or election to the Board any person who represents an interest adverse to or in conflict with those of the Company or said person is an officer of stockholder of a corporation engaged in the same business as that of the Company.

Section 38 of the SRC requires that at least two (2) members of the Board be Independent Directors. The Company's New Manual on Corporate Governance ("Manual on Corporate Governance"), which is based on the Code of Governance for Publicly-Listed Companies,[1] recommends that Megawide should have at least three (3) members who are Independent Directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher. As of the date of this Preliminary Prospectus, two (2) members of the Board are independent directors, namely, Hilario G. Davide, Jr., and Celso P. Vivas. The third independent director will be elected by the stockholders on March 27, 2025. Nonetheless, the Amended By-Laws of Megawide provides that Megawide is required to only have at least two (2) independent directors or at least 20% of its board size, whichever is lesser, but in no case less than two (2).

Directors may only act collectively; individual directors have no power as such. A majority of the directors constitutes a quorum for the transaction of corporate business and every decision of a majority of the quorum duly assembled as a board is valid as a corporate act. Any vacancy created by the death or resignation of a director prior to expiration of his term may be filled by the remaining members of the Board, if still constituting a quorum. Any director elected in this manner by the Board shall serve only for the unexpired term of the director whom he replaces. Any such vacancy may also be filled by the shareholders entitled to vote, by ballot, at any meeting or adjourned meeting held

[1] Securities and Exchange Commission Memorandum Circular No. 19, Series of 2016.

during such vacancy, provided that the notice of the meeting mentions such vacancy or expected vacancy.

Appraisal Rights

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

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

- an amendment of the articles of incorporation which has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all of the corporate property and assets of the corporation;

- the investment of corporate for any purpose other than the primary purpose of the corporation; and

- a merger or consolidation.

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

Shareholders' Meeting

At the annual meeting or at any special meeting of the Company's shareholders, the latter may be asked to approve actions requiring shareholder approval under Philippine law.

Quorum

The Revised Corporation Code provides that, except in instances where the assent of shareholders representing two-thirds of the outstanding capital stock is required to approve a corporate act (usually involving the significant corporate acts where even non-voting shares may vote, as identified above) or where the by-laws provide otherwise, a quorum for a meeting of shareholders will exist if shareholders representing a majority of the capital stock are present in person or by proxy.

Fixing Record Dates

The Board has the authority to fix in advance the record date for shareholders entitled: (a) to notice of, to vote at, or to have their votes voted at, any shareholders' meeting; (b) to receive payment of dividends or other distributions or allotment of any rights; or (c) for any lawful action or for making any other proper determination of shareholders' rights. The Board may provide that the stock and transfer book be closed for twenty (20) days in case of regular meeting, and ten (10) working days in case of special meeting, immediately preceding such shareholders' meeting.

Issues of Shares

Subject to applicable limitations, the Company may issue additional shares to any person for consideration deemed fair by the Board, provided that such consideration shall not be less than the par value of the issued shares.

Change in Control

There is no provision in the Company's Articles of Incorporation and By-Laws, as amended, which may delay, deter, or prevent a change in control in the Company. However, there may be provisions in contracts to which the Company is or shall be party which may delay, deter or prevent a change in control in the Company.

Mandatory Tender Offers

- Any person or group of persons acting in concert, who intends to acquire fifteen percent (15%) of equity securities in a public company in one or more transactions within a period of twelve (12) months, shall file a declaration to that effect with the Commission.

- Any person or group of persons acting in concert, who intends to acquire thirty five percent (35%) of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company through the PSE trading system shall not be required to make a tender offer even if such person or group of persons acting in concert acquire the remainder through a block sale if, after acquisition through the PSE trading system, they fail to acquire their target of thirty five percent (35%) or such outstanding voting shares that is sufficient to gain control of the board.

- Any person or group of persons acting in concert, who intends to acquire thirty five percent (35%) or more of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company in one or more transactions within a period of twelve (12) months, shall be required to make a tender offer to all holders of such class for the number of shares so acquired within the said period. If the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed across selling shareholders with whom the acquirer may have been in private negotiations and other shareholders.

- Any person or group of persons acting in concert, who intends to acquire thirty five percent (35%) of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company directly from one or more stockholders shall be required to make a tender offer for all the outstanding voting shares. The sale of shares pursuant to the private transaction or block sale shall not be completed prior to the closing and completion of the tender offer.

- If any acquisition of even less than thirty five percent (35%) would result in ownership of over fifty percent (50%) of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining stockholders of the said company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer in such a tender offer shall be required to accept any and all securities thus tendered.

The term "public company" refers to: (i) a corporation with a class of securities listed on an exchange, such as the PSE; or (ii) a corporation with assets of at least ₱50 million and having 200 or more shareholders with at least 100 shares each.

When the securities tendered pursuant to such an offer exceed the number of shares that the acquiring person or group of persons is willing to acquire, the securities shall be purchased from each tendering shareholder on a *pro rata* basis according to the number of securities tendered by each security holder. In the event that the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed to both the selling shareholders with whom the acquirer may have been in private negotiations with and the minority shareholders.

In a mandatory tender offer, the acquirer must offer the highest price paid by him for such shares during the past six months. Where the offer involves payment by transfer or allotment of securities, such securities must be valued on an equitable basis. However, if any acquisition of even less than 35% would result in ownership of 51% of the total outstanding equity, the acquirer shall make a tender offer for all the outstanding equity securities to all remaining shareholders of the said corporation at a price supported by a fairness opinion provided by an independent financial adviser or equivalent third party. The acquirer in such tender offer shall accept any and all securities thus tendered.

No mandatory tender is required in:

- purchases of shares from unissued capital shares unless it will result in a 50% or more ownership of shares by the purchaser;
- purchases from an increase in the authorized capital shares of the target company;
- purchases in connection with a foreclosure proceeding involving a pledge or security where the acquisition is made by a debtor or creditor;
- purchases in connection with a privatization undertaken by the government of the Philippines;
- purchases in connection with corporate rehabilitation under court supervision;
- purchases through an open market at the prevailing market price; or
- purchases resulting from a merger or consolidation.

Accounting and Auditing Requirements / Rights of Inspection

Philippine stock corporations are required to file copies of their annual financial statements with the SEC. Corporations whose shares are listed on the PSE are also required to file quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to request copies of the most recent consolidated financial statements of the corporation which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year. This report is required to include audited consolidated financial statements.

Summary of Features of Megawide Preferred Shares

Features	**Series 1**	**Series 2**		**Series 3**	**Series 4**	**Series 5**	**Series 6**		
		Series 2A	**Series 2B**				**Series 6A**	**Series 6B**	**Series 6C**
Year of Issuance	2014	2020	2020	2020 / 2021/ 2023/ 2025	2021	2023	2025	2025	2025

Year of Earliest Redemption	2019	2023	2025	None	2025	2026	2028	2028	2030
Year of Redemption	2021	2023	None	None	None	None			
Step Up	Yes	Yes	Yes	None	Yes	Yes	Yes	Yes	Yes
Cumulative	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Voting rights	None	None	None	None	None	None	None	None	None
Participating	Non-participating	Non-participating	Non-participating	Non-participating	Non-participating	Non-participating	Non-participating	Non-participating	Non-participating
Convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
Pre-emptive Rights	None	None	None	None	None	None	None	None	None
Initial Dividend Rates	7.025%	4.75%	5.75%	To be determined by the Board of Directors	5.30%	7.9042%	[•]	[•]	[•]
Redeemable (non-reissuable)	At option of Issuer starting on the 5th year from the Listing Date	At option of Issuer starting on the day 2.5 years from the Listing Date	At option of Issuer starting on the 5th year from the Listing Date	To be determined by the Board of Directors	At option of Issuer starting on the day 3.5 years from the Listing Date	At option of Issuer starting on the 3rd year from the Listing Date	At option of Issuer starting on the 3rd year from the Listing Date	At option of Issuer starting on the 3rd year from the Listing Date	At option of Issuer starting on the 5th year from the Listing Date
Offer Price	Php100	Php100	Php100	Php100	Php100	Php100	Php100	Php100	Php100
Number of Shares Outstanding after the Offer	0	26,220,130	17,405,880	45,000,000	40,000,000	15,000,000	[•]	[•]	[•]

The Company's Series 1 Preferred Shares were listed in the PSE on December 3, 2014 under the trading symbol "**MWP**", and was redeemed by the Company on December 3, 2021; Series 2A and 2B Preferred Shares were listed in the PSE on November 27, 2020 under the trading symbols "**MWP2A**" and "**MWP2B**", respectively. MWP2A was redeemed on May 29, 2023. The Series 3 Preferred Shares are not listed in the PSE. The Series 4 Preferred Shares were listed in the PSE under the trading symbol "**MWP4**" on October 29, 2021. The Series 5 Preferred Shares were listed in the PSE under the trading symbol "**MWP5**" on April 17, 2023.

Redemption Process for MWP4

As and if declared by the Board of Directors of the Company and subject to the requirements of applicable laws and regulations, the Company may, at its sole option, redeem in whole (but not part), its Series 4 Preferred Shares, 3.5 years from the Listing or on any Dividend Payment Date occurring thereafter at a redemption price equal to the Issue Price of ₱100.00 plus all dividends due on such Optional Redemption Date as well as all Dividends in Arrears. The Company shall give not less than thirty (30) days nor more than sixty (60) days prior written notice of its intention to redeem the Series 4 Preferred Shares, which notice shall be irrevocable and binding upon the Company to effect such early redemption of the Series 6 Preferred Shares at the Optional Redemption Date stated in such notice.

The notice will include details of the process of redemption. Typically, the checks will be prepared by Stock Transfer Service Inc. and will be made available to the relevant shareholders as of the record date in the notice.

INTEREST OF NAMED EXPERTS AND INDEPENDENT COUNSEL

LEGAL MATTERS

The validity of the Offer Shares and other legal matters concerning the Offer and the tax implications thereof were reviewed for Megawide Construction Corporation (the "Company") by Añover San Diego & Primavera Law Offices, the independent legal and tax counsel of the Company.

Certain legal matters as to the Philippine law relating to the Offer will be passed upon by Picazo Buyco Tan Fider & Santos Law Offices, legal counsel to the Company, and Angara Abello Concepcion Regala & Cruz Law Offices, legal counsel to Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

Each of the foregoing legal counsel has no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and Accountability and as prescribed by the Supreme Court of the Philippines.

None of the aforementioned counsels has acted or will act as promoter, underwriter, voting trustee, officer, or employee of the Company.

INDEPENDENT AUDITORS

The audited consolidated financial statements ("AFS") of the Company, for the years ended September 30, 2024, December 31, 2023, and December 31, 2022 appearing in this Preliminary Prospectus have been audited by Punongbayan & Araullo ("P&A"), independent auditor (or external auditor), as set forth in their reports in the AFS, appearing elsewhere in this Preliminary Prospectus.

The aggregate fees billed by P&A for each of the years ended September 30, 2024, December 31, 2023, and December 31, 2022 for professional services rendered to the Company, excluding fees directly related to the Offer, are the following (amounts in ₱):

Audit and Audit-Related Fees

Particulars	Nature	Audit Fees (amounts in ₱) As of September 2024 and for the years ended December 31, 2023 and 2022		
		2024	2023	2022
Punongbayan & Araullo	Audit of Financial Statements	-	3,885,000.00	3,885,000.00
Punongbayan & Araullo	Summary of Application of Proceeds on Preferred Shares	450,000.00 (Q1 to Q3)	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
Punongbayan & Araullo	Agreed Upon Procedures (Schedule of Estimated Capital Cost)	-	124,000.00	-
Punongbayan & Araullo	Financial Statement Quarterly Consolidated Review and Prospectus Circle-Up	4,700,000.00	-	3,700,000.00
Punongbayan & Araullo	Tax Opinion on Development Projects	-	-	250,000.00

The fees presented above include out-of-pocket expenses incidental to the services of the foregoing independent auditors.

Except for the abovementioned services, the independent auditors provided no other type of services.

The Company has no disagreements with its independent auditors on any matter of accounting principles or practices, financial statements disclosure, or auditing scope or procedure.

Pursuant to the Company's Manual on Corporate Governance, its Board of Directors ("Board") has established an Audit and Compliance Committee ("ACC"), which is composed of at least three (3) Non-Executive Directors, majority of whom, including its Chairman, shall be Independent Directors. All the members shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, audit, and/or finance, and are able to read and understand financial statements.

In accordance with its charter, the ACC has the following roles and responsibilities with respect to the independent auditors of the Company:

a. Perform oversight activities over the Company's external and internal auditors. The ACC shall ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties, and personnel to enable them to objectively perform their respective audit functions. The ACC shall further guarantee that the internal and external auditors shall be free from interference by outside parties in carrying out their work and duties.

b. Recommend and approve the appointment, reappointment, removal, and fees of the external auditor which shall be approved by the Board and ratified by the shareholders.

c. Assess, oversee, review and monitor the external auditor's independence, integrity and objectivity and shall ensure that the external auditor has adequate quality control procedures. The ACC shall review the external auditor's suitability and effectiveness on an annual basis and shall implement a policy of rotating the external auditor's lead audit partner every five (5) years.

d. Ensure that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.

e. Review the reports submitted by the internal and external auditors. Evaluate and monitor management's responsiveness to the internal and external auditors' findings and recommendations.

f. Prior to the commencement of the audit, discuss with the external auditors the nature, scope and expenses of the audit, and ensure coordination, if more than one audit firm is involved in the activity, to secure proper coverage and minimize duplication of efforts.

Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The ACC shall disallow any non-audit work that will conflict with the external auditor's duties or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the annual report of the Company.

DESCRIPTION OF BUSINESS

OVERVIEW OF THE COMPANY

Megawide Construction Corporation ("**Megawide**" or the "**Company**") is one of the country's most progressive infrastructure conglomerates, with a portfolio in EPC, Airport Infrastructure and Progressive Property Development. The Company's revolutionary construction and engineering solutions continue to shape the industry by integrating its comprehensive EPC capabilities with innovative construction solution technologies such as precast, formworks, concrete batching, and specialized logistics systems.

The Company was incorporated in the Philippines on July 28, 2004 as a general construction business and has then expanded its business by creating a strong partnership with the Philippine government through the Public Private Partnership ("**PPP**") program, with projects such as Mactan Cebu International Airport ("**MCIA**"), the Parañaque Integrated Terminal Exchange ("**PITX**") and the PPP for School Infrastructure Project Phases 1 and 2. GMR Megawide Cebu Airport Corporation ("**GMCAC**") was incorporated primarily to construct, develop, operate and maintain MCIA while MWM Terminals, Inc. (MWMTI) undertakes the development and implementation of the PITX Project. The Company has been in business for almost twenty (20) years and has a net worth of ₱16,209,838,842.00 as of 31 December 2023.

On January 28, 2011, the PSE and the SEC approved the Company's application for the listing of its common stock. The approval covered the initial public offering ("**IPO**") of 292.0 million unissued common shares of the Company at ₱7.84 offer price per share and the listing of those shares in PSE's main board on February 18, 2011. On December 3, 2014, the Company made a primary offer of 40.0 million Series 1 Preferred Shares at an offer price of ₱100.0 per share. The Series 1 Preferred Shares are also listed in the PSE.

On April 22, 2014, the Company, together with its strategic partners, GMR Infrastructure (Singapore) Pte. Limited ("**GISPL**") and GMR Infrastructure Limited ("**GIL**"), incorporated GMCAC for the purpose of implementing the provisions of the Concession Agreement for the MCIA.

On October 30, 2024, Megawide opted to exchange its remaining 33 and 1/3% plus 1 share of outstanding capital stock in AGMCAC – operator of the award-winning MCIA – in favor of AIC for a total consideration of ₱7.76 billion. The transaction was in accordance with the Share Subscription and Transfer Agreement among Megawide, GAIBV, and AIC, which includes the issuance of Exchangeable Notes from both Megawide and GAIBV for the remaining 66 and 2/3% plus one (1) share of AGMCAC's outstanding capital stock amounting to ₱15.5 billion. This strategic move marks Megawide's full transition out of airport operations, allowing the Company to focus on its core infrastructure and engineering capabilities while unlocking significant value for future growth.

On September 22, 2014, the SEC approved the amendment of the Company's Articles of Incorporation ("**AOI**"), which includes (a) the Company's power to extend corporate guarantees to its subsidiaries and affiliates, and (b) the increase in its authorized capital stock to ₱5.0 Billion divided into 4,930.0 million common shares and 70.0 million cumulative, non-voting, non-participating, non-convertible to common shares and redeemable, at the option of the Company, perpetual preferred shares. Both common and preferred shares have a par value of ₱1.00 per share.

On February 10, 2015, MWMTI, the joint venture of Megawide and then WM Property Management, Inc. ("**WMPMI**") (which is now Megawide Terminals, Inc. ("**MTI**"), was incorporated primarily to develop and implement the PITX project, the first intermodal terminal in the Philippines, in accordance with the Concession Agreement signed with the Department of Transportation ("**DOTr**") on April 24, 2015. PITx is designed to be the first intermodal terminal in the Philippines.

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

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

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

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

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

On November 4, 2022, the Company's Board of Directors approved the increase in the authorized capital stock of the Company from ₱5,080,000,000.00, divided into 4,930,000,000 Common Shares with par value of ₱1.00 per share and 150,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual Preferred Shares with a par value of ₱1.00 per share, to ₱5,116,000,000.00, divided into 4,930,000,000 Common Shares with par value of ₱1.00 per share and 186,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual Preferred Shares with a par value of ₱1.00 per share.

The foregoing resolution was approved and ratified by the affirmative vote of stockholders owning at least 2/3 of the entire outstanding capital stock of the Company, during the Special Stockholders' Meeting held on December 20, 2022. The increase in the Company's authorized capital stock was approved by the SEC on February 15, 2023. The SEC then issued the Order of Registration and the Certificate of Permit to Offer Securities for Sale for fifteen million (15,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual Series 5 Preferred Shares. The offer and sale of the Series 5 Preferred Shares led the Company to raise One Billion Five Hundred Million Pesos (₱1,500,000,000.00). The said shares were listed in the PSE on April 17, 2023.

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

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

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

In July 27, 2023, the Company acquired 100% of PH1 World Developers ("**PH1**") from Citicore to engage in progressive property development and provide the Company a third leg in its ever-evolving business portfolio, which already includes EPC and construction solutions and infrastructure development.

On October 25, 2024, the Board of Directors approved the increase of the Company's authorized capital stock of preferred shares by sixty-four million (64,000,000) shares, to a total of two hundred fifty million (250,000,000) cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares; thereby increasing the Company's total authorized capital stock to Five Billion One Hundred Eighty Million Pesos (₱5,180,000,000.00), and amending Article Seventh of its Articles of Incorporation while the authorized capital stock of preferred shares will increase to two hundred fifty million (250,000,000) shares.

On December 10, 2024, this was approved by the stockholders' during the Special Stockholders' Meeting. The increase in the Company's authorized capital stock was approved by the SEC on December 27, 2024.

On December 10, 2024, the stockholders also approved the appointment of the new independent auditor following the Company's Board of Directors approval of the engagement of PwC Isla Lipana & Co. as the Company's independent auditor for 2024. This direction is in adoption of the 2014 European Union Audit Regulation by the Company's parent company, Citicore.

Citicore adopted a policy to align with the 2014 European Union Audit Regulation standard on mandatory audit firm rotation. The policy prescribes that an Independent Auditor shall be replaced after a maximum duration of 10 years, extendable to a maximum of 24 years, subject to meeting certain conditions.

Further, the replacement is being sought to ensure consistency and alignment in financial reporting processes and audit methodologies across the group, as PWC serves as the auditor of Citicore.

Below are the significant business developments of Megawide for the past 3 fiscal years:

2021

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

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

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

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

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

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

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

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

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

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

2022

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

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

The project has a total contract value of ₱13.26 billion and JPY 11,227,496,171.00 (approximately ₱4.49 billion using the exchange rate as of 4 May 2022), which together will have an aggregate estimated value of ₱17.75 billion. Megawide's corresponding share in the Joint Venture will be reflected in the Company's infrastructure order book. At the same time, this will facilitate the Company's diversification into rail systems, which will include underground railway technology.

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

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

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

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

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

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

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

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

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

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

In August 17, 2022, Megawide listed a total of ₱4.0 billion fixed-rate bonds (inclusive of the ₱1.0 billion oversubscription option) at the Philippine Dealing and Exchange Corp. ("**PDEx**").

The issue received total tenders of ₱6.71 billion and was 2.24x oversubscribed from the P3.0 billion base amount during the offer period, which ran from July 28, 2022, to August 05, 2022. The net proceeds of the fixed-rate bonds shall be used by Megawide primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements.

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

On September 2, 2022, Megawide and GAIBV executed a Share Subscription and Transfer Agreement with AIC, for AIC to acquire shares in GMCAC, the developer and operator of the award-winning MCIA.

The joint-venture partners for the 25-year Concession Agreement to develop, operate, and maintain MCIA – Megawide and GAIBV – agreed to sell down their existing stakes in GMCAC to accommodate the entry of AIC. The agreement involves GMCAC's issuance of primary shares and the transfer of secondary shares from Megawide and GAIBV to AIC amounting to ₱9.5 billion, which will result in the latter owning 33 & 1/3 percent minus 1 share stake in GMCAC.

Simultaneously with the above, the transaction likewise involves the issuance by Megawide and GAIBV of Exchangeable Notes for the aggregate amount of ₱15.5 billion (Notes). The Notes will mature on 30 October 2024 and will be exchanged by AIC for the remaining 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock.

On December 16, 2022, Megawide, together with GAIBV, has closed the deal with AIC wherein AIC acquired GAIBV and Megawide's shares in GMCAC, the airport operator, for an initial ₱9.5 billion covering 33 & 1/3 percent minus one share in GMCAC.

Under the deal, Megawide and GAIBV will then issue ₱15.5-billion worth of exchangeable notes to AIC. When the notes mature in 2024, AIC is expected to trade these for the remaining 66.6 percent plus one stake in GMCAC.

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

2023

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

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

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

The Pre-Cast and Construction Solutions (PCS) Unit also sustained its capacity utilization build-up, both from internal and external clients. Internally, the unit has an outstanding package for CP-104 of the Metro Manila Subway System worth ₱923 million. External order book continue to increase with three (3) new supply-and-build contracts bagged with residential developer PHirst Park Homes, Inc. (PPHI) located in Naic, Cavite; Baliuag, Bulacan; and Tayabas, Quezon. This brings the Company's partnership with PPHI to close to 19,000 units across 11 locations nationwide. In the infrastructure space, PCS also secured a ₱1.0 billion contract from Leighton Asia to supply precast double tee slabs for the Candaba Viaduct expansion and a ₱108 million deal for the MRT-7 Line to boost its applicability for critical infrastructure projects to promote mobility and commerce. In its bid to expand into new segments, PCS also sealed a ₱158 million contract with Vitro Data Center to establish foothold in the fast-growing digital infrastructure space.

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

On July 27, 2023, the Company purchased 100% stake in PH1 World Developers (PH1) from Citicore for ₱5.2 billion. The acquisition of PH1 completes the vertical integration of Megawide's existing EPC and PCS capabilities with property development to harness synergies and is a natural progression for engineering and construction to higher value added business offered and opportunities unlocked through PH1.

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

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

2024

For the first nine months of 2024, the Company's construction business continued to benefit from increased economic activities and the government's infrastructure build up – driving revenues higher during the period. This was supported by a strong macro-economic growth, coupled with easing interest rates, and renewable energy capacity build-up.

The Company secured eight (8) new contracts during the period amounting to P8.91 billion, six of which were solar power plants of newly listed affiliate Citicore Renewable Energy Corp., through affiliate MCC-Citicore Construction, Inc. (MCC-CCI). This brought the Company's order backlog to ₱42.6 billion as of end-September, representing 2-3 years of revenues.

The manufacturing side of the construction business – representing the pre-cast and construction solutions (PCS) segment – likewise continued to sustain its momentum with significant growth in external sales. During the review period, revenues from PCS more than doubled to P2.80 billion from P1.10 billion last year, driven by robust external sales, which comprised 65% of its revenues from 35% previously.

Landport operations, on the other hand, continued to show improvements in the commercial spaces at the terminal – which was boosted by consistently increasing foot traffic at an average of 136,000 daily in the first nine months of the year – and improvement in office leasing. Occupancy in the terminal further rose to 92% as of end-September while occupancy at the office towers improved to 41%, which were all leased out to traditional tenants, like logistics hubs, government offices, transport services, and travel agencies.

Meanwhile, PH1 World Developers (PH1) continued to experience robust sales from new and ongoing projects My Enso Lofts, The Hive, Modan Lofts, One Lancaster Park, and Northscapes San Jose del Monte, Bulacan. As of end-September, total reservation sales booked by PH1 already reached ₱11.8 billion, which are expected to translate to revenues over the next two years as construction progress on these projects accelerate. In addition, unsold inventory worth ₱11.0 billion – which still excludes projects to be launched early next year – will provide a healthy stock of future sales and revenue.

On 30 October 2024, Megawide Construction Corporation (the Company or Megawide) opted to exchange its remaining 33 and 1/3% plus 1 share of outstanding capital stock in Aboitiz GMR Megawide Cebu Airport Corporation's (AGMCAC) – operator of the award-winning Mactan Cebu International Airport (MCIA) – in favor of Aboitiz InfraCapital Inc. (AIC) for a total consideration of ₱7.76 billion.

The transaction was in accordance with the Share Subscription and Transfer Agreement among Megawide, GMR Airports International BV ("GAIBV"), and AIC, which includes the issuance of Exchangeable Notes from both Megawide and GAIBV for the remaining 66 and 2/3% plus one (1) share of AGMCAC's outstanding capital stock amounting to ₱15.5 billion.

In November 2024, the Company secured the contract to design and construct a new Passenger Terminal Building (PTB) at the Caticlan Airport, gateway to Boracay Island, which is owned and operated by Trans Aire Development Holdings Corp. (TADHC), a subsidiary of SMC Infrastructure.

The project is expected to help realize a First-world facility at Caticlan Airport through Megawide's engineering excellence and ability to integrate our sustainable methodologies to this landmark development.

HISTORY

The Company traces its roots to an engineering firm founded in 1997 by two young civil engineers, Engr. Edgar B. Saavedra and Engr. Michael Cosiquien, with a start-up capital of ₱500,000.00. The engineering firm rendered construction services to private residential houses, commercial and industrial buildings. On July 28, 2004, the firm was formally incorporated under the name "Megawide Construction Corporation", with the primary purpose of engaging in general construction business.

2005 to 2010

In 2005, the Company entered the high-rise condominium market and constructed the 25-storey Residencia de Regina project located at Loyola Heights, Quezon City. It also inaugurated its Binangonan pre-cast fabrication plant and introduced high-strength pre-cast concrete façade walls in the Residencia de Regina project.

In 2007, Megawide qualified and secured its AAA Contractor's License, the highest classification and category then from the Philippine Contractors Accreditation Board. The Company also successfully negotiated and booked contracts with SMDC for Grass Residences and Berkeley Residences.

In 2008, the Company upgraded its fleet of tower cranes and earthmoving equipment, in anticipation of increase in demand for its contracting services and to support its expansion plans and programs. The Company also introduced key value engineering building systems into its construction process, the wall, slab and climbing Formwork System, purchased from the German company, Meva. These new systems enhanced the Company's competitiveness by reducing construction time and allowing earlier project turnover.

As a result of increasing demand for pre-cast concrete products, the Company in 2010, launched its satellite pre-cast concrete plant in the Mall of Asia Complex, Pasay City, fitted with European pre-cast machineries. In addition, two (2) experienced foreign engineers who are experts in precast concrete, and international building systems and standards joined Megawide's pool of senior managers.

In January 2010, the Company broke ground for its 10-storey corporate office tower in Quezon City. The Megawide Corporate Tower obtained a gold certification from the Leadership in Energy and Environmental Design ("**LEED**") of the United States Green Building Council. LEED is a third-party certification program for the design, construction and operation of high performance green buildings. LEED is the predominant green building rating system in the U.S. and is used around the world. The Corporate Tower marks an important landmark for Megawide, as it strives to be at the forefront of green building technology in the country. The Company was also a recipient of the Construction Safety Award from the Occupational Safety and Health Administration ("**OSHA**") in May 2009 and September 2010. The OSHA is a Philippine government agency that establishes protective and safety standards and enforces these standards in construction jobsites all over the country.

2011

On 2011, Megawide conducted its initial public offering and on February 18, 2011, Megawide was listed on the Main Board of the PSE.

In May 2011, Megawide broke ground for its 12-hectares State-of-the-Art Precast Concrete Manufacturing Complex in Taytay, Rizal. The facility is fully automated and considered to be the largest precast plant in the country. The Company intends to use the facility to mass-produce modular housing components to address the housing backlog of the nation; moreover, the same can also be used for school buildings, hospitals, and other infrastructure projects.

2012

In October 2012, Megawide entered into a joint venture agreement with its parent company, Citicore, and as CMCI with the SEC. Ten percent (10%) of the issued and outstanding stock of CMCI is owned by Megawide while Ninety percent (90%) is owned by Citicore. The first project booked by CMCI was the Department of Education's PPP for school buildings. The Department of Education awarded to CMCI in 2012 the school buildings in Regions 3 and 4. CMCI commissioned Megawide to construct all the school buildings in both regions.

In December 2012, Megawide acquired One Hundred percent (100%) of the issued and outstanding stock of Altria, the owner of the property in Taytay, Rizal where the precast plant of Megawide is located.

The Company was awarded by Asia-Money as one of the Best Managed Companies in the Philippines.

2013

On May 15, 2013, Megawide issued 35,959,523 new common shares of stock for a total issue price of ₱305,655,945.50 to Citicore and three individual stockholders of Altria. Said issuance of shares was part of the series of transactions for the acquisition of Altria and were listed with the PSE.

On October 17, 2013, CMCI signed the Build-Lease-Transfer Agreements for School Infrastructure Projects Phase II for Regions I, II, III and Cordillera Administrative Region, with the Department of Education.

On November 28, 2013, the MWCCI was awarded the Modernization of the Philippine Orthopedic Center project by the Department of Health.

On December 12, 2013, the PBAC of the DOTC opened all proposals for the Mactan-Cebu International Airport project to reveal that the Megawide-GMR Consortium submitted the highest bid. The DOTC-MCIAA later issued the Notice of Award on April 4, 2014.

The International Organization for Standardization ("**ISO**") awarded Megawide with the ISO 9001:2008 and ISO 140001:2004 certifications for quality and environmental management respectively.

Finance Asia awarded Megawide as one of "**Asia's Best Managed Companies**" for its outstanding performance.

On top of the Company's AAA Contractor License, it also secured Large B Contractor's License classification for government registration.

2014

In 2014, Megawide started to penetrate the upper market housing segments by winning the coveted Proscenium Project from Rockwell and Shang Salcedo Place from Shangri-La Properties, thus firmly establishing its ability to cater to wide market segments from upper to middle to Affordable Housing. The Company is also on track to complete and turnover PSIP I by the end of the year.

On April 22, 2014, the Company, along with its joint venture partner, GMR Infrastructure Limited, was officially awarded the MCIA project under a BOT agreement. Megawide and GMR incorporated GMCAC was chosen to undertake said project which is one of the biggest PPP projects of the DOTC, involving, among others, the construction of a world-class airport passenger terminal (along with associated infrastructure and facilities), the renovation and expansion of the existing airport terminal and the operation and maintenance of both airport passenger terminals for a period of 25 years under a build-operate-transfer arrangement. GMCAC expects to take over the operations of the MCIA by the 4th quarter of 2014 and construction of the new passenger terminal to start early next year.

On September 4, 2014, Megawide incorporated a subsidiary named Megawatt Clean Energy Incorporated ("**MCEI**") to pursue project development of Renewable Energies with particular focus on Wind, Solar, Hydro and Biomass power.

On November 1, 2014, terminal 1 of the Mactan International Airport was successfully turned over to GMCAC.

Additionally, the Occupational Health & Safety Advisory Services ("**OHSAS**") awarded Megawide with the OHSAS 18001:2007 certification as recognition of the Company's efforts to implement practices that create a healthy and safe working environment.

2017

2017 saw Megawide continue market leadership by booking new EPC contracts worth ₱10.8 Billion, bringing its total order book to ₱32.6 Billion. Private sector projects proved essential in growing its construction revenue by 6% year-on-year. These include Megaworld's Worldwide Plaza and Albany Residences, Double Dragon's Ascott DD-Meridian Park and Double Dragon Tower, and Maynilad's 88MLD Water Reclamation Facility. Other key wins during the year included the P9.6 Billion contract to build the new passenger terminal of the Clark International Airport together with its partner in airport operation GISPL. Also, in 2017, the Company secured an AAAA License from the Philippine Contractor's Accreditation Board ("**PCAB**").

Megawide's airport operations business, through GMCAC, continues its phenomenal growth, recording a double-digit passenger increase of 12% for 2017 at the MCIA. This is a key factor in GMCAC's 24% growth in net income. For 2017 alone, 12 international routes were added at the MCIA apart from the additional 23 domestic destinations. New international airlines include Juneyao Airlines, Sichuan Airlines, Lucky Air, Okay Airways, and Pan Pacific while AirJuan was the newly added domestic airline.

The MCIA received a commendation during the 2017 Routes Asia Conference for its excellence in airport marketing under the four (4) to twenty (20) million passengers per annum category. Established in 1997, the Routes Asia Marketing Awards recognizes the exemplary performance of various airports in marketing as voted by the airline community based on the best marketing services provided to industry players.

On March 15, 2017, the Company sold 2,000,000 shares or 10% of its interest in GMI to GHOSPL. As of December 31, 2017, GMI is 50% owned by the Company.

On June 20, 2017, the Company established Megawide Construction (BVI) Corporation ("**MCBVI**"), an entity incorporated in the British Virgin Islands, to primarily engage in buying and holding shares of foreign companies. MCBVI's registered address and principal place of business is Marcy Building, 2nd floor, Purcell Estate, Road Town Tortola, British Virgin Islands. As of December 31, 2017, MCBVI has not yet started commercial operations.

On August 16, 2017, Megacore Holdings, Inc. ("**Megacore**") acquired 313,786,575 shares, representing 14.7% ownership of the Company from Citicore Holdings Investment, Inc. ("**Citicore**"). This resulted to a decrease in Citicore's ownership from 66.7% to 51.0%. Citicore is a company incorporated in the Philippines and is engaged in the business of a holding company through buying and holding shares of other companies.

On December 22, 2017, Megacore further acquired additional shares from Citicore which resulted in an increase in its total outstanding shares in the Company equivalent to 28.9% or 617,709,197 shares as of December 31, 2017.

2018

The Company completed the construction of and inaugurated the MCIA Terminal 2 on June 7, 2018, which commenced its operations on July 1, 2018.

The airport segment continues to improve air traffic volume from 86,600 in 2017 to 99,528 in 2018 and passenger volume from 9.97 million in 2017 to 11.51 million in 2018. The MCIA received various commendations and awards in 2018 such as Asia Pacific Medium Airport of the Year from CAPA Center of Aviation, Special Recognition for Public Facility from Property Guru Philippines Property Award and Kholer Bold Design Awards from Influencers Innovation, among others.

On August 9, 2018, the Company acquired 344.5 million shares of WMPMI (now MTI) in MWMTI, representing 100% ownership interest therein, for a total purchase price of P344.1 million. MTI owns 49% of the shares of MWMTI, thereby making MWMTI a 100% owned subsidiary of the Company effective August 2019.

On November 5, 2018, the Company also inaugurated the PITX, which started its operation on 10 November 2018.

Megawide's construction segment continues to bag new projects in 2018, thereby opening its doors to greenfield clients and projects that will position the Company in becoming a strategic leader in the construction and infrastructure industry. New projects for 2018 include the construction of Clark International Airport expansion, Golden Bay Properties' Aspire project located in Macapagal Bay Area, Taft East Gate in Cebu, Araneta's Gateway Mall, University Tower 5, Megaworld's International Finance Center project and Mandani Bay development in Cebu City.

Also, in 2018, the Company, through its airport subsidiary, acquired a 41.66% interest in Mactan Travel Retail Group Corp. ("MTRGC") and Select Service Partners Philippines Corporation ("SSP"), which are primarily engaged in the start-up operations and management of duty paid retail, food and beverage outlets and provision of related services at the MCIA's domestic and international passenger terminals, Terminals 1 and 2, respectively.

2019

Megawide continued on its journey to becoming a construction and transport-oriented infrastructure innovator with the completion of its Public-Private Partnership (PPP) projects for MCIA and PITx.

GMCAC completed the renovation of MCIA Terminal 1, which includes the Airport Village and refurbished areas, on August 28, 2019. Air traffic and passenger volumes also reached all-time highs, with 13 new international and six (6) new domestic destinations commissioned.

Meanwhile, MWMTI completed the construction of its four (4) commercial/office towers with a total of seventy-six thousand nine hundred three (76,903) square meters. All towers have been one hundred percent (100%) contracted for a period of five (5) years each while the retail area was seventy one percent (71%) leased out as of end-2019.

The EPC segment ramped up its construction activities in its ₱52.4-billion order book, such as the Clark International Airport, 8990's Housing Development's Ortigas and Tondo, and various Double Dragon projects. New contracts reached ₱19.42 billion at the end of the year, providing sufficient revenue streams for next three (3) years.

The Company also received several prestigious awards from Finance Asia Best Managed Companies Poll in 2019 namely: (a) 1st place – "Best Investor Relations"; (b) 2nd place – "Best Mid Cap Company"; and (c) 4th place – "Best Environmental, Social, and Governance (ESG)". The MCIA also received various commendations and awards in 2019 such as Winner of the Completed Buildings: Transport category in the 2019 World Architecture Festival and 2019 International Architecture Awards, Airports and Transportation Centers Category for Terminal 2 by Chicago Athenaeum: Museum of Architecture and Design, among others.

2020

The global outbreak of the coronavirus disease 2019 (COVID-19) in February 2020 affected Megawide's operations across all business segments. While some recovery were experienced towards the end of the year upon the relaxation of the government of quarantine restrictions, the Company's performance remained depressed.

Nonetheless, Megawide inaugurated the renovated MCIA Terminal 1 on January 19, 2020, graced by President Rodrigo Duterte as the guest of honor. The Company also successfully completed the construction of CIA, as announced by DOTr on October 13, 2020.

At the height of the quarantine period, the Company focused its efforts on re-engineering its business processes, through automation and digitization, to improve the overall operational efficiencies across the organization, while pursuing priority projects, resulting in a record order book of ₱68.40 billion at the end of year.

In 2020, Megawide was the recipient of several prestigious awards and citations, such as the Third (3rd) Best Managed Company by Finance Asia and the Best Small Cap-Equity Deal of the Year in the Philippines at the 14th Annual Alpha Southeast Asia Best Deal & Solutions Awards 2020 for its Series 2A and Series 2B Preferred Shares Offering.

Moreover, the Company was awarded the 2019 ASEAN Asset Class PLCs (Philippines) award in relation to its 2019 ASEAN Corporate Governance (ACGS) assessment and was also recognized by the Institute of Corporate Directors (ICD) with two (2) Golden Arrow Awards, together with the most improved publicly-listed Company in the Philippines in terms of corporate governance.

2021

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

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

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

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

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

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

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

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

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

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

2022

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

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

The project has a total contract value of ₱13.26 billion and JPY 11,227,496,171.00 (approximately ₱4.49 billion using the exchange rate as of 4 May 2022), which together will have an aggregate estimated value of ₱17.75 billion. Megawide's corresponding share in the Joint Venture will be reflected in the Company's infrastructure order book. At the same time, this will facilitate the Company's diversification into rail systems, which will include underground railway technology.

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

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

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

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

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

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

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

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

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

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

In August 17, 2022, Megawide listed a total of ₱4.0 billion fixed-rate bonds (inclusive of the ₱1.0 billion oversubscription option) at the Philippine Dealing and Exchange Corp. ("**PDEx**").

The issue received total tenders of ₱6.71 billion and was 2.24x oversubscribed from the P3.0 billion base amount during the offer period, which ran from July 28, 2022 to August 05, 2022. The net proceeds of the fixed-rate bonds shall be used by Megawide primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements.

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

On September 2, 2022, Megawide and GAIBV executed a Share Subscription and Transfer Agreement with AIC, for AIC to acquire shares in GMCAC, the developer and operator of the award-winning MCIA.

The joint-venture partners for the 25-year Concession Agreement to develop, operate, and maintain MCIA – Megawide and GAIBV – agreed to sell down their existing stakes in GMCAC to accommodate the entry of AIC. The agreement involves GMCAC's issuance of primary shares and the transfer of secondary shares from Megawide and GAIBV to AIC amounting to ₱9.5 billion, which will result in the latter owning 33 & 1/3 percent minus 1 share stake in GMCAC.

Simultaneously with the above, the transaction likewise involves the issuance by Megawide and GAIBV of Exchangeable Notes for the aggregate amount of ₱15.5 billion (Notes). The Notes will mature on 30 October 2024, and will be exchanged by AIC for the remaining 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock.

On December 16, 2022, Megawide, together with GAIBV, has closed the deal with AIC wherein AIC acquired GAIBV and Megawide's shares in GMCAC, the airport operator, for an initial ₱9.5 billion covering 33 & 1/3 percent minus one share in GMCAC.

Under the deal, Megawide and GAIBV will then issue ₱15.5-billion worth of exchangeable notes to AIC. When the notes mature in 2024, AIC is expected to trade these for the remaining 66.6 percent plus one stake in GMCAC.

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

2023

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

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

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

The Pre-Cast and Construction Solutions (PCS) Unit also sustained its capacity utilization build-up, both from internal and external clients. Internally, the unit has an outstanding package for CP-104 of the Metro Manila Subway System worth ₱923 million. External order book continue to increase with three (3) new supply-and-build contracts bagged with residential developer PHirst Park Homes, Inc. (PPHI) located in Naic, Cavite; Baliuag, Bulacan; and Tayabas, Quezon. This brings the Company's partnership with PPHI to close to 19,000 units across 11 locations nationwide. In the infrastructure space, PCS also secured a ₱1.0 billion contract from Leighton Asia to supply precast double tee slabs for the Candaba Viaduct expansion and a ₱108 million deal for the MRT-7 Line to boost its applicability for critical infrastructure projects to promote mobility and commerce. In its bid to expand into new segments, PCS also sealed a ₱158 million contract with Vitro Data Center to establish foothold in the fast-growing digital infrastructure space.

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

In July 27, 2023, the Company purchased 100% stake in PH1 World Developers (PH1) from Citicore for ₱5.2 billion. The acquisition of PH1 completes the vertical integration of Megawide's existing EPC and PCS capabilities with property development to harness synergies and is a natural progression for engineering and construction to higher-value added business offered and opportunities unlocked through PH1.

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

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

2024

For the first nine months of 2024, the Company's construction business continued to benefit from increased economic activities and the government's infrastructure build up – driving revenues higher during the period. This was supported by a strong macro-economic growth, coupled with easing interest rates, and renewable energy capacity build-up.

The Company secured eight (8) new contracts during the period amounting to P8.91 billion, six of which were solar power plants of newly-listed affiliate Citicore Renewable Energy Corp., through affiliate MCC-Citicore Construction, Inc. (MCC-CCI). This brought the Company's order backlog to ₱42.6 billion as of end-September, representing 2-3 years of revenues.

The manufacturing side of the construction business – representing the pre-cast and construction solutions (PCS) segment – likewise continued to sustain its momentum with significant growth in external sales. During the review period, revenues from PCS more than doubled to P2.80 billion from P1.10 billion last year, driven by robust external sales, which comprised 65% of its revenues from 35% previously.

Landport operations, on the other hand, continued to show improvements in the commercial spaces at the terminal – which was boosted by consistently increasing foot traffic at an average of 136,000 daily in the first nine months of the year – and improvement in office leasing. Occupancy in the terminal further rose to 92% as of end-September while occupancy at the office towers improved to 41%, which were all leased out to traditional tenants, like logistics hubs, government offices, transport services, and travel agencies.

Meanwhile, PH1 World Developers (PH1) continued to experience robust sales from new and ongoing projects My Enso Lofts, The Hive, Modan Lofts, One Lancaster Park, and Northscapes San Jose del Monte, Bulacan. As of end-September, total reservation sales booked by PH1 already reached ₱11.8 billion, which are expected to translate to revenues over the next two years as construction progress on these projects accelerate. In addition, unsold inventory worth ₱11.0 billion – which still excludes projects to be launched early next year – will provide a healthy stock of future sales and revenue.

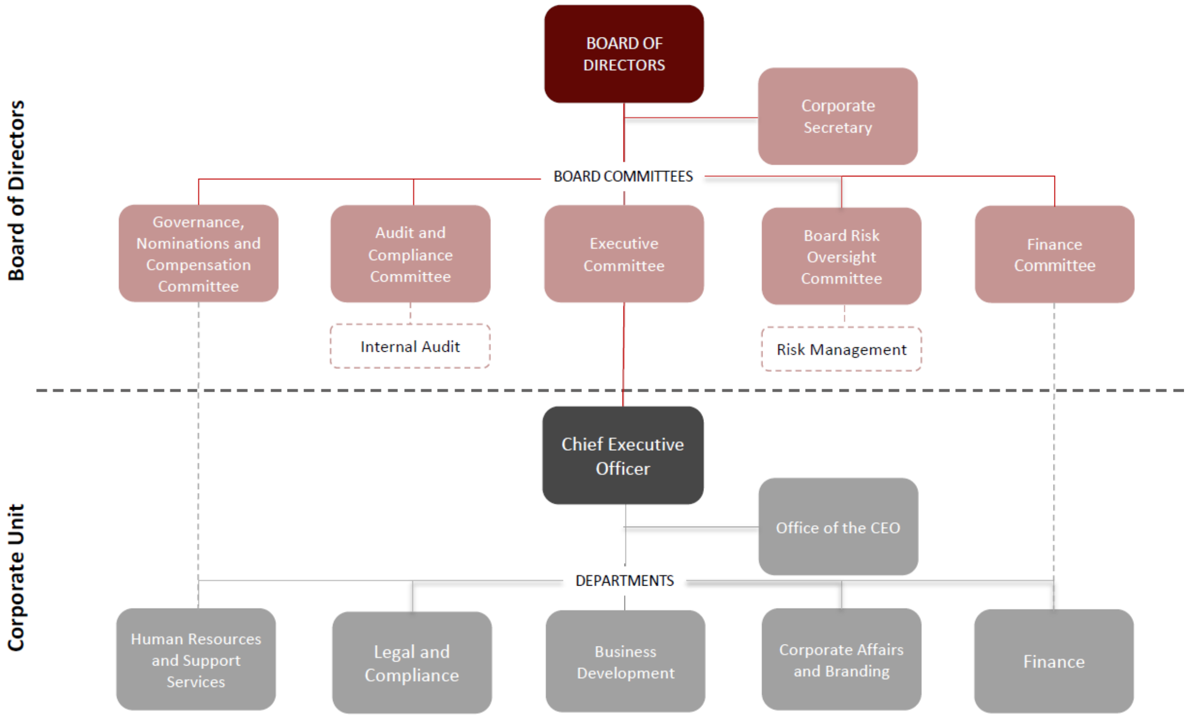
On 30 October 2024, Megawide Construction Corporation (the Company or Megawide) opted to exchange its remaining 33 and 1/3% plus 1 share of outstanding capital stock in Aboitiz GMR Megawide Cebu Airport Corporation's (AGMCAC) – operator of the award-winning Mactan Cebu International Airport (MCIA) – in favor of Aboitiz InfraCapital Inc. (AIC) for a total consideration of ₱7.76 billion.

The transaction was in accordance with the Share Subscription and Transfer Agreement among Megawide, GMR Airports International BV ("GAIBV"), and AIC, which includes the issuance of Exchangeable Notes from both Megawide and GAIBV for the remaining 66 and 2/3% plus one (1) share of AGMCAC's outstanding capital stock amounting to ₱15.5 billion.

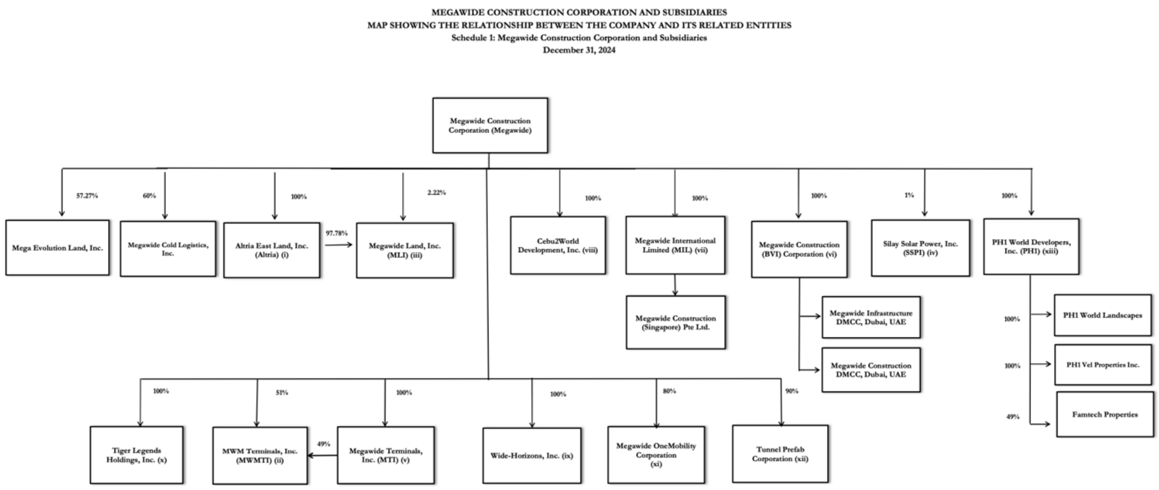
In November 2024, the Company secured the contract to design and construct a new Passenger Terminal Building (PTB) at the Caticlan Airport, gateway to Boracay Island, which is owned and operated by Trans Aire Development Holdings Corp. (TADHC), a subsidiary of SMC Infrastructure.

The project is expected to help realize a First-world facility at Caticlan Airport through Megawide's engineering excellence and ability to integrate our sustainable methodologies to this landmark development.

ORGANIZATIONAL STRUCTURE (as of December 31, 2024)



CORPORATE STRUCTURE



Supplementary information:

(i) Megawide's acquisition of Altria is treated as an acquisition of asset and not a business acquisition. Hence, Altria is not considered a subsidiary of the Megawide.

(ii) MWMTI was accounted for as a subsidiary due to the acquisition of 100% ownership in MTI, resulting to the increase in effective ownership of Megawide in MWMTI from 51.0% to 100.0%.

(iii) On October 28, 2016, Megawide acquired a 100.0% ownership interest in MLI, an entity incorporated in the Philippines. MLI is incorporated primarily to engage in real estate and related business.

(iv) In February 2016, SSPI's unissued shares of stock were acquired by CPI resulting in a 75.0% equity interest over SSPI and diluting Megawide's equity interest over SSPI from 100.0% to 25.0%. Hence, SSPI ultimately became a subsidiary of CPI. In 2016, the Megawide's equity interest was reduced from 100.0% to 1.0% upon acquisition of a related party under common ownership.

(v) In August 2018, Megawide acquired the outstanding shares of MTI representing 100.0% ownership, making it a wholly owned subsidiary of Megawide.

(vi) On June 20, 2017, Megawide acquired a 100.0% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands, a primarily engage in buying and holding shares of other companies.

(vii) MIL, whose registered office is at Marcy Building, 2nd Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019.

(viii) Cebu2World, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020.

(ix) Wide-Horizons, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020.

(x) Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands.

(xi) Formerly known as Citicore Infrastructure Holdings, Inc.; Megawide Construction Corporation subscribed to 7,500,000 common shares in Megawide OneMobility Corporation on 02 December 2021; Subsequently, Megawide Construction Corporation purchased 500,000 common shares in Megawide OneMobility Corporation on 29 July 2022 from Citicore Holdings Investment, Inc.

(xii) Tunnel Prefab Corporation was incorporated on 31 August 2022.
(xiii) On July 27, 2023, Megawide acquired the outstanding shares of PH1 World Developers, Inc. (PH1) representing 100.0% ownership from Citicore Holdings Investment, making it a wholly owned subsidiary of Megawide. At the date of acquisition, PH1 owns 100% and 49% of the outstanding capital stock of PH1 World Landscapes, Inc. (PH1-WL) and Famtech Properties, Inc. (Famtech), respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famtech.

As of the date of this Preliminary Prospectus, there are no (i) bankruptcy, receivership, or similar proceedings, and (ii) material reclassifications, merger, consolidation or purchase or sale of a significant amount of assets.

SUBSIDIARIES & AFFILIATES

As of December 31, 2024, effective ownership percentage of Megawide on each subsidiary/affiliate is as follows:

	Place of Incorporation	**2024**	**2023**	**2022**
Subsidiaries:				
PH1 World Developers, Inc.	Pasay City, Metro Manila, Philippines	100%	100%	-
PH1 World Landscapes Inc.	Mandaluyong City, Metro Manila, Philippines	100%	100%	-
PH1 Vel Properties Inc.	Pasig City, Metro Manila, Philippines	100%		
Famtech Properties, Inc.	Pasay City, Metro Manila, Philippines	49%	49%	-
Megawide Land, Inc.	Mandaluyong City, Metro Manila, Philippines	100%	100%	100%
Megawide Construction (BVI) Corporation	British Virgin Islands	100%	100%	100%
Megawide Construction DMCC	Dubai, United Arab Emirates	100%	100%	100%
Megawide Infrastructure DMCC	Dubai, United Arab Emirates	100%	100%	100%
Megawide Cold Logistics, Inc.	Metro Manila, Philippines	60%	60%	60%
MWM Terminals, Inc.	Mandaluyong City, Metro Manila, Philippines	100%	100%	100%
Megawide Terminals, Inc.	Mandaluyong City, Metro Manila, Philippines	100%	100%	100%
Megawide International Limited	British Virgin Islands	100%	100%	100%
Megawide Construction (Singapore) Pte. Ltd.	Singapore, Singapore	100%	100%	100%
Cebu2World Development, Inc.	Pasay City, Metro Manila, Philippines	100%	100%	100%
Wide-Horizons, Inc.	Pasay City, Metro Manila, Philippines	100%	100%	100%
Tiger Legend Holdings Limited	British Virgin Islands	100%	100%	100%
Megawide OneMobility Corporation	Mandaluyong City, Metro Manila, Philippines	80%	80%	80%
Tunnel Prefab Corporation	Pasay City, Metro Manila, Philippines	90%	90%	90%
Mega Evolution Land, Inc.	Quezon City, Metro Manila, Philippines	57.27%	57.27%	-
Accounted for as Asset Acquisition				
Altria East Land, Inc.	Mandaluyong City, Metro Manila, Philippines	100%	100%	100%
Associates				
Megawide World Citi Consortium Inc.**	Quezon City, Metro Manila, Philippines	51%	51%	51%
Citicore Megawide Consortium Inc.	Quezon City, Metro Manila, Philippines	10%	10%	10%
Evolution Data Centres Philippines, Inc.	Makati City, Metro Manila, Philippines	49%	49%	49%

Joint Operations				
Megawide GISPL Construction Joint Venture	-	50%	50%	50%
Megawide GMR Construction Joint Venture	Pasay City, Metro Manila, Philippines	50%	50%	50%
HDEC-Megawide-Dongah JV	-	35%	35%	35%
Tokyu-Tobishima-Megawide Joint Venture	-	30%	30%	-
Joint Ventures				
Mactan Travel Retail Group Corp.***	Philippines	-	-	-
Select Service Partners Philippines Corp.***	Philippines	-	-	-

*** Written-off investment in 2022*
**** No longer joint ventures of the Group following sale of GMCAC in 2022*

PH1 World Developers, Inc.

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

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

PH1 has wholly owned subsidiaries PH1-WL and PH1-VP. PH1-WL and PH1-VP which were registered on September 16, 2022 and March 1, 2024, respectively, are also engaged in real estate business.

The registered office address of PH1, PH1-WL and PH1-VP, which is also their principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

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

Megawide Land, Inc.

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo St. Brgy. Valencia, Quezon City. MLI has not commenced its operations as of September 30, 2024.

Megawide Construction (BVI) Corporation

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

MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No. JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW have not commenced operations as of September 30, 2024.

Megawide Cold Logistics, Inc. ("MCLI")

Megawide Cold Logistics Inc. is a company incorporated and was established to engage in cold and dry storage business. MCLI is sixty percent (60%) owned by MLI. As of December, 31, 2024, MCLI has not yet started commercial operations.

MWM Terminals, Inc.

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

Megawide Terminals, Inc.

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

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

Megawide International Limited

MIL, whose registered office is at Marcy Building, 2nd Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross St. #24-03/04 Manulife Tower Singapore. MIL has not commenced operations as of September 30, 2024.

Cebu2World Development, Inc.

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

Wide-Horizons, Inc.

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of September 30, 2024, WHI has not yet started commercial operations.

Tiger Legend Holdings Limited

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of September 30, 2024.

Megawide OneMobility Corporation

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

In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of September 30, 2024.

Tunnel Prefab Corporation

TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects. TPC has not yet started commercial operations as of September 30, 2024.

Mega Evolution Land, Inc.

Mega Evolution Land, Inc. was incorporated on May 10, 2023 to primarily deal and engage in land and real estate business. Mega Evolution Land, Inc.'s registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

Altria East Land, Inc.

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

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

Associates

Megawide World Citi Consortium, Inc.

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

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

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

Citicore Megawide Consortium, Inc.

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

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

Evolution Data Centres Philippines, Inc.

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of technological services. As of December 31, 2023, the Parent Company has 49% ownership interest in EDC. EDC has not yet started commercial operations as of September 30, 2024.

Joint Operations

Megawide GISPL Construction Joint Venture

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

Megawide GMR Construction Joint Venture, Inc.

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

HDEC- Megawide-Dongah JV

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

Tokyu-Tobishima-Megawide Joint Venture

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

Joint Ventures

Mactan Travel Retail Group Corp.

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

Select Service Partners Philippines Corp.

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

Parent Company and Other Affiliates

Citicore Holdings Investment Inc.

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

Megacore Holdings, Inc.

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

Future State Myspace, Inc.

FSMI was incorporated on January 27, 2012 to primarily engage in purchasing, acquiring, leasing and selling properties. FSMI is thirty-six percent (36%) owned by Mr. Edgar B. Saavedra, and has one hundred percent (100%) ownership interest over IRMO, Inc.

Citicore Power Inc.

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

BUSINESS SEGMENTS

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

Continuing Operations

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

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

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

Discontinued Operations

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

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

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

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

As of December 31, 2023, construction remained as the most significant revenue contributor at 97%, followed Landport operations real estate revenues with 2% and 1% revenue contributions, respectively. Additional significant information relating to each business segment are discussed below:

Construction Segment

Customer and Project Selection

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

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

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

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

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

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

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

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

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

1. Construction Methodology – this includes the methods to be used and followed on the ff:
   - Actual site condition
   - Temporary facility plan
   - Traffic Management plan
   - Constructability Method
     - Structural elements
     - Architectural elements
   - Construction sequence
   - Zoning
   - Cycle sequence
   - Soil protection
   - Dewatering system
   - Formworks system
   - Fall Protection
   - Construction Vertical Equipment plan
   - Material Data List

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

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

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

5. Project Procurement Plan

The activity is to develop all the procurement tools & documents needed for the entire projects. Base on the Budget (BCB) done in the bid preparations, the project head should prepare all proposed vendors (subcons & suppliers); develop the items into Packages to be procured with responsibility matrix; develop the approval matrix of Materials & Services that needs to be coordinated to Client, then present to top management as part of the PEP in the PPR mtg.

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

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

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

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

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

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

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

Procurement

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

1. Request For Quotation (RFQ) Preparation and Solicitation
The preparation of the RFQ documents should include the following:
    - Drawing Plans

- Material Specifications
- BoQ (Qty, Items & right format)
- Letter of Invitations (with proper instructions and process described)

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

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

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

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

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

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

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

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

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

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

<u>Terms Granted to Customers</u>

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

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

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

3. release of the ten percent (10%) retention money upon certification of the approval of the punch list of items. Customers usually require that Megawide obtain a guarantee bond to guarantee the quality of the materials provided, the equipment installed, and its workmanship.

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

<u>Completed Projects</u>

The notable projects that the Company has completed are:

1. **Worldwide Plaza** – An addition to the Uptown Bonifacio complex is this commercial and office building developed by Megaworld Corporation. This 24-storey building with a 3-level basement parking which will stand at a 7,800 square meter lot with total floor area of 114,310 square meters.Construction started in 2017 and was completed in 2021.

2. **Double Dragon Tower** – An office building composed of 11-storeys with a basement parking. Its gross floor area is 61,859.05 square meters. Total lot area is 5,257 square meters. Construction started in 2018 and was completed in 2021.

3. **Newport Link** – A commercial project of Megaworld Corporation located in Newport, Pasay City, which is a 7-storey building, with a total floor area of 50,174.27 square meters. Construction started in 2020 and was completed in 2022.

4. **Urban Deca Tondo** – A mass housing contract with Fog Horn, Inc. which initially focused on Buildings 9,10,12, and 13. In 2016, Buildings 1 and 2 were added. These 6 buildings have a total combined lot area of 162,067.37 square meters. Ultimately, there will be 14 clusters of 13-storey buildings in the residential complex located in Tondo, Manila City. The project also includes a 2-storey commercial building located in the residential complex with floor area of 20,132.76 square meters. Construction started in 2016 and was completed in 2017.

5. **Urban Deca Homes Manila** – is a 13-Building Medium rise affordable housing project located at a 8.47-hectare complex in Tondo, Manila. The project has a total of 13,212 residential units catering growing families who want to stay near their current family homes and for those working in trade and commerce since it is situated near the port and business area of Manila. Construction started in 2015 and was completed in 2022.

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

a gross floor area of 26,045.64 square meters. Construction started in 2018 and was completed in 2023.

7. **Albany Luxury Suites** – A residential project of Megaworld Corporation, located at Mckinley West, Fort Bonifacio, Taguig City, with total floor area of 41,847.48 square meters for 2 buildings, which are 15-storeys each. Construction started in 2018 and was completed in 2021.

8. **The Hive C&D, and Amenities** – is a 12-storey low density condominium with only 856 units in total, having only 18 condo units per floor, made of concrete glass and steel, boasts of a myriad of building amenities and features for the family looking to upgrade their current living spaces. Master-planned for space and landscaping, it is strategically located at the heart of Taytay Rizal. Construction started in 2019 and was completed in 2023.

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

10. **International Finance Tower** – A 25-storey office building developed by Megaworld Corporation, with a gross construction floor area of 114,000 square meters, located in BGC, Taguig City. Construction started in 2018 and was completed in 2022.

11. **Gentry Manor** – A residential project of Megaworld Corporation, located in South Beach District, Westside City, Parañaque City, whose 4 towers have a total floor area of 119,326.42 square meters. Construction started in 2019 and was completed in 2024.

12. **The CornerHouse Project** – A residential project of Emerald Rich Properties located at P. Guevarra Street, San Juan City, with total floor area of 16,020.79 square meters. The construction includes a 3-level basement, a 3-storey commercial area, and a roof deck. Construction started in 2019 and was completed in 2022.

13. **Coral Village** – A project with 1,200 residential units, with a floor area of 192 square meters per unit, or total CFA of 230,400 square meters in Coral Village, Lapu-Lapu City, Cebu by Johndorf Venture Corp. The project was completed in 2023

14. **Proposed 4-Storey Economic Residential Condominium (Plumera)** – The newest affordable project by Johndorf Ventures, strategically located at Basak, Lapu-Lapu City. The project's size is 5 hectares and is composed of 20 buildings with around 4 to 10 floors each, for a total floor area of 98,338 square meters. Construction started in 2019 and was completed in 2023.

15. **Lumbangan Solar Power** – is a 125MWp solar PV power Project and currently owned by Citicore Solar Batangas 1, located at Lumbangan Tuy, Province of Batangas Philippines. The Area is about 106 Hectares. Construction started in 2023 and the Early Works was completed in April 2024.

<u>On-Going Projects</u>

The following are the on-going projects of Megawide as of December 31, 2024:

1. **Urban Deca Ortigas** – A residential complex located along Ortigas Extension in Pasig City, comprises 24 clusters of 13-storey buildings which started construction in 2014. This development continues the earlier phase, which successfully delivered Buildings 1 to 8 in 2024. The ongoing construction includes Buildings 10 and 11 , scheduled for completion by Q1 2025. Buildings 9, 12 and 13 are expected to be completed by Q3 2026.

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

56,871.14 square meters. Construction started in 2018 and is expected to be completed in Q1 2025.

3. **Urban Deca Cubao** – A residential project of 8890 Holdings located in Cubao, Quezon City, with total floor area of 115,000 square meters. The construction includes a 2-level basement, a 45-storey residential area, and a roof deck. Construction started in 2020 and is expected to be completed in Q2 2025.

4. **Aglipay Sewage Treatment Plant** – an STP in Mandaluyong City, with a treatment capacity of 60 million liters per day (MLD) of wastewater and using the Moving Bed Biofilm Reactor (MBBR) process with Biological Nutrient Removal (BNR) technology. Construction started in 2021 with target completion date by Q1 2025.

5. **Suncity A** – Westside City Resorts World is a multi-billion project located at Bay Boulevard, Bagong Nayon Pilipino, Parañaque City, with a total building footprint of 113,628.15 square meters. Its facilities shall include 3 grand theaters, a shopping mall, and parking spaces. Construction started in 2023 and is expected to be completed by Q1 2025.

6. **Suncity B –** A 5-star hotel and casino project with Suntrust Home Developers Inc., a subsidiary of Suncity Group Holdings Limited. The said project is located at the entertainment area of Parañaque City. The project is divided into 4 parts, as follows: Package 1- Substructure, Package 2- Superstructure, Supplementary Agreement, and Nominated Subcontractor (NSC). Construction started in 2022 and is expected to be completed by Q4 2025.

7. **Ascott DD Meridian Park Manila** – A new addition to the Meridian Park of Double Dragon Properties Corp. which is a luxury residence developed in partnership with Ascott Singapore. It is composed of a 10-storey building with one (1) basement and gross floor area of 49,541.67 square meters. It is located in a 5,657 -square meter lot in DD Meridian Park, Bay Area corner Macapagal Avenue, EDSA Extension, Pasay City. Construction started in 2020 and is expected to be completed by Q2 2025.

8. **Double Dragon Meridian Tower -** is the last phase of construction at DoubleDragon Meridian park at Pasay City, it is a 12-Storey mixed use building with 1 basement and a total of 39,409.38 m², 112 parking lots, 1 PWD slot, 24 motorcycle slots and 1 loading. Lot area of 3,795.07 m² and with a building footprint of 3,139.13 m². The total height of the building is 49.78 m and has a total depth of -4.70 m. Construction started in 2021 and is expected to be completed by Q2 2025.

9. **Hotel 101 –** Hotel 101, strategically located in Lot 3, Bridgetowne, Eulogio Rodriguez, Jr., Ave., Brgy. Ugong Norte, District 3, Quezon City, stands as a distinguished commercial establishment. Located on a 2,547 square meter prime titled commercial lot in the prestigious Bridgetowne District, this 24-story structure with Roof deck and Helipad showcases the hotel's facilities, including a gym, outdoor infinity pool, all-day dining, business center, and function rooms, all designed to meet the discerning needs of its valued guests. The construction of Hotel101-Libis Bridgetowne includes Site Works, Structural Works, Architectural Works, and MEPF Works. With 702 hotel units, 13 commercial units, and 283 parking slots, Hotel 101 exudes sophistication in every aspect of its design and functionality. As part of the esteemed Bridgetowne integrated township by Robinsons Land Corp., Hotel 101 promises to deliver top-notch facilities and services in the heart of the bustling metropolitan area. Construction started in 2023 and is expected to be completed by Q2 2027.

10. **Landers Aseana** – is a single storey Commercial Building with 1 basement with a total CFA of 18,710.91 m², 296 parking slots. Lot area of 15,064 m². The total height of meter of 11.40 m. It has a total depth of -2.7m from NGL. Located at J.W. Diokno Blvd. Cor. Bradco Avenue Aseana City Parañaque City and has a development timetable of 12 months. Construction started in 2022 and is expected to be completed by Q1 2025.

11. **One Lancaster Park** – is a foundational development in Imus, Cavite that will provide the future residents a sophisticated lifestyle that everyone deserves while living in a sub-urban province. The entire development, which comprises of 9 mid-rise towers and amenities within the 6.3-hectare land area, aims to bring forth a peaceful and convenient lifestyle. Construction started in 2021 and is expected to be completed by 2033.

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

13. **Cebu Carbon Market Redevelopment** – A public and commercial redevelopment project in Cebu City which includes Multi-use Building, Sto Niño Chapel, Puso Village, interim market, and a multi-level parking. The developments have been started in 2023 and is expected to be completed by end of the year and operational in 2026.

14. **My Enso Tower (Timog) – Phase 1** – A mixed-use development that provides a customizable living experience by providing extra space for your needs, be living or storage space, and a smart and modern minimalist design concept, all located at the heart of Quezon City Central Business District. Construction started in 2023 and is targeted to be completed by Q1 2027.

15. **Modan Lofts Ortigas Hills (MLOH) -** Three (3) tower development with twenty-one (21) and twenty-two (22) storey with roof deck, a separate carpark building, amenity area and two (2) level retail at the entrance of the development area with an estimated construction floor area of 33,728.32sqm, located at Ortigas Extension Avenue, Barangay San Isidro Taytay, Rizal, Philippines. Construction for Tower 2 started in 2024 and is expected to be completed by 2026.

16. **CP-104 Manila Subway** – is the first ever subway project in Metro Manila that will connect North Caloocan or Meycauayan in Bulacan and Dasmariñas in Cavite through the National Capital Region. This is a project proposed by the DOTr. Phase 1 the Contract Package 104, Two underground Station (Ortigas Station & Shaw Boulevard Station) and Tunnels (3.4km). Construction started in 2022 and is expected to be completed by Q4 2027.

17. **Malolos-Clark Railway Project** – A 17-kilometer rail line that includes stations in Calumpit and Apalit, together with consortium partners Hyundai Engineering & Construction Co., Ltd. And Dong-ah Geological Engineering Company Ltd. Construction started in 2022 and is expected to be completed by 2027.

18. **Luntal Solar Power** – is a 72MWp solar PV power Project and currently owned by Citicore Solar Batangas 1, located at Luntal, Sabang, Tuy, Province of Batangas Philippines. The Area is about 72 Hectares. Construction started in 2024 and is expected to be completed by Q2 2025.

19. **Arayat Solar Power** – is a 42MWp solar PV power Project and currently owned by Citicore Solar, located at Brgy. Telapayong, Arayat, Province of Pampanga Philippines. The Area is about 106 Hectares. Construction started in 2024 and is expected to be completed by Q2 2025.

20. **NorthScapes SJDM** – is a residential project of PH1 Landscapes located in Brgy. Kaypian, San Jose Del Monte, Bulacan, Philippines. The construction includes residential housing units mixed with 2-storey townhouses. Construction started in 2024 and is expected to be completed by Q2 2025.

21. **SouthScapes Trece Martires** – is a residential project of PH1 Landscapes located in Brgy. Lapidario, Trece Martires, Cavite, Philippines. The construction includes 343 residential housing units mixed with 2-storey townhouses. Construction started in 2024 and is expected to be completed by Q2 2026.

22. **Binalonan Solar Power** – is a 113MWp solar PV power Project and currently owned by Citicore Solar, located at Brgy. Sta. Catalina, Municipality of Binalonan, Province of Pangasinan Philippines. The Area is about 113 Hectares. Construction started in 2024 and is expected to be completed by Q3 2025.

23. **Sta. Barbara Solar Power** – is a 125MWp solar PV power Project and currently owned by Citicore Solar, located at Balingueo, Sta. Barbara, Province of Pangasinan Philippines. The Area is about 103 Hectares. Construction started in 2024 and is expected to be completed by Q2 2025.

24. **Pagbilao Solar Power** – is a 136MWp solar PV power Project and currently owned by Citicore Solar, located at Brgy. Binahaan and Kanlurang Malicboy, Pagbilao Province of Quezon Philippines. The Area is about 131 Hectares. Construction started in 2024 and is expected to be completed by Q2 2025.

25. **Bolbok Solar Power** – is a 177MWp solar PV power Project and currently owned by Citicore Solar Batangas 2, located at Sitio Bolbok, Tuy, Province of Batangas Philippines. The Area is about 166 Hectares. Construction started in 2024 and is expected to be completed by Q3 2025.

Major Customers

Megawide is currently servicing the majority of high-rise residential, commercial, office, and mixed-use development projects in Metro Manila, for several major local developers. This is primarily due to the Company's use of High Technology Building Systems, and quality workmanship. While Megawide is constantly invited to bid for major domestic high-rise building projects, it opts to focus on a selected clientele that provides synergy in business operations and better risk management. In line with this, the major customers listed below accounts for 67% of the total order book of the Company.

Suntrust Home Developers, Inc. (Suntrust)

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

Travellers International Hotel Group, Inc.

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

Megaworld Corporation (Megaworld)

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

8990 Holdings, Inc. (8990)

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

Double Dragon Properties Corp. (DD)

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

PH1 World Developers

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

<u>Competitors in the Industry</u>

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

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

Management of the Company estimates that it accounts for 28% of the revenues generated by the major construction industry players - both listed and non-listed - over the last three years.

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

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

<u>Competitive Strengths</u>

Megawide believes that its principal strengths are the following:

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

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

2. **Largest and most-advanced pre-cast and construction solutions (PCS) platform in the country**

Megawide's fifteen (15)-hectare industrial complex in Taytay houses its eight (8)-hectare automated pre-cast concrete manufacturing plant, which is the largest and most advanced in the country, and is among the top in Southeast Asia in terms of size and technology employed. The use of pre-cast concrete is environmentally friendly and allows Megawide to reduce construction costs, shorten the construction period, improve the overall quality of the work, and increase project volume.

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

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

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

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

Megawide employs Formworks in its on-going projects, purchased from German company, MEVA Schalungs-Systeme Gmbh. Formworks are the temporary or permanent moulds, into which concrete or similar materials are poured into, to form the structural elements of a building. The traditional construction process utilizes timber or plywood formworks.

Megawide's Formwork are one hundred percent (100%) wood-free, all plastic facing. These are nailable like plywood but are able to maintain structural rigidity. These are also re-usable, putting an end to plywood wastage, and do not swell or shrink like plywood. Megawide utilizes the following Formworks in its existing projects:

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

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

	Traditional Construction	**Megawide**	**Advantages**
Formworks	Plywood	Plastic Face Formworks	• No swelling and shrinking • Stable flexural rigidity • Free from rippling and warping • Quality in concrete pouring • Fast cycle, simple assembly, early stripping, less manual labor employed

			• Even surfaces • Zero discoloration • Fast on-site cleaning • Zero waste • Reusable
	Coco Lumber	Aluminum and Steel Scaffoldings	• More stable and robust • Longer lifespan • Easy assembly lock and formwork clamp
Pre-Cast Concrete	Concrete Hollow Blocks	Pre-Cast Walls	• Precise, smooth and even curing, high quality, energy saving and ecological
	Traditional Concrete Beams, Columns, Slabs	Pre-cast Beams, Columns, Slabs, Toilets, Parapets, Wheel Guards	• Savings in steel and partition wall materials, extra-long spans for design flexibility, accurate dimensions and strand locations for less work-on site

3. Operational Synergies from Vertical Integrations Resulting in Flexible Contractual engagements

Megawide's unique business model puts it in a league of its own, clearly differentiating it from among its peers. It is positioned as a construction company that has a manufacturing component through the use of a state-of-the-art pre-cast production facility and wide downstream integration such as a modern concrete batching plant, advanced formworks, and has its own fleet of vertical, earth-moving and construction equipment. Moreover, to ensure a sustainable business growth and to mitigate economic down cycles, Megawide has expanded and diversified into infrastructure development, an upstream integration that surely adds and creates greater value to Megawide in the short, medium, and long-term horizon. This advantage enables Megawide to bid as contractor or developer and operator for key infrastructure projects – providing construction revenues to its downstream business units and unlocks a source of future stable recurring income upon completion. The synergies in these vertical integrations will result to seamless operating efficiencies, optimal use of resources, and financial strength.

4. Operator of country's premier landport, which serves as an anchor for an organized transport hub-and-spoke model across the country

Megawide developed and operates the country's first and premier landport the Paranaque Integrated Terminal Exchange (PITX) under a 35-year Build-Operate-Transfer (BOT) concession agreement with the Philippine government. This provides the Company a unique and prime-mover advantage in improving the country's public transport system. The scheme is being envisioned through the roll-out of several transit-centric developments (TCDs) across the country under a hub-and-spoke model, anchored on PITX. Potentially, TCD operations will unlock and strengthen the Company's transport infrastructure portfolio and offer a recurring income stream.

5. Natural progression into property development, focusing largely on the affordable to mid-income segment of the end-user market, to drive higher value

The Company's property development business, through PH1 World Developers, Inc. (PH1), is a natural progression from its construction platform, unlocking a higher-value added business platform arising from vertical integration and operational synergies. PH1's focus on the affordable and mid-income segment of the end-user residential market, which makes up a substantial portion of the country's six million housing backlog, provides the Company with significant growth opportunities, anchored on a disruptive mindset and a strong pre-cast and construction solutions methodology. Once fully rolled out, the Company's foray into the government's Pambansang Pabahay para sa Pamilyang Pilipino (4PH) program is projected to provide PH1 with scale and considerable inroads into the highly competitive local property sector.

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

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

7. **Organizational Capability and Flexibility, backed by a young and dynamic workforce**

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

Suppliers

Construction

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

Landport

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

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

Real Estate

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

Quality Control and Assurance

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

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

Intellectual Property

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

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

MEGAWIDE

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

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

MEGAWIDE

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

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

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

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

Research and Development

Megawide has an excellent Engineering Department that continuously adapts and responds to new inventions, standards, and quality assurance in construction. It is also constantly working with international consultants for value engineering to achieve more cost-efficient building structures and maximum space utilization. The Company spent P33,780,530.00 in 2023 (2022: P2,624,723.00, 2021: P44,878,083.00) in relation to its business related research and development activities.

Government Approvals and Permits

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

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

The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. Nonetheless, on an annual basis, operating expenses incurred by the Company to comply with environmental laws are not significant or material relative to the total revenue of the Company. The Company spent P82,500 in 2023 (2022: 15,000.00, 2021: Nil) for environmental related compliance costs.

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

Employees

As of December 31, 2024, Megawide's manpower complement is as follows:

Division	Regular	Project Based*	Expatriates	Total
Operations	957	2,317	2	3,276
Head Office	487	83	5	575
Total	1,444	2,400	7	3,851

**Includes fixed-term employees*

Megawide's manpower complement is expected to be approximately at the same level in the next 12 months.

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

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

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

Terminal Operations Segment

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

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

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

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

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

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

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

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

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

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

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

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

5. **Retail and Commercial Areas**

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

<u>Customers</u>

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

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

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

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

Competitors

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

Employees

As of December 31, 2024, the manpower complement of MWMTI is as follows:

Division	Headcount
Administrative	18
Managerial	16
Technical	35
Total	69

Suppliers

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

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

Real Estate Operations

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

PH1 has three existing projects: The Hive, My Enso Lofts, and Modan Lofts Ortigas Hills and currently holds 49% share of Famtech Properties Inc. (a joint venture with Property Company of Friends, Inc.), which successfully launched a vertical condominium project in Cavite, One Lancaster Park.

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

Project	Location	Status	Launch Date	Completion Date

The Hive	Ortigas Ave. Ext. Taytay, Rizal	Completed	2015	2023
My Enzo Lofts	Timog Ave., Quezon City	On-going	2020	2027
Modan Lofts Ortigas Hills	Ortigas Ave. Ext. Taytay, Rizal	On-going	Ph1 – Q4 2022 Ph2 – Q2 2024	Ph1 2026
One Lancaster Park	Lancaster New City, Imus, Cavite	On-going	Ph1 – Q4 2021 Ph2 – Q3 2024	2033
Lykke Kondo	Amang Rodriguez Ave., Pasig City	Launched	Q4 2024	T1 - 2029
Northscapes	San Jose Del Monte, Bulacan	On-going	Q4 2022	2025
Southscapes	Trece Martines, Cavite	On-going	Q2 2024	2026

Competitors

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

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

Customers

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

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

Suppliers

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

Employees

As of December 31, 2024, the manpower complement of PH1 is as follows:

Department	Headcount
Account Management	26
Business Development	2
Design & Construction	15
Finance & Accounting	12
HR, Admin. & IT	10
Marketing	6
Office Of The President	3

Project Development	5
Sales	11
Property Management Operations	1
Total	**91**

Purchased Properties

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

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

In 2012, another lot was purchased by the Company in Taytay, adjacent to Megawide's pre-cast plant with a lot area of eight thousand five hundred five (8,505) square meters for Fifty Million Pesos (₱50,000,000.00). Additionally, a four thousand twenty-two (4,022) square meter lot adjacent to the stockyard of Megawide in Taytay was purchased for Nine Million Pesos (₱9,000,000.00).

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

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

The table below sets forth the location and the condition of the other principal properties of the Company. Also provided are the annotations reflected on the titles covering each property.

Transfer Certificate of Title No. (TCT No.)	Location of the Property	Area (sq. m.)	Annotations
004-201910559	Quezon City	1,430	Restriction: The land herein to be used only for residential, commercial or educational purpose.
004-201910560	Quezon City	63	None.
068-2013001891	San Juan, Taytay, Rizal	178	None.
068-2022002191	San Juan, Taytay, Rizal	9,288	Entry No. 202202354 – Liabilities under Section 4 Rule 74 dated December 09, 2021. Note that the Company is in the process of filing a Petition for Cancellation of Creditor's

			Lien Under Section 4, Rule 74 of the Rules of Court, as the two-year period to file a claim against the estate has already lapsed.
068-2013004632	San Juan, Taytay, Rizal	1,152	None.
068-2013004633	San Juan, Taytay, Rizal	839	None.
068-2013005319	San Juan, Taytay, Rizal	853	Restrictions: 1. That the buyer shall pay for any filing or any improvements on the land which may be required by the government or other competent authority; 2. The buyer hereby agrees that the representatives of the seller shall have the right to enter the property at any time for the purpose of inspection, measurement, relocation, survey, laying of monuments or of necessary lines for water, gas, electric power, telephone and other public services; to undertake works of whatever nature for the general interest of the subdivision, and enforce the rules and regulations of the seller; 3. The lot shall be used for industrial purposes only.
068-2013005320	San Juan, Taytay, Rizal	1,184	Restrictions: 1. That the buyer shall pay for any filing or any improvements on the land which may be required by the government or other competent authority; 2. The buyer hereby agrees that the representatives of the seller shall have the right to enter the property at any time for the purpose of inspection, measurement, relocation, survey, laying of monuments or of necessary lines for water, gas, electric power, telephone and other public services; to undertake works of whatever nature for the general interest of the subdivision, and enforce the rules and regulations of the seller; and 3. The lot shall be used for industrial purposes only.
068-2013005690	San Juan, Taytay, Rizal	1,202	Restrictions: 1. That the buyer shall pay for any filing or any improvements on the land which may be

			required by the government or other competent authority; 2. The buyer hereby agrees that the representatives of the seller shall have the right to enter the property at any time for the purpose of inspection, measurement, relocation, survey, laying of monuments or of necessary lines for water, gas, electric power, telephone and other public services; to undertake works of whatever nature for the general interest of the subdivision, and enforce the rules and regulations of the seller; and 3. The lot shall be used for industrial purposes only.
068-2014005840	San Juan, Taytay, Rizal	1,554	Entry No. 2014000567 – Notice of Adverse Claim: Executed by Spouses Tan dated January 2, 2014.
068-2012007158	San Juan, Taytay, Rizal	4,167	None.

As of the date of this Preliminary Prospectus, except as disclosed above, there were no mortgages, liens or other encumbrances attached to such owned properties or any limitations on our ownership or usage of such properties.

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

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

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

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 (₱1,427,789,238.36) for various PPP projects and capacity expansion.

<u>*Leased Properties*</u>

Megawide also leases the properties needed for its operations, such as those covered by the following lease agreements, as of the date of this Prospectus:

Date	Title of Document	Parties	Particulars (i.e., Rent)
26 July 2024	First Renewal of the Amended	*Lessor:* Robinsons Land Corporation	*Rental Fee:* Year 1 (24 October 2024 – 03 October 2025) Fixed Rent per

	Contract of Lease	*Lessee:* Megawide Construction Corporation	Square Meter: Two Hundred Pesos (PHP200.00), Fixed Rent per Month: One Million Seven Hundred Fifty-Three Thousand Six Hundred Pesos (PHP1,753,600.00) Year 2 (04 October 2025 – 03 October 2026) Fixed Rent per Square Meter: Two Hundred Pesos (PHP200.00), Fixed Rent per Month: One Million Seven Hundred Fifty-Three Thousand Six Hundred Pesos (PHP1,753,600.00) *Subject Property:* 8,768 Square Meters in J. *Vargas Avenue, Pasig City* *Lease Period:* Two (2) years beginning on 04 October 2024 to 03 October 2026
06 May 2022	Contract of Lease Renewal	*Lessor:* Retailscapes, Inc. *Lessee:* Megawide Construction Corporation	*Rental Fee:* For 10th Floor – Five Hundred Eighty Pesos (PHP580.00) per Square Meter, per month (01 May 2022 – 30 April 2023) Six Hundred Nine Pesos (PHP609.00) per Square Meter, per month (01 May 2023 – 30 April 2024) Six Hundred Forty Pesos (PHP640.00) per Square Meter, per month (01 May 2024 – 30 April 2025) For 11th Floor, Unit A – Seven Hundred Seventy-Two Pesos (PHP772.00) per Square Meter, per month (01 May 2022 – 30 April 2024) Eight Hundred Eleven Pesos (PHP811.00) per Square Meter, per month (01 May 2024 – 30 April 2025) *Subject Property:* 10th Floor (1,974 Square Meters) and 11th Floor, Unit A (480 Square Meters) of Santolan Town Plaza, San Juan City *Lease Period:* 01 May 2022 to 30 April 2025

11 December 2024	Extension Agreement	*Lessor:* Retailscapes, Inc. *Lessee:* Megawide Construction Corporation	*Rental Fee:* For 10th Floor – Six Hundred Seventy-Two Pesos (PHP672.00) per Square Meter, per month (01 May 2025 – 30 April 2026) Seven Hundred Five Pesos and Sixty Centavos (PHP 705.60) per Square Meter, per month (01 May 2026 – 30 April 2027) Seven Hundred Forty Pesos and Eighty-Eight Centavos (PHP 740.88) per Square Meter, per month (01 May 2027 – 30 April 2028) For Unit A, 11th Floor – Eight Hundred Fifty-One Pesos and Fifty-Five Centavos (PHP 851.55) per Square Meter, per month (01 May 2025 – 30 April 2026) Eight Hundred Ninety-Four Pesos and Thirteen Centavos (PHP 894.13) per Square Meter, per month (01 May 2026 – 30 April 2027) Nine Hundred Thirty-Eight Pesos and Eighty-Three Centavos (PHP 938.83) per Square Meter, per month (01 May 2027 – 30 April 2028) For Unit B, 11th Floor – Eight Hundred Ninety-Four Pesos and Sixty Centavos (PHP 894.60) per Square Meter, per month (01 December 2024 – 30 November 2025) Nine Hundred Thirty-Nine Pesos and Thirty-Three

			Centavos (PHP 939.33) per Square Meter, per month (01 December 2025 – 30 November 2026) Nine Hundred Eighty-Six Pesos and Thirty Centavos (PHP 986.30) per Square Meter, per month (01 December 2026 – 30 November 2027) One Thousand Thirty-Five Pesos and Sixty-One Centavos (PHP 1,035.61) per Square Meter, per month (01 December 2027 – 30 April 2028) For Car Parking: Four Thousand Six Hundred Thirty-One Pesos (PHP4,631.00) per slot, per month (01 December 2024 – 30 April 2025) Four Thousand Eight Hundred Sixty-Three Pesos (PHP 4,863.00) per slot, per month (01 May 2025 – 30 November 2026) Five Thousand One Hundred Seven Pesos (PHP 5,107.00) per slot, per month (01 December 2026 – 30 November 2027) Five Thousand One Hundred Seven Pesos (PHP 5,107.00) per slot, per month (01 December 2027 – 30 April 2028) For Motorcycle Parking: Two Thousand Ten Pesos and Forty-Five Centavos (PHP

			2,010.45) per slot, per month (01 May 2025 – 30 April 2026) Two Thousand One Hundred Ten Pesos and Ninety-Seven Centavos (PHP2,110.97) per slot, per month (01 May 2026 – 30 April 2027) Two Thousand Two Hundred Sixteen Pesos and Fifty-Two Centavos (PHP 2,216.52) per slot, per month (01 May 2027 – 30 April 2028) *Subject Property*: 10th Floor (1,974 Square Meters), Unit A - 11th Floor (480.08 Square Meters), and Unit B – 11th Floor (857.74 Square Meters) of the Santolan Town Plaza Office, San Juan City *Lease Period:* 01 May 2025 to 30 April 2028

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

Legal Proceedings

The following are the material cases Megawide, its subsidiaries and/or affiliates are involved in as of the date of this Prospectus.

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

Megawide Construction Corporation (“Company”) filed a complaint against ACI Inc. ("ACI") with the Construction Industry Arbitration Commission ("CIAC") on January 10, 2023 ("Complaint"). The Complaint, docketed as CIAC Case No. 02-2023, involved a contract entered into between ACI and the Company for the design and construction of the Araneta Cyberpark Tower 2. The Company's aggregate claim against ACI amounts to Three Hundred Thirty-Nine Million Six Hundred Fifty-Two Thousand Eight Hundred Sixteen Pesos and 73/100 (₱339,652,816.73).

In response, ACI filed a permissive counterclaim related to another contract executed by the Company and ACI relating to the general construction of Gateway Mall 2/Ibis Hotel, valued at Four Billion Two Hundred Fifty Million Pesos (₱4,250,000,000.00). ACI's counterclaim amounts to a total of One Billion Five Hundred Twenty-Seven Million Two Hundred Seventy-Nine Thousand Two Hundred Forty-One Pesos (₱1,527,279,241.00).

On January 11, 2024, the Company received a decision dated 11 January 2024 rendered by CIAC where the dispositive portion reads ("Final Award"):

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

On March 4, 2024, the Company received a copy of the Petition for Review on Certiorari filed by ACI with the Supreme Court, seeking to reverse the Final Award.

On March 27, 2024, ACI posted a bond equivalent to the Final Award to stay its execution pending review. On April 28, 2024, CIAC confirmed the bond's sufficiency and ordered the stay of execution of the Final Award pending Supreme Court's review.

To date, the Company is waiting for the Supreme Court's decision whether to grant or deny the Petition for Review filed by ACI.

2. **Megawide Construction Corporation v. Department of Education**

On March 4, 2024, Megawide Construction Corporation (MCC) filed a Complaint against the Department of Education ("DepEd") with the Construction Industry Arbitration Commission ("CIAC") for the payment of sum of money with damages amounting to Three Hundred Thirty-Four Million One Hundred Eighty-Nine Thousand Two Hundred Sixty-Four Pesos and 21/100 (₱334,189,264.21). The claim arose from the non-payment of variation orders by DepEd involving the construction of classrooms.

MCC, through counsel, received on May 22, 2024 DepEd's Answer dated 13 May 2024.

On August 16, 2024, MCC and DepEd attended the preliminary conference set by CIAC.

On October 1, 2024, MCC and DepEd filed their respective Witness Affidavits with CIAC. On 16 October 2024, MCC filed Rebuttal Witness Affidavits with CIAC, while DepEd did not submit any Rebuttal Witness Affidavit. Evidentiary hearings were conducted on November 13-14, 2024. On November 20, 2024, MCC and DepEd filed their respective Formal Offer of Exhibits with CIAC.

On December 4, 2024, MCC and DepEd filed a Joint Motion for Extension of Time to File Memoranda, praying that the parties be granted an additional period of ten (10) days from December 6, 2024, or until December 16, 2024, to file their respective Memoranda.

On December 16, 2024, MCC and DepEd submitted their respective Memoranda with CIAC.

On 14 February 2025, MCC received a copy of the Final Award dated 12 February 2025 ("Decision") issued by the CIAC Arbitral Tribunal ("Tribunal"). In the Decision, the Tribunal denied MCC's claim for payment of variation works performed in the construction of the classrooms under School Infrastructure Project No. 2012-2, Contract Package A.

MCC intends to appeal the Decision of the Tribunal. Accordingly, on 28 February 2025, MCC filed a Motion for Additional Time to file Petition for Review on Certiorari before the Supreme Court of the Philippines, requesting for an extension of twenty (20) days from 01 March 2025, or until 21 March 2025 to file its Petition for Review on Certiorari.

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

Montgear is a subcontractor of Megawide for several projects which filed a complaint against the latter for sum of money with the Regional Trial Court of Quezon City Branch 77 on October 12, 2017 seeking to recover its retention money amounting to Twenty-Two Million Sixty Two Thousand Twelve and 65/100 Pesos (₱22,062,012.65). In response, Megawide filed an Answer with Counterclaim amounting to Seventy-Seven Million Five Hundred Twenty-Two Thousand Three Hundred Thirty and 69/10 Pesos (₱77,522,330.69) corresponding to unpaid charges by

Montgear. On February 4, 2020, Montgear filed a Reply with Answer to Counterclaim and Motion for Bill of Particulars. Upon Megawide's motion, the court expunged Montgear's filing due the latter's unreasonable delay in filing.

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

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

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

The dispute arose from the Notice or Termination of the Project due to Force Majeure issued by Megawide, which Maynilad contested. After a series of hearings and submission of pleadings, the Regional Trial Court (RTC) granted the application for a twenty (20)-day Temporary Order of Protection on November 6, 2020 and ordered the return of the amounts acquired by Maynilad from its call on the securities. Maynilad submitted a Motion for Reconsideration of the said Order, and all parties submitted their respective Memoranda in relation to the Petition for Injunction. In a Decision dated April 5, 2021, the Court granted Megawide's application for Mandatory Injunction as an interim measure of protection in aid of arbitration.

On June 7, 2022, the parties have reached a mutually beneficial agreement and entered into a settlement agreement. In said agreement, the parties have agreed to mutually release and discharge each other from any and all potential legal claims involving the Contract Agreement dated February 28, 2018.

In the Order dated September 13, 2024, the Court deemed the case closed and terminated following the parties' execution of a settlement agreement.

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

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

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

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

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

1. Atty. Steve Dicdican, General Manager of Mactan-Cebu International Airport Authority ("MCIAA");
2. Manuel Louie Ferrer, President of GMR Megawide Cebu Airport Corporation ("GMCAC");
3. Edgar Saavedra, Director of GMCAC;
4. Oliver Tan, Director of GMCAC;
5. Jez Dela Cruz, Director of GMACAC;
6. Srinivas Bommidala, Chairman of GMACAC;
7. P. Sripathy, Director of GMCAC;
8. Vivek Singhai, Director of GMCAC;

9. Andrew Acquaah-Harrison, Chief Executive Advisor of GMCAC;
10. Ravi Bhatnagar, Chief Finance Advisor of GMCAC;
11. Ravishankar Saravu, Chief Commercial Adviser of GMCAC;
12. Michael Lenane, Chief Operations Officer of GMCAC;
13. Sudarshan MD, Deputy Chief Commercial Adviser of GMCAC;
14. Kumar Gauray, Manager of ORAT;
15. Magesh Nambiar, Deputy Human Resources Head of GMCAC;
16. Rajesh Madan, Head of Finance of GMCAC; and
17. Other John and/or Jane Does

(the “Respondents”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On January 25, 2024, a second clarificatory hearing was held. Due to Complainant Coffral's failure to file a Reply to the Verified Answer served by Respondent Megawide on 31 August 2023, PCAB gave the former until February 8, 2024 to file the same. Complainant Coffral did not file a Reply on February 8, 2024. .

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

On 30 November 2024, Megawide received a copy of PCAB Board Resolution No. 074 s. 2024, dated 17 July 2024, dismissing the Complaint filed by Coffral for utter lack of merit.

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

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

On February 20, 2023, proceedings for the prayer for TRO and/or Writ of Preliminary Injunction and Mandamus ensued. As of date, the presentation of evidence for the plaintiffs and public defendants had already been completed. Meanwhile, Defendant Megawide's presentation of evidence is ongoing.

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

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

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

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

On June 15, 2023, petitioner filed an Amended Petition dated June 14, 2023. In its Order dated December 4, 2023, the court directed the respondents to submit their respective comments to the Amended Petition. Consequently, on January 25, 2024, defendant Megawide filed a Comment of even date to the Amended Petition. Consequently, RTC Br. 58 issued an Order dated February 23, 2024 directing all parties to submit a Memorandum 27 regarding the application for a Preliminary Injunction within ten (10) days from February 23, 2024 and a Memorandum for the whole case within thirty (30) days from February 23, 2024; and thereafter, all parties are given fifteen (15) days to file a Reply Memorandum, if necessary. In line with this, the parties have filed their respective Memorandum regarding the application for a Preliminary Injunction.

In its Order dated 10 July 2024, the court denied the petitioner's application for a Preliminary Injunction. On 5 August 2024, the petitioner filed a Motion for Reconsideration of the denial. In an Order dated 18 December 2024, the court denied the Motion for Reconsideration

In a separate Order dated 18 December 2024, the court likewise denied the petitioners' Motion for Summary Judgment in Part (in lieu of Memorandum), requiring the petitioner to submit a Memorandum in connection with the main case. Following this submission, the case will be submitted for decision.

13. **HTLand, Inc. Request for Arbitration**

On November 13, 2024, the Company received a Request for Arbitration filed by HTLand, Inc. in connection with the All-Inclusive Construction Works Agreement dated June 3, 2019 for the construction of the project known as "Mandani Bay Quay - Phase 2 Block 1" at Mandani Bay Avenue cor. F. E. Zuellig Avenue, Mandaue City, Cebu. In the Request for Arbitration, the total sum in dispute claimed by HTLand, Inc. against the Company is One Billion Two Hundred Ninety-Five Million Three Hundred Ninety-Three Thousand Six Hundred Forty-One Pesos and 5/100 (₱1,295,393,641.05), excluding interest on all claims apart from the amount reconciled by the Company and HTLand, Inc.

On December 9, 2024, the Company submitted its Answer with Compulsory Counterclaim. The Company's counterclaim amounts to Five Hundred Forty-Seven Million, Five Hundred Forty-Two Thousand, Nine Hundred Seventy-Nine Pesos (₱547,542,979.00).

The amounts stated in the claims and counterclaims filed by both parties are subject to verification and thorough evaluation of the pleadings, documentary evidence, and other submissions. Through the arbitration process, an independent and impartial body reviews these materials to objectively assess the merits of each party's position. By carefully analyzing the arguments and evidence, the arbitral tribunal seeks to ensure a fair, balanced, and equitable resolution, adhering to the principles of neutrality and justice.

On December 16, 2024, HTLand, Inc. filed a Motion for Extension of Time and asked for an additional period of until January 10, 2025 to file its Reply to the Company's Answer with Compulsory Counterclaim, which was granted by CIAC.

On January 10, 2025, HTLand, Inc. filed its Reply with Answer to Counterclaims.

A case management conference has been set by the Arbitral Tribunal on 7 March 2025.

GOVERNMENT APPROVAL AND PERMITS

The Company has obtained and will obtain all such necessary and desirable government permits, consents, and authorizations that may be required for the conduct and continuance of its business. The Company and its subsidiaries intend to continue to comply, in all material respects, with applicable regulations and law which govern its various businesses.

At present, the material permits, licenses and certifications of the Company are as follows:

No	Issuing Agency	Permits/ Clearance	Date of Issuance	Expiration Date	Status/ Remarks
MEGAWIDE CONSTRUCTION CORPORATION					
1.	Business Permit and Licensing Office	Business Permit	03/19/2024	03/19/2025	Renewed
2.	Local Government Unit	Community Tax Certificate	03/07/2024	03/07/2025	Renewed
3.	Department of the Building Official	Building Permit 1st –6th floor	09/01/2009	N/A	
4.	Department of the Building Official	Building Permit 7th – 10th floor	04/02/2014	N/A	
5.	Philippine Contractors Accreditation Board	Contractor's License	07/01/2023	10/18/2025	Renewed
6.	Department of the Building Official	Certificate of Operation of Existing Machinery	09/17/2024	09/17/2025	Renewed
7.	Department of the Building Official	Certificate of Operation: Elevator	09/17/2024	09/72025	Renewed
8.	Department of the Building Official	Certificate of Annual Electrical Inspection	09/17/2024	09/17/2025	Renewed
9.	Department of the Building Official	Certificate of Operation: Internal Combustion Engine	09/17/2024	09/17/2025	Renewed
10.	Barangay Hall of Valencia	Barangay Clearance			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
11.	Philippine Health Insurance Corporation	Certificate of Registration	05/22/2019	N/A	
12.	Pag-Ibig Fund (Home	Clearance Certificate			Ongoing process of renewal. The

	Development Mutual Fund)				Estimated release date is on or before March 30, 2025.
13.	Department of the Building Official -Final Permit Division	Certificate of Final Inspection Certificate of Occupancy	07/22/2014	N/A	
14.	Securities and Exchange Commission	Amended Articles of Incorporation	09/22/2020	N/A	
15.	Securities and Exchange Commission	Amended By-Laws	09/22/2014	N/A	
16.	Securities and Exchange Commission	Certificate of Incorporation	07/28/2004	N/A	
17.	Securities and Exchange Commission	Certificate of Good Standing			Ongoing process. The Estimated release date is on or before March 30, 2025.
18.	Board of Investments	Certificate of Registration	02/22/2019	N/A	
19.	Department of Environment and Natural Resources	Environmental Compliance Certificate	08/20/2009 03/21/2012	N/A	
ALTRIA EAST LAND, INC.					
1.	Local Government Unit	Community Tax Certificate			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
2.	Barangay Hall of San Juan	Barangay Clearance			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
3.	Municipal Health Office	Sanitary Permit			Ongoing process of renewal. The Estimated release date is on or before June 30, 2025.
4.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before June 30, 2025

5.	Securities and Exchange Commission	Certificate of Incorporation	04/16/2010	N/A	
6	Securities and Exchange Commission	Certificate of Good Standing	December 13, 2024	December 13, 2025	Renewed.
MEGAWIDE TERMINALS, INC. (PREVIOUSLY KNOWN AS WM PROPERTY MANAGEMENT, INC.)					
1.	Business Permit and Licensing Office	Business Permit	03/20/2024	03/20/2025	Renewed.
2.	Local Government Unit	Community Tax Certificate			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
3.	Securities and Exchange Commission	Amended Articles of Incorporation (change of name)	01/07/2019	N/A	
4.	Securities and Exchange Commission	Amended Articles of Incorporation	05/08/2015	N/A	
5.	Securities and Exchange Commission	Certificate of Approval of Increase of Capital Stock	05/08/2015	N/A	
6.	Securities and Exchange Commission	Certificate of Incorporation	11/11/2011	N/A	
7.	Securities and Exchange Commission	Certificate of Good Standing	12/13/2024	12/13/2025	Renewed.
MEGAWIDE LAND, INC.					
1.	Business Permit and Licensing Office	Business Permit	03/20/2024	03/20/2025	Renewed
2.	Local Government Unit	Community Tax Certificate	02/27/2024	02/27/2025	Renewed
3.	Office of the City Health Office	Sanitary Permit	N/A	N/A	N/A
4.	City Environment and Natural Resources Office	Environmenta l Permit to Operate			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
5.	Barangay City Hall of Valencia	Barangay Clearance			Ongoing process of renewal. The Estimated

					release date is on or before March 30, 2025.
6.	Securities and Exchange Commission	Certificate of Incorporation	10/28/2016	N/A	
MWM TERMINALS, INC.					
1.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
2.	Local Government Unit	Community Tax Certificate			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
3.	Barangay Hall of Tambo	Barangay Clearance on Business			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
4.	Office of the City Health Office	Sanitary Permit to Operate			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
5.	Bureau of Fire Protection	Fire Safety Inspection Certificate	08/01/2024	08/01/2025	Renewed.
6.	Office of the Building Official	Mechanical Permit	10/04/2016	N/A	
7.	Office of the Building Official	Fencing Permit	04/25/2016	N/A	
8.	Office of the Building Official	Electrical Permit	10/04/2016	N/A	
9.	Office of the Building Official	Building Permit	10/04/2016	N/A	
10.	Office of the Building Official	Occupancy Permits	11/13/2018 11/04/2019 12/04/2019	N/A	
11.	Office of the Building Official	Electronic Permits	10/04/2016	N/A	
12.	Office of the Building Official	Earthquake Recording Instrument Installation	03/25/2024	N/A	

13.	Department of Environment and National Resources	Environmental Compliance Certificate	04/27/2016	N/A	
14.	City Planning and Development Coordinator's Office	Locational Clearance	09/05/2016	N/A	
15.	Securities and Exchange Commission	Amendment of Articles of Incorporation	12/29/2020	N/A	
16.	Securities and Exchange Commission	Amendment of Articles of Incorporation	04/10/2018	N/A	
17.	Securities and Exchange Commission	Certificate of Approval of Increase of Capital Stock	05/04/2016	N/A	
18.	Securities and Exchange Commission	Certificate of Incorporation	02/03/2015	N/A	
19.	Securities and Exchange Commission	Certificate of Good Standing	12/13/2024	12/13/2025	Renewed.
CEBU2WORLD DEVELOPMENT, INC.					
1.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
2.	Bureau of Internal Revenue	Certificate of Registration	11/03/2020	N/A	
3.	Securities and Exchange Commission	Amended Articles of Incorporation	03/04/2022	N/A	
4.	Securities and Exchange Commission	Certificate of Registration	11/03/2020	N/A	
5.	Pag-Ibig Fund (Home Development Mutual Fund)	Certificate of Registration	05/26/2022	N/A	
6.	Philippine Health Insurance Corporation	Certificate of Registration	02/11/2022	N/A	
7.	Social Security System	Employer Registration	01/28/2022	N/A	
8.	Treasurer's Office	Community Tax Certificate			Ongoing process of renewal. The Estimated release date is

					on or before March 30, 2025.
9.	Securities and Exchange Commission	Certificate of Good Standing	12/13/2024	12/13/2025	Renewed.
WIDE-HORIZONS, INC.					
1.	Securities and Exchange Commission	Certificate of Incorporation	11/16/2020	N/A	
2.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
3.	Securities and Exchange Commission	Certificate of Good Standing	December 13, 2024	December 13, 2025	Renewed.
TUNNEL PREFAB CORPORATION					
1.	Securities and Exchange Commission	Certificate of Incorporation	08/31/2022	N/A	
2.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025
3.	Securities and Exchange Commission	Certificate of Good Standing	12/13/2024	12/13/2025	Renewed.
MEGA EVOLUTION LAND, INC.					
1.	Securities and Exchange Commission	Certificate of Incorporation	08/31/2022	N/A	
2.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
MEGAWIDE ONEMOBILITY CORPORATION					
1.	Securities and Exchange Commission	Certificate of Incorporation	08/31/2022	N/A	
2.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025.
3.	Securities and Exchange Commission	Amended Articles of Incorporation (Change of Name)	11/17/2021	N/A	

4.	Securities and Exchange Commission	Certificate of Good Standing	12/13/2024	12/13/2025	Renewed.
PH1 WORLD DEVELOPERS, INC.					
1.	Securities and Exchange Commission	Certificate of Incorporation	08/31/2022	N/A	
2.	Securities and Exchange Commission	Amended Articles of Incorporation (Change of Name)	11/18/2020	N/A	
3.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025
4.	Securities and Exchange Commission	Certificate of Good Standing	12/12/2024	12/12/2025	Renewed.
PH1 WORLD LANDSCAPES, INC.					
1.	Securities and Exchange Commission	Certificate of Incorporation	08/31/2022	N/A	
2.	Business Permit and Licensing Office	Business Permit			Ongoing process of renewal. The Estimated release date is on or before March 30, 2025

CORPORATE GOVERNANCE

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

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

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

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

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

2. As of December 31, 2024, Megawide has elected two (2) Independent Directors to ensure that the Board will protect, not only the interests of the Company, but its shareholders as well.

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

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

5. Megawide also conducted Advanced Corporate Governance Trainings with the assistance of the Institute of Corporate Directors in 2019, 2020, 2021, 2022 and 2024, which were attended by the Company's Directors and key officers.

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

7. To reinforce the Megawide's adherence to good corporate governance, and in compliance with its Manual and SEC M.C. No. 04, Series of 2019

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

9. Meanwhile, for the 2021 and 2022 ACGS, Megawide received a Double Golden Arrow Award for its performance. This prestigious award is granted to publicly listed companies that achieve a score ranging from 90 to 99 points.

10. On September 19, 2024, the Company was once again recognized for its exceptional performance in the 2023 ACGS, receiving a single Golden Arrow Award for achieving a score between 90 and 99 points.

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

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

13. Pursuant to its annual compliance procedures, the Company, in 2020, required its employees to complete the Conflict of Interest Disclosure Form to ensure that all conflicts of interest are disclosed, and every year thereafter.

14. The results of the annual Board self-evaluation for 2020 was discussed and deliberated during the Governance, Nominations, and Compensation Committee (GNCC) held last March 04, 2021. The said results shall remain confidential. By company policy, this

exercise is conducted on an annual basis. Additionally, an evaluation was also done for 2024, and the results were discussed by the GNCC on December 4, 2024.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's audited and unaudited financial statements, including the related notes, contained in this Preliminary Prospectus. This Preliminary Prospectus contains forward-looking statements that involve risks and uncertainties. The Company cautions investors that its business and financial performance is subject to substantive risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set out in "Risk Factors" of the Preliminary Prospectus. In evaluating the Company's business, investors should carefully consider all of the information contained in "Risk Factors" of the Preliminary Prospectus

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS FOR THE NINE (9) MONTHS ENDED SEPTEMBER 30, 2024 COMPARED TO THE NINE (9) MONTHS ENDED SEPTEMBER 30, 2023

Results of Operations

Amounts in ₱ thousands	September		Horizontal Analysis		Vertical Analysis	
	2024	2023	Amount	%	2024%	2023%
REVENUES						
Construction operation revenues	15,521,869	15,182,522	339,347	2%	95%	98%
Landport operations revenues	386,015	339,734	46,281	14%	2%	2%
Real estate revenues	440,177	36,525	403,652	1105%	3%	0%
	16,348,061	15,558,781	789,280	5%	100%	100%
DIRECT COSTS						
Cost of construction operations	12,809,301	13,345,176	(535,875)	-4%	78%	86%
Cost of landport operations	245,836	257,010	(11,174)	-4%	2%	2%
Cost of real estate operations	186,737	22,804	163,933	719%	1%	0%
	13,241,874	13,624,990	(383,116)	-3%	81%	88%
GROSS PROFIT	3,106,188	1,933,791	1,172,396	61%	19%	12%
INCOME AND EXPENSES						
Other operating expenses	(1,068,065)	(1,057,535)	(10,530)	1%	-7%	-7%
Finance costs	(1,848,152)	(1,581,947)	(266,205)	17%	-11%	-10%
Finance income	548,048	789,887	(241,838)	-31%	3%	5%
Others – net	145,001	262,754	(117,753)	-45%	1%	2%
	(2,223,168)	(1,586,841)	(636,327)	40%	-14%	-10%
PROFIT (LOSS) BEFORE TAX	883,019	346,950	536,069	155%	5%	2%
TAX INCOME (EXPENSE)	(308,099)	(14,401)	(293,698)	2039%	-2%	0%
NET INCOME (LOSS)	**574,920**	**332,549**	**242,371**	**73%**	**4%**	**2%**
Net Profit Attributable To:						
Shareholders of the Parent Company	589,734	333,308	256,427	77%	4%	2%
Non-controlling interests	(14,814)	(758)	(14,056)	1853%	0%	0%
Earnings per Share:	₱0.13	₱0.02				

Review of results for the nine (9) months ended September 30, 2024 as compared with the results for the nine (9) months ended September 30, 2023.

Revenues increased by 5% or ₱789 million
Consolidated revenues for the period amounted to ₱16.3 billion, 5% or ₱789 million higher than the same period last year. The improvement was driven by the contribution from the construction segment and real estate segment. Real estate segment was only consolidated starting 3Q2023 after the acquisition of PH1 in July 2023.
Construction revenues amounted to ₱15.5 billion – at par with the previous year – and contributed 95% to total consolidated revenues. The segment benefitted from robust construction activities and steady progress accomplishment of its existing order book.

New projects during the period amounted to ₱8.9 billion, mostly from affiliate Megawide Citicore Construction Corp. Inc. (MCCCI), representing several locations of Citicore's solar power capacity expansion, and CP-104 of the Metro Manila Subway System Project. These brought total order book to ₱42.6 billion as of end September 2024.

Revenue from newly consolidated real estate operations amounted to ₱440 million for the period, and this came from its ongoing projects, My Enso Lofts, The Hive, Northscapes, Modan Lofts, and One Lancaster Park. Landport operations meanwhile delivered a revenue of ₱386 million from commercial spaces, 14% more than the same period last year.

Direct Costs declined by 3% or ₱383 million
Consolidated direct costs amounted to ₱13.2 billion, 3% or ₱383 million lower from the previous year's level because of the application strategic vendor sourcing, push for project-wide use of precast methodologies, and costs related to variation orders were already incurred in the prior year.

Cost of real estate operations, meanwhile, amounted to ₱187 million, while landport-related costs reached ₱246 million, slightly lower by ₱11 million, due to lower office occupancy.

Gross Profit increased by 61% or ₱1.2 billion
Consolidated gross profit reached ₱3.1 billion, translating to a consolidated gross profit margin of 19%. The construction business contributed ₱2.7 billion while real estate development chipped in ₱253 million, with landport operations accounting for the balance of ₱140 million.

Other Operating Expenses decreased by 1%
Other Operating Expenses during the period amounted to ₱1.1 billion, lower by P11 million as the Group continued to implement more conscious cost reduction measures across the organization.

Finance Costs increased by 17% or ₱266 million
Finance costs amounted to P1.8 billion, higher by ₱266 million, attributed to a higher loan balance from newly drawn working lines of the Group.

Finance Income decreased by 31% or ₱242 million
Finance income amounted to ₱548 million and was ₱242 million lower than in the same period last year due to lower cash balance for the period compared with the same period last year.

Others - net decreased by 45% or ₱118 million
Others - net generated an income of ₱145 million, traced mainly to ancillary services and common area charges offered at PITX, income from scrap sales and gain on disposals of property, plant and equipment.

Tax Expense increased by ₱294 million
Tax expense amounted to ₱308 million and was ₱294 million higher than the same period last year due to higher taxable income for the period.

Consolidated Net Income increased by ₱242 million
Consolidated net income from continuing operations amounted to ₱575 million, 73% higher compared with the net income of ₱333 million in the same period last year. The performance was driven by steady performance of construction operations, complemented by lower costs and expense management.

Financial Condition

Amounts in ₱ thousands	September 30 2024	December 31 2023	Horizontal Analysis Amount	%	Vertical Analysis 2024%	2023%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	5,849,242	4,878,885	970,356	20%	9%	7%
Trade and other receivables - net	20,840,603	19,155,919	1,684,684	9%	30%	29%
Construction materials	1,985,961	2,279,339	(293,378)	-13%	3%	3%
Real estate inventories	4,301,213	3,872,922	428,291	11%	6%	6%
Contract assets	6,131,152	5,640,189	490,963	9%	9%	9%
Other current assets	10,443,281	11,413,433	(970,153)	-9%	15%	17%
	49,551,451	47,240,687	2,310,764	5%	73%	71%
Non-current asset classified as held for sale	2,879,770	2,879,770	-	0%	4%	4%
Total Current Assets	52,431,221	50,120,457	2,310,764	5%	77%	76%
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income	3,544	3,544	-	0%	0%	0%
Investments in associates & joint ventures	282,883	257,239	25,644	10%	0%	0%
Property, plant, and equipment - net	5,924,827	6,277,620	(352,793)	-6%	9%	9%
Investment properties - net	4,763,191	4,818,852	(55,661)	-1%	7%	7%
Goodwill	3,797,070	3,797,070	-	0%	6%	6%
Deferred tax assets - net	733,913	697,716	36,197	5%	1%	1%
Other non-current assets	393,571	354,643	38,928	11%	1%	1%
Total Non-current Assets	15,898,999	16,206,684	(307,685)	-2%	23%	24%
TOTAL ASSETS	68,330,220	66,327,140	2,003,080	3%	100%	100%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Interest-bearing loans and borrowings	18,900,560	21,043,828	(2,143,268)	-10%	28%	32%
Trade and other payables	4,571,582	4,653,529	(81,947)	-2%	7%	7%
Contract liabilities	3,727,082	4,901,661	(1,174,578)	-24%	5%	7%
Exchangeable notes	7,763,200	7,763,200	-	0%	11%	12%
Other current liabilities	430,507	357,162	73,345	21%	1%	1%
Total Current Liabilities	35,392,931	38,719,379	(3,326,448)	-9%	52%	58%
NON-CURRENT LIABILITIES						
Interest-bearing loans and borrowings	14,988,491	9,558,176	5,430,315	57%	22%	14%
Contract liabilities	347,381	373,703	(26,322)	-7%	1%	1%
Post-employment defined benefit obligation	249,417	249,417	-	0%	0%	0%
Other non-current liabilities	282,863	493,691	(210,828)	-43%	0%	1%
Total Non-current Liabilities	15,868,152	10,674,987	5,193,165	49%	23%	16%
Total Liabilities	51,261,083	49,394,367	1,866,716	4%	75%	74%
EQUITY						
Equity attributable to shareholders of the Parent Company:						
Capital stock	2,545,302	2,545,302	-	0%	4%	4%
Additional paid-in capital	18,460,790	18,460,790	-	0%	27%	28%
Treasury shares	(11,237,704)	(11,237,704)	-	0%	-16%	-17%
Revaluation reserves - net	181,528	175,787	5,741	3%	0%	0%
Retained earnings (deficit)	6,617,344	6,471,908	145,436	2%	10%	10%
Total equity attributable to shareholders of the Parent Company	16,567,260	16,416,083	151,177	1%	24%	25%
Non-controlling interests	501,877	516,691	(14,814)	-3%	1%	1%
Total Equity	17,069,137	16,932,774	136,363	1%	25%	26%
TOTAL LIABILITIES AND EQUITY	68,330,220	66,327,140	2,003,080	3%	100%	100%

Review of financial conditions as of September 30, 2024 as compared with financial conditions as of December 31, 2023.

ASSETS

Current Assets increased by 5% or by ₱2.3 billion

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

Cash and Cash Equivalents increased by 20% or ₱970 million
The increase in cash and cash equivalents was due to effective management of cash resources to maintain a strong liquidity position, focusing on balancing outflows with available cash and ensuring ongoing commitments are met.

Trade and Other Receivables increased by 9% or by ₱1.6 billion
The increase in trade and other receivables is related to increase in construction receivables that were subsequently collected in the following month and increase in retention receivables, which will be collected upon completion of the projects.

Construction Materials decreased by 13% or by ₱293 million
The decrease in inventory levels during the period was due to the steady progress accomplishment across all projects.

Real estate inventories amounted to ₱4.3 billion
Real estate inventories pertain to cost incurred of the on-going real estate projects.

Contract Assets increased by 9% or ₱491 million
The increase in contract assets is attributed to the timing difference on actual billing for portion of work-in-progress completed during the period, which will be billed and evaluated by the client upon completion of the said scope or activity.

Other Current Assets decreased by 9% or by ₱970 million
The decrease was mainly due to the recoupment of advances from suppliers and subcontractors prorated to their work progress during the period and decrease in prepaid taxes due to payment of income tax for the quarter.

Non-Current Asset Held for Sale remains at ₱2.9 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 ₱15.9 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 ₱4 million
FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at ₱4 million for both periods.

Investments in Associates and Joint Ventures increased by 10% or ₱26 million
The increase is due to the share in the net profit taken up on the Group's investment in various joint ventures and associates and additional investment in data center business.

Property, Plant and Equipment decreased by 6% or ₱353 million
The decrease was attributed to the Group's depreciation charges on property, plant and equipment.

Investment Properties decreased by 1% or ₱56 million
The decrease is mainly related to the depreciation charges for the period and acquisitions of investment properties.

Deferred tax assets increased by 5% or ₱36 million
The increase was mainly due to temporary differences arising from the difference between the tax reporting base and financial reporting base used in revenue recognition.

Goodwill amounted to ₱3.8 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 ₱5,200.0 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 11% or ₱39 million
The increase in Other Non-Current Assets was mainly due to the increase in the deposits for condominium units of the Group.

LIABILITIES AND EQUITY
Current Liabilities decreased by 9% or ₱3.3 billion
The following discussion provides a detailed analysis of the decrease in current liabilities:

Interest-Bearing Loans and Borrowings-Current decreased by 10% or ₱2.1 billion
The decrease is mainly due to the repayments of corporate note during the period.

Trade and Other Payables decreased by 2% or ₱82 million
The decrease is due to net payments made to vendors across all units.

Contract liabilities – current decreased by 24% or ₱1.2 billion
The decrease is mainly related to recoupment of downpayments from client.

Exchangeable notes amounted to ₱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% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

As the transaction is expected to be completed in 2024, the Exchangeable Notes was presented under Current Liabilities in the 2024.

Other Current Liabilities increased by 21% or ₱73 million
The increase is due to the increase in tax liabilities of the Group such as government liabilities and output VAT,

Non-Current Liabilities increased by 49% or ₱5.2 billion
The following discussion provides a detailed analysis of the increase in non-current liabilities:

Loans and Borrowings-Non-Current increased by 57% or ₱5.4 billion
The increase is attributable to the listed fixed-rate bonds in the total amount of ₱4,000.0 million, inclusive of the ₱1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp during the period. This will be used primarily by the Parent Company to refinance its short-term debts, fund its capital expenditures and other general corporate requirements.

The increase is also due to the drawdown from the Omnibus Loan and Security Agreement entered into during the period by Cebu2world with a local universal bank for a loan facility to finance the development, design, construction and completion of the ongoing projects.

Contract liabilities –noncurrent decreased by 7% or ₱26 million
The decrease is related to the reclassification of the non-current portion to the current portion based on the remaining terms of the contract. This was offset by the downpayments received for newly awarded contracts such as new packages for Luntal Solar Power Plant, Binalonan Solar Power Plant, Arayat Solar Power Plant, Sta. Barbara Solar Power Plant, Bolbok Solar Power Plant, Pagbilao Solar Power Plant and new packages for Modan Lofts Ortigas.

Other non-current liabilities decreased by 43% or ₱211 million
The decrease is mainly related application of the outstanding security deposits from tenants of the landport business.

Equity attributable to Parent increased by ₱151 million
The increase in equity was due to the net income amounting to ₱595 million. The increase was offset by the declaration of cash dividends amounting to ₱323 million to preferred stock shareholders and ₱121 million due to the effect of restatement as a result of the new standard.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023 COMPARED TO YEAR ENDED DECEMBER 31, 2022

Results of Operations

Amounts in ₱ thousands	December 31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Amount	%	2023%	2022%
REVENUES						
Construction operation revenues	18,141,512	14,583,322	3,558,190	24%	97%	98%
Landport operations revenues	347,752	258,329	89,423	35%	2%	2%
Real estate revenues	148,891	-	148,891	NA	1%	0%
	18,638,155	14,841,651	3,796,504	26%	100%	100%
DIRECT COSTS						
Cost of construction operations	16,025,104	12,557,582	3,467,522	28%	86%	85%
Cost of landport operations	360,846	364,306	(3,460)	-1%	2%	2%
Cost of real estate operations	72,152	-	72,152	NA	0%	0%
	16,458,102	12,921,888	3,536,214	27%	88%	87%
GROSS PROFIT	2,180,053	1,919,763	260,290	14%	12%	13%
INCOME AND EXPENSES						
Other operating expenses	(1,302,452)	(1,193,636)	(108,816)	9%	-7%	-8%
Impairment losses on receivables and contract assets	(35,269)	(1,722,577)	1,687,308	-98%	0%	-12%
Finance costs	(2,061,753)	(1,657,070)	(404,683)	24%	-11%	-11%
Finance income	1,047,013	526,022	520,991	99%	6%	4%
Others – net	499,183	(433,681)	932,863	-215%	3%	-3%
	(1,853,278)	(4,480,942)	2,627,664	-59%	-10%	-30%
PROFIT (LOSS) BEFORE TAX	326,775	(2,561,179)	2,887,954	-113%	2%	-17%
TAX INCOME (EXPENSE)	(57,618)	689,157	(746,776)	-108%	0%	5%
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**269,157**	**(1,872,022)**	**2,141,179**	**-114%**	**1%**	**-13%**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**-**	**4,704,768**	**(4,704,768)**	**-100%**	**0%**	**32%**
NET INCOME (LOSS)	**269,157**	**2,832,746**	**(2,563,589)**	**-90%**	**1%**	**19%**
Net Profit Attributable To:						
Shareholders of the Parent Company	283,490	3,577,706	(3,294,216)	-92%	2%	24%
Non-controlling interests	(14,333)	(114)	(14,219)	12454%	0%	0%
Earnings per Share:	-₱0.06	₱1.54				

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

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 ₱3.8 billion
Consolidated revenues for the year amounted to ₱18.6 billion, 26% or ₱3.8 billion higher than last year. The improvement was across all segments, driven primarily by construction operations and contribution from real estate operations.

Construction revenues amounted to ₱18.1 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 ₱43.1 billion as of end of the year.

Landport operations meanwhile delivered higher revenue of ₱347.8 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 ₱3.5 billion
Consolidated direct costs amounted to ₱16.5 billion, 27% higher and consistent with the growth in revenues. Cost of construction comprised bulk 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 ₱72.2 million and was mainly attributed to land and development cost associated with new project launches.

Gross Profit increased by 14% or ₱260.0 million
Consolidated gross profit reached to ₱2.2 billion, translating to a consolidated gross profit margin of 12%. The construction business contributed ₱2.1 billion while real estate development chipped in ₱76.7 million – more than offsetting the ₱13.1 million loss incurred by landport operations.

Other Operating Expenses increased by 9% or ₱108.9 million
Other Operating Expenses during the year amounted to ₱1.3 billion. The increase of ₱108.9 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 ₱18.0 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 ₱1.7 billion
Impairment losses was down to ₱35.3 million from previous year's ₱1.7 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 ₱404.7 million
Finance costs amounted to ₱2.1 billion, higher by ₱404.7 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 ₱521.0 million
Finance income by amounted to ₱1.1 billion and was ₱521.0 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 ₱932.9 million
Others – net amounted to ₱499.2 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 108% or ₱746.8 million
Consolidated profit before tax amounted to ₱326.8 million, reversing the pre-tax loss in 2022, which resulted in a tax expense of ₱57.6 million.

Consolidated Net Income amounted to ₱269.2 million
Consolidated net income from continuing operations amounted to ₱269.2 million in 2023, compared with a net loss of ₱1.9 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

Amounts in ₱ thousands	December 31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Amount	%	2023%	2022%
<u>**ASSETS**</u>						
CURRENT ASSETS						
Cash and cash equivalents	4,878,885	15,758,197	(10,879,312)	-69%	7%	24%
Trade and other receivables - net	19,155,919	18,361,000	794,919	4%	29%	28%
Construction materials	2,279,339	2,126,166	153,173	7%	3%	3%
Real estate inventories	3,872,922	-	3,872,922	NA	6%	0%
Contract assets	5,640,189	5,106,308	533,881	10%	9%	8%
Other current assets	11,413,433	9,563,285	1,850,148	19%	17%	14%
	47,240,687	50,914,956	(3,674,269)	-7%	71%	77%
Non-current asset classified as held for sale	2,879,770	2,879,770	-	0%	4%	4%
Total Current Assets	50,120,457	53,794,726	(3,674,269)	-7%	76%	81%
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income	3,544	3,544	-	0%	0%	0%
Investments in associates & joint ventures	257,239	231,296	25,943	11%	0%	0%
Property, plant, and equipment - net	6,277,619	6,734,023	(456,404)	-7%	9%	10%
Investment properties - net	4,818,852	4,699,071	119,780	3%	7%	7%
Goodwill	3,797,070	-	3,797,070	NA	6%	0%
Deferred tax assets - net	697,716	689,305	8,412	1%	1%	1%
Other non-current assets	354,643	300,790	53,853	18%	1%	0%
Total Non-current Assets	16,206,683	12,658,030	3,548,652	28%	24%	19%
TOTAL ASSETS	66,327,140	66,452,756	(125,616)	0%	100%	100%
<u>**LIABILITIES AND EQUITY**</u>						
CURRENT LIABILITIES						
Interest-bearing loans and borrowings	21,043,828	14,707,802	6,336,026	43%	32%	22%
Trade and other payables	4,653,529	5,332,738	(679,209)	-13%	7%	8%
Contract liabilities	4,901,660	3,590,333	1,311,327	37%	7%	5%
Exchangeable notes	7,763,200	-	7,763,200	NA	12%	0%
Other current liabilities	357,162	306,529	50,634	17%	1%	0%
Total Current Liabilities	38,719,379	23,937,401	14,781,978	62%	58%	36%
NON-CURRENT LIABILITIES						
Interest-bearing loans and borrowings	9,558,176	13,071,220	(3,513,044)	-27%	14%	20%
Contract liabilities	373,703	1,405,179	(1,031,476)	-73%	1%	2%
Post-employment defined benefit obligation	249,417	237,401	12,017	5%	0%	0%
Exchangeable notes	-	7,763,200	(7,763,200)	-100%	0%	12%
Other non-current liabilities	493,691	371,474	122,217	33%	1%	1%
Total Non-current Liabilities	10,674,987	22,848,474	(12,173,487)	-53%	16%	34%
Total Liabilities	49,394,367	46,785,875	2,608,491	6%	74%	70%
EQUITY						
Equity attributable to shareholders of the Parent Company:						
Capital stock	2,545,302	2,528,052	17,250	1%	4%	4%
Additional paid-in capital	18,460,790	16,987,856	1,472,934	9%	28%	26%
Deposit on future stock subscription	-	2,250	(2,250)	-100%	0%	0%
Treasury shares	(11,237,704)	(8,615,691)	(2,622,013)	30%	-17%	-13%
Revaluation reserves - net	175,787	149,759	26,028	17%	0%	0%
Retained earnings (deficit)	6,471,908	8,612,106	(2,140,198)	-25%	10%	13%
Total equity attributable to shareholders of the Parent Company	16,416,083	19,664,332	(3,248,249)	-17%	25%	30%
Non-controlling interests	516,691	2,549	514,142	20174%	1%	0%
Total Equity	16,932,774	19,666,881	(2,734,107)	-14%	26%	30%
TOTAL LIABILITIES AND EQUITY	66,327,140	66,452,756	(125,616)	0%	100%	100%

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 ₱3.7 billion

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

Cash and Cash Equivalents decreased by 69% or ₱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 ₱794.9 million
The increase in contract receivables was 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.

Construction Materials increased by 7% or ₱153.2 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.

Real estate inventories amounted to ₱3.9 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 ₱5.2 billion. As a result of the acquisition of PH1, the acquisition date fair value of the real estate inventories amounting to ₱3.3 billion was recognized.

Contract assets increased by 10% or ₱533.9 million
The increase in contract assets was 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. The acquisition date fair value of the contract assets amounting to ₱113 million was recognized following the acquisition of PH1.

Other Current Assets increased by 19% or by ₱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 steel required for the structural construction and 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 ₱2.9 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 ₱16.2 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 ₱3.5 million
FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at ₱3.5 million for both periods.

Investments in Associates and Joint Ventures increased by 11% or by ₱25.9 million
The increase was due to additional investment in data center business which is offset by share in the net losses taken up on the Group's investment in various joint ventures and associates.

Property, Plant and Equipment decreased by 7% or by ₱456.4 million

The Group recognized depreciation charges on property, plant and equipment amounting to ₱1.2 billion and procured certain pre-cast equipment to expand capacity of Pre-Cast and Construction Solutions and service units as well as various specialized equipment to support specification requirement of the ongoing projects.

Investment Properties increased by 3% or by ₱119.8 million
The increase was related to the additions in the landport property amounting to ₱25.8 million representing additional improvements in the commercial and parking area. The increase is also related to the additional land development cost amounting to ₱217.2 million. This was reduced by depreciation charges for the period amounting to ₱123 million.

Goodwill amounted to ₱3.8 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 ₱5.2 billion. 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.

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

Other Non-Current Assets increased by 18% or ₱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.

Determination of Control, Joint Control and Significant Influence
Management considers that the Group has control over Famtech despite owning 49% of its outstanding capital stock as the Group directs the overall business operations of Famtech through its Vice Chairman who is also the President of the Parent Company.

Further, the Management of the Company also consider the following factors in assessing control over Famtech.

1. Based on the agreement, the Company shall have the following functions and responsibilities:
   i. incorporates the joint venture company with an initial authorized capital stock of PHP 1 million
   ii. enter into a development agreement with the joint venture
   iii. provide overall development management and oversight for project. Shall have the sole authority and discretion to select, and engage contractors and suppliers for the project.
   iv. shall take the lead in the technical, engineering and architectural aspects of each subsequent phase.
2. The President and Treasurer/CFO of PH1 also holds the same position in Famtech.

LIABILITIES AND EQUITY

Current Liabilities increased by 62% or ₱14.8 billion

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

Interest-Bearing Loans and Borrowings-Current increased by 43% or by ₱6.3 billion
The increase was due to availments made to support the working capital requirements of the Group and reclassification of the noncurrent portion of corporate notes 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 ₱679.2 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 ₱1.3 billion

The increase was 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 ₱281 million was recognized during the period.

Exchangeable notes remains at ₱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% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

Other Current Liabilities increased by 17% or by ₱50.6 million
The increase of ₱50.6 million was 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 ₱12.2 billion

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

Loans and Borrowings-Non-Current decreased by 27% or ₱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 – noncurrent decreased by 73% or ₱1.0 billion
The decrease was 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 ₱12.0 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 ₱122.2 million
The increase was 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 ₱3.3 billion
The decrease in equity was due to the declaration of cash dividends amounting to ₱2.4 billion to preferred and common stock shareholders, retirement of preferred shares series 2A amounting to ₱2.6 million. The decrease was offset by the issuance of preferred shares series 5 amounting to ₱1.5 million net income amounting to ₱295 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS AS OF AND FOR THE FULL YEAR ENDED DECEMBER 31, 2022 COMPARED TO FULL YEAR ENDED DECEMBER 31, 2021

Results of Operations

Amounts in ₱ thousands	December 31		Horizontal Analysis		Vertical Analysis	
	2022	2021	Amount	%	2022%	2021%
REVENUES						
Construction operation revenues	14,583,322	14,329,464	253,858	2%	98%	95%
Landport operations revenues	258,329	715,039	(456,711)	-64%	2%	5%
Real estate revenues	-	-	-	NA	0%	0%
	14,841,651	15,044,503	(202,853)	-1%	100%	100%
DIRECT COSTS						
Cost of construction operations	12,557,582	12,130,698	426,884	4%	85%	81%
Cost of landport operations	364,306	369,474	(5,167)	-1%	2%	2%
Cost of real estate operations	-	-	-	NA	0%	0%
	12,921,888	12,500,172	421,716	3%	87%	83%
GROSS PROFIT	1,919,763	2,544,331	(624,569)	-25%	13%	17%
INCOME AND EXPENSES						
Other operating expenses	(1,193,636)	(1,132,228)	(61,408)	5%	-8%	-8%
Impairment losses on receivables and contract assets	(1,722,577)	(213,282)	(1,509,295)	708%	-12%	-1%
Finance costs	(1,657,070)	(1,515,277)	(141,793)	9%	-11%	-10%
Finance income	526,022	472,499	53,523	11%	4%	3%
Others – net	(433,681)	415,160	(848,841)	-204%	-3%	3%
	(4,480,942)	(1,973,127)	(2,507,815)	127%	-30%	-13%
PROFIT (LOSS) BEFORE TAX	(2,561,179)	571,204	(3,132,384)	-548%	-17%	4%
TAX INCOME (EXPENSE)	689,157	(92,508)	781,665	-845%	5%	-1%
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(1,872,022)**	**478,696**	**(2,350,718)**	**-491%**	**-13%**	**3%**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**4,704,768**	**(1,371,851)**	**6,076,619**	**-443%**	**32%**	**-9%**
NET INCOME (LOSS)	**2,832,746**	**(893,154)**	**3,725,900**	**-417%**	**19%**	**-6%**
Net Profit Attributable To:						
Shareholders of the Parent Company	3,577,706	(342,985)	3,920,691	-1143%	24%	-2%
Non-controlling interests	(114)	(9)	(105)	1205%	0%	0%
Earnings per Share:	₱1.54	-₱0.42				

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 ₱202.9 million
Consolidated revenues for 2023 amounted to ₱14.8 billion, 1% or ₱202.9 million lower than last year. The decrease was due to slowdown of construction operations and lower occupancy rate in the landport segment.

Construction revenues amounted to ₱14.6 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 revenues of ₱258.3 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 ₱421.7 million
Direct costs amounted to ₱12.9 billion and were higher by 3% or ₱421.7 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 ₱624.6 million
Consolidated gross profit amounted to ₱1.9 billion in 2022, translating to a consolidated gross profit margin of 13%. The construction business contributed ₱2.0 billion or 106% of the Group's gross profit. Terminal operations contributed -₱106 million or -6% to the total gross profit.

Other Operating Expenses increased by 5% or ₱61.4 million
Other Operating Expenses amounted to ₱1.2 billion. The increase of ₱61.4 million was mainly due to various professional fees and registration fees incurred for its bond and preferred shares issuances.

Impairment Losses increased by 708% or ₱1.5 billion
Impairment Losses amounted to ₱1.7 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 ₱141.8 million
Finance costs amounted to ₱1.6 billion. The increase of ₱141.8 million is mainly due to interest expense from bonds payable amounting to ₱118 million.

Finance Income increased by 11% or ₱53.5 million
Finance income amounted to ₱526.0 million. The increase of ₱53.5 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 ₱848.8 million
Others – net amounted to ₱433.7 million. The decrease in other income (charges) is mainly due to Impairment losses on non-financial assets amounting to ₱916 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 845% or ₱781.7 million
The Group realized a tax income amounting to ₱689.2 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 ₱1.7 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 ₱148 million from ₱23 million last year.

The direct cost of airport operations increased by 131% to ₱509 million. The movement of direct cost was consistent with the revenue performance of the airport segment, taking into consideration fixed costs and depreciation expenses, despite reduced passenger volumes. The airport segments gross profit increased by 323% to ₱606 million.

Operating expenses increased from last year's ₱437 million to this year's ₱1.9 billion mainly due to repair cost incurred to restore the facility after the typhoon Odette in December 2022. The impact was offset by recovery from insurance claims of ₱1.0 billion and the recognition of gain on deconsolidation of subsidiaries amounting to ₱6.6 billion.

Consolidated Net Income Increased by 417% or ₱3.7 billion

Consolidated net income from continuing and discontinued operations amounted to ₱2.8 billion compared with the consolidated net loss of ₱893.2 million in 2021. This was mainly due to recognized gain on deconsolidation of a subsidiary amounting to ₱6.6 billion, though offset by impairment losses on financial and nonfinancial assets amounting to ₱1.7 billion and ₱916 million, respectively.

Financial Condition

Amounts in ₱ thousands	December 31 2022	December 31 2021	Horizontal Analysis Amount	Horizontal Analysis %	Vertical Analysis 2022%	Vertical Analysis 2021%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	15,758,197	5,846,088	9,912,109	170%	24%	7%
Trade and other receivables - net	18,361,000	16,970,555	1,390,445	8%	28%	20%
Construction materials	2,126,166	2,045,159	81,007	4%	3%	2%
Contract assets	5,106,308	4,777,705	328,603	7%	8%	6%
Other current assets	9,563,285	10,132,960	(569,675)	-6%	14%	12%
	50,914,956	39,772,467	11,142,489	28%	77%	47%
Non-current asset classified as held for sale	2,879,770	-	2,879,770	NA	4%	0%
Total Current Assets	53,794,726	39,772,467	14,022,258	35%	81%	47%
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income	3,544	3,544	-	0%	0%	0%
Investments in associates & joint ventures	231,296	861,513	(630,217)	-73%	0%	1%
Concession assets	-	30,503,823	-	0%	0%	0%
Property, plant, and equipment - net	6,734,023	7,166,867	(432,844)	-6%	10%	8%
Investment properties - net	4,699,071	4,493,344	205,728	5%	7%	5%
Goodwill	-	-	-	NA	0%	0%
Deferred tax assets - net	689,305	24,595	664,710	2703%	1%	0%
Other non-current assets	300,790	2,350,475	(2,049,685)	-87%	0%	3%
Total Non-current Assets	12,658,030	45,404,162	(32,746,131)	-72%	19%	53%
TOTAL ASSETS	66,452,756	85,176,629	(18,723,873)	-22%	100%	100%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Interest-bearing loans and borrowings	14,707,802	14,780,086	(72,284)	0%	22%	17%
Trade and other payables	5,332,738	8,616,715	(3,283,977)	-38%	8%	10%
Contract liabilities	3,590,333	3,703,189	(112,856)	-3%	5%	4%
Other current liabilities	306,529	265,859	40,669	15%	0%	0%
Total Current Liabilities	23,937,401	27,365,850	(3,428,449)	-13%	36%	32%
NON-CURRENT LIABILITIES						
Interest-bearing loans and borrowings	13,071,220	34,721,410	(21,650,191)	-62%	20%	41%
Contract liabilities	1,405,179	2,056,202	(651,023)	-32%	2%	2%
Post-employment defined benefit obligation	237,401	300,125	(62,724)	-21%	0%	0%
Exchangeable notes	7,763,200	-	7,763,200	NA	12%	0%
Deferred tax liabilities - net	-	872,561	(872,561)	-100%	0%	1%
Other non-current liabilities	371,474	659,573	(288,099)	-44%	1%	1%
Total Non-current Liabilities	22,848,474	38,609,871	(15,761,397)	-41%	34%	45%
Total Liabilities	46,785,875	65,975,721	(19,189,846)	-29%	70%	77%
EQUITY						
Equity attributable to shareholders of the Parent Company:						
Capital stock	2,528,052	2,528,052	-	0%	4%	3%
Additional paid-in capital	16,987,856	16,987,856	-	0%	26%	20%
Deposit on future stock subscription	2,250	-	2,250	NA	0%	0%
Treasury shares	(8,615,691)	(8,615,691)	-	0%	-13%	-10%
Revaluation reserves - net	149,759	94,012	55,747	59%	0%	0%
Other reserves	-	(22,475)	22,475	-100%	0%	0%
Retained earnings (deficit)	8,612,106	5,555,677	3,056,429	55%	13%	7%
Total equity attributable to shareholders of the Parent Company	19,664,332	16,527,431	3,136,901	19%	30%	19%
Non-controlling interests	2,549	2,673,476	(2,670,928)	-100%	0%	3%
Total Equity	19,666,881	19,200,908	465,973	2%	30%	23%
TOTAL LIABILITIES AND EQUITY	66,452,756	85,176,629	(18,723,873)	-22%	100%	100%

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 ₱14.0 billion

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

Cash and Cash Equivalents increased by 170% or ₱9.9 billion
The increase in cash and cash equivalents was due to the proceeds from sale of investment in airport segment amounting to ₱7.2 billion.

Trade and Other Receivables increased by 8% or by ₱1.4 billion
The increase in contract receivables was 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 ₱968.4 million was derecognized upon disposal.

Inventory of Construction Materials increased by 4% or ₱81.0 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 ₱328.6 million
The increase in contract assets was 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 ₱569.7 million
In 2022, the Group has written-off related deferred fulfilment costs amounting to ₱328.6 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 ₱1.2 billion was derecognized upon disposal.

Non-Current Asset Held for Sale increased by 100%% or ₱2.9 billion
Total noncurrent assets held for sale pertains to the total assets of airport segment amounting to ₱2.9 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 ₱12.7 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 ₱3.5 million
FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at ₱3.5 million for both periods.

Investments in Associates and Joint Ventures decreased by 73% or by ₱630.2 million
The decrease was 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 ₱432.8 million
The Group recognized depreciation charges on property, plant and equipment amounting to ₱1.3 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 ₱205.7 million

The increase was mainly related to the additions in the landport property amounting to ₱327 million representing additional improvements in the commercial and parking area. This was reduced by depreciation charges for the period amounting to ₱121 million, respectively.

Deferred tax assets increased by 2,703% or by ₱664.7 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 ₱2.0 billion
Balance of other non-current asset of airport segment amounting to ₱1.8 billion was derecognized upon disposal. Whereas the decrease of ₱0.3 million was mainly due to decrease in the deferred input VAT balance of the Group.

LIABILITIES AND EQUITY

Current Liabilities decreased by 13% or ₱3.4 billion

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

Interest-Bearing Loans and Borrowings-Current decreased by ₱72.3 million
The decrease was 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 ₱3.3 billion
The decrease was due to progress billings on work in progress contracts. The balance of trade and other payables of airport segment amounting to ₱2.3 billion was derecognized upon disposal.

Contract liabilities – current decreased by 3% or ₱112.9 million
The decrease was mainly related to recoupment of downpayments from client.

Other Current Liabilities decreased by 15% or by ₱40.7 million
The balance of other current liabilities of airport segment amounting to ₱94 million was derecognized upon disposal. While increase of ₱63 million is due to the increase in tax liabilities of the Group such as withholding taxes and output VAT.

Non-Current Liabilities decreased by 41% or ₱15.8 billion

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

Loans and Borrowings-Non-Current decreased by 62% or ₱21.7 billion
The balance of non-current portion of the interest-bearing loans of borrowings of the airport segment amounting to ₱25.8 billion was derecognized upon disposal. Noncurrent portion of finance lease payables and corporate notes 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 ₱4.0 billion.

Exchangeable notes increased by ₱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% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

Contract liabilities – noncurrent decreased by 32% or ₱651.0 million
The decrease was 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 ₱62.7 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 ₱872.6 million

The balance of deferred tax liabilities of the airport segment amounting to ₱972 million was derecognized upon disposal.

Other non-current liabilities decreased by 44% or ₱288.1 million
The balance of other non-current liabilities of the airport segment amounting to ₱132 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 ₱3.1 billion
The increase in equity was mainly due to total comprehensive income amounting to ₱3.6 billion, dividend payments of ₱490 million to preferred stock shareholders, deposits for future stock subscription of ₱2 million, and increase in other reserves amounting to ₱15 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS AS OF AND FOR THE FULL YEAR ENDED DECEMBER 31, 2021 COMPARED TO FULL YEAR ENDED DECEMBER 31, 2020

Results of Operations

Amounts in ₱ thousands	December 31 2021	December 31 2020	Horizontal Analysis Amount	Horizontal Analysis %	Vertical Analysis 2021%	Vertical Analysis 2020%
REVENUES						
Construction operation revenues	14,329,464	10,842,200	3,487,264	32%	92%	84%
Landport operations revenues	715,039	902,414	(187,375)	-21%	5%	7%
Airport operations revenues	576,043	1,108,668	(532,625)	-48%	4%	9%
Trading operations revenues	23,426	69,945	(46,519)	-67%	0%	1%
	15,643,971	12,923,226	2,720,745	21%	100%	100%
DIRECT COSTS						
Cost of construction operations	12,130,698	9,393,547	2,737,151	29%	78%	73%
Cost of landport operations	388,165	634,707	(246,543)	-39%	2%	5%
Cost of airport operations	369,474	355,896	13,578	4%	2%	3%
Cost of trading operations	15,969	20,960	(4,991)	-24%	0%	0%
	12,904,306	10,405,110	2,499,196	24%	82%	81%
GROSS PROFIT	2,739,666	2,518,116	221,549	9%	18%	19%
INCOME AND EXPENSES						
Other operating expenses	(1,578,016)	(1,508,418)	(69,598)	5%	-10%	-12%
Impairment losses on receivables and contract assets	(204,980)	(27,289)	(177,691)	651%	-1%	0%
Finance costs	(2,809,511)	(2,506,745)	(302,766)	12%	-18%	-19%
Finance income	482,014	694,777	(212,763)	-31%	3%	5%
Others – net	647,046	219,749	427,296	194%	4%	2%
	(3,463,447)	(3,127,926)	(335,522)	11%	-22%	-24%
PROFIT (LOSS) BEFORE TAX	(723,782)	(609,809)	(113,973)	19%	-5%	-5%
TAX INCOME (EXPENSE)	(169,373)	(264,787)	95,414	-36%	-1%	-2%
NET INCOME (LOSS)	**(893,154)**	**(874,596)**	**(18,559)**	**2%**	**-6%**	**-7%**
Net Profit Attributable To:						
Shareholders of the Parent Company	(342,985)	(398,150)	55,165	-14%	-2%	-3%
Non-controlling interests	(550,169)	(476,446)	(73,723)	15%	-4%	-4%
Earnings per Share:	-₱0.42	-₱0.33				

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 ₱2.72 billion

Consolidated revenues for the period amounted to ₱15.64 billion, 21% or ₱2.72 billion higher from the same period last year. The construction segment revenue amounted to ₱ 14.33 billion, 32% or ₱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 ₱576 million, 48% or ₱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 ₱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 ₱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 ₱2.5 billion
Direct costs amounted to ₱12.9 billion and were higher by 24% or ₱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 ₱222 million
Consolidated gross profit amounted to ₱2.74 billion in 2021, translating to a consolidated gross profit margin of 18%. The construction business contributed ₱2.2 billion or 80% of the Group's gross profit. Terminal operations contributed ₱327 million or 12% while airport operations and merchandising segment accounted for ₱207 million or 8% to the total gross profit.

Other Operating Expenses increased by 16% or ₱247 million
Net Other Operating Expenses amounted to ₱1.78 billion. The increase of ₱247 million is mainly related to impairment losses recognized on receivables amounting to ₱204 million.

Other Income (Charges) increased by 6% or ₱88 million
Other charges - net, which consists of finance cost, finance income and other income (expenses) amounted to ₱1.68 billion, 6% lower from year-ago levels. The reduction is due mainly to the recognition of gain on loan modification amounting to ₱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 ₱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 ₱19 million
Consolidated net loss in 2021 reached ₱893 million compared to consolidated net loss of ₱875 million in 2020, as the recovery in construction operations to a profit of ₱401 million from previous year's loss of ₱497 million was offset by the travel-related impact of COVID-19 on airport operations, amounting to a loss of ₱1,357 million. Excluding the impact of airport operations, the consolidated profit and loss after tax would have posted net income of ₱464 million.

Financial Condition

Amounts in ₱ thousands	December 31		Horizontal Analysis		Vertical Analysis	
	2021	2020	Amount	%	2021%	2020%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	5,846,088	7,226,150	(1,380,062)	-19%	7%	9%
Trade and other receivables - net	16,970,555	15,299,050	1,671,504	11%	20%	19%
Construction materials	2,045,159	1,719,043	326,117	19%	2%	2%
Contract assets	4,777,705	4,231,600	546,105	13%	6%	5%
Other current assets	10,132,960	7,956,744	2,176,216	27%	12%	10%
	39,772,467	36,432,587	3,339,880	9%	47%	45%
Non-current asset classified as held for sale	-	-	-	NA	0%	0%
Total Current Assets	39,772,467	36,432,587	3,339,880	9%	47%	45%
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income	3,544	3,544	-	0%	0%	0%
Investments in associates & joint ventures	861,513	929,196	(67,683)	-7%	1%	1%
Concession assets	30,503,823	29,928,728	575,095	2%	0%	0%
Property, plant, and equipment - net	7,166,867	7,239,862	(72,994)	-1%	8%	9%
Investment properties - net	4,493,344	4,378,381	114,963	3%	5%	5%
Deferred tax assets - net	24,595	9,626	14,969	156%	0%	0%
Other non-current assets	2,350,475	2,421,845	(71,370)	-3%	3%	3%
Total Non-current Assets	45,404,162	44,911,182	492,980	1%	53%	55%
TOTAL ASSETS	85,176,629	81,343,769	3,832,860	5%	100%	100%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Interest-bearing loans and borrowings	14,780,086	13,130,458	1,649,628	13%	17%	16%
Trade and other payables	8,616,715	8,291,951	324,764	4%	10%	10%
Contract liabilities	3,703,189	2,115,257	1,587,932	75%	4%	3%
Other current liabilities	265,859	218,177	47,682	22%	0%	0%
Total Current Liabilities	27,365,850	23,755,843	3,610,007	15%	32%	29%
NON-CURRENT LIABILITIES						
Interest-bearing loans and borrowings	34,721,410	32,789,908	1,931,503	6%	41%	40%
Contract liabilities	2,056,202	2,478,673	(422,471)	-17%	2%	3%
Post-employment defined benefit obligation	300,125	343,402	(43,277)	-13%	0%	0%
Deferred tax liabilities - net	872,561	801,849	70,711	9%	1%	1%
Other non-current liabilities	659,573	651,626	7,947	1%	1%	1%
Total Non-current Liabilities	38,609,871	37,065,458	1,544,413	4%	45%	46%
Total Liabilities	65,975,721	60,821,301	5,154,420	8%	77%	75%
EQUITY						
Equity attributable to shareholders of the Parent Company:						
Capital stock	2,528,052	2,486,427	41,625	2%	3%	3%
Additional paid-in capital	16,987,856	13,057,712	3,930,144	30%	20%	16%
Treasury shares	(8,615,691)	(4,615,691)	(4,000,000)	87%	-10%	-6%
Revaluation reserves - net	94,012	(8,951)	102,963	-1150%	0%	0%
Other reserves	(22,475)	(22,475)	-	0%	0%	0%
Retained earnings (deficit)	5,555,677	6,404,292	(848,615)	-13%	7%	8%
Total equity attributable to shareholders of the Parent Company	16,527,431	17,301,314	(773,883)	-4%	19%	21%
Non-controlling interests	2,673,476	3,221,154	(547,677)	-17%	3%	4%
Total Equity	19,200,908	20,522,468	(1,321,560)	-6%	23%	25%
TOTAL LIABILITIES AND EQUITY	85,176,629	81,343,769	3,832,860	5%	100%	100%

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 ₱3.34 billion

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

Cash and Cash Equivalents decreased by 19% or ₱1.38 billion
The decrease in cash and cash equivalents was due to payment of ₱2.6 billion finance cost, ₱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 ₱1.67 billion
The increase in contract receivables by ₱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 ₱444 million while retention receivable increased by ₱76 million. Receivable from airport operations increased by ₱129 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 ₱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 ₱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 ₱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 ₱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 ₱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 ₱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 ₱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 ₱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 ₱50 million.

Property, Plant and Equipment decreased by 1% or by ₱73 million
The Group recognized depreciation charges on property, plant and equipment amounting to ₱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 ₱115 million
The increase is mainly related to the additions in the landport property amounting to ₱230 million representing additional improvements in the commercial and parking area. This was reduced by depreciation charges for the period amounting to ₱86 million.

Deferred tax assets increased by 156% or ₱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 ₱71 million
The decrease in Other Non-Current Assets was mainly due to decrease of ₱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 ₱51 million.

LIABILITIES AND EQUITY

Current Liabilities increased by 15% or ₱3.61 billion

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

Interest-Bearing Loans and Borrowings-Current increased by ₱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 ₱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 ₱325 million
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 ₱308 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 ₱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 ₱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 ₱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 ₱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 ₱2.1 billion. Meanwhile, current portion of finance lease payables amounting to ₱91 million were reclassified to current loans based on scheduled payments within one-year horizon.

Contract liabilities – noncurrent decreased by 17% or ₱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 ₱43 million
The post-employment defined benefit obligation decreased due to experience adjustments and changes in demographic assumptions.

Deferred tax liabilities increased by 9% or by ₱71 million
The decrease in deferred tax liabilities was mainly due to construction segment which had a net deferred tax asset position of ₱10 million at the end of the year compared to last year deferred tax liability position amounting to ₱26 million. Other decrease is arising from the adjustment of tax rate from 30% to 25%.

Other non-current liabilities increased by 1% or ₱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 ₱774 million
The decrease in equity was mainly due to dividend payments of ₱506 million to preferred stock shareholders and ₱342 million net loss attributable to Parent for the year.

LIQUIDITY AND CAPITAL RESOURCES

As regards internal and external sources of liquidity, the Company's funding is sourced from internally generated cash flows, and also from borrowings or available credit facilities from other local and international commercial banks. 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 is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.

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.

Megawide has capital commitment to utilize the proceeds from the issuance of its preferred shares amounting to ₱4,362.6 million for various 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.

KEY PERFORMANCE INDICATORS

The following table summarizes Megawide's Key Performance Indicators ("**KPIs**") and Ratios as of and for the nine months ended September 30, 2024 and 2023 and as of and for the years ended December 31, 2023, 2022, and 2021:

	September 30		**December 31**		
	2024	**2023**	**2023**	**2022**	**2021**
Current Ratio(1)	1.48	1.80	1.29	2.25	1.45

Debt to Equity Ratio(2)	1.99	1.74	1.81	1.41	2.58
Asset to Equity Ratio(3)	4.00	4.06	3.92	3.38	4.44
Interest Coverage Ratio(4)	1.48	1.22	1.16	1.69	0.74
Book Value per Share(5)	3.40	3.47	3.32	5.67	4.08
Earnings per Share(6)	0.13	0.02	0.14	1.31	-0.03
Return on Assets(7)	0.01	0.00	0.00	0.04	-0.01
Return on Equity(8)	0.03	0.02	0.01	0.15	-0.04
Gross Profit Margin(9)	19%	12%	12%	13%	17%
Operating Profit Margin(10)	12%	6%	5%	-7%	8%

Notes:
(1) Current Assets / Current Liabilities
(2) Interest bearing loans and borrowings / Stockholder's Equity. For the 2021 Consolidated Audited Financial Statements, the numerator used for the Debt to Equity Ratio is Total Liabilities instead of Interest bearing loans and borrowings.
(3) Total Assets / Stockholder's Equity
(4) Earnings before Interest and Taxes (EBIT) / Interest Charges
(5) Equity Attributable to Shareholders of the Parent Company less Preferred Equity / Issued and Outstanding Shares
(6) Net Income / Issued and Outstanding Shares
(7) Net Income/ Stockholder's Equity
(8) Net Income/ Total Assets
(9) Gross Profit/ Total Revenues
(10) Operating Profit/ Total Revenues

The KPIs were chosen to provide management with a measure of Megawide's financial strength (Current Ratio, Debt to Equity Ratio, Asset to Equity Ratio, and Interest Coverage Ratio), and profitability (Earnings per Share, Return on Assets, Return on Equity, Gross Profit and Operating Profit Margin). Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of previous year as discussed in section "Management's Discussion and Analysis of Financial Condition and Results of Operations"

The Company is not aware of any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

The Megawide Group does not have debt covenants to maintain financial ratios at the Consolidated level. The Parent Company is required to maintain a maximum DE ratio of 2.33x and minimum DSCR of 1.10x. The Parent Company has been compliant with the required ratio in the last 3 years and has not incurred any default in the past.

	2023	**2022**	**2021**
Debt to Equity	1.61	1.47	1.23
Debt Service Coverage Ratio	1.35	1.13	3.14

The following table summarizes Megawide's Financial Condition and Performance as of and for the nine months ended September 30, 2024 and 2023 and as of and for the years ended December 31, 2023, 2022, and 2021:

Financial Performance

	Construction				
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022	December 31, 2021
Segment revenues	16,045,981	15,190,879	18,197,718	14,586,342	14,356,369
Cost excluding depreciation and amortization	(12,401,479)	(12,533,748)	(14,983,629)	(11,457,496)	(11,124,688)
Depreciation and amortization	(891,735)	(905,176)	(1,149,883)	(1,206,491)	(1,133,162)
Interest income	582,289	788,265	1,008,903	526,003	464,851
Interest expense	(1,594,686)	(1,397,926)	(1,795,499)	(1,502,096)	(1,364,842)
Equity share in profit or loss and joint ventures	(10,665)	2,459	(35,748)	4,572	(10,633)
Other income	21,275	16,836	127,188	4,154,173	171,387
Tax expense (income)	(328,691)	(48,118)	(125,987)	617,976	(67,012)
Other expenses	(464,915)	(668,081)	(801,724)	(3,432,199)	(939,703)
	957,374	445,390	441,339	2,290,784	352,567

	Landport				
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022	December 31, 2021
Segment revenues	386,015	339,734	347,752	258,329	715,039
Cost excluding depreciation and amortization	(101,842)	(85,067)	(135,749)	(132,964)	(149,440)
Depreciation and amortization	(148,186)	(180,619)	(235,770)	(241,674)	(413,871)
Interest income	5,862	170	37,237	18	7,614
Interest expense	(186,615)	(178,502)	(259,301)	(154,332)	(148,144)
Equity share in profit or loss and joint ventures	-	-	-	-	-
Other income	51,812	99,951	134,265	117,741	133,884
Tax expense (income)	21,598	24,819	64,004	82,715	(21,124)
Other expenses	(104,426)	(106,351)	(156,928)	(172,001)	(46,398)
	(75,782)	(85,865)	(204,490)	(242,168)	77,560

	Real Estate				
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022	December 31, 2021
Segment revenues	440,177	148,891	-	-	-
Cost excluding depreciation and amortization	(186,737)	(72,152)	-	-	-
Depreciation and amortization	(45,616)	(9,709)	-	-	-
Interest income	34,188	861	-	-	-
Interest expense	(64,789)	(2,214)	-	-	-
Equity share in profit or loss and joint ventures	-	-	-	-	-
Other income	908	18,356	-	-	-
Tax expense (income)	(3,142)	(100)	-	-	-
Other expenses	(312,846)	(140,904)	-	-	-
	(137,857)	(56,971)	-	-	-

Financial Condition

	Construction				
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	62,583,637	58,613,372	59,670,393	61,577,831	48,988,040
Total liabilities	45,739,410	42,323,901	43,460,554	42,283,646	32,351,079

	Landport				
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	5,857,072	6,501,822	6,314,353	6,638,544	6,727,959
Total liabilities	4,494,189	4,948,494	4,879,962	4,978,471	4,826,617

	Real Estate				
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	6,188,393	4,576,123	4,850,161	-	-
Total liabilities	4,252,064	2,926,596	3,303,419	-	-

COMMITMENTS AND CONTINGENCIES

There are commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying interim condensed consolidated financial information. Management is of the opinion, that losses, if any, from these items will not have any material effect on its interim condensed consolidated financial information.

DIRECTORS, EXECUTIVE OFFICERS, AND KEY PERSONS

Directors and Executive Officers

As of December 31, 2024, Megawide is governed by a Board of six (6) directors, composed of the following:

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

A seventh director will be elected by the stockholders on March 27, 2025.

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

The directors shall hold office for one (1) year or until their successors are elected and qualified. The first directors are also the incorporators. The annual meeting of the stockholders shall be held every June 30 of each year or, in case the same falls on a legal holiday, on the day following.

The Board is responsible for the direction and control of the business affairs and management of Megawide, and the preservation of its assets and properties. No person can be elected as director of Megawide unless he or she is a registered owner of at least 1 voting share of Megawide.

Pursuant to SEC Memorandum Circular (M.C.) No. 19, Series of 2016, the Company adopted its Manual on Corporate Governance. In accordance with Section VI (5) (b) of the Company's Manual on Corporate Governance, the Board shall have at least three (3) independent directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher. At present, two (2) members of the Board are independent directors. The third independent director will be elected by the stockholders on March 27, 2025. Nonetheless, the Amended By-Laws of Megawide provides that Megawide is required to only have at least two (2) independent directors or at least 20% of its board size, whichever is lesser, but in no case less than two (2).

Board of Directors

The following provides the information on each Member of Megawide's Board of Directors, as of December 31, 2024, including their current directorships and positions in other companies, previous business experience, and educational background:

i. **MR. EDGAR B. SAAVEDRA**
Age: 50
Citizenship: Filipino

Position/s in Megawide: *Chairman of the Board, CEO, and President*
Term of Office: Yearly
Director since 28 July 2004

Current Directorships and Positions Held in Other Companies
Mr. Saavedra is currently the Chairman of the Board of Directors 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., Megawide OneMobility Corporation, Citicore Renewable Energy Corporation and PH1 World Developers, Inc. Further, he is a Trustee of Megawide Corporate Foundation, Inc.

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

ii. **MR. MANUEL LOUIE B. FERRER**
Age: 49
Citizenship: Filipino

Position/s in Megawide: *Vice-Chairman of the Board and Executive Director for Infrastructure Development*

Term of Office: Yearly

Director since 17 September 2017

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

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

iii. **MR. OLIVER Y. TAN**
Age: 47
Citizenship: Filipino

Position/s in Megawide: *Director*
Term of Office: Yearly
Director since 16 September 2016

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

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

iv. **MR. RAMON H. DIAZ***
Age: 66
Citizenship: Filipino

Position/s in Megawide: *Director*
Term of Office: Yearly
Director since 30 June 2021

Current Directorships and Positions Held in Other Companies
Mr. Diaz is a Director of MWM Terminals, Inc. Also, he serves as Director and Treasurer of Cebu2World Development, Inc. and Evolution Data Centres Philippines Inc.

Previous Business Experience and Educational Background
Mr. Diaz previously served as Group Chief Finance Officer of Megawide. He was likewise elected as Director of Altria East Land Inc., Citicore Holdings Investment Inc., Citicore Power Inc.,

Megawide One Mobility Corporation (formerly “Citicore Infrastructure Holdings, Inc.”), Citicore Megawide Consortium, Inc., and Citicore Renewable Energy Corporation. He 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 Master’s in Business Management from the Asian Institute of Management, as a scholar of the Ford Motor Company. He is a Certified Public Accountant.

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

v. **RET. CHIEF JUSTICE HILARIO G. DAVIDE, JR**.
Age: 89
Citizenship: Filipino

Position/s in Megawide: *Independent Director*
Term of Office: Yearly
Independent Director since 16 September 2016

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

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

vi. **MR. CELSO P. VIVAS**
Age: 78
Citizenship: Filipino

Position/s in Megawide: *Independent Director*
Term of Office: Yearly
Independent Director since 2 July 2018

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

Previous Business Experience and Educational Background

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

There is a vacancy of one (1) seat in the Board of Director of Megawide. Nevertheless, the current Board of Directors is composed of highly qualified and experienced individuals who collectively bring a wealth of knowledge, strategic insight, and leadership to the Company. Their expertise continues to steer the Company toward achieving its goals and ensuring sound governance practices. The Company has been actively conducting a comprehensive search to identify a candidate who meets the rigorous qualifications outlined in the relevant laws, rules, and regulations, as well as in the Company's Manual Code of Corporate Governance.

Currently, the Company will hold a Special Stockholders' Meeting (SSM) on March 27, 2025, for the election of an Independent Director to fill the seventh (7th) seat of the Board of Directors. The elected Independent Director will hold office until the next annual stockholders' meeting and until their successor has been elected and qualified.

Executive Officers Who Are Not Directors

The following provides the information on the officers of Megawide, as of December 31, 2024, including their current positions in other companies, previous business experience, and educational background:

i. **MR. JEZ G. DELA CRUZ***
Age: 39
Citizenship: Filipino

Position/s in the Company: *Group Chief Financial Officer*

Term of Office: Yearly

Current Positions Held in Other Companies
Mr. Dela Cruz is a Director and Treasurer of Citicore Energy REIT Corporation. He is likewise a Director of Citicore Power Inc.

Previous Business Experience and Educational Background
Mr. Dela Cruz was an Assistant Vice President and Head of Corporate Finance and Planning of Megawide before his role as Group Chief Financial Officer. He was a Director of GMCAC. Prior to joining Megawide, he spent his career as a banker for BPI Capital Corporation as well as Citibank N.A. Corporate and Investment Banking Group, and former Financial Planning Manager for San Miguel Beer's international business. Mr. Dela Cruz carries an MBA degree from the Asian Institute of Management and is a Certified Management Accountant (CMA). He holds undergraduate degree from St Francis College.

** Appointed on January 16, 2024*

ii. **MR. RAYMUND JAY S. GOMEZ**
Age: 53
Citizenship: Filipino

Position/s in the Company: *Chief Legal Officer, Compliance Officer, and Data Protection Officer*

Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Gomez also serves as Director of MWM Terminals, Inc. Altria East Land Inc., Megawide Terminals, Inc., Cebu2World Development, Inc., Megawide OneMobility Corporation, Citicore-Megawide Consortium, Inc. and Megawide Land, Inc. He also serves as the Compliance Officer of Citicore Energy REIT Corp.

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

iii. **MS. MARIA BELINDA B. MORALES**
Age: 66
Citizenship: Filipino

Position/s in the Company: *Chief Human Resources Officer*

Term of Office: Yearly

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

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

iv. **MR. CHRISTOPHER A. NADAYAG**
Age: 41
Citizenship: Filipino

Position/s in the Company: *Treasurer*

Term of Office: Yearly

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

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

v. **MS. ZHEENA A. OCAMPO**
Age: 32
Citizenship: Filipino

Position/s in the Company: *Acting Chief Audit Executive*

Term of Office: Yearly

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

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

vi. **MR. MARTIN MIGUEL FLORES**
Age: 41
Citizenship: Filipino

Position/s in the Company: *Chief Risk Officer*

Term of Office: Yearly

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

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

vii. **MR. ROLANDO S. BONDOY***
Age: 53
Citizenship: Filipino

Position/s in the Company: Head of Investor Relations

Term of Office: Yearly

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

Previous Business Experience and Educational Background
Mr. Bondoy, prior to his appointment, held the position of Assistant Vice President of Investor Relations of Megawide.

He also previously worked as Head of the Investor Relations and Corporate Governance Division at Philex Mining Corp., Investor Relations Manager at Ayala Land, Inc., and an Investor Relations Officer at PXP Energy Corp.

** Appointed as Head of Investor Relations on May 2, 2024*

viii. **ATTY. MELISSA ESTER E. CHAVEZ-DEE***
Age: 39
Citizenship: Filipino

Position/s in the Company: *Corporate Secretary, Assistant Compliance Officer, Corporate Information Officer*

Term of Office: Yearly

Current Positions Held in Other Companies
Mrs. Chavez-Dee is currently a Partner at Gulapa & Lim. Mrs. Chavez-Dee also currently serves as the Corporate Secretary of Altria East Land Inc., Cebu2World Development, Inc., Citicore-Megawide Consortium, Inc., Megawide Corporate Foundation, Inc., Megawide Land, Inc., MWM Terminals, Inc., and Wide-Horizons Inc.

Previous Business Experience and Educational Background

Mrs. Chavez-Dee obtained her Bachelor of Arts in Communication and her Juris Doctor degree (Second Honors) from the Ateneo de Manila University. She was admitted to the Philippine Bar in 2012.

**Appointed on August 12, 2024; effective August 12, 2024*

ix. **ATTY. PHILLIP DON G. RECENTES***
Age: 37
Citizenship: Filipino

Position/s in the Company: *Assistant Corporate Secretary*

Term of Office: Yearly

Current Positions Held in Other Companies
Atty. Recentes is a Senior Associate at Gulapa & Lim.

Previous Business Experience and Educational Background
Atty. Recentes obtained his Juris Doctor degree from Ateneo de Manila University in 2016, where he obtained Second Honors. He was admitted to the Philippine Bar in 2017.

**Appointed on December 10, 2024; effective December 10, 2024*

Attendance of Directors to Board and Committee Meetings

The tables below set forth the attendance of Megawide's Directors to Board and Board Committee meetings held from January 01, 2024 to December 31, 2024:

Board Meetings

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

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

Finance Committee Meetings

The Finance Committee held four (4) regular meetings with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Ramon H. Diaz	*Chairman*	2	2
Oliver Y. Tan	*Vice-Chairman*	2	2
Hilario G. Davide, Jr.	*Member*	2	2
Celso P. Vivas	*Member*	2	2

Audit and Compliance Committee Meetings

The Audit and Compliance Committee held four (4) regular meetings with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Celso P. Vivas	*Chairman*	4	4
Hilario G. Davide, Jr.	*Vice-Chairman*	4	4
Oliver Y. Tan*	*Member*	2	2
Ramon H. Diaz*	*Member*	4	4

*Replacement of Mr. Oliver Y. Tan with Mr. Ramon H. Diaz as Member of the Committee was effective on May 10, 2024

Board Risk Oversight Committee Meetings

The Board Risk Oversight Committee held two (2) regular meetings with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Celso P. Vivas	*Chairman*	2	2
Edgar B. Saavedra	*Member*	2	2
Hilario G. Davide, Jr.	*Member*	2	2
Ramon H. Diaz	*Member*	2	2

Governance, Nominations, and Compensation Committee Meetings

The Governance, Nominations, and Compensation Committee held one (1) regular meeting with the following attendance record:

Name	Position	No. of Meetings	No. of Meetings Attended
Hilario G. Davide, Jr.	*Chairman*	1	1
Manuel Louie B. Ferrer	*Member*	1	1
Ramon H. Diaz	*Member*	1	1

Significant Employees

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

Family Relationships

None of the directors are related to each other.

Involvement in Certain Legal Proceedings

In 2020 and 2021, cases were filed against Mr. Edgar B. Saavedra, Mr. Manuel Louie B. Ferrer, Mr. Oliver Y. Tan, and Mr. Jez G. Dela Cruz—who serve as directors and officers of Megawide—for alleged violations of the Anti-Dummy Law and Sections 3(e) and 3(j) of Republic Act (RA) No. 3019. These cases were filed against them in their capacity as directors of GMR Megawide Cebu Airport Corporation, a former subsidiary of Megawide. The alleged violations were under the jurisdiction of the Regional Trial Court of Lapu-Lapu City (Anti-Dummy Law) and the Office of the Ombudsman (RA 3019). The cases related to the Anti-Dummy Law and RA 3019 were dismissed on October 25, 2022, and December 6, 2023, respectively. As a result, these court issuances have effectively cleared the respondents of all charges. The cases are further discussed in the "*Legal Proceedings*" section of this Prospectus.

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

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

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

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

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

Executive Compensation

SUMMARY COMPENSATION TABLE
Annual Compensation
(In Php Millions)

Name and Position	Fiscal Year	Annual Salary	Bonus	Other Compensation
Edgar B. Saavedra Chairman, CEO, and President **Manuel Louie B. Ferrer** Vice-Chairman of the Board and Chief Corporate Affairs, Branding Officer and Executive Director for Infrastructure Development				

[2] In 2020 and 2021, cases were filed against Mr. Edgar B. Saavedra, Mr. Manuel Louie B. Ferrer, Mr. Oliver Y. Tan, and Mr. Jez G. Dela Cruz for alleged violations of the Anti-Dummy Law and Sections 3(e) and 3(j) of Republic Act (RA) No. 3019, in their capacity as directors of GMR Megawide Cebu Airport Corporation. The Anti-Dummy and the RA 3016 cases have been dismissed last October 25, 2022 and December 6, 2023, respectively, thereby clearing them of any charges.

Maria Belinda Morales Chief Human Resources Officer **Jez G. Dela Cruz** Group Chief Financial Officer **Jaime Raphael Feliciano** Chief Business Development Officer				
CEO & Aggregate compensation paid to all other officers and directors as a group unnamed	2024	205.16	-	3.80
	2023	212.47	-	8.58
	2022	200.05	23.61	8.34
	2021	177.63	20.49	7.24

Compensation of Directors

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

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

Subsequently, on October 10, 2018, the Board resolved to increase the director's per diem, per Board meeting, to Forty-Four Thousand Pesos (₱44,000.00) for Executive Directors, Sixty-Two Thousand Pesos (₱62,000.00) for Non-Executive Directors, and Fifty-Eight Thousand Pesos (₱58,000.00) for Independent Directors. The total per diem paid to Directors for the year ending December 31, 2023 was Three Million One Hundred Fifty Six Thousand (₱3,156,000.00).

Standard Arrangements and Other Arrangements

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

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

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

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

Warrants and Options

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

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL SHAREHOLDERS

Common Shareholders

As of December 31, 2024, there are **Two Billion Three Hundred Ninety-nine Million Four Hundred Twenty-six Thousand and One Hundred Twenty-seven (2,399,426,127)** common shares registered in the names of the following:

	Stockholder	Number of Common Shares Held	Percentage of Total Shares
1.	PCD Nominee Corporation (Filipino)	1,619,716,019[1]	67.50%
2.	Citicore Holdings Investment, Inc.	712,925,501	29.71%
3.	Suyen Corporation	22,900,000	0.95%
4.	Aeternum Holdings, Inc.	21,389,904	0.89%
5.	PCD Nominee Corporation (Non-Filipino)	18,997,819	0.79%
6.	Ellie Chan	1,666,901	0.07%
7.	Carousel Holdings, Inc.	500,000	0.02%
8.	Carousel Holdings, Inc.	500,000	0.02%
9.	Marmon Holdings, Inc.	300,000	0.01%
10.	John I. Bautista, Jr.	159,799	0.01%
11.	Ayush Singhvi	147,400	0.01%
12.	Regina Capital Dev. Corp. 000351	34,754	0.00%
13.	Jharna Chandnani	23,000	0.00%
14.	Pacifico Silla &/or Marie Paz Silla &/or Nathaniel Silla	20,000	0.00%
15.	Juan Miguel B. Salcedo	16,177	0.00%
16.	Jose Emmanuel B. Salcedo	16,177	0.00%
17.	NSJS Realty & Development Corporation	16,000	0.00%
18.	Grace Q. Bay	15,243	0.00%
19.	Perfecto Nolasco	15,000	0.00%
20.	Camille Patricia Dominique T. Ang	14,547	0.00%
21.	Pacifico Silla &/or Marie Paz Silla Sagum &/or Nathaniel Silla	9,456	0.00%
22.	Pacifico C. Silla &/or Catherine M. Silla &/or Alexander M. Silla	9,456	0.00%
23.	Myra P. Villanueva	8,900	0.00%
24.	Joyce M. Briones	7,868	0.00%

25.	Megawide Construction Corporation	5,928	0.00%
26.	Frederick E. Ferraris &/or Ester E. Ferraris	5,674	0.00%
27.	Jennifer T. Ramos	2,000	0.00%
28.	Jennifer T. Ramos	1,000	0.00%
29.	Demetrio D. Mateo	500	0.00%
30.	Julius Victor Emmanuel D. Sanvictores	379	0.00%
31.	Guillermo F. Gili, Jr.	246	0.00%
32.	Florentino A. Tuason, Jr.	246	0.00%
33.	Hector A. Sanvictores	190	0.00%
34.	Owen Nathaniel S. AU ITF: Li Marcus Au	38	0.00%
35.	Edgar B. Saavedra	1	0.00%
36.	Hilario Gelbolingo Davide, Jr.	1	0.00%
37.	Joselito T. Bautista	1	0.00%
38.	Lilia B. De Lima	1	0.00%
39.	Michael C. Cosiquien	1	0.00%
	Total Outstanding Common Shares	**2,399,426,127**	
	Shares Owned by Foreigners	**18,997,819**	

Owners of record of more than five percent (5%) of Megawide's shares of stock as of December 31, 2024, are as follows:

Title of Class	**Name & Address of Record Owner & Relationship with Issuer**	**Name of Beneficial Owner & Relationship with Record Owner**	**Citizenship**	**Number of Shares Held**	**Percent (%)**
Common	**PCD Nominee Corporation (Filipino)** – Stockholder 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, corner Paseo de Roxas	Publicly Held Shares	Filipino	1,619,716,019	67.50%

Common	**Citicore Holdings Investment Inc.** – Stockholder No. 20 N. Domingo Street, Barangay Valencia, Quezon City	Edgar B. Saavedra Mr. Saavedra is the majority stockholder of Citicore	Filipino	712,925,501 *Direct*	35.41%
Common	**Citicore Holdings Investment Inc.** – Stockholder No. 20 N. Domingo Street, Barangay Valencia, Quezon City	Edgar B. Saavedra Mr. Saavedra is the majority stockholder of Citicore	Filipino	712,925,501	29.71%

The following table sets forth the participants under the PCD account who owns more than five percent (5%) of the voting securities of Megawide as of December 31, 2024:

Name	**Number of Shares Held**	**Percent (%)**
Megacore Holdings, Inc.	617,709,197	30.68%
BDO Securities Corporation	663,355,971	32.95%
CLSA Philippines, Inc.	382,920,604	19.02%

Security Ownership of Management

The following table sets forth the security ownership of Megawide's Directors and officers as of December 31, 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Citizenship	Percentage
Common	Edgar B. Saavedra *Chairman of the Board, CEO, and President*	1 (Direct) 2 (Indirect)	Filipino	0.00%

Common	Manuel Louie B. Ferrer *Vice-Chairman of the Board, Executive Director for Infrastructure Development*	1 (Indirect)	Filipino	0.00%
Common	Oliver Y. Tan *Director*	18,767,852 (Indirect)	Filipino	0.93%
Common	Ramon H. Diaz *Director*	350,000 (Indirect)	Filipino	0.02%
Common	Hilario G. Davide, Jr. *Independent Director*	1 (Direct)	Filipino	0.00%
Common	Celso P. Vivas *Independent Director*	1 (Direct)	Filipino	0.00%
Common	Jez G. Dela Cruz *Group Chief Finance Officer*	0	Filipino	0.00%
Common	Christopher A. Nadayag *Treasurer*	49 (Indirect)	Filipino	0.00%
Common	Raymund Jay S. Gomez *Chief Legal Officer, Compliance Officer, and Data Protection Officer*	0	Filipino	0.00%
Common	Maria Belinda Morales *Chief Human Resources Officer*	35,000 (Indirect)	Filipino	0.00%
Common	Zheena E. Ocampo *Acting Chief Audit Executive*	7,500 (Indirect)	Filipino	0.00%

Common	Martin Miguel Flores *Chief Risk Officer*	4,400 (Indirect)	Filipino	0.00%
Common	Rolando S. Bondoy *Head of Investor Relations*	0	Filipino	0.00%
Common	Melissa Ester E. Chavez-Dee *External (Gulapa Law)*	0	Filipino	0.00%
Common	Phillip Don G. Recentes *External (Gulapa Law)*	0	Filipino	0.00%
Aggregate Shareholdings of Directors and Officers as a Group		**19,164,807**		0.95%

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

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

Change in Control

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

Preferred Shareholders

Series 2B Preferred Shares

As of December 31, 2024, there are approximately 5 holders of the Company's Series 2B Preferred Shares, to wit:

	Title of Class	Stockholder	Number of Preferred Shares Held	Percentage of Total Shares
1	Preferred	PCD NOMINEE CORPORATION (FILIPINO)	16,875,090	96.95%
2	Preferred	PCD NOMINEE CORPORATION (NON-FILIPINO)	480,790	2.76%
3	Preferred	NELSON CHUA LIM	30,000	0.17%
4	Preferred	ANTONIO TAN CHUA	10,000	0.06%
5	Preferred	KAREN ANN C. LAYUG	10,000	0.06%

Series 3 Preferred Shares

As of December 31, 2024, there is 1 holder of the Company's Series 3 Preferred Shares, to wit:

	Title of Class	Stockholder	Number of Preferred Shares Held	Percentage of Total Shares
1	Preferred	CITICORE HOLDINGS INVESTMENT INC.	45,000,000	100.00%

Series 4 Preferred Shares

As of December 31, 2024, there are approximately 5 holders of the Company's Series 4 Preferred Shares, to wit:

	Title of Class	Stockholder	Number of Preferred Shares Held	Percentage of Total Shares
1	Preferred	PCD NOMINEE CORPORATION (FILIPINO)	39,309,090	98.27%
2	Preferred	PCD NOMINEE CORPORATION (NON-FILIPINO)	690,210	1.73%
3	Preferred	MILAGROS P. VILLANUEVA	500	0.0%

4	Preferred	MARIETTA V. CABREZA	100	0.0%
5	Preferred	JUAN CARLOS V. CABREZA	100	0.0%

Series 5 Preferred Shares

As of December 31, 2024 there are approximately 3 holders of the Company's Series 5 Preferred Shares, to wit:

	Title of Class	Stockholder	Number of Preferred Shares Held	Percentage of Total Shares
1	Preferred	PCD NOMINEE CORPORATION (FILIPINO)	14,609,700	97.40%
2	Preferred	PCD NOMINEE CORPORATION (NON-FILIPINO)	380,300	2.54%
3	Preferred	VIRGINIA M. RAFAEL	10,000	0.07%

[1] Inclusive of 386,016,410 treasury shares.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Related party transactions are transfers of resources, services or obligations between Megawide and its related parties, regardless of whether a price is charged. Transactions between Megawide and related parties are conducted at estimated market rates and on an arm's length basis and in accordance with the Company's Related Party Transactions Policy.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with Megawide; (b) associates and joint ventures; (c) individuals owning, directly or indirectly, an interest in the voting power of Megawide that gives them significant influence over Megawide and close members of the family of any such individual; and, (d) Megawide's funded retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

All material related party transactions and related party transactions involving directors and/or officers shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions and related party transactions involving directors and/or officers. In case that a majority of the independent directors' vote is not secured, the material related party transactions and related party transactions involving directors and/or officers may be ratified by the vote of the stockholders representing at least two-third of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 1% of Megawide's total consolidated assets, the same BOD approval would be required for the transaction/s that meet and exceeds the materiality threshold covering the same related party. Under SEC Memorandum Circular No. 10, Series of 2019, *Rules on Material Related Party Transactions for Publicly-listed Companies*, the minimum threshold to be considered as a material related party transaction is 10% of the total assets based on the latest audited consolidated financial statements.

Directors with personal interest in a certain related party transaction should abstain from participating in the discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

In the normal course of business, Megawide provides construction services to related parties under common ownership, associate, a certain previous shareholder and other related parties. The related revenue from these transactions amounted to ₱1,511.4 million, ₱697.1 million, and ₱1,072.8 million in 2024, 2023, and 2022, respectively, and is recorded as part of Construction operation revenues account in the consolidated statements of income. Services rendered to the above related parties are based on normal terms similar to terms that would be available to non-related parties.

The outstanding contract receivables from these transactions, which are generally unsecured and settled through cash within three to six months, and the related retention receivables, which can only be collected after a certain period of time upon acceptance by project owners of the certificate of completion, are presented as part of Contract and Retention receivables under Trade and Other Receivables account in the consolidated statements of financial position.

Megawide is a lessee of certain parcels of land and building owned by related parties under common ownership.

Advances to officers and employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are to be liquidated 60 days from the date the cash advances were received. The outstanding receivables from these transactions are presented as part of Trade and Other Receivables.

Megawide obtained unsecured, noninterest-bearing cash advances from certain related parties to finance portion of its working capital requirement payable upon demand. The outstanding balance from these transactions is shown under Trade and Other Payables account in the consolidated statements of financial position.

Megawide has provided unsecured, interest-bearing cash advances to its associates and certain related parties under common ownership for their working capital requirements.

The outstanding balance from these transactions is shown under Trade and Other Receivables account in the consolidated statements of financial position. Interest income earned from these advances are presented as part of Finance Income under Other Income (Charges) account in the consolidated statements of income. The outstanding balance from interest income is presented as part of Trade and Other receivable) account in the consolidated statements of financial position.

Further, upon assessment of recoverability based on the capacity to pay and expected collectability of these advances, no impairment losses were recognized in both periods.

Megawide’s outstanding receivables from and payables to the same related parties as presented can be potentially offset to the extent of their corresponding outstanding balances.

The minority shareholders granted unsecured, noninterest-bearing cash advances to GMCAC to support its Project bid-related expenses. The minority interest shareholder also granted unsecured noninterest-bearing cash advances to MCEI to support its working capital operations. The outstanding balance from this transaction is shown under Trade and Other Payables account in the consolidated statements of financial position.

The Parent Company's retirement plan is in the form of a bank-trustee managed account. The fair value of the retirement plan totaled ₱4.9 million as of September 30, 2024 and December 31, 2023, respectively.

In 2021, the Parent Company provided certain project management and consultancy services to a related party under common ownership amounting to ₱103.3 million. The amount is outstanding as of December 31, 2022 and is presented as part of other receivables. There were no similar transactions in 2023.

The summary of Megawide's transactions with related parties is as follows:

For the period ended September 30, 2024

Related Party Category	Amount of Transaction	Receivable (Payable)	Terms	Conditions
Ultimate Parent:				
Cash granted	200,000	3,089,295,108	Interest-bearing	Unsecured, Unimpaired
Interest receivable	191,812,500	1,405,811,161	On demand; non-interest bearing	Unsecured, Unimpaired
Rent Income	40,179	296,027	Normal credit terms	Unsecured, Unimpaired
Cash obtained	-	(90,233,593)	On demand; non-interest bearing	Unsecured, Unimpaired
Associate:				
Revenue from services	-	997,247,698	Normal credit terms	Unsecured, Unimpaired
Cash granted	(2,211,438)	7,180,981	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	-	(30,000,000)	On demand; non-interest bearing	Unsecured, Unimpaired
Rent income	40,179	428,750	Normal credit terms	Unsecured, Unimpaired
Joint Arrangement:				
Revenue from services	608,163,822	43,383,873	Normal credit terms	Unsecured, Unimpaired
Cash granted	(901,012)	-	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	-	-	On demand; non-interest bearing	Unsecured, Unimpaired
Shareholder:				
Revenue from services	-	682,865,804	Normal credit terms	Unsecured, Unimpaired
Cash granted	-	889,796	On demand; non-interest bearing	Unsecured, Unimpaired
Common Ownership:				
Rent income	4,676,325	39,766,399	Normal credit terms	Unsecured, Unimpaired
Revenue from services	903,212,849	383,157,736	Normal credit terms	Unsecured, Unimpaired

Cash granted	32,091,630	3,374,055,883	On demand; Interest-bearing and non-interest bearing	Unsecured, Unimpaired
Cash obtained	(26,059,367)	(50,463,000)	On demand; non-interest bearing	Unsecured, Unimpaired
Interest receivable	227,241,887	1,437,972,915	On demand; non-interest bearing	Unsecured, Unimpaired
Retirement fund	-	4,947,691	Upon retirement of beneficiaries	Partially funded
Advances to Officers and Employees	(4,112,861)	94,399,918	Upon liquidation, noninterest-bearing	Unsecured, Unimpaired
Key Management Compensation	172,543,661	-	On demand	Unsecured, Unimpaired

For the year ended December 31, 2023

Related Party Category	Amount of Transaction	Receivable (Payable)	Terms	Conditions
Ultimate Parent:				
Cash granted	-	3,089,095,108	Interest-bearing	Unsecured, Unimpaired
Interest receivable	255,750,000	1,213,998,661	On demand; non-interest bearing	Unsecured, Unimpaired
Rent Income	44,643	255,848	Normal credit terms	Unsecured, Unimpaired
Cash obtained	90,233,593	(90,233,593)	On demand; non-interest bearing	Unsecured, Unimpaired
Associate:				
Revenue from services	-	997,247,698	Normal credit terms	Unsecured, Unimpaired
Cash granted	212,624	9,392,420	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	-	(30,000,000)	On demand; non-interest bearing	Unsecured, Unimpaired
Rent income	44,643	388,572	Normal credit terms	Unsecured, Unimpaired
Joint Arrangement:				
Revenue from services	854,651,398	22,486,709	Normal credit terms	Unsecured, Unimpaired
Cash granted	614,391	901,012	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	(19,325,804)	-	On demand; non-interest bearing	Unsecured, Unimpaired
Shareholder:				
Revenue from services	17,857	682,513,352	Normal credit terms	Unsecured, Unimpaired
Cash granted	(148,118)	889,795	On demand; non-interest bearing	Unsecured, Unimpaired
Common Ownership:				

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

For the year ended December 31, 2022:

Related Party Category	**Amount of Transaction**	**Receivable (Payable)**	**Terms**	**Conditions**
Ultimate Parent:				
Cash granted	(200,000)	3,089,095,108	Interest-bearing	Unsecured, Unimpaired
Interest receivable	220,500,000	958,248,661	On demand; non-interest bearing	Unsecured, Unimpaired
Rent Income	53,571	211,205	Normal credit terms	Unsecured, Unimpaired
Associate:				
Revenue from services	-	997,248,017	Normal credit terms	Unsecured, Unimpaired
Cash granted	(32,999,250)	9,179,796	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	10,000,000	(30,000,000)	On demand; non-interest bearing	Unsecured, Unimpaired
Rent income	57,321	343,929	Normal credit terms	Unsecured, Unimpaired
Joint Arrangement:				
Revenue from services	819,482,059	69,836,004	Normal credit terms	Unsecured, Unimpaired
Cash granted	(334,734)	286,620	On demand; non-interest bearing	Unsecured, Unimpaired
Cash obtained	19,325,804	(19,325,804)	On demand; non-interest bearing	Unsecured, Unimpaired
Shareholder:				
Revenue from services	254,814,248	613,013,120	Normal credit terms	Unsecured, Unimpaired
Cash granted	1,037,914	1,037,914	On demand; non-interest bearing	Unsecured, Unimpaired

Common Ownership:				
Rent income	10,719,541	29,193,207	Normal credit terms	Unsecured, Unimpaired
Revenue from services	728,155,948	932,421,309	Normal credit terms	Unsecured, Unimpaired
Cash granted	(11,055,137)	3,275,727,109	On demand; Interest-bearing and non-interest bearing	Unsecured, Unimpaired
Cash obtained	1,721,017	(1,721,017)	On demand; non-interest bearing	Unsecured, Unimpaired
Interest receivable	259,728,269	978,257,203	On demand; non-interest bearing	Unsecured, Unimpaired
Retirement fund	(14,715)	4,677,017	Upon retirement of beneficiaries	Partially funded
Advances to Officers and Employees	12,793,296	98,591,371	Upon liquidation, noninterest-bearing	Unsecured, Unimpaired
Key Management Compensation	302,992,110	-	On demand	Unsecured, Unimpaired

CAPITALIZATION

The following table sets out the unaudited consolidated long-term debt and capitalization of Megawide as of 30 September 2024 and as adjusted to give effect to the issuance of the Series 6 Preferred Shares. This table should be read in conjunction with Group's unaudited interim condensed consolidated financial statements and the related notes attached to this Preliminary Prospectus.

(Amounts in ₱ thousands)	**As of Sept 30, 2024**	**Assuming ₱3 Billion Offer**	**Assuming ₱ 6 Billion Offer**
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Interest-bearing loans and borrowings - current portion	18,900,560	18,900,560	18,900,560
Trade and other payables	4,571,582	4,571,582	4,571,582
Contract liabilities	3,727,082	3,727,082	3,727,082
Exchangeable notes	7,763,200	7,763,200	7,763,200
Other current liabilities	430,507	430,507	430,507
Total Current Liabilities	35,392,931	35,392,931	35,392,931
Non-Current Liabilities			
Interest-bearing loans and borrowings - long term debt	14,988,491	14,988,491	14,988,491
Contract liabilities	347,381	347,381	347,381
Post-employment defined benefit obligation	249,417	249,417	249,417
Other non-current liabilities	282,863	282,863	282,863
Total Non-Current Liabilities	**15,868,152**	**33,889,051**	**33,889,051**
Total Liabilities	**51,261,083**	**69,281,982**	**69,281,982**
EQUITY			
Common stock	2,399,426	2,399,426	2,399,426
Preferred shares	145,876	179,876	209,876
Additional paid-in capital	18,460,790	21,430,790	24,400,790
Revaluation reserves	181,528	181,527	181,527
Other reserves	-	-	-
Treasury shares	-11,237,704	-11,237,704	-11,237,704
Retained earnings	6,617,344	6,617,344	6,617,344
Non-Controlling Interests	501,877	501,877	501,877
Total Equity	**17,069,136**	**20,073,137**	**23,073137**
Total Capitalization	**68,330,220**	**71,001,875**	**72,011,875**

DIVIDEND POLICY

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

On November 13, 2014, the Board adopted a dividend policy for the Series 1 Preferred Shares equivalent to the 7-year benchmark rate determined by the Board. On issue date, the Series 1 Preferred Shares has an initial dividend rate fixed at 7.025% per annum payable quarterly as and if approved by the Board.

On issue date of Series 2 Preferred Shares, the Series 2A Preferred Shares and Series 2B Preferred Shares had fixed dividend of 4.75% and 5.75%, per annum, respectively, which shall be payable quarterly as and if declared by the Board of Directors, in accordance with the terms and conditions of the Series 2 Preferred Shares.

On issue date of the Series 4 Preferred Shares, it had a fixed dividend of 5.30% per annum, which shall be payable quarterly as and if declared by the Board of Directors, in accordance with the terms and conditions of the Series 4 Preferred Shares.

On issue date of the Series 5 Preferred Shares, it had a fixed dividend of 7.9042% per annum, which shall be payable quarterly as and if declared by the Board of Directors, in accordance with the terms and conditions of the Series 5 Preferred Shares.

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

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

Date Approved	Record Date	Type	Amount	Date of Payment
January 08, 2020	February 06, 2020	Series 1 Preferred Shares	₱70,250,000.00	March 03, 2020
May 08, 2020	May 25, 2020	Series 1 Preferred Shares	₱70,250,000.00	June 03, 2020
July 27, 2020	August 10, 2020	Series 1 Preferred Shares	₱70,250,000.00	September 03, 2020
October 05, 2020	November 06, 2020	Series 1 Preferred Shares	₱70,250,000.00	December 03, 2020
January 11, 2021	February 08, 2021	Series 1 Preferred Shares	₱70,250,000.00	March 03, 2021
January 18, 2021	February 03, 2021	Series 2A Preferred Shares	₱31,136,404.00	March 01, 2021
January 18, 2021	February 03, 2021	Series 2B Preferred Shares	₱25,020,953.00	March 01, 2021
April 08, 2021	May 18, 2021	Series 1 Preferred Shares	₱70,250,000.00	June 03, 2021
April 08, 2021	May 04, 2021	Series 2A Preferred Shares	₱31,136,404.00	May 27, 2021
April 08, 2021	May 04, 2021	Series 2B Preferred Shares	₱25,020,953.00	May 27, 2021
June 30, 2021	August 09, 2021	Series 1 Preferred Shares	₱70,250,000.00	September 03, 2021

June 30, 2021	August 05, 2021	Series 2A Preferred Shares	₱31,136,404.00	August 27, 2021
June 30, 2021	August 05, 2021	Series 2B Preferred Shares	₱25,020,953.00	August 27, 2021
October 19, 2021	November 09, 2021	Series 1 Preferred Shares	₱70,250,000.00	December 03, 2021
October 19, 2021	November 05, 2021	Series 2A Preferred Shares	₱31,136,404.00	November 29, 2021
October 19, 2021	November 05, 2021	Series 2B Preferred Shares	₱25,020,953.00	November 29, 2021
December 23, 2021	January 10, 2022	Series 4 Preferred Shares	₱53,000,000.00	January 31, 2022
January 18, 2022	February 4, 2022	Series 2A Preferred Shares	₱31,136,404.00	February 28, 2022
January 18, 2022	February 4, 2022	Series 2B Preferred Shares	₱25,020,953.00	February 28, 2022
March 22, 2022	April 6, 2022	Series 4 Preferred Shares	₱53,000,000.00	April 29, 2022
April 21, 2022	May 9, 2022	Series 2A Preferred Shares	₱31,136,404.00	May 27, 2022
April 21, 2022	May 9, 2022	Series 2B Preferred Shares	₱25,020,953.00	May 27, 2022
June 23, 2022	July 8, 2022	Series 4 Preferred Shares	₱53,000,000.00	July 29, 2022
July 22, 2022	August 8, 2022	Series 2A Preferred Shares	₱31,136,404.00	August 30, 2022
July 22, 2022	August 8, 2022	Series 2B Preferred Shares	₱25,020,953.00	August 30, 2022
September 23, 2022	October 10, 2022	Series 4 Preferred Shares	₱53,000,000.00	October 29, 2022
October 19, 2022	November 7, 2022	Series 2A Preferred Shares	₱31,136,404.00	November 28, 2022
October 19, 2022	November 7, 2022	Series 2B Preferred Shares	₱25,020,953.00	November 28, 2022
December 21, 2022	January 9, 2023	Series 4 Preferred Shares	₱53,000,000.00	January 30, 2023
February 6, 2023	February 20, 2023	Series 2A Preferred Shares	₱31,136,404.00	February 27, 2023
February 6, 2023	February 20, 2023	Series 2B Preferred Shares	₱25,020,953.00	February 27, 2023
February 6, 2023	March 6, 2023	Common Shares	₱1,006,704,858.50	March 24, 2023
March 21, 2023	April 11, 2023	Series 4 Preferred Shares	₱53,000,000.00	May 2, 2023
April 26, 2023	May 12, 2023	Series 2A Preferred Shares	₱31,136,404.00	May 29, 2023
April 26, 2023	May 12, 2023	Series 2B Preferred Shares	₱25,020,953.00	May 29, 2023
May 12, 2023	May 26, 2023	Common Shares	₱1,006,704,858.50	June 16, 2023
July 12, 2023	July 26, 2023	Series 4 Preferred Shares	₱53,000,000.00	July 31, 2023
July 12, 2023	July 17, 2023	Series 5 Preferred Shares	₱29,640,750.00	July 17, 2023
August 1, 2023	August 16, 2023	Series 2B Preferred Shares	₱25,020,953.00	August 29, 2023
September 11, 2023	September 26, 2023	Series 5 Preferred Shares	₱29,640,750.00	October 17, 2023
September 13, 2023	October 10, 2023	Series 4 Preferred Shares	₱53,000,000.00	October 30, 2023

October 19, 2023	November 7, 2023	Series 2B Preferred Shares	₱25,020,953.00	November 28, 2023
December 11, 2023	December 28, 2023	Series 5 Preferred Shares	₱29,640,750.	January 17, 2024
January 5, 2024	January 22, 2024	Series 4 Preferred Shares	₱53,000,000.00	January 29, 2024
January 16, 2024	February 7, 2024	Series 2B Preferred Shares	₱25,020,953.00	February 27, 2024
March 13, 2024	April 2, 2024	Series 5 Preferred Shares	₱29,640,750.00	April 17, 2024
March 22, 2024	April 12, 2024	Series 4 Preferred Shares	₱53,000,000.00	April 29, 2024
April 23, 2024	May 10, 2024	Series 2B Preferred Shares	₱25,020,953.00	May 27, 2024
June 14, 2024	July 2, 2024	Series 5 Preferred Shares	₱29,640,750.00	July 17,2024
June 26, 2024	July 12, 2024	Series 4 Preferred Shares	₱53,000,000.00	July 29, 2024
July 22, 2024	August 8, 2024	Series 2B Preferred Shares	₱25,020,953.00	August 27, 2024
September 16, 2024	October 2, 2024	Series 5 Preferred Shares	₱29,640,750.00	October 17, 2024
September 27, 2024	October 14, 2024	Series 4 Preferred Shares	₱53,000,000.00	October 29, 2024
October 25, 2024	November 12, 2024	Series 2B Preferred Shares	₱25,020,953.00	November 27,2024
December 10, 2024	December 27, 2024	Series 5 Preferred Shares	₱29,640,750.00	January 17, 2025
January 3, 2025	January 22, 2025	Series 4 Preferred Shares	₱53,000,000.00	January 30, 2025

The Company aims to comply with its annual dividend policy of 20% to 30% of its previous year income except during the height of impact of the Covid-19 pandemic. . The Company declared a total of Php 2 Billion in dividends in 2023. The Company's subsidiaries have not declared dividends in the last three years.

As of date, no dividends have been declared for the Series 3 Preferred Shares. There are no unpaid cumulative dividends on any of the Company's outstanding preferred shares.

Recent Sales of Unregistered or Exempt Securities

Megawide has not sold any unregistered securities within the past three (3) years, except for the Series 3 Preferred Shares which was issued in support of the application for the increase in authorized capital stock to create the Series 4 Preferred Shares, Series 5 Preferred Shares and the Series 6 Preferred Shares.

On November 22, 2024, the Company received a copy of the SEC's MSRD Resolution No. 8 Series of 2024, dated November 21, 2024, which approved the Company's application for exemption from the registration of its Employee Stock Ownership Plan (ESOP). The ESOP covers 10 million common shares for the Company's qualified employees, in accordance with the plan's terms. This plan offers eligible employees a performance-based incentive, where shares may be awarded as part of their performance bonus. To qualify, employees must have at least one year of service with the Company. The ESOP is designed to motivate, retain, and provide equity ownership opportunities to key talents contributing to the Company's success.

Shares vest over three years: 50% in Year 1, 25% in Year 2, and 25% in Year 3. The share price includes a 10% discount based on the 30-day volume weighted average price (VWAP). Voting, dividend, and transfer rights are granted upon share issuance. The ESOP shares will be sourced from the Company's treasury shares.

MATERIAL CONTRACTS

The following are the significant and material contracts and agreements entered into by Megawide in the last two (2) years. Other than the following, the Company is not aware of any other material contracts to which it is a party to. Contracts of lease are also included herein.

1. Any contract upon which the business of Megawide is substantially dependent on;

Date	Title of Document	Parties	Particulars (i.e., price)
31 May 2022	Joint Venture Agreement for the Metro Manila Subway Project Phase 1 Package CP104: Two Underground Stations (Ortigas North and Ortigas South) and Tunnels	Tokyu Construction Co., Ltd., Tobishima Corporation, and Megawide Construction Corporation	PHP 13,261,303,173.01
08 October 2020	Contract Agreement – NSCR-EX Project Contract Package N-01: Building and Civil Engineering Works for Apx.17 Kms of Viaduct Structure including Station Building at Calumpit and Apalit	DOTr and HDEC-Megawide-Dong-Ah JV	PHP 18,020,878,182.23 and USD 201,679,064.89
11 January 2020	Joint Venture Agreement for Carbon Market Redevelopment Project	City Government of Cebu and Megawide Construction Corporation	PHP 5,500,000,000.00
10 December 2019	Construction Contract – Design and Build of the Aglipay Sewage Treatment Plant	Manila Water Company and Megawide-Suez Consortium	PHP 4,126,201,751.00[3]
14 November 2019	Construction Contract – Urban Deca Homes Cubao	8990 Housing Development Corporation and Megawide Construction Corporation	PHP 4,275,000,000.00
14 August 2019	Design and Construction – 8990 Ortigas	8990 Housing Development Corporation and Megawide Construction Corporation	PHP 14,000,000,000.00
20 July 2019	Construction Contract – Plumera Project	Johndorf Ventures Corporation and Megawide Construction Corporation	PHP 2,487,301,024.80
03 June 2019	Construction Contract – Mandani Bay Quay – Phase 2 Block 1	HTland, Inc. And Megawide Construction Corporation	PHP 10,113,465,423.00
06 May 2019	Construction Contract – Gentry Manor	Manila Bayshore Property Holdings, Inc. And	PHP 4,362,617,249.00

[3] PhP 2,760,609,206.00 + USD 27,394,033.00 or Ph P1,365,592,545.00, where Bangko Sentral ng Pilipinas Exchange Rate (30 June 2020) 1.00 USD = PhP 49.85

		Megawide Construction Corporation	
20 May 2015	Design and Construction Contract – Urban Deca Homes Manila	8990 Housing Development Corporation and Megawide Construction Corporation	PHP 8,050,000,000.00

2. Development agreements; and

Date	Title of Document	Parties	Particulars (i.e., price)
06 February 2020	Memorandum of Agreement for the Development of Mactan-Cebu International Airport (MCIA) Commercial Assets	GMR-Megawide Cebu Airport Corporation and Megawide-GISPL Construction Joint Venture	Development of Commercial Assets in MCIA Project Cost: PHP 4,359,200,000.00
24 July 2019	Notice of Award	Megawide Construction Corporation and Johndorf Ventures Corporation	Land Development of Thelmo Housing Project Contract Price: PHP 302,497,815.26 (inclusive of Value-Added Tax (**"VAT"**))

3. Lease contracts

Date	Title of Document	Parties	Particulars (i.e., Rent)
26 July 2024	First Renewal of the Amended Contract of Lease	*Lessor:* Robinsons Land Corporation *Lessee:* Megawide Construction Corporation	*Rental Fee:* Year 1 (24 October 2024 – 03 October 2025) Fixed Rent per Square Meter: Two Hundred Pesos (PHP200.00), Fixed Rent per Month: One Million Seven Hundred Fifty-Three Thousand Six Hundred Pesos (PHP1,753,600.00) Year 2 (04 October 2025 – 03 October 2026) Fixed Rent per Square Meter: Two Hundred Pesos (PHP200.00), Fixed Rent per Month: One Million Seven Hundred Fifty-Three Thousand Six Hundred Pesos (PHP1,753,600.00) *Subject Property:* 8,768 Square Meters in J. *Vargas Avenue, Pasig City* *Lease Period:* Two (2) years beginning on 04 October 2024 to 03 October 2026
06 May 2022	Contract of Lease Renewal	*Lessor:* Retailscapes, Inc.	*Rental Fee:* For 10^{th} Floor –

		Lessee: Megawide Construction Corporation	Five Hundred Eighty Pesos (PHP580.00) per Square Meter, per month (01 May 2022 – 30 April 2023) Six Hundred Nine Pesos (PHP609.00) per Square Meter, per month (01 May 2023 – 30 April 2024) Six Hundred Forty Pesos (PHP640.00) per Square Meter, per month (01 May 2024 – 30 April 2025) For 11th Floor, Unit A – Seven Hundred Seventy-Two Pesos (PHP772.00) per Square Meter, per month (01 May 2022 – 30 April 2024) Eight Hundred Eleven Pesos (PHP811.00) per Square Meter, per month (01 May 2024 – 30 April 2025) *Subject Property:* 10th Floor (1,974 Square Meters) and 11th Floor, Unit A (480 Square Meters) of Santolan Town Plaza, San Juan City *Lease Period:* 01 May 2022 to 30 April 2025
11 December 2024	Extension Agreement	*Lessor:* Retailscapes, Inc. *Lessee:* Megawide Construction Corporation	*Rental Fee:* For 10th Floor – Six Hundred Seventy-Two Pesos (PHP672.00) per Square Meter, per month (01 May 2025 – 30 April 2026) Seven Hundred Five Pesos and Sixty Centavos (PHP 705.60) per Square Meter, per month (01 May 2026 – 30 April 2027) Seven Hundred Forty Pesos and Eighty-Eight Centavos (PHP 740.88) per Square Meter, per month (01 May 2027 – 30 April 2028) For Unit A, 11th Floor – Eight Hundred Fifty-One Pesos and

			Fifty-Five Centavos (PHP 851.55) per Square Meter, per month (01 May 2025 – 30 April 2026) Eight Hundred Ninety-Four Pesos and Thirteen Centavos (PHP 894.13) per Square Meter, per month (01 May 2026 – 30 April 2027) Nine Hundred Thirty-Eight Pesos and Eighty-Three Centavos (PHP 938.83) per Square Meter, per month (01 May 2027 – 30 April 2028) For Unit B, 11th Floor – Eight Hundred Ninety-Four Pesos and Sixty Centavos (PHP 894.60) per Square Meter, per month (01 December 2024 – 30 November 2025) Nine Hundred Thirty-Nine Pesos and Thirty-Three Centavos (PHP 939.33) per Square Meter, per month (01 December 2025 – 30 November 2026) Nine Hundred Eighty-Six Pesos and Thirty Centavos (PHP 986.30) per Square Meter, per month (01 December 2026 – 30 November 2027) One Thousand Thirty-Five Pesos and Sixty-One Centavos (PHP 1,035.61) per Square Meter, per month (01 December 2027 – 30 April 2028) For Car Parking: Four Thousand Six Hundred Thirty-One Pesos (PHP4,631.00) per

			slot, per month (01 December 2024 – 30 April 2025) Four Thousand Eight Hundred Sixty-Three Pesos (PHP 4,863.00) per slot, per month (01 May 2025 – 30 November 2026) Five Thousand One Hundred Seven Pesos (PHP 5,107.00) per slot, per month (01 December 2026 – 30 November 2027) Five Thousand One Hundred Seven Pesos (PHP 5,107.00) per slot, per month (01 December 2027 – 30 April 2028) For Motorcycle Parking: Two Thousand Ten Pesos and Forty-Five Centavos (PHP 2,010.45) per slot, per month (01 May 2025 – 30 April 2026) Two Thousand One Hundred Ten Pesos and Ninety-Seven Centavos (PHP2,110.97) per slot, per month (01 May 2026 – 30 April 2027) Two Thousand Two Hundred Sixteen Pesos and Fifty-Two Centavos (PHP 2,216.52) per slot, per month (01 May 2027 – 30 April 2028) *Subject Property*: 10th Floor (1,974 Square Meters), Unit A - 11th Floor (480.08 Square Meters), and Unit B – 11th Floor (857.74 Square Meters) of the Santolan Town Plaza Office, San Juan City *Lease Period:* 01 May 2025 to 30 April 2028

LOAN AGREEMENTS

The Company maintains short-term credit lines with various banks (amounts in ₱ millions) as of December 31, 2024. These facilities support the Company's operational and financial requirements and encompass a range of financing instruments, including omnibus lines, revolving credit lines, import and domestic letters of credit, trust receipt lines, domestic and foreign standby letters of credit, domestic bills purchase lines, foreign exchange settlement lines, and counterparty lines:

Bank	Credit Line	Utilized Line	Available Line
Land Bank of the Philippines	4,100	4,000	100
BDO Unibank, Inc.	5,480	4,480	1,000
Bank of Philippine Islands	1,600	1,500	100
Philippine National Bank	3,320	2,884	436
Rizal Commercial Banking Corp.	1,200	1,000	200
Development Bank of the Philippines	4,200	3,294	906
Union Bank of the Philippines	2,000	1,000	1,000
Security Bank	500	-	500
	22,400	**18,158**	**4,242**

The Company obtained these various bank loans representing unsecured short-term loans from other local banks. The loans bear fixed average annual interest rates of 7% in 2024.

Additionally, the Company has the following loan agreements:

₱5 Billion Notes Facility Agreement

On February 19, 2020, the Company signed a 5-year ₱5,000.0 million corporate notes facility, the proceeds of which will be used by the Company to (a) retire maturing debt obligations (b) to fund growth projects and (c) for general corporate purposes.

In 2020, the Company made its first drawdown on its third unsecured corporate notes amounting to ₱3,600.0 million. As of September 30, 2024, the notes are fully settled.

The Parent Company has complied with all the debt covenants set forth in the notes facility agreement as the transactions during the intervening periods are under the ordinary course of business.

The notes, among other things, restrict the Company's ability to:

(a) incur any indebtedness to be secured by or to benefit from any lien, in favor of any creditor on, or in respect of any present or future assets or revenues or the right to receive income;
(b) make any material change in the nature of its business from that being carried on as of the signing date;
(c) enter into any merger or consolidation except if the issuer retains control of the surviving corporation, such merger or consolidation is required by law, and such merger does not result in Material Adverse Effect;
(d) amend its articles of incorporation and/or by-laws except as required by law;
(e) declare or pay any cash dividend to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the notes are current and updated and provided that any such payment is made out of retained earnings and the debt to equity ratio of 2:33:1 are maintained;
(f) sell, assign, lease, transfer, and/or dispose all or substantially all of its properties;
(g) assign, transfer or otherwise convey any right to receive any of its income or revenues;

(h) voluntarily suspend its business operations in a manner that will result in a Material Adverse Effect;

(i) extend any loan, advance or subsidy to any person (other than to its subsidiaries or affiliates, or transactions in the ordinary course of business, or financing or guarantees for the direct or indirect purchase or sale of the assets of the issuer, its subsidiaries or affiliates). Neither shall the issuer make any deposit, credit to, or investment in, any person, except for bank deposit, credit placements, and other transactions in the ordinary course of business;

(j) permit its financial debt to equity ratio to exceed 2.33:1; nor permit its debt service coverage ratio to fall below 1.1 and,

(k) after event of default, voluntarily prepay any indebtedness.

₱4.0 Billion Notes Facility Agreement

On February 19, 2013, the Company, as Issuer, entered into a ₱4 Billion Notes Facility Agreement with a local universal bank. The ₱4 Billion Notes Facility Agreement is for the purpose of funding the Company's working capital requirements and for general corporate purposes.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least *pari passu* with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company.

The notes are issued in three tranches with the following details:

	Principal	Term in Years	Interest Rate
Tranche A	₱ 650,000,000	5	5%
Tranche B	3,250,000,000	7	6%
Tranche C	100,000,000	10	6%
	₱ 4,000,000,000		

The nominal rates refer to the Philippine Dealing System Treasury Fixing (PDST-F) rates with respect to the term of each tranche plus an interest spread of 1.75% for Tranche A and B and 1.50% for Tranche C.

The notes, among other things, restrict the Company's ability to:

(a) incur any indebtedness to be secured by or to benefit from any lien, in favor of any creditor on, or in respect of any present or future assets or revenues or the right to receive income;

(b) make any material change in the nature of its business from that being carried on as of the signing date;

(c) enter into any merger or consolidation except if the issuer retains control of the surviving corporation, such merger or consolidation is required by law, and such merger does not result in Material Adverse Effect;

(d) amend its articles of incorporation and/or by-laws except as required by law;

(e) declare or pay any cash dividend to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the notes are current and updated and provided that any such payment is made out of retained earnings and the debt to equity ratio of 2:1 are maintained;

(f) sell, assign, lease, transfer, and/or dispose all or substantially all of its properties;

(g) assign, transfer or otherwise convey any right to receive any of its income or revenues;

(h) voluntarily suspend its business operations in a manner that will result in a Material Adverse Effect;

(i) extend any loan, advance or subsidy to any person (other than to its subsidiaries or affiliates, or transactions in the ordinary course of business, or financing or guarantees for the direct or indirect purchase or sale of the assets of the issuer, its subsidiaries or affiliates). Neither shall the issuer make any deposit, credit to, or investment in, any person, except for bank deposit, credit placements, and other transactions in the ordinary course of business;
(j) permit its financial debt to equity ratio to exceed 2:1; and,
(k) after event of default, voluntarily prepay any indebtedness.

The Parent Company has complied with all the debt covenants set forth in the notes facility agreement as the transactions during the intervening periods are under the ordinary course of business.

In February 2018 and February 2020, Tranche A and B, respectively, has matured already, leaving Tranche C outstanding as of December 31, 2021, with a carrying value of ₱69.8 million. As of September 30, 2024, the notes are fully settled.

₱2.0 Billion Notes Facility Agreement

In 2016, the Company entered into various notes facility arrangement with a local bank to refinance the corporate notes issued in 2011 and to finance its capital expenditure and general corporate requirements.

The notes are issued with the following details:

Date Issued	Principal	Term in years	Interest Rate
September 16, 2016	₱650,000,000	10	5.50%
December 5, 2016	350,000,000	10	6.37%
December 16, 2016	1,000,000,000	10	6.37%
	₱2,000,000,000		

These 10-year corporate notes bear an interest rate based on the closing per annum rates of a ten (10)-year PDST-R2 rate on the PDS Group website plus a certain spread. As of December 31, 2021, the outstanding amount on the Notes Facility is ₱1,900 million.

These 10-year corporate notes bear an interest rate based on the closing per annum rates of a ten (10)-year PDST-R2 rate on the PDS Group website plus a certain spread. The Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.1.

The notes, among other things, restrict the Company's ability to:

(a) Engage in any business or make or permit any material change in the character of its business from that authorized on its amended articles of incorporation and by-laws;
(b) Amendment of articles of incorporation and by-laws which would cause a Material Adverse Effect or be inconsistent with the provisions of the finance document;
(c) Change of ownership and management if as a result the stockholdings of Citicore Investments Holdings Inc. will fall below 51% or enter into profit sharing, partnership or joint venture whereby its profits are shared with any other person that may have a Material Adverse Effect;
(d) Sale of asset, transfer or dispose of all or substantially all of its properties and assets except in the ordinary course of business;
(e) Declaration of dividends or retirement of capital if the issuer shall not be in compliance with the financial covenants or would result to an event of default;
(f) Loans and advances to its directors, officers and stockholders (other than to its subsidiaries or affiliates, or transactions in the ordinary course of business, or financing or guarantees for the direct or indirect purchase or sale of the assets of the issuer, its subsidiaries or affiliates). Neither shall the issuer make any deposit, credit to, or investment in, any person, except for bank deposit, credit placements, and other transactions in the ordinary course of business;

(g) Make a capital expenditure not in the ordinary course of business;
(h) Incur additional debt or act as surety on behalf of third parties or incur monetary obligation which shall cause the issuer to breach the financial covenants;
(i) Loans and advances to any person (other than to its subsidiaries or affiliates, or transactions in the ordinary course of business, or financing or guarantees for the direct or indirect purchase or sale of the assets of the issuer, its subsidiaries or affiliates). Neither shall the issuer make any deposit, credit to, or investment in, any person, except for bank deposit, credit placements, and other transactions in the ordinary course of business;
(j) Directly or indirectly incur or suffer to exist any lien upon any assets and revenues, present and future of the issuer or enter into any loan facility agreement secured by or to be secured by a lien upon any assets and revenues, present and future whether registered or unregistered of the issuer;
(k) Except for permitted investments, invest in or acquire any (i) share in or any security issued by any person, (ii) acquire directly or indirectly the business or going concern or all substantially all the properties and assets or business of any other corporation or entity or invest in a controlling entity therein; and,
(l) It will not voluntarily suspend or discontinue its entire or a substantial portion of its business operation.

On August 10, 2017, the Parent Company sent a letter to the bank requesting the waiver of one of the loan's negative covenants that prohibits the stockholdings of Citicore in the Parent Company to fall below 51% or prohibits the Parent Company to enter into profit sharing, partnership or joint venture whereby its profits are shared with any other person that may have a material adverse effect. In September 2017, the request was granted by the bank. The Parent Company is in compliance with all other covenants required to be observed under the loan facility agreement as of September 30, 2024.

₱3.9 Billion Omnibus Loan and Security Agreement

In 2015, the MWMTI entered into an Omnibus Loan and Security Agreement (OLSA), with the Parent Company as guarantor, with a local universal bank for a loan facility amounting to ₱3,300,000,000 to finance the construction of the ITS Project. In 2019, the MWMTI requested the lender to increase the loan by ₱600 million making the total principal loan to ₱3.9 billion. In 2017, the MWMTI made its first drawdown amounting to ₱825 million while the remaining loan facility was fully drawn in 2019 in tranches amounting to ₱3,075 million.

The loan principal shall be amortized quarterly over 15 years and the first principal repayment is due on January 16, 2021. The interest-bearing loan is secured by the Joint Venturers and bears annual interest rates ranging from 6.9% to 7.4%, 4.9% to 7.6% and 2.8% to 6.9% in 2024, 2023 and 2022, respectively.

The interest-bearing loan requires the MWMTI to maintain a maximum debt-to-equity ratio of 70:30. In addition, the MWMTI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.25. Compliance to the ratios is monitored on a quarterly basis.

With regard to the loans aforementioned, MWMTI has complied with affirmative and negative covenants.

The following are affirmative provisions that are common across Megawide's long term loan facilities:

(a) Maintenance, continuity of business/insurance
(b) Tax and law compliance
(c) Indebtedness, Contractual and other obligations
(d) Notice of legal proceeding and adverse action
(e) Continuing consents and approvals
(f) Environmental, occupational, and health, safety guidelines
(g) Maintenance of Books of Accounts and records

(h) Submission of unaudited and audited financials
(i) Certificate of No Default, Compliance and Notice of Default
(j) Notice of Change of Address
(k) Use of Proceeds
(l) Dividends from subsidiaries (as far as permitted)
(m) Seniority of debt
(n) Further assurances

Exchangeable notes

In relation to the acquisition of GMCAC by AIC, the Parent Company and GAIBV issued Exchangeable Notes (Notes) in favor of AIC in the total amount of ₱15,526.4 million. The Notes will mature on October 30, 2024 (Exercise date) and will be exchanged by AIC for the rest of the 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company and GAIBV.

On the Exercise date, the Parent Company and GAIBV shall assign, transfer and convey the remaining GMCAC shares to AIC in exchange for the full discharge of the Notes. The Notes is unsecured and non-interest-bearing. At least 10 business days prior to the Exercise date, the Parent Company and GAIBV may exercise the option to pay the Notes in cash and they shall have no obligation to assign, transfer and convey the remaining GMCAC shares. In the event that the Parent Company and GAIBV exercise the cash option, they shall pay the principal amount of the Notes, plus a cash option interest of 19% per annum on the principal amount calculated from the Execution date to the Exercise date. The accrual of the cash option interest and the obligation to pay shall only arise upon exercise of the cash option.

Relative to management's intention to sell the remaining shares held in GMCAC, as evidenced by the issuance of the Notes, the remaining ownership interest in GMCAC amounting to ₱2,879.8 million is presented as Non-current Asset classified as Held for Sale in the consolidated statements of financial position. No cost to sell was recognized as the expenses incurred in relation to the issuance of the Notes was shouldered by AIC.

On the other hand, the Notes amounting to ₱7,763.2 million is presented as Exchangeable Notes under the Non-current Liabilities section in the 2022 consolidated statement of financial position.

As the transaction to sell the remaining ownership interest in GMCAC is expected to be completed in October 2024, the Exchangeable Notes was presented under Current Liabilities in the interim consolidated statement of financial position.

Default or Acceleration of Obligations

The Company did not incur any default nor triggered any debt acceleration on its loan agreements.

As typical with any loan agreements, the Company's debt acceleration is triggered in case of event of default which includes:

1. Defaults in the payment of principal or interest when due of any amount payable under the related agreement;
2. Misrepresentation or breach of warranty;
3. Violation of any material provision, term, condition, covenant or obligations;
4. Noncompliance with Regulatory Approvals and Permitting requirements
5. Inability to service the loan including insolvency or bankruptcy;
6. Illegal operations;
7. Material adverse government actions

REGULATORY AND ENVIRONMENTAL MATTERS

Contractor's License Law

R.A. No. 4566, as amended by PD No. 1746, requires a construction company seeking to operate in the Philippines to obtain either a regular or a special license from the PCAB. A regular license is issued to a domestic construction firm (a Filipinos sole-proprietorship or a partnership/corporation with at least 60% Filipino equity) and is renewed annually, on or before June 30 of each year. PCAB has issued Resolution No. 333, Series of 2013 allowing foreign construction firms with more than 40% foreign equity to qualify for a regular AAAA license provided that such firms comply with the following requirements:

(a) ₱1.0 billion minimum capitalization;
(b) Compliance with SEC registration and equity requirements;
(c) Engagement is limited to private domestic construction projects with contract cost of at least ₱1.0 billion;
(d) Procurement of civil liability insurance;
(e) Compliance with Philippine laws; and
(f) Provided there is compliance with the PCAB qualification standards for a Filipino authorized managing officer, such firms may hire a foreign authorized managing officer.

A foreign contractor who is not able to meet the ₱1.0 billion capitalization may be granted a special license to engage in the construction of a specific project or undertaking with a project cost of at least ₱1.0 billion if there is limited local capability in technology as determined by the Philippine Domestic Construction Board.

Furthermore, on March 27, 2017, PCAB issued Resolution No. 079, Series of 2017 which categorizes AAAA license into two types:

(a) AAAA Platinum – This may be granted to locally-owned contractors with at least ₱1.0 billion minimum capitalization; and
(b) AAAA Gold – This may be granted to foreign-owned domestic corporations with at least ₱1.0 billion minimum capitalization.

AAAA Gold contractors may undertake private projects under the following contract costs: (1) minimum contract cost of ₱5.0 billion for vertical projects; and (2) minimum contract cost of ₱3.0 billion for horizontal projects.

AAAA Platinum contractors may undertake government and private projects of any contract cost.

On the other hand, a special license is issued to a joint venture, a consortium, a foreign constructor, or a project owner who authorizes the licensee to engage only in the construction of a single, specific project/undertaking and is cancelled by PCAB upon completion of the single specific undertaking/project authorized by the license.

In order to enforce the licensing requirements, all architects and engineers preparing plans and specifications and all public or private agencies or entities conducting biddings and/or letting out contracts for construction work to be contracted and undertaken in the Philippines, shall include in their invitation to bidders and other bidding documents necessary stipulations to convey to every bidder, whether he is a resident of the Philippines or not, the information that it will be necessary for him to have a license before his bid is considered.

Moreover, PCAB is authorized to institute the proper action in court and secure a writ of injunction without bond, restraining any person or firm not licensed, or whose license is under suspension or has expired or been revoked, from engaging or attempting to engage in the business of construction contracting and it shall be the duty of all duly constituted law enforcement officers of the national, provincial, city and municipal government or any political subdivision thereof, to enforce the provisions of the said law and to report to PCAB any violation of the same.

Classification and Categorization

For the purpose of a more accurate evaluation of a constructor's capability, regular licensees are further classified as those engaged in (a) general engineering construction, (b) general building construction and (c) specialty construction and the classification of a constructor shall be determined by the training and experience of the constructor or of his Sustaining Technical Employee. A constructor may apply for and be issued more than one classification; provided that one of which shall be designated by the applicant as his principal classification. The rest shall be considered as other classification(s). A licensed constructor shall operate within the classification(s) that he is authorized, by his license, to engage in. A regular license constructor shall, however, be allowed to undertake an extra classification work, if it is incidental and/or supplementary to a project under his contract and to be undertaken in conjunction with the implementation of the said project.

In addition to classification, every constructor shall be graded and assigned a category as an adjunct to his licensing. Evaluation of category shall be based on the following criteria quantified by equivalent credit points in scales as determined by the Board:

a) financial capacity measured in terms of net worth;
b) equipment capacity in terms of the book value;
c) experience of the company in terms of aggregate number of years in which the firm has actively engaged in construction contracting and operation and average annual value of work completed during the past three (3) years; and
d) experience of the technical personnel.

General Engineering and General Building constructors shall be categorized based on a scale of seven grades, namely: AAAA (Platinum)/AAAA (Gold), AAA, AA, A, B, C, and D.

The PCAB issues two (2) kinds of licenses, a regular or a special license. Under the Implementing Rules and Regulations ("**PCAB IRR**") of R.A. No. 4566, , a PCAB Regular License may only be issued by the PCAB to construction firms of Filipino sole proprietorship, or partnerships or corporations with at least 60% percent Filipino equity participation and duly organized and existing under Philippine law.

However, the Supreme Court, in the case of *Philippine Contractors Accreditation Board v. Manila Water Co., Inc. (G.R. No. 217590, March 10, 2020)* has recently ruled that foreigners can obtain regular licenses from the PCAB. It ruled that the construction industry is not one which the Constitution has reserved exclusively for Filipinos. There is also no prohibition in the law for foreigners to enter into the same projects as Filipinos in the field of construction. "Private domestic construction contracts" has also been removed from the Foreign Investments Negative List since 1998. Thus, the provision, requiring foreigners to obtain a special license has been declared null and void, along with the provision limiting the regular license to construction firms at least 60% of which is owned by Filipinos. In light of this ruling, foreigners can now obtain regular licenses from the PCAB.

Megawide is principally classified as General Building ("**GB**") 1 for building and industrial plant construction with general engineering construction as its "other classification" and is categorized as AAAA.

Building Permits

Presidential Decree No. 1096 or the National Building Code provides that in order for a person or corporation to erect, construct, alter, repair, move, convert, or demolish any building or structure, a building permit must first be secured from the Building Official assigned at the place where the building work is to be done. A building permit is a written authorization granted by the building official to an applicant allowing him to proceed with the construction of a building after plans, specifications and other pertinent documents required for the construction of the structure have been found to be in conformity with the Building Code.

Referral to Arbitration

Executive Order No.1008 vests the Construction Industry Arbitration Commission ("**CIAC**") with original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in construction in the Philippines, whether the dispute arises before or after the completion of the contract, or after the abandonment or breach thereof. These disputes may involve government or private contracts. The jurisdiction of the CIAC may include, but is not limited, to violation of specifications for materials and workmanship; violation of the terms of agreement; interpretation and/or application of contractual time and delays; maintenance and defects; payment, default of employer or contractor and changes in contract cost.

The CIAC may acquire jurisdiction in two ways, either by providing an arbitration clause in the contract between the parties, or by agreement of the parties to submit the dispute to CIAC. Thus, the fact that the parties incorporated an arbitration clause in their contract is sufficient to vest the CIAC with jurisdiction over any construction controversy, notwithstanding any reference made to another arbitral body. CIAC's jurisdiction over construction disputes is conferred by law; as such, it may not be waived by mere agreement of the parties.

Liability of Engineers, Architects and Contractors

Under the Civil Code, the engineer or architect who drew up the plans and specifications for a building is liable for damages if within fifteen (15) years from the completion of the structure, the same should collapse by reason of a defect in those plans and specifications, or due to the defects in the ground. The contractor is likewise responsible for the damages if the edifice falls, within the same period, on account of defects in the construction or the use of materials of inferior quality furnished by him, or due to any violation of the terms of the contract. If the engineer or architect supervises the construction, he shall be solitarily liable with the contractor. The acceptance of the building, after completion, does not imply waiver of any of the causes of action by reason of any of the foregoing defects. The action arising therefrom must be brought within ten (10) years following the collapse of the building.

NATIONALITY RESTRICTION

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of owning land in the Philippines. Pursuant to Sections 2, 3, and 7 of Article XII of the Philippine Constitution, ownership of private lands in the Philippines is limited to Philippine nationals and corporations at least 60% of whose capital stock is owned by Philippine nationals. This is further underscored by Commonwealth Act No. 141, or the Public Land Act, which provides that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

Furthermore, Republic Act No. 7042, as amended, or the Foreign Investments Act of 1991 ("**FIA**") and the Twelfth Regular Foreign Investment Negative List categorize the ownership of private lands as a partly-nationalized activity reserved for Filipinos, such that landholding companies may only have a maximum of 40% foreign equity therein.

The Company owns land, hence, Philippine laws limit foreign shareholdings in the Company to a maximum of 40% of its issued and outstanding capital stock. Any subsequent transfer of the Company's Shares by Filipinos to non-Filipinos will also be subject to the limitation that any such transfers will not cause foreign shareholdings in the Company to exceed 40% of the Company's issued and outstanding capital stock. In the event that foreign ownership of the Company's issued and outstanding capital stock will exceed 40%, the Company has the right to reject a transfer request by persons to persons other than Philippine nationals. In addition, under the implementing rules and regulations of Executive Order No. 146 dated November 13, 2013, a corporation applying for land reclamation must submit proof that it is 60% owned by Philippine nationals.

Partnerships with the Government

Republic Act No.6957 or the Build-Operate-Transfer Law ("**BOT Law**"), as amended, governs the conduct of bidding in infrastructure projects. The BOT Law allows private sector participation in large infrastructure projects, power plants, highways, ports, airports, canals, dams, hydropower projects, water supply, irrigation, telecommunications, railroads and railways, transport systems, land reclamation, housing, government buildings, tourism projects, markets, slaughter houses, warehouses, solid waste management, information technology networks and database infrastructure, education and health facilities, sewerage, drainage, dredging and other projects as may be authorized by the appropriate government agency. It recognizes various kinds of contractual arrangements, including build-operate- and-transfer, build-and-transfer, build-own-and-operate, build-lease-and-transfer, build-transfer-and- operate, contract-add-and-operate, develop-operate-and-transfer, rehabilitate-operate-and-transfer and rehabilitate-own-and-operate.

The passage of Republic Act No. 11966, or the Public-Private Partnership Code of the Philippines ("**PPP Code**") in 2023, and its IRR in 2024, repealed the BOT Law and its IRR. Nevertheless, all existing contracts or projects shall be governed by the agreements entered into by the concerned parties, and the provisions of the PPP Code will apply suppletorily to the extent that they do not conflict with preexisting rights and obligations.

The BOT Law provides that these projects must be awarded through the conduct of a public bidding. Such public bidding must be done by publishing a notice inviting prospective project investors once a week for three consecutive weeks in at least two newspapers of general circulation and one local newspaper in the place where the project is to be constructed. The public bidding must be conducted under a two-envelope/two-stage system: the first envelope to contain the technical proposal and the second envelope to contain the financial proposal.

Depending on the type of arrangement, as in the case of a build-operate-and-transfer arrangement, for instance, the contract shall be awarded to the bidder who has satisfied the minimum financial, technical, organizational and legal standards required, and has submitted the lowest bid and most favorable terms for the project, and shall be granted the franchise to operate and maintain the facility. In the case of a build-and-transfer, or a build-lease-and-transfer, the law provides that a Filipino contractor who submits an equally advantageous bid with exactly the same price and technical specifications as those of a foreign contractor shall be given preference.

Before the submission of actual bids, the bidder must first submit proof that it is legally, technically and financially qualified to undertake the project. The legal requirements include proof showing compliance with the nationality requirements, if the project will involve a public utility. If the bidder is an unincorporated consortium, the identity of each of the members must be disclosed and must also undergo the pre-qualification process. Moreover, the members shall submit an undertaking binding themselves to be solidarily liable for the obligations under the contract. If the consortium is a duly registered corporation with the SEC, the corporation must be the one to execute such undertaking. Lastly, the prospective bidder must indicate the contractor it seeks to engage once the contract is awarded to it. The contractor must be duly licensed and accredited by the PCAB, if a Filipino, or its equivalent in a foreign country, if a foreigner.

Aside from the legal requirements, the prospective bidder must also show that it has the technical expertise and has ample experience in similar or related infrastructure projects. For this purpose, the consortium must submit a business plan, which shall include the identity of its members, the equity interest/contribution of each member of the consortium, their prospective contractor(s), capacity of the consortium to undertake the project, and the description and respective roles of each member and the contractor.

Lastly, it must also demonstrate that it has the financial capability to undertake the project. In this regard, it must show proof that it has the minimum amount of equity to the project measured in terms of the net worth of the company or the net worth of the lead member (in case of a consortium). It must also show that it can set aside a deposit equivalent to the minimum equity required. Moreover, a letter testimonial from a domestic universal/commercial bank or an international bank with a subsidiary/branch in the Philippines or any international bank recognized by the BSP certifying that the bidder is an account holder, is in good financial standing and is able to obtain credit accommodations from such banks to finance the project.

On December 5, 2023, Republic Act No. 11966 or the PPP Code was enacted. Following this, the Implementing Rules and Regulations of the Public-Private Partnership Code of the Philippines ("**PPP Code IRR**") was issued on March 21, 2024. The PPP Code and its IRR expressly repeal, among others, R.A. No. 6957, as amended by RA No. 7718, otherwise known as the Build–Operate–Transfer Law, and the 2023 Revised Guidelines and Procedures for entering into Joint Venture Agreements between Government and Private entities. The PPP Code and its IRR aim to create a unified and complete legal framework for investors to comply with when developing PPP projects at both the national and local levels.

The PPP Code and its IRR shall cover any Infrastructure or Development Project or Service that meets the requirements of a PPP, or as may be approved by the relevant approving body, including but not limited to the following: (i) Joint Ventures; (ii) Toll operation agreements, supplemental toll operation agreements, or any other contractual arrangements pertaining to the construction, operations and maintenance (O&M), or a combination or variation thereof, of toll facilities; (iii) Lease agreements providing for the rehabilitation, operation, and/or maintenance, including the provision of working capital and/or improvements to, by the Private Partner of an existing land or facility owned by the government for a fixed period of time covering more than one (1) year; (iv) Lease agreements, where such lease is a component of a PPP Project; (v) Build-Operate-Transfer (BOT) and its variants under the BOT Law; and (vi) O&M.

Furthermore, the PPP Code aims to create an environment that enables the private sector to mobilize resources for infrastructure and development projects. Under the new law, approving bodies shall render their decisions within 120 calendar days from receipt of complete requirements. Failure to render a decision within the required period shall be deemed an approval of the PPP project. For local solicited PPP projects, the same 120-day timeline applies. It also seeks to ensure equitable risk allocation in PPPs, as well as sufficient Value for Money ("**VFM**"), sustainability, and public welfare. Value for Money refers to the effective, efficient, and economic use of resources, requiring the evaluation of relevant costs and benefits, along with an assessment of risks and non-price attributes and/or life cycle costs, as appropriate. Price alone may not necessarily represent VFM. Various methods are utilized to finance infrastructure and development projects, such as PPPs, official development assistance, and appropriations.

Law on Public Utilities

Before, the operation of an airport terminal was within the definition of a public utility as the use thereof is held out generally to the public. Thus, it was subject to the requirements of the Philippine Constitution which provides that franchises, privileges and other authority to operate a public utility shall be given to corporations, associations or firms at least 60 % of capital of which is owned by Filipino citizens.

However, Republic Act No. 11659, otherwise known as "An Act Amending Commonwealth Act No. 146 otherwise known as the Public Service Act", was signed by Former President Rodrigo R. Duterte into law on March 21, 2022. Under Republic Act No. 11659, a person engaged in public service is classified as a public utility only if it operates, manages or controls for public use any of the following: (1) distribution of electricity; (2) transmission of electricity; (3) petroleum and petroleum products pipeline transmission systems; (4) water pipeline distribution systems and wastewater pipeline systems, including sewerage pipeline systems; (5) seaports; and (6) public utility vehicles. Unless otherwise subsequently provided by law or unless recommended by the President to Congress upon recommendation by NEDA based on the criteria provided by Republic Act No. 11659, no other person shall be deemed a public utility.

Nonetheless, Republic Act No. 11659 contains safeguards to protect the country against national security concerns. First, the President has the power to suspend or prohibit any investment in a public service that effectively results in the grant of control, whether direct or indirect, to a foreigner or a foreign corporation upon review, evaluation and recommendation of the relevant government agency. Second, foreign state-owned enterprises shall be prohibited from owning capital in any public service classified as public utility or critical infrastructure. Third, persons and companies engaged in the telecommunications business shall obtain and maintain certifications from an accredited certification body attesting to compliance with relevant ISO standards on information security. Fourth, under the reciprocity clause, foreign nationals shall not be allowed to own more than fifty percent (50%) of the capital of entities engaged in the operation and management of critical infrastructure unless the country of such foreign national accords reciprocity to Philippine Nationals as may be provided by foreign law, treaty or international agreement. Lastly, an annual conduct of performance audit by an independent evaluation team shall be conducted to monitor cost, quality of services provided to the public, and ability of the public service provider to immediately and adequately respond to emergency cases.

In limiting the coverage of public utilities, key public services are effectively liberalized and full foreign ownership in key sectors are allowed, including telecommunications, railways, expressways, shipping industries, and airports. Accordingly, the operation of an airport terminal is not subject to the Constitutional restrictions on foreign ownership.

Department of Human Settlements and Urban Development Act

Republic Act No. 11201, otherwise known as "Department of Human Settlements and Urban Development Act" was signed by the President on February 14, 2019. The Implementing Rules and Regulations of the Act was approved on July 19, 2019. This Act created the Department of Human Settlements and Urban Development ("**DHSUD**") through the consolidation of the Housing and Urban Development Coordinating Council ("**HUDCC**") and the Housing and Land Use Regulatory Board ("**HLURB**"), simultaneously with the reconstitution of HLURB into Human Settlement Adjudication Commission ("**HSAC**"). The functions of the HUDCC and the planning and regulatory functions of HLURB shall be transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HLURB.

The DHSUD shall:

1. Act as the primary national government entity responsible for the management of housing, human settlement and urban development

2. Be the sole and main planning and policy-making, regulatory, program, coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to an affordability of basic human needs. The following functions of HLURB are transferred to DHSUD:

    a. The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their CLUPs and ZOs;

    b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws; and

    c. The registration, regulation and supervision of Homeowners Associations, including the imposition of fines for violations, pursuant to RA 9904, Section 26 of RA 8763 in relation to Executive Order No. (EO) 535, series of 1979, and other related laws; and

    d. The adjudicatory mandate of the HLURB.

3. Develop and adopt a national strategy to immediately address the provision of adequate and Affordable Housing to all Filipinos, and ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

All existing policies, and rules and regulations of the HUDCC and the HLURB shall continue to remain in full force and effect unless subsequently revoked, modified or amended by the DHSUD or the HSAC, as the case may be.

All applications for permits, licenses and other issuances pending upon the effectivity of the Act and filed during the transition period shall continue to be acted upon by the incumbents until transition shall have been completed.

All cases and appeals pending with the HLURB shall continue to be acted upon by the HLURB Arbiters and the Board of Commissioners, respectively, until transition shall have been completed and the Commission's operations are in place. Thereafter, the Regional Adjudicators and the Commission shall correspondingly assume jurisdiction over those cases and appeals. All decisions of the Commission shall thenceforth be appealable to the Court of Appeals under Rule 43 of the Rules of Court.

ENVIRONMENTAL LAWS

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("**ECC**") prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau ("**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("**EIS**") to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination ("**IEE**") to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas EIS or an IEE may vary from project to project, as a minimum; it contains all relevant information regarding the projects' environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implement its approved environmental management plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("**EGF**") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures.

Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("**EMF**") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

Aside from the EIS and IEE, engineering geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

Although the obligation to obtain the ECC is normally with the project owner, there are instances when the project owner requests the Company assist in securing the ECC. The Company incurs expenses for the purposes of complying with environmental laws that consist primarily of payments for Government regulatory fees. Such fees are standard in the industry and are minimal.

Wastewater Discharge Permit

Development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority. As required under Republic Act No. 9275 ("**Clean Water Act**"), a Wastewater Discharge Permit issued by the DENR/LLDA is required for all owners or operators of Central Wastewater Treatment Facilities ("**CWTF**") that discharge effluents into a body of water, with fees to be paid by the operator of the CWTF.

Other Environmental Laws

Other regulatory environmental laws and regulations applicable to Megawide's business includes the following:

Toxic Substances and Hazardous and Nuclear Wastes Control Act

DENR, through its authority granted by Republic Act No. 6969, or the Toxic Substances and Hazardous and Nuclear Wastes Act, is mandated to regulate, restrict or prohibit the importation, manufacture, processing, sale, distribution, use and disposal of chemical substances and mixtures that present unreasonable risk and/or injury to health or the environment. Entities that generate or produce hazardous wastes must register as Hazardous Waste Generators with the EMB Regional Office having jurisdiction over the location of the waste generator and submit quarterly reports to DENR specifying the type and quantity of hazardous waste generated, produced or transported outside, and such other information as may be required.

Ecological Solid Waste Management

Ecological Solid Waste Management Act of 2000, which provides for the proper management of solid waste which includes, discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

Code on Sanitation of the Philippines

Presidential Decree No. 856 provides for sanitary and structural requirements in connection with the operation of certain establishments such as industrial and food establishments. Under the Sanitation Code, which is implemented by the Philippine Department of Health, no person, firm, corporation or entity shall operate a food establishment without first obtaining a sanitary permit. The permit shall be valid for one year and shall be renewed every year.

Philippine Clean Air Act

Philippine Clean Air Act of 1999 (the "**Clean Air Act**") provides for specific emission standards for stationary sources of air pollution, for motor vehicles and other sources. It also sets specifications for fuel and fuel-related substances; bans incineration; provides for phasing-out of ozone-depleting substances; reduction and elimination of greenhouse gas emissions and persistent organic pollutants; and proper handling of radioactive emissions. To implement the foregoing, the Clean Air Act requires establishments with machinery or equipment that are sources of regulated air pollutants to obtain a permit to operate from the EMB. This permit is valid for one year, renewable at least 30 days prior to its expiration date. The permits issued by DENR shall state the limitations for regulated air pollutants to achieve and maintain air quality standards.

Philippine Clear Water Act

Philippine Clean Water Act of 2004 applies to water quality management in all bodies of water. DENR implements a wastewater charge system in all management areas. DENR requires owners or operators of facilities that discharge regulated effluents to secure a permit to discharge. This permit for the discharge of effluents shall state the quality and quantity of effluent that the facilities are allowed to discharge into a particular body of water, compliance schedule and monitoring requirement.

The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked by the Implementing Rules of the Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law. In addition, they have the right to (a) enter any premises or have access to documents and relevant materials; (b) inspect any pollution or waste source, control device, monitoring equipment or method required; and (c) test any discharge. If there is fish kill, the Department of Agriculture may also enter the establishment reported to have caused the incident.

LABOR AND EMPLOYMENT

The Philippine Constitution

The Philippine Constitution provides that the State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth. The seven basic rights that are specifically guaranteed by the Philippine Constitution are as follows:

(a) Right to organize;
(b) Right to conduct collective bargaining or negotiation with management;
(c) Right to engage in peaceful concerted activities, including strikes in accordance with law;
(d) Right to enjoy security of tenure;
(e) Right to work under humane conditions;
(f) Right to receive a living wage; and
(g) Right to participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

Labor Code of the Philippines

Presidential Decree No. 442, as amended, or the Labor Code of the Philippines ("**Labor Code**") seeks to protect labor, promote full employment, ensure equal opportunities regardless of sex, race or creed and regulate the relations between workers and employers. All doubts in the implementation and interpretation of the provisions of the Labor Code shall be resolved in favor of labor.

The Department of Labor and Employment ("**DOLE**") is the lead agency in the enforcement of labor laws.

The Labor Code and other statutory laws specify the minimum statutory benefits that employers are required to grant to their employees.

Retirement Benefits

All employees are entitled to receive retirement benefits that they have earned upon retirement under existing laws or collective bargaining agreements. An employee's retirement benefits under a collective bargaining agreement and other agreements must not be less than those provided under the Labor Code. In the absence of a retirement plan or agreement providing for retirement benefits of employees, an employee, upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five years in the establishment, may retire and shall be entitled to retirement pay equivalent to at least 1⁄2 month salary for every year of service.

DOLE Department Order No. 174-17 was issued on March 17, 2017. It implemented Articles 106-109 of the Labor Code, particularly governing contracting and subcontracting arrangements. "Contracting" or "Subcontracting" refers to an arrangement whereby a principal agrees to farm out to a contractor the performance or completion of a specific job or work within a definite or predetermined period, regardless of whether such job or work is to be performed or completed within or outside the premises of the principal. It imposes an absolute prohibition on Labor-only contracting which refers to an arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job or work for a principal and the elements enumerated in the law are present.

However, said Department Order does not apply to contracting or subcontracting arrangements in the Construction Industry, under the licensing coverage of the PCAB. These shall continue to be governed by Department Order No. 19, Series of 1993 (Guidelines Governing the Employment of Workers in the Construction Industry) and Department Order No. 13, Series of 1998 (Guidelines Governing the Occupational Safety and Health in the Construction Industry); and DOLE-DPWH-DILG-DTI and PCAB Memorandum of Agreement-Joint Administrative Order No. 1, Series of 2011 (on coordination and harmonization of policies and programs on occupational safety and health in the construction industry).

Section 2, Subparagraph 2.5 of Department Order No. 19, Series of 1993, provides:

> *"Contracting and subcontracting. — The practice of contracting out certain phases of a construction project is recognized by law, particularly wage legislations and wage orders, and by industry practices. The Labor Code and its Implementing Regulations allow the contracting out of jobs under certain conditions. Where such job contracting is permissible, the construction workers are generally considered as employees of the contractor or subcontractor, as the case may be, subject to Article 109 of the Labor Code , as amended."*

Pursuant to P.D, No. 1746 Series of 1980, licensing and the exercise of regulatory powers over the construction industry is lodged with the PCAB of the Construction Industry Authority of the Philippines ("**CIAP**").

The PCAB registers all types of contractors in the construction industry and regulates the same by ensuring compliance with DOLE issuances. Thus, the DOLE through its Regional Offices shall not require contractors licensed by PCAB to register under D.O. 174, Series of 2017. However, findings of violation/s on labor standards and occupational health and safety standards shall be coordinated with PCAB for its appropriate action, including possible cancellation/suspension of the contractor's license.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer, or any person who uses the services of another person in business, trade, industry or any undertaking is required under the Social Security Act of 1997 to ensure coverage of employees following procedures set out by the law and the Social Security System ("**SSS**"). Under the said law, an employer must deduct from its employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation ("**PhilHealth**"), a government corporation attached to the DOH tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995. Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund.

Workers' Health and Safety

The Rules for Occupational Safety and Health Standards ("**OSHS**") issued by the Bureau of Working Conditions of the DOLE establishes the threshold limit values ("**TLV**") for toxic and carcinogenic substances which may be present in the atmosphere of the work environment. The TLV refer to airborne concentration of substances and represent the conditions under which it is believed that nearly all workers may be repeatedly exposed daily without adverse effect. The TLV refers to the time weighted concentrations for an eight-hour workday and a total of 48 work hours per week.

The employees' exposure to the substances identified in the OSHS must be limited to the ceiling value given for the relevant substance in the OSHS or must not exceed the 8-hour time weighted average limit given for that substance in the OSHS, as the case may be.

To protect the employees, an employer is required to furnish its workers with protective equipment for the eyes, face, hands, and feet as well as protective shields and barriers, whenever necessary, by reason of the hazardous nature of the process or environment, chemical or radiological or other mechanical irritants or hazards capable of causing injury or impairment in the function of any part of the body through absorption, inhalation or physical contact. The employer is responsible for ensuring the adequacy and proper maintenance of personal protective equipment used in its workplace.

To ensure compliance with the OSHS, every establishment or place of employment will be inspected at least once a year. Special inspection visits may be authorized by the Regional Labor Office to investigate accidents, occupational illnesses or dangerous occurrences, especially those resulting in permanent total disability or death, to conduct surveys of working conditions for the purpose of evaluating and assessing environmental contaminants and physical conditions, or to conduct investigations, inspections or follow-up inspections upon request of an employer, worker or a labor union of the establishment.

Any violation of the provisions of the OSHS will be subject to the applicable penalties provided in the Labor Code. The Labor Code imposes a fine of not less than ₱1,000.00 nor more than ₱ 10,000.00 or imprisonment of not less than three (3) months nor more than three (3) years, or both such fine and imprisonment, at the discretion of the court. If the offense is committed by a corporation, the penalty will be imposed upon the guilty officers of such corporation.

Depending on the size of the workforce and the nature of the work place as either hazardous or non- hazardous, an employer is obliged to provide certain free medical and dental attendance and facilities. For large-scale industries where the number of workers is from 200 to 600, the employer is required to provide the services of a part-time occupational health physician and a part-time dentist, each of whom is required to stay in the premises of the workplace at least four hours a day, six times a week, and each working in alternate periods with the other. It is also required to provide the services of a full-time occupational health nurse and a full-time first aider. The employer must further maintain an emergency clinic, unless there is a hospital or dental clinic which can be reached in 25 minutes of travel, and it has facilities readily available for transporting its workers to the hospital or clinic in case of emergency.

Under the OSHS, every place of employment is required to have a health and safety committee. Further, the employer has the duty to write administrative policies on safety in conformity with OSHS. It must report to the DOLE copies of the policies adopted and the health and safety organization established to carry out the program on safety and health within one month after the organization or reorganization of the health and safety committee.

The DOLE released Department Order No. 198-18 which implemented Section 32 of Republic Act No. 11058. It aims to protect every worker against injury, sickness or death through safe and healthful working conditions. It characterizes the workplaces in the construction industry as high risk establishments. It assures the right of workers to report accidents, to have personal protective equipment, to have safety signages and devices and the like.

It mandates the Company to create an Occupational Safety and Health Program which needs to be approved by DOLE prior to construction. Any willful failure or refusal of an employer, contractor or subcontractor to comply with the following OSH standards or with a compliance order issued by the Secretary of Labor and Employment or his/her authorized representative shall be penalized with administrative fines.

Moreover, Republic Act No. 7877 makes it the duty of every employer to create a committee on decorum and investigation of sexual harassment cases. Such committee must be composed of at least one representative each from management, the union, the employees from the supervisory rank, and the rank-and-file employees. In addition, it is likewise the duty of the employer to promulgate rules and regulations prescribing the procedure for the investigation of sexual harassment cases and the administrative sanctions therefor, which rules must be formulated in consultation with and later jointly approved by the employees.

The DOLE further released Department Order No. 238-23 which identifies eight establishments to be prioritized for inspection as follows: (i) engaged in hazardous work; (ii) employing children and/or women; (iii) construction projects; (iv) Philippine-registered ships or vessels engaged in domestic shipping; (v) fishing vessels; (vi) engaged in contracting and subcontracting arrangements; (vii) subject of Single-Entry Approach (SEnA) referral, anonymous complaint or request for inspection; (viii) other establishments as may be determined by the Labor Secretary.

DO No. 238-23 requires all employers to keep and maintain employment records for at least three (3) years. It also lays down three (3) kinds of approaches to enforce labor standards as follows: (i) technical and advisory visits (TAVs), specifically covering micro establishments employing less than ten (10) workers; (ii) labor inspections; and (iii) OSH investigations. TAVs may be conducted through online, offsite or hybrid sessions. Micro establishments found to have compliance gaps will be required to prepare and accomplish an action plan indicating the interventions and further technical assistance needed, and have three months to correct the compliance gaps. Meanwhile, labor inspections are conducted through examination of employment records for the last three years, interviewing of employees, and inspection of work premises to determine compliance with general labor standards, Lastly, OSH investigations are conducted upon issuance of an authority to investigate by the regional director within 24 hours from receipt of information of a disabling injury, imminent danger, or dangerous occurrence.

DOLE Mandated Work-Related Programs

Under Republic Act No. 9165, otherwise known as the “Comprehensive Dangerous Drugs Act”, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with ten (10) or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational, or training environment or institution also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarity liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000.00 nor more than ₱20,000.00, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

DATA PRIVACY LAWS

Data Privacy Act

The Philippines government enacted legislation with the aim to protect the fundamental human right to privacy while ensuring the free flow of information. Republic Act No. 10173, or the "Data Privacy Act of 2012" applies to processing of all types of information, whether that be of individuals or legal entities, except for publicly available information, or those required for public functions. The law provides that when an entity collects personal data, the purpose and extent of processing of such information collected must be legitimate and declared specifically to the owner of the personal information (i.e. whether such information will be used for marketing, data-sharing and the like), and that consent must be obtained from the owner. This requirement applies to all data collectors and data processors. The term "data collectors" refers to a natural or juridical person who controls or supervises the person collecting, storing, or processing the relevant personal information, while the term data processors refers to a natural or juridical person who processes the information, whether or not outsourced by the data collector.

Personal information that is collected must be retained only for a reasonable period of time. Such a reasonable period of time is the reasonable amount of time the collector needs the information for its purposes, and the collector must notify the owner of the personal information of that duration. The data collector must implement appropriate measures for the storage and protection of the collected personal information from accidental alteration, destruction, disclosure and unlawful processing. Furthermore, the data controller must assign compliance officer(s) to ensure compliance with the provisions of the data privacy law and its accompanying implementing rules and regulations.

ANTITRUST LAWS

Philippine Competition Act

Republic Act No. 10667 or the Philippine Competition Act (the "**PCA**") came into effect August 5, 2015 and is the primary competition law in the Philippines. It aims to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial activities. This law created the Philippine Competition Commission (the "**PCC**") which is tasked with the implementation of the PCA and regulating, among others things, the conduct of business entities in the market as well as mergers and acquisitions. The PCA prohibits and imposes sanctions on:

(a) Anti-competitive agreements between or amongst competitors that restrict competition as to price or other terms of trade and those fixing price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting or lessening competition;

(b) Practices which are regarded as abuse of dominant position by engaging in conduct that would substantially prevent, restrict or lessen competition; and

(c) Mergers or acquisitions which substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services.

A dominant market position is presumed by law if an enterprise has at least 50% of the relevant geographic or product market. Moreover, the parties to a merger, acquisition or joint venture are required to comply with the compulsory notification requirements of the PCC before consummating the transaction if specified thresholds set out under the PCA and its implementing rules are met. Effective March 1, 2024, parties to a merger, acquisition, or join venture shall be required to provide notification when the size of the ultimate parent entity of either party exceeds ₱7.8 billion, and either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed merger, acquisition, or joint venture exceeds ₱3.2 billion; or (b) the gross revenues generated in the Philippines by the assets to be combined in the Philippines or contributed into the proposed merger, acquisition, or joint venture exceed ₱3.2 billion. An agreement consummated in violation of the compulsory notification requirement shall be considered void, and shall subject the parties to an administrative fine of 1% to 5% of the value of the transaction.

Further, penalties for violation of the law consist of administrative fines which can be as high as ₱100 million for the first offense and ₱250 million for the second offense. The law also grants private parties who suffer damages as a result of a violation the right to file an action for damages against the violating parties. The law subjects violations of the provisions on price fixing and bid rigging between and among competitors to criminal liability in addition to the administrative and civil liabilities provided thereunder.

Securities and Exchange Commission

On February 22, 2023, the Company was assessed by the Securities and Exchange Commission (SEC) with the following penalties with respect to its December 31, 2021 Consolidated Audited Financial Statements (CAFS) and March 31, 2022 Consolidated Reviewed Interim Financial Statements (CRIFS):

Violation	Penalty (1st Offense)	Amount of Misstatement	Basic	Daily	Total
Material misstatement in the annual financial statements	P50,000 or 1/10 of 1% of the amount of misstatement, whichever is higher, plus P500 per day until corrected	Overstatement– P2,478,673,490.00 Understatement– P2,478,673,980 **Total Misstatement– P4,957,346,980.00**	P4,957,346.9 or **P1,000,000.00[5]**	**P3,500.00[6]**	**P1,0[illegible]00.00**
Material deficiency in the annual financial statements	P25,000 plus P500 per day until completed/ complied		**P25,000.00**	**P3,500.00[7]**	**P28,500.00**
Material deficiency in the interim financial statements	P10,000 plus P100 per day until completed/ complied		**P10,000.00**	**P700.00[8]**	**P10,700.00**
				TOTAL	**P1,042,700.00**

Regarding the assessment on material restatement, we have restated the comparative amounts for the prior period ended December 31, 2020 CAFS as management believes it will better provide a more comparable and more reflective view of the current and non-current liabilities of the Company. The restatement includes reclassification of balance sheet accounts and did not result in restatement of previously reported profit or loss.

Regarding material deficiency in the CAFS and CRIFS, the Company has submitted the required Use of Proceeds report to the Philippine Stock Exchange but inadvertently missed to include it as attachment to the CAFS and CRIFS.

On February 27, 2023, the Company was further assessed with the following penalty by the SEC with respect to its September 30, 2022 Consolidated Reviewed Interim Financial Statements:

Violation	Penalty (2nd Offense)	Basic	Daily	Total
Material deficiency in the interim financial statements	P20,000 plus P500 per day until completed/ complied	**P20,000.00**	**P3,000.00**[3]	**P23,000.00**

The assessment is of similar nature as discussed above.

In a letter dated June 19, 2024, the SEC assessed penalties against the Company due to the late filing of the 2022 Annual Report. The SEC assessed a total penalty of One Hundred Ten Thousand and Five Hundred Pesos (₱110,500.00) pursuant to the SRC Rule 17.1 in relation to SEC Memorandum Circular No. 6 series of 2005 for its non-compliance with SRC Rule 17.

PHILIPPINE CONSTRUCTION INDUSTRY

The information in this section has been derived from various government and private publications, and unless otherwise indicated, has not been prepared or independently verified by the Company or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or any of their respective Affiliates or advisors. Please refer to the section "Regulatory and Environmental Matters" of this Preliminary Prospectus.

Regulated Industry

R.A. No. 4566 as amended by PD No. 1746 requires a construction company seeking to operate in the Philippines to obtain either a regular or a special license with the PCAB. In order to enforce the licensing requirements, all architects and engineers preparing plans and specifications and all public or private agencies or entities conducting biddings and/or letting out contracts for construction work to be contracted and undertaken in the Philippines, shall include in their invitation to bidders and other bidding documents necessary stipulations to convey to every bidder, whether he is a resident of the Philippines or not, the information that it will be necessary for him to have a license before his bid is considered.

Classification and Categorization

Constructors are classified into three main contracting classifications, based on capability and specialization:

Classification	**Areas of Specialization**
General Engineering Construction	a.) Road, highway, pavement and bridge b.) Irrigation and flood control c.) Dam, reservoir and tunneling d.) Port, harbor and offshore engineering
General Building Construction	a.) Building and industrial plant b.) Sewerage and sewage treatment/disposal plant and system c.) Water treatment plant and system d.) Park, playground and recreational work
Specialty Construction	a.) Foundation work b.) Structural steel work c.) Concrete pre-casting and pre-stressing d.) Plumbing and sanitary work e.) Electrical work f.) Mechanical work g.) Mechanical work (ventilation-refrigeration) h.) Mechanical work (elevator-conveyor) i.) Fire protection work j.) Waterproofing work k.) Painting work

Source: Rules and Regulations Governing Licensing and Accreditation of Constructors in the Philippines

In addition, each constructor is evaluated, graded and assigned a category based on the following criteria and quantified by equivalent credit points:

1) financial capacity measured in terms of net worth;
2) equipment capacity in terms of the book value;
3) experience of the company in terms of aggregate number of years in which the firm has actively engaged in construction contracting and operation and average annual value of work completed during the past three (3) years; and
4) experience of the technical personnel

Class	Category	Minimum Qualification Requirements					Overall CPR (2)
		Financial Capacity		Construction Experience Requirement			
		Equity' (in million P)	CPR (1)	Individual	Aggregate	Minimum CPR	
General Engineering	AAAA	1,000.00	10,000.00	10	60	300.00	10,300.00
	AAA	180.00	1,800.00	10	60	300.00	2,850.00
	AA	90.00	900.00	10	50	250.00	1,365.15
	A	30.00	300.00	7	21	105.00	475.00
	B	10.50	100.00	5	10	50.00	177.50
	C	6.00	60.00	3	3	15.00	105.50
	D	2.00	20.00	3	3	15.00	35.00
General Building	AAAA	1,000.00	10,000.00	10	60	300.00	10,300.00
	AAA	180.00	1,800.00	10	60	300.00	2,810.00
	AA	90.00	900.00	10	50	250.00	1,345.00
	A	30.00	300.00	7	21	105.00	471.00
	B	10.50	100.00	5	10	50.00	175.50
	C	6.00	60.00	3	3	15.00	96.50
	D	2.00	20.00	3	3	15.00	35.00
Specialty	AAAA	1,000.00	10,000.00	10	60	300.00	10,300.00
	AAA	180.00	1,800.00	10	60	300.00	2,410.00
	AA	90.00	900.00	10	50	250.00	1,145.00
	A	30.00	300.00	7	21	105.00	421.00
	B	10.50	100.00	5	10	50.00	165.50
	C	6.00	60.00	3	3	15.00	90.50
	D	2.00	20.00	3	3	15.00	35.00
Specialty – Trade	E	0.10	1.00	none	none	none	1

Source:
CIAP
Notes:
[1]CPR – Credit Points Required
[2]Overall credit points inclusive of Equipment Capacity (10point/₱100,000); Experience of Firm (10 points/year of active existence and 1point/₱100,000 of 3 year average annual volume of work accomplished; and COMTCP points if Sustaining Technical Employees (STE) are COMTCP certified

Allowable Ranges of Contract Costs (ARCC) and Single Largest Project (SLP) Completed / Track Record Requirements			
Size Range	**License Category**	**Single Largest Project (₱)**	**Allowable Ranges of Contract Costs (₱)**
Large B	AAAA and AAA	Above 225 Million	< or above 450 Million
Large A	AA	Above 150 Million up to 225 Million	Up to 450 Million
Medium B	A	Above 75 Million up to 150 Million	Up to 300 Million
Medium A	B	Above 15 Million up to 75 Million	Up to 150 Million
Small B	C & D	≤ 15 Million	Up to 30 Million
Small A	Trade/E	Up to 1 Million	Up to 1 Million
Note: Par. 3 of Sec. 23.11.2 of the IRR of RA 9184 allows Small A and Small B contractors without similar experience to bid only for contracts not more than fifty percent (50%) of the allowable range of contract cost of their respective size range(s).			

Construction Licenses Issued

Under the law, only contractors accredited by the PCAB are allowed to enter into a construction contract with clients. For 2022, PCAB has processed a total of 51,517 contractors' licenses. The following table shows the breakdown of contractors per type:

In terms of Category (Size)	**Share to total**
AAAA	0.32%
AAA	3.75%
AA	1.54%
A	8.29%
B	18.22%
C	12.48%
D	33.35%
E/TRADE	21.77%
In terms of Type	**Share to total**
Joint Venture	97.65%
Consortium	1.06%
Foreign Individual	1.29%

Source: Philippine Contractors Accreditation Board Annual Report 2022

The PCAB issues two (2) kinds of licenses, a regular or a special license. Under the Implementing Rules and Regulations ("**PCAB IRR**") of R.A No. 4566, otherwise known as the "Contractors' License Law" ("**PCAB Law**"), a PCAB Regular License may only be issued by the PCAB to construction firms of Filipino sole proprietorship, or partnerships or corporations with at least 60% percent Filipino equity participation and duly organized and existing under Philippine law.

However, the Supreme Court, in the case of *Philippine Contractors Accreditation Board v. Manila Water Co., Inc.* (G.R. No. 217590, March 10, 2020) has recently ruled that foreigners can obtain regular licenses from the PCAB. It ruled that the construction industry is not one which the Constitution has reserved exclusively for Filipinos. There is also no prohibition in the law for foreigners to enter into the same projects as Filipinos in the field of construction. "Private domestic construction contracts" has also been removed from the Foreign Investments Negative List since 1998. Thus, the provision requiring foreigners to obtain a special license has been declared null and void, along with the provision limiting the regular license to construction firms at least 60% of which is owned by Filipinos. In light of this ruling, foreigners can now obtain regular licenses from the PCAB.

In June 2022, PCAB processes are now 100% fully automated and received its ISO Certification. It is the only government agency in the country that has achieved such prestigious recognition in achieving an online end-to-end license processing.

Through this initiative, more contractors are licensed and construction projects are within industry standards. PCAB highly correlates this massive improvement with the USAID-backed automation initiatives through the PCAB Online Licensing Portal, an activity that highly contributes to accelerating the agency's ease-of-doing-business compliance as well as in further stimulating the Philippine construction industry's productivity that aids the country's economic recovery. Since the launch of the online portal in 2020, the total processed applications made through the PCAB Online Portal since its deployment from June 2020 until December 2022 was 87,198 applications.

With the launch of the online platform, PCAB's processed applications from 2016 to 2022 totaled 187,699, compared with 63,285 from 2010-2015. This represents a difference of 124,414 or 197% increase.

From 2016 to 2022, there has been a marked increase in the number accredited contractors from 97,269 versus the accumulative total of 39,482 from 2010-2015. This represents a growth of 57,427 new licensed contractors or 144% increase.

CONSTRUCTION DEMAND

The Philippine Government gathers statistics on the demand for private construction from approved building permits that relate to data on new construction, additions, alterations and repairs of existing residential and non-residential buildings and other structures undertaken in all cities/municipalities in the country.

The number of constructions from approved building permits in September 2024 was posted at 14,503. This indicates an annual increase of 7,8 percent. By type of construction, residential buildings reported the highest number of constructions at 9,003 or 65.0 percent of the total number of constructions during the month. It recorded an annual increase of 5.4 percent from the same month of the previous year's level of 8,539 constructions. Majority of the total residential constructions were single-type houses with 6,892 constructions (76.6%).

Approved Building Permits For All Types of Construction
in number of applicants

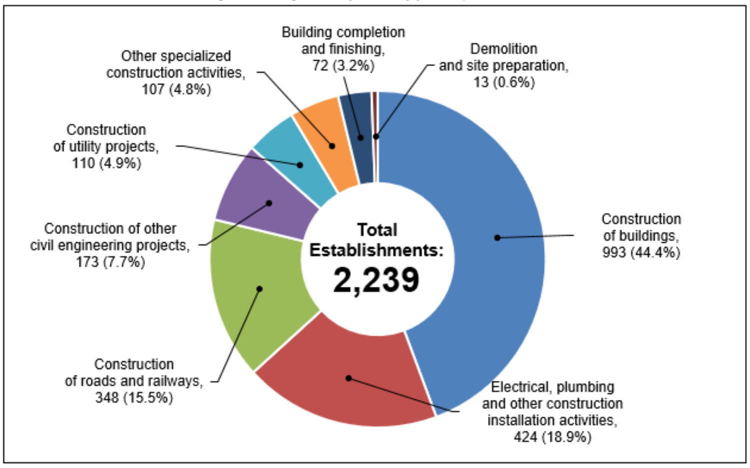
Segment	October 2023	September 2024
Non-Residential Building	2,938	3,094
Residential Building	8,539	9,602
Additions, alterations, repairs	524	451
Alteration and Repair	1,043	1,062
Others	268	294
Total	13,312	14,503

Source: Construction Industry Authority of the Philippines, Philippine Statistics Authority

Per the Philippine Statistics Authority a total of 2,239 establishments in the formal sector of the economy were engaged in construction. This represents a 2.4 percent decrease from the 2,293 establishments reported in 2021.

Among industry groups, construction of buildings recorded the highest number of 993 establishments or 44.4 percent of the total for the section in 2022. This was followed by electrical, plumbing and other construction installation activities with 424 establishments (18.9%) and construction of roads and railways with 348 establishments (15.5%). On the other hand, demolition and site preparation recorded the least number of 13 establishments (0.6%).

Figure 1. Distribution of Establishments Under Construction Section
by Industry Group: Philippines, 2022



Note: Details may not add up to total due to rounding and/or statistical disclosure control.
Source: Philippine Statistics Authority, 2022 ASPBI (Preliminary Results)

PROSPECTS

The Philippine construction industry registered a growth rate of 8.5% in 2023, following a record-high growth of 13.4%in 2022.

The industry's growth in 2023 was supported by a favorable base, an improvement in global economic conditions, and investment on infrastructure projects as part of the government's flagship programs. As part of the 2023 State Budget, around ₱5 trillion was allocated across all economic sectors by August 2023, equivalent to 95% of the total allocation. The construction industry is expected to register an annual growth of 7% in 2024. Forecast-period growth in the Philippine construction industry will be supported by progress on the government's programs.

With construction being prioritized as a pillar of economic recovery, the local government has also allocated 28.1% of its fiscal year 2022 total budget to the Department of Public Works and Highways. The Build, Build, Build program also received a new lease on life, with the new administration vowing to continue the country's ambitious infrastructure program, which is now referred to as the Build Better More program (BBM).

BBM is the infrastructure development program of the Marcos Jr. administration which seeks to expand the previous administration's BBB Program to help address the inadequacies of the country's infrastructure. According to the NEDA, the BBM infrastructure program for 2023 to 2028 presently includes 198 high impact infrastructure flagship projects with an overall investment cost of ₱8.8 trillion. Of the 198 projects, 124 are entirely new projects while the remaining 74 projects are taken from the previous BBB program.

Among the major transportation infrastructure projects that will be implemented include the North-South Commuter Railway, Metro Manila Subway Project, and Light Rail Transit (LRT) Line 1 Cavite Extension Project.

The bulk of the BBM program consists of projects that promote physical connectivity involving 123 projects with an indicative investment requirement of ₱7.053 trillion. Of the 123 projects on physical connectivity, 24 are rail infrastructure projects (₱3.2 trillion), 52 are roads and bridges (₱1.9 trillion), 16 are air transport (₱1.1 trillion), 25 are urban transportation projects (₱582.3 billion) and five (5) are maritime projects (₱209.4 billion).

Top 10 High Impact Infrastructure Flagship Projects by Estimated Project Cost

Rank	Infrastructure Flagship Projects	Cost (In ₱ billions)
1	North-South Commuter Railway	873.6
2	New Manila International Airport	735.6
3	Metro Manila Subway Project	488.5
4	North Long-Haul Railway	400.0
5	Daang Maharlika Improvement	251.2
6	MRT Line 5	250.0
7	FMRDP Farm-to-Market Road Projects	249.4
8	Bataan-Cavite Interlink Bridge	219.3
9	Rice Infrastructure Modernization Project	203.4
10	Panay-Guimaras-Negros Inter-Island Bridge	181.5

Source: Fitch Solutions Inc., Department of Budget and Management

Megawide considers this as a big opportunity as it also expands its business from being the emerging leader in high-rise construction into venturing into infrastructure projects such as Affordable Housing, classroom building, elevated expressways, construction of roads and bridges, and heavy industries related to energy and power plants

Aside from expected growth in Infrastructure projects, other opportunities for new businesses are available.

1. **Boom in real estate and construction** have increased the demand for construction services as more workers are vaccinated.
2. **Ease of Doing Business (Republic Act 11032)** would encourage greater investments and take office spaces (which could also increase the demand for construction services); the Implementing Rules and Regulations of the Ease of Doing Business Law was signed last July 2019 and is expected to be fully implemented within the next 2 years.
3. **Easing of foreign ownership restrictions in economic sectors** (telecommunications, transportation, construction, and retail) should attract new businesses to invest in the country.
4. **Second phase of the tax reform package (CREATE),** which was passed, reduces corporate income taxes from 30% to 25% which will increase companies' income and spending as well as attract investors into the country; expansion of existing and new companies may need additional manpower which will create demand for residential spaces.

Due to these factors, there are certain risks that will affect the industry

1. **Increasing global costs for construction materials** could also affect the income of construction companies.
2. **Ban on new economic zones in Metro Manila** will limit supply of office space in the capital and could slow down the demand for new construction projects (however, this will encourage more projects in areas outside Metro Manila).

PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company or the Joint Lead Underwriters and Joint Bookrunners or any of their respective Affiliates or advisors in connection with sale of the Offer Shares.

BRIEF HISTORY

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1965. Each exchange was self- regulating, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. While the PSE maintains two trading floors, one in Makati City and the other in Pasig City, these floors are linked by an automated trading system, which integrates all bids, and ask quotations from the bourses.

In June 1998, the Philippine SEC granted the Self-Regulatory Organization status to the PSE, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. The PSE has an authorized capital stock of 120 million shares, of which, of which 82,579,794 shares are subscribed and fully paid up as of 25 November 2019. Each of the 184 member-brokers was granted 50,000 common shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a Trading Participant Certificate‖ was immediately conferred on each member broker allowing the use of the PSE's trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President.

On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE's Main Board or the Small, Medium and Emerging Board. Previously, the PSE allowed listing on the First Board, Second Board or the Small, Medium and Enterprises Board. As a result of the issuance by the PSE of Memorandum No. CN-No. 2013-0023 dated June 6, 2013, revisions to the PSE Listing Rules were made. Among such changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in the articles of the incorporation of the issuer. Each index represents the numerical average of the prices of component shares. The PSE has an index, referred to as the PHISIX, which as at the date thereof reflects the price movements of selected shares listed on the PSE, based on traded prices of shares from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective April 3, 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of shares of 30 selected companies listed on the PSE. On July 26, 2010, the PSE's new trading system, now known as PSE Trade, was launched. In June 2015, the PSE Trade system was replaced by PSE Trade XTS.

With the increasing calls for good corporate governance, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and to protect the investing public. In 2005, the Online Disclosure System ("**ODiSy**") was implemented, which provided for online system access for the submission and announcement of all types of disclosures. In 2013, the ODiSy was replaced by the PSE Electronic Disclosure Generation Technology ("**EDGE**"). The PSE EDGE is equipped with a variety of features to further standardize the disclosure reporting process of listed companies on the PSE, improve investors' disclosure searching and viewing experience, and enhance overall issuer transparency in the market. The PSE also launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and based on internationally recognized corporate governance codes and best practices.

In 2018, the PSE moved its corporate offices to PSE Tower in Bonifacio Global City, Taguig City, which currently houses the unified trading floors in Makati City and Pasig City.

On 22 March 2018, the PSE completed a stock rights offering of 11,500,000 common shares offered at the price of ₱252.00 per share, or a total of ₱2,898,000,000. The proceeds of the stock rights offering will be used to fund the acquisition of PDS and the product and technology development initiatives of the PSE. As of September 30, 2024, the PSE has an authorized capital stock of ₱120 million, of which 85,586,752 are issued. Out of this total, 82,072,800 are outstanding and 3,513,952 are treasury shares.

SELECTED STOCK EXCHANGE DATA

The table below sets forth movements in the composite index from 1995 to 2024, and shows the number of listed companies, and market capitalization for the same period:

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (in ₱ billions)
1995	2,594.2	205	1,545.7
1996	3,170.6	216	2,121.1
1997	1,869.2	221	1,251.3
1998	1,928.8	221	1,373.7
1999	2,142.9	222	1,936.5
2000	1,494.5	225	2,576.5
2001	1,168.1	229	2,141.4
2002	1,014.4	231	2,083.2
2003	1,442.4	234	2,973.8
2004	1,822.8	236	4,766.3
2005	2,096.0	237	5,948.4
2006	2,982.5	239	7,173.2
2007	3,621.6	244	7,977.6
2008	1,872.9	246	4,069.2
2009	3,052.7	248	6,029.1
2010	4,201.1	253	8,866.1
2011	4,372.0	245	8,697.0
2012	5,812.7	254	10,952.7
2013	5,889.8	257	11,931.3
2014	7,230.6	263	14,251.7
2015	6,952.1	265	13,465.2
2016	7,796.2	268	14,438.8
2017	8,558.4	267	17,583.1
2018	7,466.0	267	16,146.7
2019	7,815.3	271	16,710.0
2020	7,139.71	274	15,890.0
2021	7,122.63	282	18,081.1
2022	6,566.39	281	16,558.5
2023	6,450.04	283	16,740.2
2024	6,528.79	286	*(Data not yet available)*

Source: Philippine Stock Exchange, Inc. and PSE Annual Reports

TRADING

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the third Trading Day (the settlement date) after the trade.

On regular days, wholesale trading on the PSE starts at 9:30 a.m. and ends at 3:30 p.m., with trading recess from 12:00 nn to 1:30 p.m. There is also a provision for ten-minute extensions during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. The PSE may effect changes to the hours and schedule of a Trading Day, as the circumstance warrants. Trading Days are Monday to Friday, except legal and special holidays, days when the BSP is closed for various reasons, and such other days as may otherwise be declared by the SEC or the PSE, through its President or other duly authorized representative, to be a non-Trading Day.
Minimum trading lots range from five (5) to one million (1,000,000) shares depending on the price range and nature of the security traded. Odd-sized lots are traded by brokers on a board specifically designed for odd lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever the price of an order breaches the trading threshold of a security during any Trading Day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result to a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

(i) In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%.All orders breaching the 60% static threshold will be rejected by the PSE.

(ii) In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

NON-RESIDENT TRANSACTIONS

When the purchase/sale of Philippine shares of stock involves a non-resident, whether the transaction is effected in the domestic or foreign market, it shall be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three Banking Days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

SCRIPLESS TRADING

In 1995, the PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of the PCD Nominee, a corporation wholly-owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. Immobilization is the process by which the warrant or share certificates of lodging holders are canceled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares in the account of the PCD Nominee through the PDTC participant will be recorded in the issuing corporation's registry. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the Philippine SEC. No consideration is paid for the transfer of legal title to the PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (trading date plus three Trading Days) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the SCCP Central Clearing and Central Settlement system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are canceled, and a confirmation advice is issued in the name of PCD Nominee to confirm new balances of the shares lodged with the PDTC. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of the PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD Nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current de facto custodianship role.

AMENDED RULE ON LODGEMENT

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that, beginning July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the Revised Listing Rules.

Further, the PSE apprised all listed companies and market participants on May 21, 2010, through Memorandum No. 2010-0246, that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the Exchange shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the SEC.

For listing applications, the amended rule on lodgment of securities is applicable to:

a) The offer shares/securities of the applicant company in the case of an initial public offering;

b) The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Commission in the case of a listing by way of introduction;

c) New securities to be offered and applied for listing by an existing listed company; and

d) Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

a) For new companies to be listed at the PSE as of July 1, 2009 the usual procedure will be observed but the Transfer Agent on the companies shall no longer issue a certificate to PCD Nominee Corp but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date.

b) For existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the Issuer's registry as of confirmation date.

SETTLEMENT

The Securities Clearing Corporation of the Philippines ("SCCP") is a wholly owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for:

- Synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also Trading Participants of the PSE;

- Guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and trade Guaranty Fund; and

- Performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a 2-day rolling settlement environment, which means that settlement of trades takes place two (2) Banking Days after transaction date (T+2). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under the PDTCs book entry system. Each Trading Participant maintains a Cash Settlement Account with one of the four existing Settlement Banks of SCCP which are BDO Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank & Trust Company and Deutsche Bank AG (Manila Branch), Union Bank of the Philippines, the Hongkong and Shanghai Banking Corporation (Manila), Asia United Bank Corporation, Maybank Philippines, Inc., and Chinabank Philippines. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented the CCCS last May 29, 2006. CCCS employs multilateral netting whereby the system automatically offsets “buy” and “sell” transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-Eligible trade cleared through it.

ISSUANCE OF CERTIFICATED SHARES

On or after the listing or re-issuance of the shares on the PSE, any beneficial owner of the shares may apply to the PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a stockholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the stockholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

Upon the issuance of certificated shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of beneficial ownership in the shares to certificated securities will be charged to the person applying for upliftment. Such shares cannot be traded on the PSE without lodging them once again in the depository, in accordance with existing PSE and PDTC rules that were approved by the SEC. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until certificated shares shall have been issued by the relevant company’s transfer agent.

AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP

Under the PSE Amended Rule on Minimum Public Ownership (“**MPO**”), listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10% of the listed companies’ total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. The determination of whether shareholdings are considered public or non-public is based on: a) amount of shareholdings and its significant to the total outstanding shares; b) purpose of investment; and c) extent of involvement in the management of the company.

For purposes of determining compliance with the MPO, shares held by the following are generally considered “held by the public”: (i) individuals (as long as the shares held are not of a significant size (i.e., less than 10%) and are non-strategic in nature; (ii) trading participants (as long as the shares held are non-strategic in nature); (iii) investment and mutual funds; (iv) pension funds; (v) PCD nominees if the relevant account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then the shareholder is considered a principal stockholder); and (vi) social security funds.

If an investment in a listed company is meant to partake of sizable shares for the purpose of gaining substantial influence on how the company is being managed, then the shareholdings of such investor are considered non-public. Ownership of 10% or more of the total issued and outstanding shares of a listed company is considered significant holding and therefore non-public.

Listed companies which become non-compliant with the MPO on or after January 1, 2013 will be suspended from trading for a period of not more than six (6) months and will automatically be delisted if they remain non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sales of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and documentary stamp tax.

The SEC also issued its Rules and Regulations on Minimum Public Ownership on Initial Public Offerings (SEC Memorandum Circular No. 13, series of 2017) (the "**Memorandum Circular**"). Under this Memorandum Circular, any company applying for the registration of its shares of stocks for the purpose of conducting an initial public offering and listing of its shares in an exchange (the "**Covered Company**") must have a public float that meets the 20% MPO requirement. The Covered Company shall, at all times, maintain the 20% MPO. Public float refers to the portion of the issued and outstanding shares that are freely available and tradable in the market and are non-strategic in nature or those not meant for the purpose of gaining substantial influence on the management of the company. The rules consider significant shareholdings of 10% or more of the total issued and outstanding shares of the company as strategic and thus excluded from the public float of the Covered Company.

In the event a Covered Company's MPO falls below 20%, at any time after registration, it is obligated to bring its public float back to at least 20% within a maximum period of 12 months from the date of such fall.

Covered Companies shall establish and implement an internal policy and procedure to monitor its MPO and shall immediately report to the SEC within the next Banking Day if its MPO has fallen below 20%. The Covered Company shall submit to the SEC (a) a time-bound business plan to bring back the public float to at least 20% within a maximum period of 12 months from the date of such decline and (b) a public ownership report and progress report on submitted business plan within 15 days after end of each month until such time that its public float reaches the required level.

The Memorandum Circular expressly provides that it is not meant to amend the existing rules or guidelines of an exchange (e.g., PSE) on minimum public float that have been duly approved by the SEC.

The requirement of minimum public ownership shall also form part of the requirement for the registration of securities. Non-compliance with these requirements shall subject publicly listed companies to administrative sanctions, including suspension and revocation of their registration with the SEC.

The PSE has also issued Memorandum Circular 2020-0076 on August 3, 2020, which contain the Guidelines on Minimum Public Ownership Requirement for Initial and Backdoor Listings (the "**2020 MPO Guidelines**").

The following are the salient points of the 2020 MPO Guidelines:

1. A company applying for initial listing through an initial public offering ("**IPO**") is required to have a minimum public offer size of 20% to 33% of its outstanding capital stock post-IPO, as follows:

Market Capitalization	Public Offer
Not exceeding P500M	33% or P50M, whichever is higher

Over P500M to P1B	25% or P100M, whichever is higher
Over P1B	20% or P250M, whichever is higher

The company must maintain a public ownership level of at least 20% at all times after initial listing.

2. A company applying for listing by way of introduction is required to have at least 20% public float upon and after listing.

3. A company doing a backdoor listing is required to have at least 20% public float upon and after listing. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business.

As of date, the SEC is looking at increasing the MPO requirement of existing listed companies to 15.0%, such proposed rules on MPO are yet to be issued by SEC for comments by the public.

AMENDMENTS TO THE VOLUNTARY DELISTING RULES

On December 1, 2020, PSE issued Memorandum Circular No. 2020-0104 ("**C.N. 2020-0104**") on the amendments to the voluntary delisting rules. Under C.N. 2020-0104, the delisting must be approved by: (i) at least two-thirds (2/3) of the entire membership of the Board, including the majority, but not less than two, of all of its independent directors; and (ii) Stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company.
Further, the number of votes cast against the delisting proposal should not be more than ten percent (10%) of the total outstanding and listed shares of the listed company.

As regards the tender offer price, the minimum tender offer price shall be the higher of: (i) the highest valuation based on the fairness opinion or valuation report prepared by an independent valuation provider in accordance with SRC Rule 19.2.6; or (ii) the volume weighted average price of the listed security for one year immediately preceding the date of posting of the disclosure of the approval by the Company's Board of Directors of the Company's delisting from the Exchange.

RULE ON INITIAL LISTING THROUGH A PREFERRED SHARES OFFERING

On May 24, 2022, PSE issued Memorandum Circular No. 2022-0023 ("**C.N. 2022-0023**"), which provides the Rule on Initial Listing through a Preferred Shares Offering, effective immediately. Under C.N. 2022-0023, the minimum offering to the public shall be at least One Billion Pesos (₱1,000,000,000.00) or twenty percent (20%) of the market capitalization of preferred shares applied for listing, whichever is higher.

Further, upon listing, the applicant company should have at least 1,000 stockholders, each owning at least one (1) board lot, whether it is listing on the Main Board or the SME Board. After listing, the listed company shall be subject to the 20% public float requirement.

As regards the lock-up rule, the 180-day / 365-day lock-up rule shall not apply to the initial listing through a preferred shares offering; however, preferred shares and instruments entitling the holder to issuance of preferred shares (e.g., convertible bonds, warrants) issued and fully paid within 180 days before the IPO at a price lower than the IPO price shall be locked up for 365 days from full payment. If the applicant company has outstanding common shares which are listed, the same will not be covered by the lock-up rule.

Companies mandated by law or regulation to list and/or offer their shares to the public cannot list through this mode of initial listing. A company that lists under this Rule also cannot list by way of introduction.

AMENDMENTS TO THE RULES ON FOLLOW-ON OFFERING

On April 16, 2024, the PSE issued Memorandum Circular CN No. 2024-0024 (“**C.N. 2024-0024**”) which provides the amendments to Article III, Part F, Section 13 and Article V, Part F of the Consolidated Listing and Disclosure Rules, effective immediately.

Under C.N. 2024-0024, the allocation of offer shares to Local Small Investors shall be mandatory.

Moreover, offering of secondary shares acquired at a discount before the follow-on offering shall be prohibited. If there is any issuance or transfer of shares (i.e., private placement, asset for shares swap or a similar transaction) or of instruments which leads to an issuance or transfer of shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within 180 days prior to the start of the offering period and the transaction price is lower than the offer price, all shares subscribed, acquired or availed of shall not form part of the offer shares. This prohibition shall apply to all follow-on offerings, including public offerings undertaken by companies listed by way of introduction or through backdoor listing. However, said prohibition shall not apply to shares subscribed, acquired or availed of through stock dividend distribution or stock option plan. The PSE may likewise rule on a case to-case basis, that the prohibition would not be applicable to shares subscribed, acquired or availed of through any other transaction provided that it can be shown that the offering will not give undue advantage to the subscriber.

MARKET INFORMATION

The common shares of the Company are traded on the PSE under the symbol “MWIDE”. The shares were listed on the PSE on February 18, 2011. The following table sets out, for the periods indicated, the high and low closing prices for the Company‘s shares as reported on the PSE:

2017	**High**	**Low**
First Quarter	18.00	14.16
Second Quarter	19.86	16.90
Third Quarter	18.86	14.90
Fourth Quarter	19.00	15.42
2018		
First Quarter	22.15	17.66
Second Quarter	25.00	19.80
Third Quarter	20.60	15.46
Fourth Quarter	19.40	14.02
2019		
First Quarter	21.50	17.06
Second Quarter	23.00	18.78
Third Quarter	19.52	17.60
Fourth Quarter	19.00	16.32
2020		
First Quarter	16.80	5.35
Second Quarter	7.44	7.17
Third Quarter	7.25	7.11
Fourth Quarter	10.90	6.69
2021		
First Quarter	8.90	5.91
Second Quarter	7.32	5.90

Third Quarter	7.50	5.90
Fourth Quarter	6.85	4.90
2022		
First Quarter	5.70	4.73
Second Quarter	4.94	4.28
Third Quarter	3.92	3.40
Fourth Quarter	3.85	2.99
2023		
First Quarter	4.33	2.85
Second Quarter	4.00	2.94
Third Quarter	3.80	3.02
Fourth Quarter	3.34	3.00
2024		
First Quarter	3.44	3.06
Second Quarter	2.99	2.94
Third Quarter	2.30	3.00
Fourth Quarter	2.81	2.36

As of January 15, 2025, the closing price of the Company's common shares on the PSE was ₱2.64 per share.

The Company's Series 1 Preferred Shares were listed in the PSE on December 3, 2014 under the trading symbol "**MWP**". The Company's Series 2A Preferred Shares and Series 2B Preferred Shares were listed on the PSE on November 27, 2020 under the trading symbol "**MWP2A**" and "**MWP2B**", respectively. The Company's Series 4 Preferred Shares were listed on the PSE on October 29, 2021 under the trading symbol "**MWP4**". The Company's Series 5 Preferred Shares were listed on the PSE on April 17, 2023 under the trading symbol "**MWP5**". The Company redeemed its Series 1 Preferred Shares on December 3, 2021 and Series 2A Preferred Shares on May 29, 2023. The Company's Series 3 Preferred Shares are not listed in the PSE.

The following table sets out, for the periods indicated, the high and low closing prices for the Company's MWP shares as reported on the PSE:

MWP	**High**	**Low**
2019		
First Quarter	102	98
Second Quarter	103	100
Third Quarter	102.5	99.7
Fourth Quarter	102	98.05
2020		
First Quarter	101	98.2
Second Quarter	101	97.5
Third Quarter	101.5	100
Fourth Quarter	101.7	100.4
2021		

First Quarter	102	99.9
Second Quarter	102.1	100
Third Quarter	101.6	100.4
Fourth Quarter	101.9	100

The following table sets out, for the periods indicated, the high and low closing prices for the Company's MWP2A shares as reported on the PSE:

MWP2A	High	Low
2020		
Fourth Quarter	100.9	95
2021		
First Quarter	101	98.5
Second Quarter	105	100
Third Quarter	110	96.1
Fourth Quarter	103.4	95.5
2022		
First Quarter	99	93
Second Quarter	98.75	95
Third Quarter	98	85.25
Fourth Quarter	99.65	92.05
2023		
First Quarter	99	95
Second Quarter	97	97

The following table sets out, for the periods indicated, the high and low closing prices for the Company's MWP2B shares as reported on the PSE:

MWP2B	High	Low
2020		
Fourth Quarter	101	98.4
2021		
First Quarter	101.8	99.8
Second Quarter	101.8	100
Third Quarter	110	96.1
Fourth Quarter	103.4	95.5
2022		
First Quarter	103	100.2
Second Quarter	101	99.50
Third Quarter	98	92
Fourth Quarter	99.8	89

2023		
First Quarter	99.6	75
Second Quarter	97.35	88
Third Quarter	96.45	87
Fourth Quarter	94	89.8
2024		
First Quarter	100.7	90
Second Quarter	94.90	94
Third Quarter	93.95	93.95
Fourth Quarter	101.08	86.76

The following table sets out, for the periods indicated, the high and low closing prices for the Company's MWP4 shares as reported on the PSE:

MWP4	High	Low
2021		
Fourth Quarter	101	100
2022		
First Quarter	101	99.1
Second Quarter	99	99
Third Quarter	99	97
Fourth Quarter	98.95	90
2023		
First Quarter	97.85	91.1
Second Quarter	100	91.5
Third Quarter	96.5	85
Fourth Quarter	94.5	87
2024		
First Quarter	94.85	85
Second Quarter	94.90	94
Third Quarter	93.95	93.95
Fourth Quarter	101.08	87.41

The following table sets out, for the periods indicated, the high and low closing prices for the Company's MWP5 shares as reported on the PSE:

MWP5	High	Low
2023		
Second Quarter	107	100.5
Third Quarter	102.5	99
Fourth Quarter	101.5	100
2024		

First Quarter	102	98
Second Quarter	103.9	103.9
Third Quarter	103.9	100.0
Fourth Quarter	101.08	86.76

Preferred Shares	Offer Price	Closing Price (as of January 15, 2025)
MWP2B	**₱100.00**	**₱97.95**
MWP4	**₱100.00**	**₱98.20**
MWP5	**₱100.00**	**₱100.80**

DIVIDENDS HISTORY OF SUBSIDIARIES

GMI
On November 4, 2019, GMI's BOD approved the declaration of cash dividends to stockholders of record as at November 4, 2019 amounting to P5.0 million or P2.50 per share, payable on or before February 29, 2020. On February 26, 2020, the GMI paid the said cash dividends.

On December 22, 2020, GMI's BOD approved the declaration of stock dividends to shareholders of record as at December 31, 2019, amounting to P25 million or P1 per share, payable on or before December 31, 2020. Stock dividends declared were subsequently distributed on December 31, 2020, thus increasing the subscribed and issued capital stock of GMI by 25 million.

Altria
On December 10, 2021, the BOD authorized the declaration of cash dividends amounting to P931,429,868 out of its unrestricted retained earnings in favor of its 400,000 common shareholders of record as of December 15, 2021. The dividends remain unpaid as of the end of the year and are presented as Dividends Payable account in the 2021 statement of financial position.

PHILIPPINE FOREIGN INVESTMENT, FOREIGN OWNERSHIP AND EXCHANGE CONTROLS

REGISTRATION OF FOREIGN INVESTMENTS AND EXCHANGE CONTROLS

Under current BSP regulations, a foreign investment in listed Philippine securities (such as common shares) must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits and earnings which accrue thereon will be sourced from the Philippine banking system. If the foreign exchange required for servicing such capital repatriation or dividends, profits, and earnings remittance will be sourced outside the banking system, registration with the BSP is not required.

The Manual of Regulations on Foreign Exchange Transactions ("**FX Manual**") provides that authorized agent banks or their subsidiary/affiliate FX corporations ("**AABs/AAB forex corps**") are authorized to issue, on behalf of the BSP, a Bangko Sentral Registration Document ("**BSRD**"), which shall evidence registration of investments with the BSP. However, on April 11, 2024, the Monetary Board approved amendments to the FX Manual through the issuance of BSP Circular No. 1192, series of 2024, wherein a BSRD shall no longer be issued for the following foreign investments registerable with AABs/AAB forex corps under Section 37 of the FX Manual: (i) Debt securities issued onshore by the National Government and other public sector entities; (ii) Equity securities issued onshore by residents that are listed at an onshore exchange (e.g., the Philippine Stock Exchange); (iii) Debt securities issued onshore by private sector residents that are listed at an onshore exchange and not covered by the provisions of Part Three, Chapter I of the FX Manual (Loans/Borrowings and Guarantees); (iv) Exchange-traded funds issued/created onshore by residents; (v) Philippine Depositary Receipts that are listed at an onshore exchange; (vi) Peso time deposits with an AAB with a maturity of at least 90 days; (vii) Equity securities issued onshore or offshore by non-residents that are listed at an onshore exchange; (viii) Debt securities issued onshore by non-residents that are listed at an onshore exchange; and (ix) Instruments under Section 37.1 (i-viii) [listed above] used as collateral involving the transfer of legal/beneficial ownership of the collateral to the non-resident investor. This revision reflects the Monetary Board's effort to streamline foreign exchange registration processes.

The investment under Section 37 of the FX Manual made by the non-resident investor shall be registered upon: (i) submission by the non-resident investor or their duly authorized representative to the registering AAB of the applicable supporting documents, such as proof of funding and investment made, along with a duly accomplished "Authority to Disclose Information" form under the FX Manual; and (ii) reporting by the registering AAB to the BSP through the "Report on Foreign Investments Registered with the BSP through AABs" and confirmation of receipt of the report submitted by the registering AAB to the BSP.

A registering AAB is a bank with authority to operate a Foreign Currency Deposit Unit ("**FCDU**") that has been designated by the non-resident investor to report and monitor his investments. The registering AAB shall regularly report all transactions, including new/additional investment/s of a non-resident investor.

Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately in full through the Philippine commercial banking system, net of applicable tax, without need of BSP approval. Capital repatriation of investments in listed securities is permitted upon presentation of the proof of receipt of the report submitted by the registering AAB to the BSP, in cases where the FX-selling AAB is also the registering AAB, or a Letter of Advice from the AAB in cases where the FX-selling AAB is not the registering AAB. Supporting documents, such as the broker's sales invoice showing the settlement amount/amount to be repatriated, number of shares/amount invested, investment identity, and settlement date, as applicable, must also be provided. Similarly, remittance of dividends is permitted upon presentation of: (i) proof of receipt of the report submitted by the registering AAB to the BSP in cases where the FX-selling AAB is also the registering AAB, or a Letter of Advice from the AAB in cases where the FX-selling AAB is not the registering AAB; and (ii) supporting documents showing the amount to be remitted, such as a photocopy of PSE-cash dividends notice from the PSE and the PDTC (formerly the PCD) showing a printout of cash dividend payment or computation of interest earned or a photocopy of the corporate secretary's sworn statement attesting to the board resolution covering the dividend declaration. Pending repatriation or reinvestment, divestment proceeds, as well as dividends of registered investments, may be lodged temporarily in interest- bearing deposit accounts with any AAB. Interest earned thereon, net of taxes, is also remittable in full through any AAB without prior BSP approval. Remittance of divestment proceeds of dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the registering AABs.

The foregoing is subject to the power of the BSP, through the Monetary Board, with the approval of the President of the Philippines, to suspend temporarily, restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee during an exchange crisis, when an exchange crisis is imminent or in times of national emergency. Furthermore, there can be no assurance that the foreign exchange regulations issued by the BSP will not be made more restrictive in the future.

The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor.

RESTRICTION ON FOREIGN OWNERSHIP

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of companies engaged in certain activities, among them ownership of private land. The Constitution, in relation to Commonwealth Act No. 141, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of 40% of the capital stock of the Company which is outstanding and entitled to vote. Accordingly, the Company shall disallow the issuance or the transfer of shares to persons other than Philippine Nationals and shall not record transfers in its books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above. Philippine National, as defined under the Foreign Investment Act, means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.

On May 20, 2013, the SEC issued Memorandum Circular No. 08, or the Guidelines on Compliance with the Filipino-Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities, which provides that for purposes of determining compliance with the nationality requirement, the required percentage of Filipino ownership shall be applied both to (i) the total number of outstanding shares of stock entitled to vote in the election of directors, and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. A petition for certiorari questioning the constitutionality of SEC Memorandum Circular No. 08 dated 20 May 2013, was filed in June 2013, and in the case of *Jose M. Roy III v. Chairperson Teresita Herbosa* (G.R. No. 207246) dated 18 April 2017, the Supreme Court affirmed its validity.

In the 2014 case of *Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Corp* (G.R. No. 195580) and its corresponding motions for reconsideration ("Narra Nickel Case"), the Supreme Court affirmed that the Grandfather Rule, wherein shares owned by corporate shareholders are attributed either as Filipino or foreign equity by determining the nationality not only of such corporate shareholders, but also such corporate shareholders' own shareholders, until the nationality of shareholder individuals is taken into consideration, is to be used jointly and cumulatively with the Control Test, which merely takes into account the nationality of the listed shareholders of the corporation. Such joint and cumulative application shall be observed as follows: (i) if the corporation's Filipino equity falls below sixty percent (60%), such corporation is deemed foreign-owned, applying the Control Test; (ii) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (iii) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied.

On June 27, 2022, the Twelfth Regular Foreign Investment Negative List was issued. It is worth noting that the updated list removed the inclusion of the manufacture and distribution of products requiring clearance from the Department of National Defense – such as guns and ammunition. Foreign ownership has also been permitted in private recruitment, up to 25%. Full foreign ownership of retail trade enterprises with a minimum paid up capital of ₱25,000,000.00 is likewise allowed. Lastly, the list now adopts the definition of "public utility" as defined in the latest amendments to Republic Act No. 11659, which has expanded the areas in which full foreign ownership is now allowed (such as telecommunications, domestic shipping, railways, airlines, transport network vehicles services, among others. Before, the operation of an airport terminal is within the definition of a public utility as the use thereof is held out generally to the public. Thus, it is subject to the requirements of the Philippine Constitution which provides that franchises, privileges and other authority to operate a public utility shall be given to corporations, associations or firms at least 60% of capital of which is owned by Filipino citizens. However, Republic Act No. 11659, otherwise known as "An Act Amending Commonwealth Act No. 146 otherwise known as the Public Service Act", was signed by Former President Rodrigo R. Duterte into law on 21 March 2022. Under Republic Act No. 11659, a person engaged in public service is classified as a public utility only if it operates, manages or controls for public use any of the following: (i) distribution of electricity; (ii) transmission of electricity; (iii) petroleum and petroleum products pipeline transmission systems; (iv) water pipeline distribution systems and wastewater pipeline systems, including sewerage pipeline systems; (v) seaports; and (vi) public utility vehicles. Unless otherwise subsequently provided by law or unless recommended by the President to Congress upon recommendation by NEDA based on the criteria provided by Republic Act No. 11659, no other person shall be deemed a public utility. In limiting the coverage of public utilities, key public services are effectively liberalized and full foreign ownership in key sectors are allowed, including telecommunications, railways, expressways, shipping industries, and airports. Accordingly, the operation of an airport terminal is no longer subject to the Constitutional restrictions on foreign ownership.

Anti-Money Laundering

On January 29, 2021, Republic Act No. 11521 was enacted, amending certain provisions of Republic Act No. 9160, otherwise known as the Anti-Money Laundering Act of 2001 ("AMLA"). The necessary changes were likewise incorporated in the 2018 Implementing Rules and Regulations through the Anti-Money Laundering Council's ("AMLC") Regulatory Issuance A, B, and C No. 1 Series of 2021 which took effect on 31 January 2021. In particular, RA 11521 revised the list of "Covered Persons" under the AMLA to include real estate brokers and developers. As such, real estate brokers and developers are now required to submit a covered transaction report involving any single cash transaction exceeding ₱7,500,000 or its equivalent in any other currency.

Further, RA 11521 provides the following suspicious transactions with Covered Persons, regardless of the amounts involved, where any of the following circumstances exist:

1. There is no underlying legal or trade obligation, purpose or economic justification;
2. The client is not properly identified;
3. The amount involved is not commensurate with the business or financial capacity of the client;
4. Taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the Act;
5. Any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered person;
6. The transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or
7. Any transaction that is similar or analogous to any of the foregoing.

Under the AMLA, Covered Persons shall report covered transactions and suspicious transactions to the AMLC, and shall identify and record the true identity of their customers, whether permanent or occasional, and whether natural or juridical persons, or legal arrangements based on official documents. To comply with this, such Covered Persons are obligated to implement appropriate systems of collecting and recording identification information and identification documents, and shall implement and maintain a system of verifying the true identity of their clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted, and provided by the customer, using reliable and independent sources, documents, data, or information. All records of transactions and records of closed accounts are required to be maintained and stored for five (5) years from the date of a transaction or after their closure, respectively.

As a real estate developer, the Company's real estate arm, PH1 World Developers, is obligated to comply with the provisions of the AMLA, as amended. Failing to report to the AMLC all covered and suspicious transactions within the prescribed periods may expose real estate developers to penalties.

PHILIPPINE TAXATION

The statements herein regarding taxation are based on the laws in force as of the date of this Preliminary Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to an investor. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investments in shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing the shares under applicable tax laws of other applicable jurisdictions and the specific tax consequence in light of particular situations of acquiring, owning, holding and disposing the shares in such other jurisdictions. This summary does not purport to address all tax aspects that may be important to a holder of the Preferred Shares.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof. On the other hand, a "non-resident alien" means an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non- resident alien engaged in trade or business in the Philippines"; however, a non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year may be considered a "non-resident alien not engaged in trade or business within the Philippines". A "domestic corporation" is created or organized under the laws of the Philippines while a "resident foreign corporation" is a foreign corporation engaged in trade or business in the Philippines. A "non-resident foreign corporation" is a foreign corporation not engaged in trade or business within the Philippines.

Philippine Taxation

On January 1, 2018, Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion" ("TRAIN") Act, took into effect. The TRAIN Act amended provisions of the National Internal Revenue Code of 1997 ("Tax Code") including provisions on Documentary Stamp Tax, tax on interest income and other distributions, Estate Tax, and Donor's Tax. While the TRAIN Act brought about extensive changes to individual income taxation, it did not include changes in corporate income taxation. This was addressed in the second package of the Comprehensive Tax Reform Program ("CTRP") or Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act ("CREATE"), which was signed into law on March 26, 2021, amending provisions of the Tax Code, related to, among others, corporate income tax, lowering corporate income taxes and modernizing fiscal incentives in a bid to complement the expected incremental revenues from the first package.

There is no assurance that the Philippine government will not impose economic restrictions or regulatory controls that may restrict free access to foreign currency. Any such restrictions could severely curtail the ability of the Company to pay for certain key inputs or to meet its foreign currency payment obligations, which could materially and adversely affect its financial condition and results of operations.

Tax on Dividends

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to income tax at the rate of 10%, which shall be withheld by the Company. Cash and property dividends received by domestic corporations or resident foreign corporations from a domestic corporation are not subject to tax.

Cash and property dividends received from a domestic corporation by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20% tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are subject to tax at 25% of the gross amount, subject, however, to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals. A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of more than 180 days during any calendar year will be deemed a nonresident alien engaged in trade or business in the Philippines. A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of 180 days or less during any calendar year is considered a non-resident alien not engaged in trade or business within the Philippines.

Cash and property dividends received from a domestic corporation by a non-resident foreign corporation not engaged in trade or business in the Philippines are generally subject to income tax at a final withholding tax rate of 25%, effective July 1, 2020. Subject to requirements of the tax sparing rule under Section 28(B)(5)(b) of the Tax Code, cash and property dividends received are subject to final withholding tax at the rate of 15%; provided that the country in which the non-resident foreign corporation is domiciled (i) imposes no taxes on foreign–sourced dividends or (ii) allows a credit against the tax due from the non-resident foreign corporation taxes deemed to have been paid in the Philippines equivalent to the difference between the regular income tax of 25% on corporations and the 15% tax on dividends.

In order to avail of the 15% tax sparing rate, a non-resident foreign corporation must file an application with the BIR for a confirmatory ruling on its entitlement pursuant to Revenue Memorandum Order No. 46-20 (Guidelines and Procedures for the Availment of the Reduced Rate of 15% on Intercompany Dividends Paid by a Domestic Corporation to a Non-resident Foreign Corporation Pursuant to Section 28 (B) (5) (b) of the National Internal Revenue Code of 1997, as Amended, dated December 23, 2020). The application has to be filed within 90 days from "the remittance of the dividends or from the determination by the foreign tax authority of the deemed paid tax credit/non-imposition of tax because of the exemption, whichever is later." A domestic corporation is not required to first secure a ruling from the BIR in order to use the tax sparing rate when it remits the dividends. However, it is required to determine if under the law of the country of domicile of the non-resident foreign corporation, such non-resident foreign corporation is granted the applicable "deemed paid" tax credit, or an exemption from income tax on such dividends.

The abovementioned tax rates are without prejudice to applicable preferential tax rates under tax treaties in force between the Philippines and the country of domicile of the non-resident holder. Most tax treaties to which the Philippines is a party provide for a reduced tax rate of 15% in cases where the dividend arises in the Philippines and is paid to a resident of the other contracting state. In addition, some treaties provide that the withholding tax rate may be reduced to 10% in cases where the recipient of the dividend beneficially owns at least 10% or 25% of the issuer, depending on which treaty applies. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest or dividend, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant dividend-earning interest is effectively connected with such permanent establishment.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

The Philippine tax authorities have prescribed a certain procedure for claiming tax treaty benefits for dividends of non-resident income earners, through the Tax Treaty Relief Application ("**TTRA**") system. The preferential treaty rates for dividends of non-residents shall be applied and used outright by the withholding agents upon submission by the non-resident of (i) BIR Form No. 0901 or an Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty, along with the other documentary requirements enumerated in Revenue Memorandum Order No. 14-2021, or (ii) a Certificate of Entitlement to Treaty Benefits ("**COE**") that complies with paragraph II of Revenue Memorandum Circular No. 20-2022, together with proof of compliance with the requisites cited in such certificate each in form and substance satisfactory to the Issuer, as applicable. A COE shall be issued for approved TTRAs which shall contain the factual and legal basis for the approval of the same.

The BIR issued Revenue Memorandum Order No. 14-2021 to streamline the procedures and documents for the availment of tax treaty relief on dividends. As further clarified by Revenue Memorandum Circular Nos. 77-2021 and 20-2022, the documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate. When the treaty rates have been applied by the withholding agent on the income earned by the non-resident, the former shall file with the International Tax Affairs Division ("**ITAD**") of the BIR a request for confirmation on the propriety of the withholding tax rates applied on that item of income. On the other hand, if the regular rates have been imposed on the said income, the non-resident shall file a TTRA with ITAD. The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year.

Under Revenue Memorandum Circular No. 20-2022, the BIR clarified that taxpayers who were already issued with COEs, the tenor thereof allows the ruling to be applied to subsequent or future income payments, shall no longer file a request for ruling or tax treaty relief application every time an income of similar nature is paid to the same nonresident. In applying the confirmed treaty benefit to future income payments, the income payor or withholding agent shall always be guided by the requisites mentioned in the COE. Thus, if the COE mentions tax residency as a requisite for continuous enjoyment of treaty benefit, the income payor must require the nonresident to submit first a Tax Residency Certificate for such relevant year before making any payment.

The use of the preferential rates shall be done through withholding final taxes at applicable treaty rates. Withholding agents or income payors can withhold at a reduced rate or exempt the non-resident based on the documents provided by the non-resident. Nevertheless, if the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the non-resident taxpayer is not entitled to treaty benefits, it will issue a BIR ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits. In the latter case, the taxpayer may apply for a refund of excess withholding tax.

The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within thirty (30) days from receipt.

If a company withholds the regular tax rate instead of the reduced rate applicable under an income tax treaty, a non-resident holder of the company's shares may file a claim for a refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund. All claims for refund shall be filed within the two-year prescriptive period provided under Section 229 of the Tax Code.

The claim for refund may be filed independently of, or simultaneously with, the TTRA. If the claim was not filed simultaneously with the TTRA, the office where it was filed shall coordinate with, and defer to, ITAD the resolution of the non-resident's entitlement to treaty benefit. If, on the other hand, the claim was filed simultaneously with the TTRA, it shall be the responsibility of the ITAD to endorse the claim for refund to the proper office that handles the processing of tax refunds after the resolution of the TTRA. At any rate, all issues relating to the application and implementation of treaty provisions shall fall within the exclusive jurisdiction of the ITAD.

Transfer taxes (e.g. documentary stamp tax, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends. Stock dividends distributed pro rata to all holders of shares are not subject to Philippine income tax. A stock dividend constitutes income if it gives the shareholder an interest different from that which his former stock holdings represented. A stock dividend does not constitute income if the new shares confer no different rights or interest than did the old. The sale, exchange or disposition of shares received as property dividends by the holder is subject to either capital gains tax and documentary stamp tax or stock transaction tax.

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

	Dividends (%)	**Stock transaction tax on sale or disposition effected through the PSE (%)[(9)]**	**Capital Gains tax due on disposition of Shares outside the PSE (%)**
Canada	25[(1)]	0.6	May be exempt[(13)]
China	15[(2)]	Exempt[(10)]	May be exempt[(13)]
France	15[(3)]	Exempt[(11)]	May be exempt[(13)]
Germany	15[(4)]	Exempt[(12)]	May be exempt[(13)]

Japan	15[5]	0.6	May be exempt[13]
Singapore	25[6]	0.6	May be exempt[13]
United Kingdom	25[7]	0.6	Exempt[14]
United States	25[8]	0.6	May be exempt[13]

Notes:

(1) 15% if the recipient company, which is a resident of Canada, controls at least 10% of the voting power of the company paying the dividends; 25% in all other cases.

(2) 10% if the beneficial owner is a company that holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.

(3) 10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.

(4) 5% if the recipient company (excluding a partnership) holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends; 15% in all other cases.

(5) 10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends; 15% in all other cases.

(6) 15% if, during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.

(7) 15% if the recipient company is a company that controls directly or indirectly at least 10% of the voting power of the company paying the dividends; 25% in all other cases.

(8) 20% if, during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the United States of America with respect to Taxes on Income, corporations that are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code, provided certain conditions are met.

(9) If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price as provided under Section 127 of the NIRC as amended by Section 39 of the TRAIN Law.

(10) Article 2(2)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.

(11) Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic signed on January 9, 1976, was signed in Paris, France, on June 26, 1995, and signed on June 26, 1995.

(12) Article 2(3)(a) of the Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital was signed on September 9, 2013.

(13) Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.

(14) *Under the income tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

When availing of capital gains tax exemption on the sale of shares of stock under an income tax treaty, a tax treaty exemption ruling from the BIR shall be necessary in order to completely implement the transfer. For sale of shares made outside the PSE, a Certificate Authorizing Registration ("CAR") from the BIR is required before the transfer is registered in the stock and transfer book. The BIR issues a CAR only after verifying that the applicable taxes have been paid. Thus, in lieu of proof of payment of capital gains tax, the tax treaty relief ruling should be submitted to the BIR office processing the CAR.

The requirements for a tax treaty relief application in respect of capital gains tax or the stock transaction tax on the sale of shares are set out in Revenue Memorandum Order No. 14-2021. These include documentary requirements such as the supporting contract; stock certificates; the General Information Sheet; secretary's certificate; BIR Form No. 0605; BIR Form No. 2000-OT; BIR Form No. 1707; audited financial statements; interim financial statements as of the date of transfer, and proof of residence in the country that is a party to the income tax treaty. Proof of residence consists of a consularized certification from the tax authority of the country of residence of the seller of shares which provides that the seller is a resident of such country under the applicable income tax treaty. If the seller is a juridical entity, authenticated certified true copies of its articles of incorporation or association issued by the proper government authority should also be submitted to the BIR in addition to the certification of its residence from the tax authority of its country of residence.

Stock Transaction Tax

A sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, is subject to a stock transaction tax at the rate of 0.6% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, unless an applicable treaty exempts such sale from said tax. "Dealer in securities" means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

This tax is required to be collected by and paid to the Philippine Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain tax treaties, the exemptions from capital gains tax discussed herein may not be applicable to the stock transaction tax.

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that immediately after December 31, 2012, the SEC shall impose a trading suspension for a period of not more than six (6) months, on shares of a listed company who has not complied with the Rule on Minimum Public Ownership ("**MPO**") which requires listed companies to maintain a minimum percentage of listed securities held by the public at 10.0% of the listed companies issued and outstanding shares at all times. The sale of such listed company' shares during the trading suspension may be effected only outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (i.e., capital gains tax and documentary stamp tax, and may even include donor's tax).

The stock transaction tax will also not apply if the shares sold are issued by a corporation that does not meet the MPO requirement, even if the sale is done through the facilities of the PSE. Revenue Regulations No. 16-2012 ("R**.R. 16-12**") provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and documentary stamp tax. R.R. 16-12 also requires publicly listed companies to submit public ownership reports to the BIR within 15 days after the end of each quarter.

Capital Gains Tax, if sale was made outside the PSE

Pursuant to the TRAIN Law, the net capital gains realized by a citizen, resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock outside the facilities of the PSE, are subject to capital gains tax at the rate of 15% of the net capital gains realized during the taxable year. For non-resident alien individuals, such sale, exchange, or disposition is also taxable at the rate of 15%, except that this constitutes final withholding tax.

Upon the effectivity of CREATE Law, the net capital gains realized by a resident foreign corporation or a non-resident foreign corporation during each taxable year from the sale, exchange, or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are subject to 15%.

Furthermore, if the fair market value of the shares of stock in a Philippine corporation sold outside the facilities of the local stock exchange is greater than the consideration received by the seller or the selling price, the amount by which the fair market value of the shares exceeds the selling price shall be deemed a gift that is subject to donor's tax under Section 100 of the Tax Code; provided, however, that a sale, exchange or other transfer of such shares outside the facilities of the local stock exchange made in the ordinary course of business (a transaction which is bona fide, at arm's length and free from donative intent) will be considered as made for an adequate and full consideration in money or money's worth and will not be subject to donor's tax.

The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a CAR, certifying that capital gains and documentary stamp taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR in respect of the capital gains tax, or other conditions have been met.

Value-Added Tax

VAT of 12% may generally be imposed on the gross income earned by dealers in securities on the sale of shares and on the commission earned by the PSE-registered broker, which is generally passed on to the client.

Documentary Stamp Tax

Under the Tax Code, certain documents, instruments, papers, acceptances, assignments, sales and transfers of obligations, rights or property may be subject to documentary stamp tax. Documentary stamp tax will be levied, collected and paid for by the person making, signing, issuing, accepting or transferring the document wherever the document is made, signed, issued, accepted or transferred when the relevant obligation or right arises from a Philippine source or the relevant property is situated in the Philippines.

The original issue of shares of stock is subject to documentary stamp tax of ₱2.00 on each ₱200.00 par value, or a fraction thereof, of the par value of the shares of stock issued. In case the original issue of shares of stock are without par value, the amount of documentary stamp tax shall be based upon the actual consideration for the issuance of such shares of stock. In the case of stock dividends, the documentary stamp tax shall be based on the actual value represented by each share.

The secondary transfer of shares of stock outside of the facilities of the PSE by assignment in blank, by delivery, by any paper or agreement, or memorandum or other evidences of transfer or sale (including transfers to secure the future payment of money or for the future transfer of stock) is subject to a documentary stamp tax of ₱1.50 on each ₱200.00 par value, or a fractional part thereof, of the par value of share of stock transferred. In case of stock without par value, the amount of the documentary stamp tax shall be equivalent to 50% of the documentary stamp tax paid upon the original issue of said stock.

The sale, barter, or exchange of shares of stock listed and traded through the PSE is exempt from the DST.

In addition, the borrowing and lending of securities executed under the Securities Borrowing and Lending Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are likewise exempt from documentary stamp tax. However, the securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority and should be duly registered and approved by the BIR.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the

Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

Estate and Donor‘s Tax

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine situs, and any transfer thereof by way of donation or succession, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate or donor‘s tax.

The transfer of shares of stock upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, is subject to Philippine estate tax at a flat rate of 6% of the value of the net estate.

On the other hand, individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer shares of stock by way of gift or donation are liable to pay Philippine donors‘ tax at a flat rate of 6% of the total gifts or donations made during the calendar year in excess of ₱250,000.00. When property (other than real property subject to capital gains tax) is transferred for less than an adequate and full consideration in money or money’s worth, the amount by which the fair market value of the property exceeded the value of the consideration shall be deemed a gift or donation subject to donors’ tax. However, a sale, exchange, or other transfer of property made in the ordinary course of business, or a transaction made at arm’s length and free from donative intent, will be considered as made for an adequate and full consideration in money or money’s worth, and will not be subject to donors’ tax.

Estate and donor‘s taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock: (i) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (ii) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

Taxation Outside the Philippines

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence such gain is subject to Philippine income tax and the transfer of such shares by gift (donation) or succession is subject to the donor‘s or estate taxes stated above. The tax treatment of a nonresident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder‘s particular situation. This Preliminary Prospectus does not discuss the tax considerations on nonresident holders of shares of stock under laws other than those of the Philippines.

CORPORATE INCOME TAX

On March 26, 2021, President Rodrigo Duterte signed into law Republic Act No. 11534 or the CREATE Law, which introduces reforms to the corporate income tax and incentives systems. Effective July 1, 2020 for domestic and resident foreign corporations (and effective January 1, 2021 for non-resident foreign corporations), the regular corporate income tax rate for domestic and foreign corporations shall be lowered from 30% to 25% (or 20% for domestic corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000.00 excluding land on which the office, plant, and equipment are situated). Furthermore, effective July 1, 2020 until June 30, 2023, the minimum corporate income tax rate shall be lowered from 2% to 1% and thereafter, the rate will revert to 2%. Effective July 1, 2023, the BIR has reverted back the minimum corporate income tax ("MCIT") to two percent. MCIT is imposed on the gross income of both domestic and resident foreign corporations, on an annual basis, when the standard corporate income tax is lower than the 2% MCIT on the company's gross income. Any excess of the MCIT over the normal tax may be carried forward and credited against the normal tax for the three immediately succeeding taxable years.

On November 11, 2024, President Ferdinand R. Marcos, Jr. signed Republic Act No. 12066 or the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy Act ("**CREATE MORE Act**"). The law shall take effect fifteen (15) days after its publication. The CREATE MORE Act introduces amendments to enhance the tax incentive regime for registered business enterprises, including: (i) reduction of the corporate income tax rate for registered business enterprises under the enhanced deduction regime from 25% to 20%; (ii) introduction of a registered business enterprise local tax of not more than 2% of gross income, which shall be in lieu of all local taxes, fees, and charges for registered business enterprises under the income tax holiday and enhanced deductions regimes; (iii) extension of the incentive periods for qualified registered business enterprises from seventeen (17) years to a maximum of twenty-seven (27) years; and (iv) exemption of registered business enterprises under the special corporate income tax of 5% and the enhancement of tax incentives available to registered business entities from all national and local taxes, fees, and charges.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

FINANCIAL AND OTHER INFORMATION

1. Consolidated Audited Financial Statements for the fiscal year ended 31 December 2023, **Annex A**
2. SEC 17-Q Report for the quarter ended 30 September 2024, **Annex B**

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