

MEGAWIDE CONSTRUCTION CORPORATION

Company's Full Name

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

655-1111
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17-A
Form Type

December 31, 2015
Period Ended Date

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Description of Business

Business Development During the Past Three Fiscal Years (2013-2015)

Megawide Construction Corporation (Megawide) was registered with the Securities and Exchange Commission (SEC) on July 28, 2004 to exist for 50 years, or until July 28, 2054. Its primary purpose is to engage in the general construction business. It includes constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures, and to own, use, improve, develop real estate of all kinds. Its registered office is located at 2/F Spring Bldg., Arnaiz Ave. cor. P. Burgos St., Pasay City. The Company also maintains an office in its own building at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

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

2013

On May 21, 2013, Megawide entered into a Placing Agreement with Citicore Holdings Investment, Inc. (Citicore), CLSA Limited and First Metro Investments Corporation for the offer and sale of Citicore's 118,729,800 Megawide common shares at a price of P20.00 per Offer Share.

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

On December 12, 2013, the Prequalification, Bids and Awards Committee (PBAC) of the DOTC opened all proposals for the Mactan Cebu International Airport (MCIA) PPP project to reveal that the Megawide-GMR Consortium submitted the highest bid. The DOTC-MCIA Authority (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 14001:2004 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 Megawide'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. Megawide also won contracts and began business relationships with prominent property

developers such as 8990 Holdings, Greenway Properties, Arthaland and Megaworld. These new contracts firmly established Megawide's ability to cater to wide market segments from upper to middle to affordable housing.

On April 22, 2014, Megawide, along with its joint venture partner, GMR Infrastructure Limited, was officially awarded the MCIA project under a BOT agreement. Megawide and GMR incorporated GMR Megawide Cebu Airport Corporation (GMCAC) 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 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.

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 Bio-mass power.

On November 1, 2014, terminal 1 of the MCIA was successfully turned over to GMCAC.

On November 25, 2014, MWM Terminals, the Consortium between Megawide and WM Property Management created to participate in the Integrated Transport System PPP projects, successfully submitted prequalification documents to the DOTC for the Integrated Transport System – South Terminal PPP project.

On December 11, 2014, the Prequalification Bids and Awards Committee announced that MWM Terminals successfully prequalified to bid for the Integrated Transport System – South Terminal.

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.

2015

In 2015, Megawide expanded its portfolio in the mass housing sector with Deca Homes, a high value project under leading developer 8890. Valued for its Engineering Excellence and unique customer approach, blue chip clients continued to entrust Megawide with key projects. Contracts with Megaworld included mixed-use projects ranging from commercial centers to BPO towers.

Megawide's client portfolio also increased with Double Dragon Plaza Mall at the Meridian under commercial and real estate developer, Double Dragon Properties. Extending its presence in the commercial sector, Megawide also secured contracts that included the construction of high-quality warehouse shopping outlets. Its client portfolio and range of vertical projects positions Megawide as one of today's leading and preferred contractor.

On April 17, 2015, the Citicore-Megawide consortium officially turned-over the country's first completed PPP project, the Philippine School for Infrastructure Project (PSIP) Phase 1. The project has a Build-Lease-Transfer agreement for 10 years with the Department of Education.

On April 25 2015, Megawide and joint venture partner WM Property Management (MWM Terminals Inc), signed the 35-year concession agreement issued by the Department of Transportation and Communication (DOTC) to build-operate-transfer the Southwest Integrated Transport System. The terminal, under the public-private partnership framework, will provide state-of-the-art facilities and services to improve the transfer of passengers by providing access to private vehicles, public transport vans, buses, taxis, jeepneys and LRT 1. The terminal will also feature office towers, a supermarket, restaurants, retail shops, and other amenities.

On June 29, 2015, the GMR-Megawide Cebu Airport Corporation (GMCAC) started the construction of Terminal 2. The primary goal of the project is to increase the passenger handling capacity of the airport from 4.5M to 12.5M per annum.

Determined to improve terminal service and give passengers a better arrival and departure experience, GMCAC undertook renovations and introduced enhancements to reduce congestion as well as improve the ambiance of Terminal 1. It also deployed a dedicated customer service team to ensure that passengers in Mactan-Cebu International Airport are given the utmost service. Additionally, GMCAC rolled-out CSR programs designed to help the underprivileged and build a better community.

In only 11 months of operation, MCIA has already been ranked as Asia's 18th Best Airport. MCIA was also recognized by the Asset Asian Awards as the Best Transport Deal in 2015.

On September 29, 2015, Megawide's subsidiary, Megawatt Clean Energy Incorporated (MCEI), pursued opportunities in Renewable Energy with the construction and development of a 25MW solar power farm in Silay City. Megawide's strength in construction proved successful in this growing market as this was shortly followed by an 18MW solar power plant in Bataan.

Central to Megawide's daily operational excellence is its Safety performance. Its commitment to pursue excellence in Safety was recognized by the Safety Organization of the Philippines and the Occupational Safety and Health Center with five (5) Awards of Merit and an Award of Excellence for the achievement of safe man hours in Megawide's project sites.

Business of Issuer

Description of Issuer

Megawide is a fast rising construction company in the Philippines, which employs modern Advanced Technology Building Systems (ATBS), such as Pre-cast Concrete and Formwork Systems in its projects. It is the preferred contractor of several major real estate developers for its quality workmanship, efficient delivery of projects, excellent construction safety standards, and its use of ATBS.

Subsidiaries & Affiliates

As of date, Megawide holds 100% interest in Altria, 60% in GMCAC, 70% in MCEI, and 51% in MWCCI. All 4 subsidiaries were incorporated to assist Megawide in the implementation of its projects and realize its objectives.

Altria East Land, Inc.

Altria was incorporated on April 16, 2010 with SEC Registration Number CS201005977. It is authorized 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.

GMR Megawide Cebu Airport Corporation

GMCAC was incorporated on January 13, 2014 with SEC Registration Number CS201400629 and an authorized and subscribed capital stock amounting to P25,000,000 divided into 25,000,000 shares with P1 par value per share. It is authorized to engage in the business of building, rehabilitation, renovating, constructing, developing, operating and maintaining the MCI, including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility pursuant to the concession granted to GMCAC and in accordance with RA 7718 and other applicable laws, rules and regulation.

Megawatt Clean Energy, Inc.

Megawatt Clean Energy, Inc. (MCEI) was incorporated on September 4, 2014 with SEC Registration Number CS201417147. It is authorized to engage in the development of clean or renewable energy sources for power generation, including the design, construction and installation, purchase, importation, commissioning, owning, management and operation of relevant machinery, facilities and infrastructure therefor, the processing and commercialization of by-products in the operations and generally the carrying out of contracts and transactions of every kind and character that may be necessary or conducive to the accomplishment of the purposes of MCEI.

Megawide World Citi Consortium, Inc.

Megawide World Citi Consortium, Inc. (MWCCI) was incorporated on January 16, 2014 with SEC Registration Number CS201400872. It is authorized to plan, construct, equip, operate, own, manage and maintain hospitals, medical facilities, clinical laboratories and such other allied enterprises which may have similar or analogous undertakings or dedicated to services in connection with providing curative and rehabilitative care to sick, diseased or disabled persons; provided that purely professional medical and surgical services shall be performed by duly licensed physicians or surgeons who may or may not be connected with MWCCI and whose services shall be freely and individually contracted by the patients.

MWM Terminals Inc.

MWMTI was incorporated in the Philippines on February 3, 2015 and established primarily to engage in the business of constructing, operating, and maintaining integrated transport system terminals, stations, hubs and all allied business in relation thereto, including the construction, operations and maintenance of the commercial assets and establishments, pursuant to the Concession Agreement that was signed on February 25, 2015 by MWMTI and DOTC.

Parent Company and Other Affiliates

Citicore Holdings Investment, Inc.

Citicore was incorporated on December 3, 2011 and operates primarily as a holding company with ownership interests in Megawide (at 56.80%), MWCCI (at 39%), My Space Properties, Inc. (at 100%), CMCI (at 90%), Citicore Power Inc. (at 100%), Citicore Infrastructure Holdings, Inc. (at 100%)

My Space Properties, Inc.

My Space Properties, Inc. (MySpace) was incorporated on February 6, 2010, and is presently engaged in real estate development. The construction of its current project “The Hive” which is located at San Isidro St., Ortigas Ave. Ext., Taytay, Rizal is already in full swing.

Citicore-Megawide Consortium, Inc.

CMCI was incorporated on October 15, 2012 with SEC Registration Number CS201219238. It is authorized to engage in the general construction business, including the construction, improvement and repair of, or any other work upon, buildings, roads, bridges, plants, waterworks and railroads. Its principal place of business is in Quezon City, Metro Manila.

Future State Myspace, Inc.

Future State Myspace, Inc. (FSMI) was incorporated on January 27, 2012 to primarily engage in purchasing, acquiring, leasing and selling properties. FSMI is 36% owned by Michael Cosiquien and Edgar Saavedra. It owns 100% of IRMO, Inc.

IRMO Inc.

IRMO, Inc. was incorporated on August 13, 2008 to principally engage in the realty development business, including home building and development. Megawide is constructing The Curve for IRMO, Inc.

Citicore Power Inc.

CPI was incorporated and registered with the SEC on March 11, 2015 and has not yet started commercial operations as of December 31, 2015. CPI was incorporated primarily 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.

Silay Solar Power Inc

SSPI was incorporated in the Philippines on August 7, 2015 and established for the development, construction, installation and other related services through contractors, subcontractors, or otherwise, of solar power and other clean or renewable energy infrastructure. Megawide is currently constructing the solar project of SSPI in Negros Occidental. Megawide acquired 100% ownership interest in SSPI in 2015. However, the Company determined its control over SSPI is temporary as CPI subsequently acquired 75%

ownership interest and control over SSPI in February 2016. CPI purchased the unissued shares of stock of SSPI resulting in a dilution of the Company's ownership interest from 100% to 25%. Pending the approval of SEC on the increase in Authorized Capital Stock of SSPI, the ultimate resulting ownership of CPI in SSPI will be 99%.

Next Generation Power Technology Corporation

Next Generation Power Technology Corp. (the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 11, 2013 primarily to explore, develop, utilize and commercialize renewable energy resources such as biomass, solar, wind, hydropower, geothermal and ocean energy sources, including application of hybrid systems and other emerging renewable energy technologies for the generation, transmission, distribution, sale and use of electricity, and fuel generated from renewable energy resources. CPI owns 100% of Next Generation Power Technology Corporation.

Citicore Infrastructure Holdings Inc.

CIHI was incorporated in the Philippines and registered with the SEC on March 11, 2015 and has not yet started commercial operations as of December 31, 2015. CIHI was established primarily 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.

Megapolitan Realty and Development Corporation

Megapolitan Realty and Development Corporation (Megapolitan) was incorporated on June 20, 1997 to engage in real estate development. Michael C. Cosiquien and Irving Cosiquien each own 5% of Megapolitan's outstanding capital stock and both serve as its directors. Megapolitan's controlling shareholders are the parents of Michael and Irving Cosiquien. Megawide is leasing the lot where its corporate office is located from Megapolitan.

Philwide Development and Construction Corporation

Philwide Development and Construction Corporation (Philwide) was incorporated in 1981 to engage in real estate development and is majority-owned by the father of Michael, Yerik and Irving Cosiquien. Megawide is leasing its current principal office from Philwide.

Customer and Project Selection

Megawide is frequently being invited to bid for major domestic low to high-rise building 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 while frequently invited to project biddings, Megawide carefully selects which projects to participate in, based on the following criteria:

- Creditworthiness of the project owner determined through background checks with banks and financial community, business and trade associations, HLURB standing and major suppliers credit records; and

- Liquidity of the project owner determined through financial ratios and financial performances for the past three years.

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

- Size of the over-all development blueprint of the project and its implementation timetable on phases;
- Complexities and limitations of the structural design of the high-rise building project;
- Project location accessibility of heavy construction equipment and proximity to clusters of on-going project sites;
- Logistics difficulties and limitations; and
- Profitability.

Megawide negotiates the final construction price with the project owner. Upon receipt of the Notice to Proceed or the Notice of Award for a project, Megawide, depending on the agreement with the project owner, procures the necessary building permits and other regulatory permits, and immediately prepares for mobilization of construction equipment, manpower and materials needed for the project. Megawide secures performance bonds and surety bonds required to obtain downpayment from the project owner, and contractor's all-risk insurance. 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 as per 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 such tasks as mechanical and electric works for its projects.

During construction, quality control procedures are strictly followed. The QA/QC Manager is responsible for quality assurance and quality control during production and construction. Under him are highly-trained inspectors and personnel. His team conducts on-site inspections to assure compliance. As standard procedure, concrete samples are tested by specialized laboratories to ensure compliance with American Society for Testing and Materials (ASTM), American National Standards Institute (ANSI) and Construction Specifications Institute (CSI) specifications.

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. Project managers are responsible for accomplishing project objectives, developing the project plan, managing the project team and budget.

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

- Megawide submits a Notice of Turn-Over and Completion to the project owner;
- Megawide and the project owner conduct a joint inspection and punch listing;
- Should there be no pending items for completion, the project owner issues a Certificate of Completion;
- 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 provided, the equipment installed and its workmanship.

Terms Granted to Customers

Bids for construction projects are typically accompanied with particular material specifications and the kind of finishes to be used for the project. Deviations from agreed material specifications are subject to variation orders. Consistent with industry practice, Megawide normally requires the following key terms of payment in its construction contracts:

- A downpayment of 15% - 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;
- Monthly progress billing (or interim billings). Progress billings are subject to pro-rata recoupment of downpayments, and retention monies equivalent to 10% of the billed amount, to be reduced to 5% upon 50% completion of the project; and
- The release of the 5% retention monies within one-year from full completion of the project. 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 Megawide's credit risk policy, which requires the evaluation of the creditworthiness of the customer.

Completed Projects

The notable projects that Megawide has completed for the past 3 years are:

1. **Hampton Garden Tower K and L** - Hampton Garden Tower K and L is a low-rise residential condominium located at C. Raymundo Avenue, Maybunga, Pasig City, with total floor area of 7,500 square meters offering 191 residential units.
2. **SM Grass Residences Tower 1** – 41-storey high-rise residential building located at the back of SM City North Edsa with 1,956 residential units. Its total floor area is 77,151.20 square meters.
3. **SM Sea Residences** - The project is located near the SM MOA, and is composed of six (6)-storey residential condominiums (Phases 1, 2 and 3). The Sea Residences has a total of 2,703 residential units on a gross floor area of 139,850 square meters. Amenities offered include a swimming pool, playgrounds and a clubhouse.
4. **Belle Grande Casino** - The project is a casino consisting of two L-shaped hotel towers and four high-end condominiums on top of a 2-level casino podium located at Macapagal Avenue, Pasay City. Total floor area is 250,000 square meters and lot area of 3.5 hectares. Once completed, it will be the largest casino in the Philippines.

5. **University Tower II** - University Tower II is a 31-multi-storey office and residential condominium located across University of Santo Tomas (UST) with a floor area of 25,000 square meters. The Project offers 736 units with 65 parking slots located at the Second, Third and Fourth Floors.
6. **University Tower Malate** - University Tower III is a 40-multi-storey commercial and residential condominium with a floor area of 29,000 square meters. The project is located near the university belt area at Pedro Gil, Malate and consists of 6 commercial units at the ground floor and 689 residential units with 86 parking slots.
7. **Berkeley** – Berkeley Residences is a 35-storey residential building located at Katipunan Avenue corner Escalera St., Loyola Heights, Quezon City, with floor area of 55,310 square meters.
8. **Hampton Gardens Condominiums Tower I and J** – Hampton Gardens is a multi-storey residential building consisting of 16 cluster buildings located at C. Raymundo Avenue, Maybunga, Pasig City. Tower I and J consists of 10,000 square meters floor area offering 320 residential units.
9. **Asya Office Building** – Asya Office Building is a medium-rise office and commercial building located at Macapagal Boulevard, MOA Complex with total floor area of 17,000 square meters.
10. **Antel Serenity Tower Hotel & Residences** – Antel Serenity Tower is a 36-storey hotel and residential condominium located in Makati Avenue, Makati City that features 144 exclusive hotel units and 184 private residences. The Serenity Tower will have a hotel standard ballroom, high-ceiling grand lobby, function rooms and business center. This has a total floor area of 33,360 square meters.
11. **Bench Corporate Office Building** – Bench Tower is a 23-storey office building located in Global City, Fort Bonifacio, Taguig City with a gross floor area of 35,000 square meters.
12. **Malate Bayview Mansion – Malate Bayview Mansion** – Malate Bayview Mansion is a commercial condominium located in the center of Malate, Manila. The project consists of a 44-storey mixed-use condominium building with floor area of 59,060 square meters.
13. **SM Grass Tower 3 Residences** – Tower 3 has 1,988 residential units and total floor area of 220,018 square meters.
14. **My Place South Triangle Phase I** – My Place Phase 1 (Residential Tower A& B) is a 27-storey residential condominium located at South Triangle, Quezon City. Its total floor area is 96,513 square meters.
15. **Dimensione** – 4-storey commercial building with area of 650 square meters.
16. **SM Blue Residences** – a 40-storey residential condominium located at Katipunan Avenue, Quezon City with total floor area of 72,700 square meters.
17. **SM Grass Residences Tower 2** – Tower 2 has 1,988 residential units. It has a total floor area of 220,018 square meters.

18. **Belle Grande Casino Phase II** – Expansion of the Belle Grande Entertainment Complex located in Macapagal Ave., Paranaque City with estimated 116,206.72 square meters.
19. **Studio City** – Studio City is an 18-storey residential condominium located in FCC, Alabang, Muntinlupa City with total floor area of 12,334.74 square meters.
20. **Studio Zen** – Studio Zen is a 22-storey residential condominium located in Taft Avenue, Pasay City with total floor area of 18,992.67 square meters.
21. **My Place South Triangle Phase II** – My Place Phase II (Residential Tower C & D) is a 27-storey residential condominium located at South Triangle, Quezon City. Its total floor area is 96,513 square meters.
22. **SM Jazz Residences** – SM Jazz Residences is composed of four 40-storey towers, on top of a 5-level shopping mall and parking basement. It is located along Jupiter Street, Bel-Air Makati. The project has a total floor area of 300,000 square meters in a lot area of 2-hectares.
23. **The Linear** – The Linear is an office and commercial building located at San Antonio, Makati City. Its total floor area is 7,400 square meters.
24. **IHUB 9 Building** – Ihub 9 is a BPO building located in Northgate Cyberzone, FCC, Alabang, Muntinlupa City. Its total floor area is 28,898.04 square meters.
25. **IHUB 10 Building** – Ihub 10 is also a BPO building located in Northgate Cyberzone, FCC, Alabang, Muntinlupa City. Its total floor area is 28,898.04 square meters.
26. **BPO Complex Cebu** – BPO Complex Cebu is located in Phase 1 Lahug, Cebu City, 14-storey commercial building for BPO with lot area of 45,428.07 square meters.
27. **Dexterton** – A 15-storey commercial building with floor area of 12,769.43 square meters located in Fort Bonifacio, Taguig City.
28. **New Frontier Theater** – With a total floor area of approximately 10,813.23 square meters, over a lot of approximately 5,817.31 square meters, New Frontier Theater is a 2-storey commercial building owned by Araneta Center, Inc. located at Gen. Aguinaldo Ave., Araneta Center, Cubao, Quezon City.
29. **B-HotelQC** – A 10-storey hotel building located at Lot 5 and 6 Block S-31, No. 14 Scout Rallos St., Brgy. Laging Handa, Quezon City owned Northbelle Properties, Inc. with a total lot area of 1,380 square meters and has a total floor area of 11,348 square meters.
30. **Camarin Project** – This is a 10 five-storey medium rise buildings with land development located in Camarin Colocan City. This is a low-cost housing project of National Housing Authority. Its total lot area is 3,823.98 square meters.

On-Going Projects

The following are on-going projects of Megawide as of December 31, 2015:

1. **One World Place** – A 34-storey commercial building with floor area of 46,130.39 located in Fort Bonifacio, Taguig City.
2. **World Hotel & Residences** – A 38-storey hotel and condominium with total floor area of 44,011 square meters located in Makati City.
3. **University Tower 4** – Located in P. Noval, Sampaloc, Manila, a 46-storey condominium with roof deck with estimated area of 43,320.21 square meters. This is another project of Prince Jun Development Corp.
4. **BPO – Araneta** – A 29-storey BPO building with 3 basement parkings located in Araneta Center, Cubao, Quezon City and owned by the Araneta Group. It has a total lot area of 4,072.65 square meters.
5. **Shangrila Salcedo** – With a total floor area of 3,880 square meters, Shang Salcedo Place, a 68-storey residential building is located in Salcedo Village, Makati City, and has 715 residential units.
6. **Rockwell Business Center** – A 15-storey building owned by Rockwell-Meralco BPO Venture, a joint venture between Rockwell Land Corp. and Manila Electric Company (MERALCO). The project is located in Meralco Compound, Ortigas Extension. This has a total leasable floor area of 30,287.91 square meters.
7. **SM Grass Residences Tower 4** – A 40-storey residential building owned by SM Development Corporation with a gross floor area of 135,000 square meters and a total lot area of 13,888.458 square meters located at Nueva Viscaya cor. Misamis and Nueva Ecija Sts., Sto. Cristo, Quezon City.
8. **Hampton M and N** – A 9-storey residential building owned by Dynamic Realty Resources Corporation with a total lot area of 1,600 square meters and a gross floor area of 8,971 square meters located at C. Raymundo, Maybunga, Pasig City.
9. **World Plaza** – A 27-storey office building owned by Real Property Innovative Solutions, Inc. located at 5th Ave., Bonifacio Global City, Taguig, Metro Manila. World Plaza has a total lot area of 2,731 square meters and an approximate total floor area of 61,500 square meters.
10. **The Curve** – A 32-storey office building located at Lot 1, Block 7, Fort Bonifacio Global City, Taguig owned by Irmo, Inc. The Curve has a total floor area of 45,393.66 square meters and a total lot area of 1,585.20 square meters.
11. **27 Annapolis** – A 44-storey residential building with three (3) basements owned by Bayswater Realty and Development Corporation located at No. 27 Annapolis St., Greenhills, San Juan City. 27 Annapolis has a total lot and floor areas of 1,129.60 square meters and 41,584.05 square meters, respectively.

12. **Urban Deca Tower EDSA** – A 44-storey residential building located at Sierra Madre and EDSA, Brgy. Highways Hills, Mandaluyong City owned by 8990 Holdings, Inc. with a total lot area of 866.25 square meters and a total gross area of 27,527.50 square meters.
13. **Proscenium Substructure** – This composed of a 3-level basement for Phase 1A and a 2-level basement for Phase 1B owned by Rockwell Land Corporation located in Estrella Corner J.P. Rizal St., Guadalupe Viejo, Makati City and with a total lot area of 35,995 square meters and gross floor area of 101,792.23 square meters.
14. **The Rise Mixed Development Project** - A 3-level substructure owned by The Rise Development Company, Inc. located at Malugay St., San Antonio Village, Makati City with a total lot area of 10,000 square meters.
15. **Plaza Magellan** – A 13-storey commercial building located at Mactan, Cebu City owned by Megaworld Corporation with a total lot area of 2,284.04 and a floor area of 28,890 square meters.
16. **Mareic Building** – Owned by Greenway Properties Realty Corporation, Mareic Building is a 40-storey office building with 3 basement areas located at 121 Tordesillas Sts., Salcedo Village, Makati City with a total lot area of 911.26 square meters and a gross floor area of 29,422.74 square meters.
17. **DEP ED Phase 2**–Involves construction of school buildings in Regions I, II, III and CAR thru a direct contract with the Department of Education.
18. **Arthaland Tower Substructure** – A 6-level substructure owned by Arthaland Corporation with a total floor area of 12,000 square meters.
19. **Arthaland Tower Superstructure**– A 31-storey office building owned by Arthaland Corporation. The project is located at 7th St., Bonifacio Global City, Taguig with a total floor area of 56,652 square meters and a total combined lot area of 2,231.94 square meters.
20. **One Town Square**–Owned by La Fuerza, Inc., One Town Square is 12-storey office building located at Alabang City with a gross floor area of 29,608.80 square meters and a total lot area of 3,729 square meters.
21. **Proscenium Superstructure (Lincoln and Lorraine)** – Developed by Rockwell Land Corporation, Proscenium (Lincoln and Lorraine) is 42 and 44-storey residential building, respectively and four (4) parking floors located at Estrella Cor. JP Rizal Sts., Guadalupe Viejo, Makati City. The project has an estimated total lot area of 36,000 square meters and a combined gross floor area of 88,337.16 square meters.
22. **Mactan Newtown STP** – A sewage treatment plant contract with Megaworld Construction Corporation with a total lot area of 1,189.50 square meters and a gross floor area of 4,022.99 square meters.
23. **Urban Deca Tondo**– A mass housing contract with 8990 Holdings, Inc. which initially focuses on the first four (4) buildings namely, Building 9,10,12 & 13. The first four buildings have a total combined lot area of 84,699.77 square meters. A 14 clusters 13-storey residential complex located at Tondo, Manila.

24. **Urban Deca Ortigas**– A 24 clusters 13-storey residential complex located at Ortigas Ext., Pasig City.
25. **Philam Life Center Cebu** – A 12-storey office building developed by The Philippine American Life and General Insurance Co. with a total floor area of 35,000 square meters and a total lot area of 3,427.11 square meters. The project is located at Cardinal Rosales St. Cor. Samar Loop, Cebu Business Park, Cebu City.
26. **Southwoods Mall and Office Tower**– Developed by Southwoods Mall, Inc., with a gross floor area of 61,762.42 square meters and a total lot area of 18,984.71 square meters. A 52-storey mall and office with one basement located at Southwoods Eco-centrum, Biñan, Laguna.
27. **Le Grand Avenue ABC** – A 2-tower, 5-storey office and commercial building developed by Megaworld Corporation. This is located at Lots 1-4, Mckinley West, Fort Bonifacio, Taguig City with 46,290.85 and 13,500 square meters gross floor area and total lot area, respectively.
28. **Le Grand Avenue DEF** – A 2-tower, 5-storey office and commercial building developed by Megaworld Corporation. With a total floor area of 46,324.18 square meters and a total lot area of 13,500 square meters located at Lots 1-4, Mckinley West, Fort Bonifacio, Taguig City.
29. **Double Dragon Plaza**– A 4-tower 12-storey office building with mall and basement parking owned by DD-Meridian Park Development Corp. It has 230,130.58 square meters and 23,728.69 square meters gross floor area and total lot area, respectively located at EDSA Ext. cor. Macapagal Ave., Pasay City.
30. **Shang Fit-Out Works**– A fit-out work under Shang Salcedo Place project developed by Shang Property Developers, Inc. located at Tordesillas St., Salcedo Village, Makati City.
31. **Landers Warehouse Balintawak**–A warehouse construction owned by Southeast Asia Retail, Inc. located at Balintawak, Caloocan City. It has a total floor area of 8,360 square meters.
32. **Landers Warehouse Otis** –A mixed-used complex warehouse developed by Southeast Asia Retail, Inc. located at Otis, Sampaloc, Manila with a total floor area of 16,783.50 square meters.
33. **The Hive** – A 4-block 12-level residential tower owned by Myspace, Inc. located at San Isidro St., Ortigas Ave. Ext., Taytay, Rizal. It has a total floor area of 12,007.36 square meters and a total lot area of 13,653.33 square meters.
34. **Southeast Asian Campus** – A 12-storey office owned by Megaworld Corporation with a gross floor area of 84,410.85 square meters and a total lot area of 8,387.47 square meters located at Campus Avenue, Mckinley Hills, Taguig City.
35. **Bataan Solar Project** –This is a construction and operation of an 8.986MWdc and an expanded 9.018MWdc ground-mounted photovoltaic power generation facility in Barangay Alas-Asin, Freeport Area of Bataan, Mariveles, Bataan for a total generation of

18MWdc. Bataan Solar Project is owned by Next Generation Power Technology Corporation. Bataan Solar Project has a total lot area of 375,600 square meters.

- 36. Toledo Solar Project**– This involves construction and operation of 60MWp ground-mounted photovoltaic power generation facility located at Toledo, Cebu Province. The project is under the ownership of First Toledo Solar Energy Corporation. The project held a total lo area of 1,137,941 square meters.
- 37. Silay Solar Project** – A construction and operation of an 18.3MWdc and an expanded 6.7MWdc ground-mounted photovoltaic power generation facility in Barangay Rizal, Silay City, Negros Occidental for a total generation capacity of 25MWdc held by Silay Solar Power, Inc. with a total lot area of 434,108 square meter.

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, 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.

SMDC

SMDC is the publicly-listed company and is a leading developer of vertical villages integrated with commercial retail environment. Their properties are strategically situated in key areas across Metro Manila specifically the cities of Makati, Mandaluyong, Manila, Parañaque, Pasay, Pasig, Quezon City, and Taguig, as well as Tagaytay City. Some of these properties include the Jazz Residences, Sea Residences and Grass Residences.

Filinvest Land Incorporated

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

Belle Corporation

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

In 2013, Belle Corporation partnered with Macau-based Melco Crown Entertainment Ltd. to bring its City of Dreams brand to the Philippines renaming the former's Belle Grande and expanding that project from 242 gaming tables and 1,450 electronic gaming machines to 365 gaming tables, 1,680 slot machines and 1,680 electronic table games.

Rockwell Land Corporation

Rockwell Land Corporation is one of the premier real estate development companies in the Philippines. It was formed in 1995, after the shutdown of the thermal power plant, by the Lopez Group. Its primary task was to transform the old thermal plant property into a high-end commercial business district, truly a benchmark for innovation in the real estate industry.

Megaworld Corporation

Megaworld is one of the country's leading real estate developer and top business process and outsourcing (BPO) office developer and landlord 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 mixed-use developments such as Eastwood City in Libis, Quezon City; Newport City in Pasay; McKinley Hill, Forbes Town Center, McKinley West, and Uptown Bonifacio, all in Fort Bonifacio; Woodside City in Pasig; Iloilo Business Park in Mandurriao, Iloilo City; the Mactan Newtown in Lapu-Lapu City, Cebu and the Davao Park District in Davao City.

Shangri-La Properties

Shang Properties, Inc. is a luxury real estate developer in the Philippines. They are the Philippines' property development arm of the prestigious Kuok Group and with core businesses in upscale office and retail leasing and residential development. The company has a landbank of over 500 hectares located in Batangas, Tagaytay, Cavite, and Mactan earmarked for future development. Backed by the added value and advantages provided by its affiliates worldwide – Kerry Properties, the Kuok Group, and Shangri-La International Hotels and Resorts, and their ever growing network of property, logistics and infrastructures assets, Shang Properties, Inc. continues to set the pace for premium real estate projects in the Philippines.

8990 Holdings, Inc.

8990 Holdings, Inc. is the largest Mass housing developer in the Philippines in terms of units licensed under B.P. 220 from 2011 to 2013, according the HLURB. The Company has been developing Mass Housing Projects in high-growth areas across the Visayas, Mindanao and Luzon since 2003. 8990's DECA Homes and Urban DECA Homes brands 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. 8990 has an identified pipeline of eight projects with an existing and available landbank, which projects are scheduled to commence between 2015 and 2019 and which in total are expected to provide approximately 64,000 units available for sale.

Double Dragon Properties Corp.

Double Dragon Properties Corp. (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 square meters of leasable space by 2020 primarily through the rollout of 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 major commercial office projects, DD Meridian Park and Jollibee Tower, both of which are located in prime properties in Metro Manila.

Competitors in the Industry

EEL Corporation (EEL), and DMCI Construction (DMCI) are among Megawide's major competitors. Both have on-going residential condominium projects in Metro Manila. DMCI dominates domestic infrastructure, while EEL, a publicly listed company, concentrates on heavy industries projects.

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 EEL's and DMCI's.

Competitive Strengths

Megawide believes that its principal strengths are the following:

1. Value Engineering through the Use of Modern and Advanced Building Technology
 - Megawide was the first to extensively utilize advanced, modern and comprehensive European building systems that reduce construction time and allow for quicker project turn-over.
 - Megawide employs Formwork Systems, purchased from German company, MEVA Schalungs-Systeme GmbH, in its on-going projects. Formwork Systems 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. For its projects, Megawide's Formwork Systems are 100% wood-free, all plastic facing. These are nailable like plywood, but 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 Formwork Systems in its existing projects:
 - Slab Formworks
 - Wall Formworks
 - Column Formworks
 - Circular Formworks
 - Climbing Formworks
 - Megawide also uses Pre-Cast Concrete Systems purchased from Finnish company, Elematic. The European Pre-Cast Concrete Systems which Megawide employs in its current projects, has the inherent advantages of:
 - Reducing cost
 - Shortening the construction period
 - Improving quality
 - Increasing project volume
 - Environment friendly
 - The following table is a summary of the advantages of Megawide's High Technology Building Systems over traditional construction methods:

	Traditional Construction	Megawide	Advantages
Formworks	Plywood	Plastic face formworks	<ul style="list-style-type: none"> • No swelling and shrinking • Stable flexural rigidity • Free from rippling and warping • Quality in concrete pouring • Fast cycle, simple assembly, earlystripping, less manual labor employed • Even surfaces • Zero discoloration • Fast on-site cleaning • Zero waste • Reusable
	Coco lumber	Aluminum & Steel Scaffoldings	<ul style="list-style-type: none"> • More stable and robust • Longer lifespan • Easy assembly lock and formwork clamp
Pre-Cast Concrete	Concrete Hollow Blocks	Pre-cast walls	<ul style="list-style-type: none"> • Precise, smooth and even curing, high quality, energy saving and ecological
	Traditional Concrete Beams, Columns, Slabs	Pre-cast beams, columns, Slabs	<ul style="list-style-type: none"> • Savings in steel and partition wall materials, extra long spans for design flexibility, accurate dimensions and strand locations for less work-on site

- Megawide’s 12-hectare fully-automated and pre-cast concrete manufacturing complex 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 environment-friendly and allows Megawide to reduce construction costs, shorten the construction period, and improve the overall quality of the work and increase project volume.
- The Megawide Corporate Tower 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 thirty party certification program for the design, construction and operation of high performance green buildings. It is the predominant green building rating system in the U.S. and is used around the world.

2. Business Synergies from Vertical Integrations

- Megawide’s unique business model puts it in a league of its own, clearly differentiating it from among its peers. It is the only construction company that has a manufacturing component through the use of state-of-the-art precast production facility and wide downstream integration such as modern concrete batching plant, advanced formworks systems and its own fleet of vertical, earth-moving and construction equipment. 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 to long term horizon. Not only will these infrastructure development projects provide construction revenues to its downstream business units, it will likewise become the source of future stable recurring income upon completion. The synergies in these vertical integrations will result to seamless operating efficiencies, optimal use of resources and financial strength.

3. Strong Brand Name and Proven Track Record

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

4. Organizational Capability and Flexibility

- Megawide has a lean organizational structure that is flexible, responsive and adapts to market changes. It has a diverse work force of young, dynamic, committed and highly effective personnel and experienced and well-trained professionals. It also has a disciplined and responsible management team that has effectively surpassed challenging business situations.

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

- Megawide believes it has a strong balance sheet. As a result, it has the ability to secure clean loans at competitive costs.

6. AAA and Large B Contractor’s License

- Megawide has an AAA Contractor’s License from the Philippine Contractors Accreditation 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 Large B classification for government registration which qualifies Megawide to participate in large infrastructure projects such as highways, roads and bridges, piers and airports, railroads, waterworks and power plants.

7. Young, Modern and Branded Fleet of Building Equipment

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

Suppliers

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 one or a limited number of suppliers for raw materials and none of its major suppliers are its affiliates. Suppliers usually give Megawide a 60-90 day payment period. Below is a list of Megawide’s major third party independent suppliers:

Name of Supplier	Raw Material Supplied
Steel Asia Manufacturing Corp.	Steel

Phases Electrical Contractor	Subcontractor of MEPF
Eagle Cement Corporation	Cement
Comanchesteel Corporation	Steel
Hitachi Elevator Philippines Corp.	Mechanical works
GDB Construction	Civil works
Seapac Philippines, Inc.	Aluminum works
Sofaire System Enterprises	Subcontractor of MEPF
Lafarge Cement	Cement
Elecon Construction Corporation	Subcontractor of MEPF

In order to mitigate the risk of price volatility in raw materials for its projects, Megawide, upon contract award, immediately purchases major materials such as steel and concrete for the entire project. All purchases are done centrally, at Megawide's head office, for all project site requirements.

Quality Control

Megawide's General Specifications of work quality are in accordance with the ASTM, ANSI or CSI. The general specifications can be modified based on local conditions, policies, available materials, local regulations and other special circumstances. In addition to on-site inspections, as a standard procedure, concrete samples are tested by specialized laboratories to ensure compliance with ASTM, ANSI and CSI specifications.

Intellectual Property

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

Research and Development

Megawide has formed a Research & Development Team composed of the Chief Operating Officer, the Vice President for Operation, the Precast Manager and the Planning and Technical Manager, to continuously adapt and respond 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. Although it engages in research and development activities, the expenses incurred by Megawide in connection with these activities are not material.

Government Approval 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 by Megawide 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. Any changes in the current environmental laws and regulations applicable to Megawide may increase Megawide's operating expenses. Megawide complies with environmental laws and will keep abreast of any changes in such laws which may have an impact on its business.

Megawide believes that it is in compliance with local and national tax laws and regulations and it shall continue to be so by paying all taxes, including income tax, withholding tax, real property tax and such other taxes that are assessed against it and which Megawide believes to be due.

Employees

As of December 31, 2015, Megawide’s manpower complement is as follows:

Division	Regular	Project Based	Total
Operations	16	1,211	1,227
Head Office	185	137	322
Total	201	1,348	1,549

Megawide will continue to hire qualified and competent employees for the next twelve months for its on-going projects.

Megawide is not unionized. The relationship and cooperation between the management and staff has been good and is expected to remain so in the future. There has not been any incidence of work stoppages or labor disputes in the past. There is no existing collective bargaining agreement between Megawide and its employees. Megawide complies with the minimum wage and employment benefits standards pursuant to Philippine law. 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 the employees.

Megawide has a retirement plan which provides a retirement benefit equal to 22.5 days pay for every year of credited service in accordance with Republic Act No. 7641 or the Retirement Pay Law. On July 19, 2010, its Board of Directors resolved to establish a non-contributory retirement fund for its officers and employees and appointed the fund’s board of trustees. Subsequently, on December 11, 2012, the Board approved the establishment of the Megawide Construction Corp. Ret. Plan for the benefit of Megawide’s qualified employees. The Board appointed BDO Unibank – Trust and Investments Group as trustee of the Retirement Fund. Megawide is currently in the midst of partially funding the retirement fund.

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.

Edgar Saavedra, the President and COO, and Michael Cosiquien, the Chairman and CEO are central figures in the operations of Megawide and are currently the key decision makers. However, 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.

Business Risks

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

1. Megawide is exposed to risks associated with the Philippine property market, including potential construction contract cancellations.

Megawide's business is highly dependent on the ability of Philippine 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.

2. Significant competition in the construction industry could adversely affect Megawide's business.

Megawide believes that it has a competitive advantage over other construction companies due to its use of High Technology Building Systems, high quality construction equipment, value-added engineering services, technical competence, and innovative ability. Furthermore, its use of High Technology Building Systems has allowed it to price its projects competitively.

3. Megawide currently contracts with a limited number of developers, subjecting it to concentration risk.

In the past, SMDC has been Megawide's top customer, representing approximately 15% of its Construction Order Book. Megawide's business, financial condition and results of operations may however, be affected, should SMDC significantly reduce the number of new developments or should SMDC decide to contract with another construction company. To mitigate this risk, Megawide broaden its client base by entering into contracts with other reputable real estate developers that meet its selection criteria. Currently, Megawide has booked several contracts with Rockwell Land Corporation, Megaworld Corporation, Shangri-La Properties, and 8990 Holdings, Inc. It also continuously performs research and development of new construction and building methodology to keep its competitive edge thereby attracting new clients. Megawide has also been successful in maintaining relationships it has built with its existing roster of developer clients. It also adopts strict quality control measures to ensure that clients are satisfied with the quality of Megawide's output.

In 2015 and 2014, construction revenues from SMDC comprise 4% and 17%, respectively, of Megawide's revenue. As of December 31, 2015, all SMDC projects are substantially complete and Megawide's Order book is no longer concentrated with a single entity.

4. Megawide is exposed to credit risk on its receivables from construction contracts.

For on-going 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 resort to 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.

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

Megawide employs a hedging program and facilities with a number of its suppliers to help mitigate the risk of price volatility. It enters into fixed purchase contracts with its suppliers, immediately upon award of contracts, which fix the unit cost of the materials. These contracts typically range from 6 months to 1 year. No price escalation is charged until the estimated quantities have been delivered within the agreed period.

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

Megawide has a proven track record with years of experience in the construction industry. It has a group of well-trained and experienced technical managers that implement measures to maintain project progress, schedules and quality. In addition, contracts with suppliers and subcontractors contain warranties for quality and requirements for timely completion. These warranties are typically covered by a guarantee bond, surety bond or performance bond.

7. Megawide may be exposed to liquidity risk from delayed payments of progress billings.

Megawide believes that it has a solid financial background and has established credit lines with several financial institutions from which it is able to easily obtain loans to finance its working capital requirements.

8. The availability of construction materials may affect Megawide's projects.

The principal raw materials utilized by Megawide in its projects are cement and steel, which are both readily available in the market from a number of sources. Megawide also diversifies its sources of these raw materials so that it is not dependent on one or a limited number of suppliers.

9. Megawide is reliant on its High Technology Building Systems to maintain its competitive advantage over other contractors.

Megawide does not have an exclusivity contract with any of its technology and equipment suppliers. As such, competitors may opt to and will be able to purchase the same technology and equipment from Megawide's suppliers. However, although its competitors may purchase similar technology, Megawide has an advantage as it already has at least 9 years of experience in utilizing said High Technology Building Systems. New users of the High Technology Building Systems will need time to learn and adapt to the change in construction processes. New users should also have significant project volumes in order to realize a return on its investment and to bring down construction cost. To ensure that Megawide maintains its technological advantage, Megawide has established a Research and Development Team to continuously adapt and respond to new inventions and standards in construction.

10. Megawide is exposed to the risk of industrial or labor disputes.

Megawide has maintained a harmonious relationship between management and staff. It provides employee benefits and complies with labor standards. It is not unionized and

there has not been any incidence of work stoppages or labor disputes. It also highly mechanized, and is therefore not dependent on manual labor for its production and structural works.

11. Risk on the separation of key employees

To mitigate this risk, Megawide gives attractive compensation packages that consist of: (1) basic wages; (2) allowance for project employees, depending on the position of the project employee; (3) project completion bonus for project employees; and (4) performance bonus for project employees occupying key positions such as project managers and assistant project managers, depending on the position of the project employee. It has also entered into employment agreements with its key employees containing a “non-compete” clause, which prevents these key personnel from moving to its competitors.

12. Injuries or damages to third parties could arise from construction accidents.

Megawide adopts the European Standard on Safety Scaffoldings. Under this standard, safety scaffoldings are built in accordance with the British Standard (BS 5973), which sets out performance requirements for working scaffolds and permissible stress design method. The working scaffold provides a safe workplace with safe access suitable for the work being done. Megawide utilizes German Scaffoldings such as MEVA Automatic Climbing Scaffold, Shoring Tower and other Folding Scaffoldings, which were built in accordance with BS 5973. It also strictly implements wearing of proper full body protection gear in accordance with the Zero Accident Safety Program. The program is adopted in all job sites to prevent worker injury under a “Zero Injury” or “Accident” program, which means that accidents or serious injuries to workers can be successfully prevented. Moreover, as part of the project safety program, a Safety Engineer is assigned to each construction site to ensure employee awareness.

13. A slowdown in the Philippine economy could adversely affect Megawide.

This risk is beyond the control of Megawide.

14. Political or social instability could adversely affect the financial results of Megawide.

This risk is beyond the control of Megawide.

15. Megawide is required to obtain various licenses for its construction business.

The revocation or non-renewal of these permits and licenses may have a material adverse effect on Megawide’s operations. To avoid work stoppage or disruption, Megawide ensures that it is always compliant with the necessary permits required by various licensing authorities.

16. Foreign Exchange Controls

Any foreign exchange controls that may be imposed by the Government could materially and adversely affect Megawide’s ability to obtain machinery and equipment from abroad, which could affect its financial condition and results of operations.

17. Occurrence of Natural Catastrophes or Blackouts

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 it for all damages and economic losses resulting from natural catastrophes or blackouts, including possible business interruptions.

Item 2. Properties

Megawide owns a 1.0294-hectare property located at Taytay, Rizal which is being used as an equipment stockyard for such items as tower cranes, backhoes and other earthmoving equipment. The same was acquired by Megawide for P21 Million. Megawide owns this property and all its construction equipment such as tower cranes and other earthmoving equipment, free of any mortgage, lien or encumbrance. There are no limitations on Megawide's ownership or usage over this property.

In 2011, Megawide acquired land in Ortigas Extension, Barangay San Isidro, Taytay, Rizal with lot area of 21,082 square meters for P104 Million. Megawide owns this property free of any mortgage, lien or encumbrance. There are no limitations on Megawide's ownership or usage over this property.

In 2012, another lot was purchased in Taytay, adjacent to Megawide's precast plant with lot area of 8,505 square meters for P50 Million. A 4,022 square meter lot adjacent to the stockyard of Megawide in Taytay was purchased for P9 Million. On the same year, Megawide bought a 178 square meter property located in the same municipality for a total amount of P1.157 Million. Megawide owns these properties free of any mortgage, lien or encumbrance. There are no limitations on Megawide's ownership or usage over this property.

In 2013, Megawide has a total additional land acquisition amounting to P67 Million in Taytay Rizal in relation to the Precast Plant expansion. The property is free of any attachments and limitations on ownership and usage.

In 2014 and 2015, Megawide invested on new tower cranes, earthmoving equipment and other construction equipment to ensure maximum efficiency and minimum down time during construction. Total investment amounted to P485 million and P369 million in 2015 and 2014, respectively. Megawide also acquired additional lot adjacent to the precast plant in 2014 with area of 23,686 for P148 million and lot area of 16,017 sqm near the precast plant for P17 million in 2015.

Leased Properties

Megawide is leasing the 1,493 sq.m. property at N. Domingo St., Barangay Valencia, Quezon City where its corporate office is located from Megapolitan. The lease agreement is valid until February 5, 2016 and Megawide pays a monthly rental of P196,619.40. The lease

agreement with Megapolitan was renewed for additional 2 years. Megawide leases an office space from Philwide with a monthly rental of P1,000.00.

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

Date	Lease	Duration	Location	Area	Monthly Rental
May 11, 2015	Flora E. Perez	May 11, 2016	Juan Luna Ave. Chrysanthemum Village, San Pedro Laguna		P18,947 inclusive of taxes
March 1, 2015	La Fuerza Inc.	March 31, 2016	Don Mariano Lim Compound Alabang-Zapote Rd. Almanza Uno Las Piñas City	90 sqm.	30,240 inclusive of taxes
July 14, 2015	Abihail Corporation	January 13, 2016	Edsa & Sierra Madre St., Brgy. Highway Hills, Mandaluyong City	990 sqm.	P332,640 inclusive of taxes
April 1, 2014	Myrna Tomas	March 31, 2016	87 Mindanao Ave., Brgy. Pag-Asa /B.Bantay Quezon City.	809.50 sqm	P120,960 inclusive of taxes, w/ 8% esc. Starting 4/1/15.
April 11 2014	LVN Pictures Inc.	April 11, 2016	Brgy. Kaunlaran Cubao, Quezon City.	2,019.38 sqm.	P271,404.67 inclusive of taxes
June 1, 2013	New Zealand Creamery, Inc.	May 31, 2016	Yakal St. Cor. Talisay St. Makati City	1,350 sqm.	P200.00/sqm inclusive taxes, or a total of P270,000
June 1, 2013	New Zealand Creamery, Inc.	May 31, 2016	Yakal St. Cor. Talisay St. Makati City	1,176 sqm.	P200.00/sqm inclusive of taxes, or a total of P235,200
February 1, 2010	MEGAPOLITAN REALTY AND DEVELOPMENT CORP.	February 2, 2016	N. Domingo St. Brgy. Valencia Quezon City	1,493 sqm	P235,628.6800 inclusive of taxes and 7% escalation every year.
June 2015	Kenneth Lim	June 2, 2016	Unit PR3325 Princeton Residences Gilmore, Quezon City		P15,789.47 inclusive of taxes
March 1, 2013	Dizon Farms Produce, Inc.	March 1, 2018	Ligid, Tipas , Taguig City	615 sqm	P75.00/sqm. inclusive of taxes, or amount of P46,125.00
November	Aguacate	October	Tipas St. Taguig	1,450 sqm	P150.00/sqm

1, 2013	Marketing Corp.	31, 2018	City		inclusive of taxes or a total of P217,500.00
Sept. 15, 2014	The Luxe Residences Development Inc.	April 15, 2016	118 H.V. dela Costa St., Salcedo Village, Makati City.	980 sqm	294,000 inclusive of VAT and other taxes
April 1, 2014	Eldan Land Use Management And Development	March 31, 2016	Mariano St. Cor. A. Luna, Makati City	399 sqm.	84,000 inclusive of taxes, and 5% esc. Starting 4/1/15.
August 1, 2015	Hanston Properties Inc.	July 31, 2017	818 Pantaleon St. Cor. Barangka Drive Mandaluyong City	1,000 sqm.	145,600 inclusive of taxes
Dec 1, 2015	Hanston Properties Inc	July 31, 2017	818 Pantaleon St. Cor. Barangka Drive Mandaluyong City	1,009.56 sqm.	146,991.94 inclusive of taxes
December 1, 2012	Josefino V. Cabrera	December 1, 2017	Sapang Viejo, Ligid-Tipas Taguig City	2,327 sqm.	139,620 inclusive of taxes
June 24, 2013	Carolina Q. Villongco	October 25, 2016	4760 Mariano St. Brgy. Poblacion, Makati City.	180 sqm	52,631.5790 inclusive of taxes
September 1, 2014	Maria Elma Javier Loresca	June 30, 2016	Sixto Antonio Ave., Brgy. Maybunga, Pasig City.	310 sqm.	63,157.8948 inclusive taxes

All of the above leases are subject to renewal upon mutual agreement of the parties.

Item 3. Legal Proceedings

Megawide and MWCCI were involved in 2 Supreme Court cases relative to their respective projects:

Osmeña v. DOTC Secretary, et al. G. R.-S. P. No. 211737

This is a petition filed in relation to Article VIII, Section 1 of the 1987 Constitution and for prohibition under Rule 65, Section 2 of the 1997 Rules of Civil Procedure to nullify the finding of the PBAC that the GMR-Megawide Consortium is qualified to bid for the Mactan Cebu International Airport (MCIA) Project and to direct the PBAC, the DOTC, and the MCIAA to desist from issuing a *Notice of Award* in favour of GMR-Megawide Consortium.

This case is consolidated with the petition filed by Business for Progress Movement, as represented by Medardo C. De Acosta, Jr. versus Department of Transportation and Communications (DOTC) and GMR-Megawide Cebu Airport Corporation, docketed as G.R. No. 214756.

On October 31, 2014, Business for Progress Movement (BPM) filed a Petition for Injunction with the Supreme Court. Petitioner alleged that GMCAC has no financial capacity to start the rehabilitation of MCIA. Thus, BPM asked the Supreme Court to issue an injunction to permanently stop GMCAC from constructing the MCIA.

On January 13, 2016, the Supreme Court, Third Division rendered a Decision, the dispositive portion of which states:

“WHEREFORE, the petition in G.R. No. 211737 is hereby DISMISSED for lack of merit. The Petition in G.R. No. 214756 is DENIED for lack of sufficient legal and factual bases. No pronouncement as to cost.

SO ORDERED.”

On March 2, 2016, Megawide received a motion for reconsideration filed by Business for Progress Movement dated February 24, 2016.

Daisy Joy Rojallo Cervantes, et. al., vs. H. E. Benigno Simeon Aquino III, Hon. Enrique T. Ona, Hon. Teodoro J. Herbosa, Cosette C. Canilao, Jan Irish P. Villegas, Arsenio M. Balisacan, Cesar V. Purisiuma, Consortium of Megawide Construction Corporation and World Citi Medical Center Supreme Court, Case No. 210805 (Certiorari and Prohibition with Application for the Issuance of a Writ of Preliminary Injunction and/ or Temporary Restraining Order)

On September 18, 2012, The National Economic and Development Authority (NEDA) approved the Modernization of the Philippine Orthopedic Center (MPOC). The MPOC is a Build-Operate-Transfer scheme pursuant to the Public-Private-Partnership program of the Aquino government. The MPOC Project involves the construction of a new hospital facility within the National Kidney and Transplant Institute Compound along East Avenue, Quezon City. It is intended to be a super-specialty tertiary orthopaedic hospital, comprising of a minimum of 700-bed capacity hospital with all the required infrastructure and installation of modern diagnostics and therapeutic equipment.

On January 31, 2014, the petitioners, composed of civil society groups, health workers, and patients of the Philippine Orthopedic Center (POC) who are opposed to the MPOC project filed a Petition for Certiorari and Prohibition before the Supreme Court.

The petitioners prayed that the Supreme Court annul and set aside the MPOC project for being in violation of Article II, Section 15 of the Constitution and our treaty commitments recognizing the people’s right to health. Petitioners argue that the government relinquished the duty and responsibility to provide and ensure a basic social service such as health to a private entity through privatization or commercialization of a government hospital (the POC). The petitioners further prayed that the court issue a writ of preliminary injunction or temporary restraining order to stop the implementation of the project.

On April 24, 2014, Respondent Consortium of Megawide and World Citi Medical Center filed its Comments/Opposition to the Petition. The Consortium’s arguments are as follows:

1. Procedurally, the Petition must be dismissed because a) Petitioners do not have standing to file the case, b) Petitioners have not yet exhausted all available administrative

remedies, and c) policy decisions of the executive department are not proper subjects of judicial review;

2. Substantially, a) the MPOC project does not violate the constitution and our treaty obligations. It is not a privatization but merely a modernization of the POC. In any case, private investments into public health services are not prohibited by the constitution, b) Section 15, Article 2 of the Constitution is not a self-executory provision, c) the Build Operate and Transfer law can cover health facilities and hospitals.

On November 27, 2015, respondents' consortium of Megawide and World Citi Medical Clinic, represented by Manuel Louie B. Ferrer, filed a Manifestation that on November 10, 2015, respondents served their Notice of Termination to the Department of Health (DOH), which reads:

“In view of the foregoing, it is with deepest regret that we serve on your office this Notice of Termination of the BOT Agreement. Section 8.2 and 9.2 of the BOT Agreement provide that if the delay in the performance of the DOH exceeds one hundred eighty (180) days from Signing Date, the Project Proponent may opt to terminate the BOT Agreement. This 180-day period came and went over a year ago on September 2, 2014. Accordingly, the BOT Agreement will terminate on November 15, 2015 (“Termination Date”).”

In view of this, the Petition has been rendered MOOT and ACADEMIC. The Supreme Court has not yet acted on the Manifestation.

Aside from the foregoing, there are no pending legal cases against Megawide and its management that will have immediate material effect on the financial position and operating results.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

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

Market Information

Megawide common shares 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 the high and low prices for Megawide's common shares as reported to PSE:

2014	High	Low
First Quarter (Jan. – Mar.)	9.621993	7.876289

Second Quarter (April – June)	9.608248	8.082474
Third Quarter (July – Sept.)	9.113402	8.591065
Fourth Quarter (Oct. – Dec.)	9.100000	8.100000
2015		
First Quarter (Jan. – Mar.)	8.80	7.62
Second Quarter (April – June)	8.20	5.88
Third Quarter (July – Sept.)	6.60	5.10
Fourth Quarter (Oct. – Dec.)	7.30	5.50
2016		
First Quarter (Jan. – Mar.)	6.48	5.40

The closing price per share of Megawide’s common shares as of March 31, 2016 was P6.20.

Holders

As of March 31, 2016, there are 2,399,420,199 common shares outstanding registered in the name of the following:

Stockholder	Number of Common Shares Held	Percentage of Total Shares (%)
1. Citicore Holdings Investment, Inc.	1,362,957,505	56.80
2. PCD Nominee Corporation (Filipino)	459,534,086	19.15
3. Sybase Equity Investments Corporation	368,766,450	15.37
4. PCD Nominee Corporation (Non-Filipino)	157,339,497	6.56
5. Suyen Corporation	43,306,419	1.81
6. Ellie Chan	3,537,489	Nil
7. Geoffred Deetan	1,768,746	Nil
8. Dennis Bryan Ty	1,768,746	Nil
9. John I. Bautista, Jr.	159,799	Nil
10. Regina Capital Dev. Corp. 000351	73,754	Nil
11. Rico Yambao Salcedo and/or Vilma Bagay Salcedo	64,707	Nil
12. Benjamin S. Geli or Nelia O. Geli	45,000	Nil
13. Pacifico Silla &/Or Marie Paz Silla &/Or Nathaniel	20,000	Nil
14. Grace Q. Bay	15,243	Nil
15. Pacifico Silla &/Or Marie Paz Silla Sagum &/Or Nathaniel Silla	9,456	Nil
16. Pacifico Silla &/Or Catherine M. Silla &/Or Alexander M. Silla	9,456	Nil
17. Myra P. Villanueva	8,900	Nil
18. Joyce M. Briones	7,868	Nil
19. Bernarda P. Torres	7,565	Nil
20. Leopoldo E. San Buenaventura ITF Quelhward M. San Buenaventura	7,200	Nil

21. Frederick E. Ferraris &/Or Ester E. Ferraris	5,674	Nil
22. Gaudencio C. Cabingan	4,728	Nil
23. Agnes H. Cabingan	728	Nil
24. Julius Victor Emmanuel D. Sanvictores	379	Nil
25. Guillermo F. Gili, Jr.	246	Nil
26. Florentino A. Tuason, Jr.	246	Nil
27. Hector A. Sanvictores	190	Nil
28. Danilo G. Bagasin	100	Nil
29. Owen Nathaniel S. Au ITF: Li Marcus Au	19	Nil
30. Joselito T. Bautista	1	Nil
31. Michael C. Cosiquien	1	Nil
32. Edgar B. Saavedra	1	Nil
Total	2,399,420,199	100
Shares owned by foreigners		

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

Dividends

On June 26, 2013, the Board of Directors adopted a dividend policy of declaring annual cash dividends equivalent to 20% of the prior year income, subject to contractual obligations. Megawide has entered into loan agreements restricting its ability to declare dividends unless certain conditions such as all debt obligations are current and updated, availability of retained earnings while maintaining debt to equity ratios and debt service cover ratios after dividend payment, are met. As of date, Megawide's subsidiaries, many of which are newly established and not yet income generating, do not as of yet have any dividend policy formulated or adopted. Megawide intends to cause these subsidiaries to adopt the appropriate dividend policies that subject to capital requirements and other existing covenants/restricting with its creditors, it is intended each subsidiary shall regularly declare dividends in favor of Megawide.

Under the Corporation Code of the Philippines, Megawide's Board of Directors is authorized to declare cash, property stock dividends or a combination thereof. Cash and property dividend declarations require the approval of the Board and no shareholder approval is necessary. A stock dividend declaration requires the approval of the Board and shareholders representing at least 2/3 of Megawide's outstanding capital stock. Such approval may be given at a general or special meeting duly called for such purpose. 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. Under the Corporation Code, Megawide may not make any distribution of dividends other than out of its unrestricted retained earnings.

Megawide declared dividends as follows during the past 3 years:

Date Approved	Record Date	Type	Amount	Date of Payment
April 8, 2013	July 19, 2013	Stock	P380,636,801.00	August 14, 2013
June 26, 2013				
May 14, 2014	October 22, 2014	Stock	P750,000,000.00	November 17, 2014
March 12, 2015	February 27, 2015	Preferred Shares	P70,250,000.00	March 3, 2015
March 12, 2015	May 8, 2015	Preferred Shares	P70,250,000.00	June 3, 2015
March 12, 2015	August 6, 2015	Preferred Shares	P70,250,000.00	September 3, 2015
March 12, 2015	November 6, 2015	Preferred Shares	P70,250,000.00	December 3, 2015

Recent Sales of Unregistered or Exempt Securities

Megawide made the following issuances of shares of stock:

- On May 15, 2013, Megawide issued shares of stock amounting to P35,959,523.00 from its authorized capital stock to Citicore, Geoffred Deetan, Ellie Chan and Dennis Bryan Ty.
- On May 24, 2013, Megawide issued shares amounting to P118,729,800 to Citicore pursuant to a Placing Agreement with Citicore, CLSA Limited and First Metro Investments Corporation relative to Megawide's Placing and Subscription transaction/offering.
- On August 14, 2013, Megawide issued stock dividends amounting to P380,636,801.00 to shareholders.
- On November 17, 2014, Megawide issued stock dividends amounting to P750,000,000.00 to shareholders.

The foregoing issuances are exempt transactions under Section 10.1 (d), (i), (k) of the SRC, for which no notice or request for exemption is required. Megawide, however, filed a Notice of Exempt Transaction with the SEC on the following dates:

August 1, 2013 – in relation to the stock dividends paid on August 14, 2013

February 13, 2014 - in relation to the issuance of shares on May 21, 2013

February 17, 2014 - in relation to the issuance of shares on May 15, 2013

The shares were not publicly offered and no underwriter was engaged for purposes of the issuance of the shares. There were also no underwriting discounts or commissions since there were no underwriters engaged.

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

Review of results for the year ended December 31, 2015 as compared with the results for the year ended December 31, 2014

Results of Operations

Review of financial condition as of December 31, 2015 as compared with financial condition as of December 31, 2014

Group Revenue increased by 54%

For the year ended 2015, the Group recorded a consolidated revenues of P15.44 billion – the highest in the history of the Group. This is 54% or P5.40 billion higher compared to the same period in 2014. The bulk of the revenue was from its core construction business that reached P13.96 billion while airport operation revenues contributed P1.48 billion or 10% of the consolidated top line.

Construction revenue increased by 42% or P4.12 billion compared to the same period in 2014 due to higher percentage of completion on on-going projects such as Araneta Gateway Tower 1, Meridian Park of Double Dragon, DepED school building project Phase 2, World Hotel Makati, Philamlife Corporate Tower in Mactan, Shangrila Salcedo Place, Fern Residences, Proscenium of Rockwell and three Solar Power farm projects. On top of the higher construction revenues posted in 2015, the Company likewise booked new contracts amounting to P37.73 billion. These new contracts include 8990 Tower in Edsa and Tondo of 8990 Holdings Inc., Tower One Plaza Magellan, Le Grand BPO Cluster Phase 1 & 2, South East Asia Campus of Megaworld, Philam Life Cebu of Philam Life Center Cebu, The Rise of The Rise Mixed Development Inc., Southwood Mall and Office Towers of Southwoods Mall Inc, Landers Warehouse Balintawak & Otis of Southeast Asia Retail, Inc.

Meanwhile, Megawide thru its airport subsidiary GMCAC posted its first full-year airport operation revenues from the Mactan-Cebu International Airport of P1.48 billion due to strong Aeronautical Revenues, Commercial Revenues and Rental Revenues as a result of the increased in passenger traffic of 15.5% compared to the same period in 2014. GMCAC continues to embark on new airline and destination marketing initiatives to add new routes and passenger volume, and at the same time continues to improve operating efficiencies in Terminal 1 to enhance passenger throughput.

In 2015, MCIA was voted as 18th best airport in Asia in a survey by a website that ranks airports based on responses from travelers.

Gross Profit increased by 84%

Gross profit earned from construction is P2.09 billion or 65% of the Group's gross profit and the balance pertains to airport operation. The Parent was able to outperform its gross profit in 2014 by P495M or 31% basically due to increase in construction revenue. On other hand, GMCAC booked a gross profit of P1.14 billion due to the increase in aero and non-aero related revenues.

Other Operating Expenses increased by 94%

The increase in other operating expenses is directly proportionate to higher construction revenues posted in 2015 compared to the same period in 2014. Moreover, the full year

impact of the operating expenses of GMCAC contributed to the increase in the consolidated Operating Expenses in 2015.

Operating Profit increased by 81%

The increase is a result of higher construction revenues posted in 2015 compared to the same period in 2014 and the full year impact from airport operation of the Mactan-Cebu International Airport

Finance Costs increased by 26%

Increase in finance cost is mainly due to interest cost of rehabilitated terminal 1 of GMCAC. Meanwhile, finance cost of construction segment decreased by P4.7 million.

Finance Income increased by 22%

The Group's finance income increased due to the interest income of the Parent Company on various short-term placements, which increased from P3.66 billion in 2014 to P6.0 billion in 2015.

Other Income decreased by 58%

Group's other income decrease is due to the decrease in gain on sale of equipment because the Parent has disposed majority of its old equipment in 2014. There is also a decrease in share in net profit of investment in associate and decrease in income on amortization of deferred gain on sale and leaseback.

Tax Expense increased by 247%

Tax expense increased due mainly on the expiration of the Parent's ITH Incentive in June 2015 and GMCAC's income tax for the full year of 2015.

Net Income increased by 66%

The Group's Consolidated Net Profit increased by P 587 million compared to the same period in 2014 due to strong earnings from both construction and airport operations.

Financial Condition

Review of results for the year ended December 31, 2015 as compared with the results for the year ended December 31, 2014

Current Assets increased by 31% or P5.37 billion

The following discussions provide a detailed analysis of the increase in current assets:

Cash and cash equivalents decreased by 26% or P1.16 billion

The decrease was due to higher cash used in investing activities compared to total cash generated from operating activities and cash from financing activities. The Group generated a net cash flow from operation amounting to P3.38 billion, of which P2.35 billion came from its construction business while airport subsidiary GMCAC contributed P1.03 billion. The Group also generated net cash flow of P1.65 billion from its financing activities, of the total net cash generated from both operating and financing activities, P2.33 billion was temporarily parked in short term fixed income placements for future deployment in accordance to its capital expenditures plan, P1.12 billion was placed under trust in accordance with cash flow waterfall requirement on GMCAC's bank loan, P1.41 billion was used to jump start the construction of the new Terminal 2 and facility improvements of the

old Terminal 1 of the Mactan-Cebu International Airport while P571 million was used to acquire new construction equipment to support the construction business of the Group.

Financial assets at fair value through profit or loss increased by 64% or P2.33 billion

The increase is due to repositioning of portion of cash and cash equivalents to short-term placements as part of the cash management program of the Parent Company.

Trade and other receivables – net increased by 65% or P3.07 billion.

Increase is primarily due to the increase in contract receivables which is proportionate to the higher construction revenues recognized for the year as a result of higher percentage of completion on on-going projects and increase in retention receivables due to more projects completed for the year compared to the same period in 2014.

Construction materials decreased by 9% or P29.67 million

The decrease is mainly due to timing difference in placing the purchase orders and actual deliveries of the goods from the suppliers.

Costs in excess of billings on uncompleted contracts – net increased by 29% or P798 million

The increase is typical cycle for projects near completion stage such as Bhotel, Rockwell Business Tower, the low-cost housing of NHA, New Frontier Theater and Hampton Towers M&N, wherein minimal revenues were recognized and similarly for new projects that just started because physical accomplishments is yet to be realized compared to cost accrued associated to mobilization and preliminary costs. These are projects like, BPO Araneta Cyberpark 2, Urban Deca Ortigas, Urban Deca Tondo and Southeast Asean Campus.

Other current assets increased by 29% or P354 million

The increase is mainly due to new downpayments paid to suppliers and subcontractor of the Parent related to its newly booked projects in 2015.

Non-current assets increased by 16% or P3.64 billion

The following discussions provide a detailed analysis of the increase in non-current assets

Concession asset increased by 9% or P1.30 billion

Increase is due to capital investments of airport subsidiary GMCAC related to the renovation and upgrading of existing terminal 1 and construction of the new terminal 2 of Mactan-Cebu International Airport.

Property and equipment – net increased by 5% or P234 million

The increase is mainly due to acquisition of construction equipment by the Parent Company that will be used to support the construction of new contracts booked in late 2014 to 2015.

Deferred tax assets decreased by P100% or P11 million

The decrease is due to utilization of income tax benefit of GMCAC from its previously recognized Deferred tax asset in 2014.

Other non-current assets increased by 116% or P2.08 billion

The establishment and filling up of the Debt Service Reserve Account (DSRA) amounting to P1.13 billion by the Parent's airport subsidiary GMCAC primarily contributed to the increase in other non-current assets. The setting up of the DSRA is part of the "Cash Flow Waterfall

Accounts” required under the Omnibus Loan and Security Agreement entered into between GMCAC and consortium Lenders last 2014 for the project financing of the construction of the new Terminal 2 and upfront premium paid to the government for the right to operate and maintain the Mactan-Cebu International Airport for 25-years.

Also in 2015, GMCAC used P684.47 million cash for downpayments to contractors and suppliers for the construction of airport terminal building and acquisitions of property and equipment, based on certain percentage of the contract price. The initial downpayment will eventually be recouped or deducted from the amount payable of GMCAC either in pro-rated basis or in full once billed by the contractor and supplier

Portion of increase in non-current assets also includes P112.36 million deferred transactions cost from GMCAC loan which will be treated as discount on the related debt upon drawdown.

Current liabilities decreased by 33% or P6.36 billion

The following discussions provide a detailed analysis of the decrease in current liabilities.

Interest-bearing loans and borrowings current decreased by 76% or P11.30 billion

GMCAC paid its short-term bridge loan last April 2015 amounting to P11.30 billion.

Trade and other payables increased by 137% or P3.86 billion

The increase is due to the longer credit term extended by the supplier to the Parent as a result of the Parent’s growing business relationship with its suppliers and the availment of the Vendors Prepayment Program offered by local banks providing the Parent an additional credit term up to 180 days on top of the credit term provided by the suppliers and subcontractors. The increase is also the result of GMCAC’s accrual of the construction cost billed by supplier and subcontractors of the Mactan Cebu International Airport terminal 2. The construction of terminal 2 started in June 2015.

Advances from customers increased by 54% or P595 million

The increase is the net effect of downpayments received by Parent for its new projects and recoupment of existing downpayment for its on-going projects. In 2015, the Parent Company received downpayments on new projects such as Philam Life Cebu , Southwood Mall and Office Towers, Proscenium, Le Grand BPO Clusters Tower 1 & 2, 8990 Tondo, Double Dragon and Landers Warehouse, Arthaland Superstructure.

Billings in excess of costs on uncompleted contracts – net increased by 284% or P437 million

Increase is mainly due to more revenues raised from on-going projects compared to actual cost accrued for the period such as Double Dragon of DD-Meridian Park Dev’t. Corp., Grass Tower 4 of SMDC., Philam Life Center Cebu of Philam Life, Southwoods Mall of Southwoods Mall Inc., BPO Araneta of Araneta Group, World Hotel of H2O Ventures, Proscenium of Rockwell, Le Grand BPO Cluster Tower 1 & 2 of Megaworld Corp., Landers Warehouse Otis and Balintawak and Power projects.

Other current liabilities increased by 75% or P47 million

Increase in deferred output VAT of GMCAC amounting to P31 million and Megawide amounting to P52 million. The deferred output VAT is based on revenue and will be due to government upon receipt of collection on trade receivables from customers.

Non-Current liabilities increased by 279% or P14 billion

Interest-bearing loans and borrowings - non-current increased by 277% or P13.93 million

On December 17, 2014, GMCAC entered into a P20 billion (which at GMCAC's option may be increased up to P23.3 billion) Omnibus Loan and Security Agreement with various banks. GMCAC availed a total of P13.95 billion in 2015. The proceeds of the loan was used to refinance the bridge facility of BDO which was used to partly finance the payment of the Project's Upfront Premium and to finance the capital expenditures and other costs in relation to the Project. Meanwhile, the Parent redeemed P40 million of its corporate notes and availed additional finance lease of P20 million in 2015.

Retirement benefit obligation increased by 21% or P13 million

Increase is due to accrual of retirement obligation by the Group.

Deferred tax liability increased by P145 million

Deferred tax liability pertains to deferred tax on the amortization of GMCAC's concession asset. For financial reporting purposes, the concession asset is amortized on a straight-line basis over the useful life of 25 years following the period covered by the Concession Agreement when the infrastructure is ready for use but for tax purposes, the concession asset is amortized based on its useful life. The difference between the tax depreciation and financial depreciation is recognized as deferred tax liability.

Other non-current liability increased by P94 million

This pertains to concessionaire's rental security deposits to GMCAC, which represents guarantee amounts deposited by concessionaires upon execution of their respective lease agreements entered into with GMCAC. These deposits shall be applied against whatever amounts may be necessary to cover unpaid bills with the remaining amount refundable to the concessionaires at the end of the lease term. Retention payable of GMCAC is also booked under non-current liability. Retention payable pertains to 10% withheld by GMCAC based on the billings of its subcontractors. The retention is payable upon completion of the contract of the subcontractor.

Equity attributable to Parent increased by 7% or P994 million

The increase is the mainly the function of the Parent's share in net income of the Group amounting to P1.27 billion and dividends paid on preferred shares amounting to P281 million in 2015.

Review of financial condition as of December 31, 2014 as compared with financial condition as of December 31, 2013

Financial Condition

Current Assets increased by 2% or P386 million

The following discussions provide a detailed analysis of the increase in current assets

Cash and cash equivalents – net increased by 95% or P2.16 billion

Cash and cash equivalents increased by 95% mainly due to the placement of P3.94 billion proceeds from preferred shares issuance in November 2014 into a one-month time deposit with a local bank. In addition, P0.13 billion was added in cash and cash equivalents as a result

of the consolidation of financial statements of Megawide (The Parent Company) and its subsidiaries.

In April 2014, the Parent Company invested P1 billion to GMCAC for a 60% stake. Accordingly, the Parent Company's equity ownership interest is accounted for as an investment in a subsidiary; and, starting in 2014, the financial statements of GMCAC are consolidated with that of the Parent Company.

Financial assets at fair value through profit or loss – decreased by 37% or P2.17 billion

- The Parent Company terminated some of its short term placements to deploy cash for investment in airport subsidiary GMCAC.

Trade and other receivables, net – increased by 15% by P633 million

The following accounts caused the net increase in trade and other receivables

- Retention receivable of the Parent Company increased by P536 million. This is due to the progress billings for 2014 that were subjected to retention by the clients. Retention receivable shall be collected upon project completion, supported by Certificate of Completion signed by management and acknowledged by the client.
- Receivable of GMCAC for the two months operations amounted P156 million for which billings were only released to customers in first quarter of 2015 as GMCAC is transitioning operations from MCIAA.

Cost in excess of billings increased by 23% or P511 million

- The increase is typical for the last semester project cycles wherein more projects are in near completion stage compared to projects about to start or at early semester project cycles; projects completed or near completion stage are Mplace Phase 1 and 2, Blue Residences, Grass Tower 2 and Jazz Residences, Linear Residences, Studio City, Studio Zen, Ihub 9 and 10 and FCC Cebu while newly started projects are Fern Residences of SMDC, BPO Araneta of Araneta Group, Shangrila Salcedo and Annapolis of Bayswater Realty, 8990 Tower of 8990 Holdings, Inc., World Plaza of Real Property Innovative Solutions Inc.

Construction materials decreased by 5% or P17 million

- Decreased in construction materials is due to decrease in deliveries of rebars from suppliers towards the end of the year. The rebars were subsequently delivered to projects in January 2015.

Other current assets decreased by 37% or P728 million

The following accounts caused the net increase in other current assets

- Input tax increased by P296 million due to Parent's purchases of construction materials and services and amortization of GMCAC's deferred input vat on the upfront bid premium paid to the government in April 2014. Vat on upfront bid premium is initially recorded as deferred input vat which is part of non-current assets. Deferred input vat is amortized over the useful life of concession asset which is 25 years. The amortized amount shall be reclassified to input tax.
- Prepaid tax increased by P99 million due to additional unused creditable withholding tax in 2014 because the Parent Company availed its income tax incentive in 2014.

- Advances to suppliers decreased by P1.15 billion due to application of these advances to the progress billings of suppliers and subcontractors and retention payables to subcontractors.

Non-current assets increased by 370% or P17.62 billion

The following discussions provide a detailed analysis of the increase in non-current assets

Investment in associate increases by 299% or P587 million

- This represents Megawide's equity subscription or participation in the Special Purpose Vehicle named Megawide World Citi Consortium Inc. (MWCCI) set-up mainly to handle the MPOC project it won in December 6, 2013.

Concessionaire Rights increased by 100% or P15 billion

- In April 2014, the Philippine Government through the DOTC and MCIAA granted GMCAC the rights to expand, operate and maintain the MCIA. In compliance to the Concession Agreement, GMCAC paid an upfront premium amounting to P14.40 million, net of VAT to MCIAA. In addition to the upfront premium, GMCAC has incurred capital investments related to the renovation and upgrading of existing terminal 1.

Plant, Property & Equipment increased by 9% or P383 million

- The increased of P383 million is due to newly acquired construction equipment by the Parent Company as part of its annual capital expenditures plan to support its increasing business operation. The Parent Company booked fifteen (15) projects in 2014 with total contract value of P10.5 billion and another four (4) projects in the first quarter of 2015 with total contract value of P10.6 billion.

Deferred tax asset decreased by 73% or P30 million

- The decrease is due to reversal of deferred tax asset on actuarial loss on retirement obligation because in 2014 there is already an actuarial gain as a result of decrease in discounts rate of 4.49% in 2014 from 5.32% in 2013 and salary increase rate of 5% in 2014 from 10% in 2013.

Other non-current assets increased by 836% or P1.61 billion

- The increase is mainly due to the unamortized portion of deferred input VAT on bid premium of GMCAC.

Total Assets of the Group increased by 84% or P18 billion

- The Group's total asset increase is primarily due to: (1) Preferred Shares proceeds (2) Payment by GMCAC to MCIAA for the upfront premium amounting to P14.40 million net of input vat. Input vat of the upfront premium amounted to P1.73 million (3) Investments of P0.5 million to MWCCI and (4) Acquisition of additional construction equipment.

Current liabilities increased by 143% or P11.20 billion

The following discussions provide a detailed analysis of the increase in current liabilities.

Interest-bearing loans and borrowings-current increased by 512% or P12.46 billion

- Increase is mainly due to short-term bridge loan facility entered into by GMCAC amounting P11 billion to fund the upfront premium it paid the government for the Concession Rights to expand, operate and maintain the MCIA. Last January 2015, GMCAC achieved financial closure for the project financing of the MCIA Project participated by syndication of local commercial and government banks and multi-lateral financial institution. The initial drawdown scheduled on April 2015 shall take-out and pay in full the short-term bridge availed by GMCAC amounting P11 billion.
- The Parent Company also obtained additional short-terms loan with local banks for its working capital requirements.

Trade and other payables increased by 39% or P784 million

- Increase is mainly due to GMCAC payable pertaining mostly to interest accrual on bridge loan obtained in 2014 amounting P302 million and balance of trade payables representing mostly liabilities to MCIAA for its share in passenger service charge and various professional fees and consultants engaged by the Company during the set-up phase. As GMCAC operated for only two months, about 75% of these payables have just been billed to GMCAC by suppliers.

In 2014, the minority shareholder and the Parent Company paid certain expenses of GMCAC on behalf of the Company during its set-up phase. The payments made by a minority shareholder, which is not eliminated in the consolidation amounted to P78 million as of the end of 2014. In 2015, GMCAC filed an application with SEC to convert payments made by its shareholders to capital stock.

Advances from customers increased by 11% or P109 million

- Advances from customer pertain to downpayment received from customers ranging from 15% to 20% of the contract amount. The downpayment shall be recouped based on the accomplishment on each progress billing submitted to the clients.

Increase in advances from customers is due to downpayments received for new projects in 2014, net of any recouplements from progress billings during the year.

Billings in excess of costs decreased by 93% or P2.16 billion

- New projects of the Parent Company such as 8990 Tower of 8990 Holdings, Inc., the Proscenium of Rockwell, Tower One Plaza Magellan of Megaworld, Philam Life Cebu of Philam Life, The Rise of The Rise Mixed Development Inc. and the MPOC did not start as scheduled in 2014, pushing construction towards the end of 2014 and early 2015 due to various external reasons such as design coordination with Clients, access to site and other related site conditions and Permitting Works which are typical and normal of start-up projects. With this, target construction revenues and progress billings were not met in 2014.

In 2015, there is a better outlook on construction revenues and progress billings due to expected ramp up in percentage of completion for projects mentioned above, Moreover, the Parent Company's Order Book soared to P 30.26 billion as of March 30, 2015 due to increase in new projects booked later part of 2014 and early 2015.

Other current liabilities increased by 18% or by P9.5 million

- The increase is the net effect of withholding tax of GMCAC amounting to P27 million but reduced by the decrease in unearned income of the Parent Company due to the P15 million amortization. Unearned income is the excess of cash over the book value of construction equipment booked under sale and leaseback transaction with local banks. Unearned income is amortized over the life of the construction equipment.

Non-Current liabilities decreased by P61 million

- The decrease in retirement obligation is due to decrease in discount rate used from 5.32% in 2013 to 4.49% in 2015. In addition, expected salary increase also decreased from 10% in 2013 to 5% in 2015.
- Other non-current liability decreased by 100% or P3.4 million due to its reclassification to current assets. Other non-current liability is the non-current portion of unearned interest income.

Total Liabilities of the Group increased by 86% or P11.13 billion

- The Group's total liabilities increase is primarily due to recognition of the short-term bridge loan facility entered into by Megawide's subsidiary, GMCAC, amounting P11 billion to fund the upfront premium it paid to the government for the Concession Rights to expand, operate and maintain the MCIA.

Total Equity of the Group increased by 57% or P4.85 billion

The following discussions provide a detailed analysis of the increase in equity.

Common stock increased by 45% or P750 million

- The increase was due to the P750 million stock dividends declared last June 30, 2014 at its annual stockholder meeting. The stock dividends equivalent to P750 million common shares of stock with par value of P1.0 each was taken from the unrestricted retained earnings of the Parent Company as of December 31, 2013.

Preferred stock increased by P40 million

- The increase is due to the issuance of 40 million preferred shares at P1.00 par value per share in November 2014.

Additional paid-in capital increased by 93% or P3.9 billion

- Increase is due to the issuance of 40 million preferred shares at P100 per share in November 2014. Par value of preferred shares is P1.00.

Revaluation reserves increased by 147% or P53 million

- Increase is due to the recognition of actuarial gain in 2014

Retained earnings increased by 4% or P115 million

- The increase is the net effect to the Group's net income amounting to P860 million less common stock dividend of the Parent amounting to P750 million.

Non-Controlling interest increased by P2 billion

- Non-controlling interest represent the 40% ownership of GMR Infrastructure Limited in the Special Purpose Vehicle company named GMCAC for the MCIA and 30% ownership of a minority shareholder in MCEI.

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

As regards internal and external sources of liquidity by Megawide, funding will be sourced from internally generated cash flows, and also from borrowings or available credit facilities from other local and international commercial banks.

There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.

There is no significant element of income not arising from continuing operations.

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

Cash Flows

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

(Amounts in P millions)	For the years ended December 31	
	2015	2014
Cash Flow		
Net cash provided by (used in) operating activities	3,380	(600)
Net cash used in investing activities	(6,188)	(15,646)
Net cash provided by financing activities	1,651	18,402

Key Performance Indicators

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

Amounts in billion P, except ratios and Earnings per Share	2015	2014	2013
Construction Order Backlog	P 39.06	P 22.63	P 20.30
Current Ratio ¹	1.78	.90	2.14
Debt to Equity Ratio ²	1.36	1.29	.87
Book Value Per Share ⁵³	4.35	3.93	5.18
Earnings per Share ⁴	.41	.35	.61
Return on Assets ⁵	.03	.03	.08
Return on Equity ⁶	.09	.07	.21
Gross Profit Margin ⁷	.21	.17	.16

Notes:

- (1) Current Assets / Current Liabilities
- (2) Interest bearing loans and borrowings / Stockholder's Equity
- (3) Total Equity / Issued and Outstanding Shares
- (4) Net Profit / Issued and Outstanding Shares
- (5) Net Profit / Average Shares
- (6) Net Profit / Average Equity
- (7) Gross Profit / Revenue

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

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

Item 7. Financial Statements

The audited financial statements and supplementary schedules to the financial statements duly submitted to BIR¹ are attached as Exhibit 2 hereto.

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

1. External Audit Fees and Services

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

¹Due for submission with the BIR on April 14, 2016.

Particulars	Nature	Audit Fees (amounts in P) For the years ended December 31		
		2015	2014	2013
Punongbayan & Araullo	Audit of Financial Statements	1,485,000	1,350,000	P1,050,000

Except for the preparation of the financial statements required for Megawide's annual filing with the SEC and the submission of the required financial statements in relation to the registration of its securities, the afore-cited independent public accountant provide no other type of services.

Audit Committee Pre-Approval Policy

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

The Audit and Compliance Committee is required to pre-approve all audit and non-audit services rendered by and approve the engagement fees and other compensation to be paid to the independent accountant. When deciding whether to approve these items, Megawide's Audit and Compliance Committee takes into account whether the provision of any non-audit service is compatible with the independence standards under the guidelines of the SEC. To assist in this undertaking, the Audit and Compliance Committee actively engages in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take appropriate action to ensure their independence.

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

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

Auditor	Year	Handling Partner
Punongbayan & Araullo	2015 and 2014	2014 and 2015 – <i>Leonardo D. Cuaresma, Jr.</i>

Megawide has not had any disagreements with its internal auditor/independent accountant on any matter of accounting principles or practices, financial statement of disclosure or auditing scope or procedure.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of Megawide

Directors and Executive Officers

As of December 31, 2015, Megawide is governed by a board of seven (7) directors composed of Michael C. Cosiquien, Edgar B. Saavedra, Yerik C. Cosiquien, Elizabeth Anne C.

Uychaco, Florentino A. Tuason, Jr., Leonor M. Briones and Leonilo G. Coronel. Its management team is headed by licensed civil engineers who have been practicing for 16-17 years, namely, its Chairman and Chief Executive Officer, Michael C. Cosiquien and Chief Operating Officer and President, Edgar B. Saavedra.

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

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

Section 38 of the SRC requires that at least 2 members of the Board of Directors be independent directors. The Amended Articles and Incorporation and By-Laws of Megawide provide that the 7 directors shall include such number of independent directors as may be required by law.

The table below sets forth each member of Megawide's Board as of December 31, 2015.

	Name	Age	Citizenship	Positions	Term of Office	Directorships Held in Other Companies/ Business Experience
1.	Michael C. Cosiquien	42	Filipino	Director and Chairman of the Board since July 28, 2004 Chief Operating Officer - since July 19, 2010	Yearly	Chairman of the Board - Citicore Power Inc., Chairman of the Board - Citicore Infrastructure Holdings, Inc. Director, Altria East Land Inc. Director, MySpace Director, Megapolitan Director, Megapolitan Marketing Inc.
2.	Edgar B. Saavedra	41	Filipino	Director and President since July 28, 2004 Chief Operating Officer - since July 19, 2010	Yearly	Director, Citicore Power Inc. Director - Citicore Infrastructure Holdings, Inc. Director, Altria East Land Inc. Director, My Space Director, Citicore
3.	Yerik C. Cosiquien	37	Filipino	Director - Since July 28, 2004	Yearly	General Manager, Cosmo Fortune Corporation
4.	Elizabeth Anne C. Uychaco	60	Filipino	Director - since March 16, 2011	Yearly	Senior Vice President, Corporate Services, SM Investments Corporation Vice Chairperson, Belle Corporation
5.	Florentino A. Tuason, Jr.	66	Filipino	Director - since April 8, 2011 Corporate Secretary	Yearly	Former director, DBP Management Corporation, Capitol

				- since June 3, 2011		Development Bank, Telecommunications Industries and Services, Inc. and Phoenix Iron Steel Corporation
7.	Leonilo G. Coronel	69	Filipino	Independent Director - since July 19, 2010	Yearly	Director, Software Ventures, Int'l Executive Director, RBB Micro Finance Foundation Independent Director, DBP-Aiwa Securities SMBC Phils. Inc.
6.	Leonor M. Briones	75	Filipino	Independent Director - since July 19, 2010	Yearly	President, Social Watch Philippines, Inc. Former Treasurer of the Philippines Former Vice President for Finance and Administration of the University of the Philippines System Former Secretary to the Commission on Audit

The table below sets forth the officers of Megawide as of December 31, 2015.

Executive Officers Who Are Not Directors

	Name	Age	Citizenship	Position	Term of Office	Directorships Held in Other Companies/ Business Experience
1.	Louie Ferrer	39	Filipino	VP for Marketing -since November 22, 2010 Corporate Information Officer - since February 16, 2011	Yearly	President-GMCAC, Managing Director, MagicWorx Licensing Inc. Former Associate Marketing Engineer, OCB International Co., Ltd
2.	Oliver Y. Tan	38	Filipino	Chief Investment and Strategy Officer - since November 22, 2010 Corporate Information Officer - since February 21, 2011 Chief Financial Officer - since May 20, 2011	Yearly	Director- Citicore Power Inc. Director - Citicore Infrastructure Holdings, Inc. CFO, Citicore, CMCI, MWCCI, GMCAC and MCEI Director, Myspace Properties, Citicore, CMCI, GMCAC and MCEI Director and Corporate Secretary, Future State Myspace Property, Inc. and IRMO Incorporated

3.	Irving C. Cosiquien	43	Filipino	Treasurer - since July 19, 2010	Yearly	Director, Citicore and MySpace Properties, Inc. General Manager, Megapolitan Marketing, Incorporated Former Operations Manager, Jimmian Hardware
4.	Engr. Masashi Watanabe	66	Japanese	Assistant Vice President for Precast - since June 30, 2010	Yearly	Project Manager, Taichung City West Treatment Center Section Manager, Twin Towers Condominium Project in Hiroshima Project Section Manager, Japan Embassy Project in Moscow
5.	Tarc Forehlich	38	German	Chief Technical Officer - since May 1, 2013	Yearly	Project Engineer, JV EEI Concrete Construction Water Blu and Walter Bau Dywidag Regional Director, Meva Formworks System
6.	Claudia J. Soriano	47	Filipino	Vice-President – Human Resources - since March 1, 2011	Yearly	Director for Employment, Cebu Air, Inc. Assistant Resource Manager, Robinsons Land Corporation Assistant Personnel Manager, Manila Galleria Suites
7.	Renato H. Uy	50	Filipino	Vice-President – Comptroller - since May 1, 2012	Yearly	Executive Vice-President, Goldland Group of Companies Senior Auditor, SGV & Company
8.	Ronald D. Paulo	50	Filipino	Vice-President – Operations - since February 1, 2012	Yearly	Corporate Project Director, Robinsons Land China Property and Facilities Supervisor, Cityland Development Corporation
9.	Joyce M. Briones	35	Filipino	Assistant Corporate Secretary - since December 31, 2014 Corporate Information Officer - since February 16, 2011	Yearly	Assistant Corporate Secretary, GMCAC, MCEI and St. Luke’s College of Medicine William H. Quasha Memorial, Inc.

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

Chairman Michael C. Cosiquein, director Yerik C. Cosiquein and Treasurer Irving C. Cosiquien are siblings.

Involvement in Certain Legal Proceedings

Megawide is not aware of the occurrence during the past 5 years of any of the following events that are material to an 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 two years prior to that time;
2. Any director, nominee for election as director, or executive officer being convicted by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Any director, nominee for election as director, or executive officer being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. Any director, nominee for election as director, or executive officer being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

All Officers and Directors as a Group

SUMMARY COMPENSATION TABLE Annual Compensation (In P Millions)

Name and Position	Fiscal Year	Annual Salary	Bonus	Other Compensation
Michael C. Cosiquien Chairman and CEO				
Edgar B. Saavedra President and COO				
Ronald Paulo VP – Operations				

Tarc Froehlich Chief Technical Officer				
Masashi Watanabe Vice-President - Precast				
CEO & Most Highly Compensated Executive Officers	2016	68.79	6.25	
	2015	65.51	5.95	-
	2014	62.38	4.58	-
Aggregate compensation paid to all other officers and directors as a group unnamed	2016	12.22	2.00	
	2015	11.63	1.90	-
	2014	11.63	.68	-

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 10% of the net income before income tax of the corporation 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 of Directors, upon recommendation of the Compensation Committee, approved the giving of P20,000.00 director's per diem per Board meeting and a P30,000.00 monthly allowance in the form of reimburseable expenses for each regular director. Each independent director will be given P25,000.00 director's per diem per Board meeting and a P30,000.00 monthly allowance in the form of reimburseable expenses. The Corporate Secretary (who is also a regular director) will be given a P20,000.00 director's per diem per Board meeting and a P30,000.00 monthly allowance in the form of reimburseable expenses. Reimburseable expenses cover receipts for food, beverage, gasoline and travel expenses. The total amount of per diem given to the directors in 2015 is P 7,861,176.

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 Chief Executive Officer, other officers and/or directors.

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

There are no existing employment contracts with executive officers. Furthermore, there are no special retirement plans for executives. There is also no existing arrangement for compensation to be received by any executive officer from Megawide in the event of change in control of Megawide. However, aside from its employees, Megawide also entered into employment contracts with its foreign experts for a term of 3 years for its Assistant Vice-President for Operation and 1 year for its Assistant Vice President for Precast. Basic terms of these contracts include benefits accorded to the employee (e.g., housing, insurance, vacation leaves, company vehicle, work permits), Megawide's ownership of any invention

developed during their employment, liquidated damages in the event of contract pre-termination, and a non-compete clause prohibiting the employee, for a period of two (2) years 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.

The Assistant Vice President for Operations is tasked with directing and coordinating all activities of Megawide and ensuring the most feasible methods for achieving the most economical approach in quality services. His contract is valid from July 30, 2010 to July 30, 2013 and is being renewed for another three (3) years, in which the current contract is valid until September 30, 2018. The Assistant Vice President for Precast, on the other hand, shall oversee all plant activities and manufacturing operations, including the procurement of raw materials, mobilization of the facilities and personnel, as well as the repair and maintenance of the equipment and machineries. His contract was valid from June 30, 2010 to June 30, 2011 and is being renewed for another three (3) years, in which the current contract is valid until April 30, 2016.

Warrants and Options

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than 5% of Megawide’s shares of stock as of March 31, 2016 were 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	Citicore Holdings Investment, Inc.		Filipino	1,362,957,505	56.804%
Common	PCD Nominee Corporation (Filipino)		Filipino	459,534,086	19.152%
Common	Sybase Equity Investments Corporation		Filipino	368,766,450	15.369%
Common	PCD Nominee Corporation (Non-Filipino)		Filipino	157,339,497	6.557%

The following table sets forth the participants under the PCD account who own more 5% of the voting securities of Megawide:

Name	Number of Shares Held	Percent (%)
Citibank N. A.	132,275,205	21.443%

Citibank N. A.	128,422,218	20.818%
BDO Securities Corporation	46,361,469	7.516%
Maybank ATR Kim Eng Securities, Inc.	46,362,365	7.510%
A & A Securities, Inc.	42,526,907	6.894%

2. Security Ownership of Management

Security Ownership of Directors and Management

The following table sets forth security ownership of Megawide's directors and officers as of March 31, 2016:

Title of class	Name of beneficial owner	Amount and nature of beneficial owner	Citizenship	Percent of Class
Common	Michael C. Cosiquien Director, Chairman and CEO	1 (Direct) 2 (Indirect)	Filipino	Nil
Common	Edgar B. Saavedra Director, President and COO	1 (Direct) 2 (Indirect)	Filipino	Nil
Common	Yerik C. Cosiquien Director	8,996,108 (Indirect)	Filipino	0.37%
Common	Elizabeth Anne C. Uychaco Director	59,003 (Indirect)	Filipino	Nil
Common	Florentino A. Tuason, Jr. Director and Corporate Secretary	246 (Direct)	Filipino	Nil
Common	Leonilo G. Coronel Independent Director	5 (Indirect)	Filipino	Nil
Common	Leonor M. Briones Independent Director	5 (Indirect)	Filipino	Nil
Common	Louie Ferrer VP for Marketing Corporate Information Officer	0	Filipino	Nil
Common	Oliver Y. Tan Chief Financial Officer Chief Investment and Strategy Officer Corporate Information Officer	24,585 (Indirect)	Filipino	Nil
Common	Irving C. Cosiquien Treasurer	8,996,105 (Indirect)	Filipino	0.37%
Common	Masashi Watanabe Assistant Vice President for	7,376 (Indirect)	Japanese	Nil

	Precast			
Common	Joyce M. Briones Corporate Information Officer	7,868 (Direct) 1,702 (Indirect)	Filipino	Nil
Aggregate shareholdings of directors and officers	18,039,009			0.75%

Voting Trust Holders of 5% or More

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

Change in Control

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

Item 12. Certain Relationship and Related Transactions

RELATED PARTY CATEGORY	AMOUNT OF TRANSACTIONS	OUTSTANDING RECEIVABLE (PAYABLE)
Ultimate Parent Company		
Cash advances obtained	318,002,680	(14,461,850)
Shareholders:		
Revenue from services	14,116,562	6,433,075
Payment of outstanding Dividends	1,983,227	-
Cash advances granted	(74,493)	-
Advances obtained	(801,841)	(801,841)
Minority shareholders and their affiliates:		
Airport operator's fee	17,966,326	-
Advances obtained	-	(108,071,223)
Advances collected	(187,505)	-
Associate:		
Revenue from services	243,668,516	853,978,621
Advances granted	54,050	54,050
Advances obtained	20,000,500	(20,000,500)
Related Parties Under Common Ownership:		
Cash deposits	616,818,539	813,767,179
Notes payable	-	(1,000,000,000)
Obligation under finance lease	(31,941,735)	(95,213,384)
Bank loans	3,113,493,073	(8,952,905,914)
Rent income	490,179	517,616
Interest expense	194,276,566	(57,664,121)
Revenue from services	2,998,314,228	1,864,275,359

Advances from customers	114,248,283	(39,660,186)
Rent expense	3,219,617	-
Advances granted	9,699,905	10,835,421
Advances obtained	(6,134,183)	(6,134,183)
Retirement Fund	(11,495)	3,916,725
Advances to Officers and Employees	(28,437,528)	9,785,798
Key Management Personnel – Compensation	127,139,693	-

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

Please refer to attached Annual Corporate Governance Report.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

a. Exhibits

Exhibit 1* Quarterly Report (SEC Form 17-Q)

*Please refer to the Quarterly Report (SEC Form 17-Q) submitted to the SEC.

Exhibit 2 Consolidated Financial Statements and Schedules

Material Contracts

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

Construction Contracts

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

These construction contracts generally contain a warranty from Megawide that it shall be responsible for, and shall indemnify and hold the customer free and harmless from and against all losses, expenses, judgments, court costs, attorney’s fees, demands, payments, suits, action, recoveries, decrees, execution and claim of every nature and description brought and/or recovered by the said contracts. Payment of liquidated damages, computed at 1/10 of 1% of the total contract price, up to a maximum of 10% of the total contract amount, per calendar day of delay, is stipulated in said contracts.

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

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

PPP Contracts

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

(i) Agreements executed by the Department of Education and CMCI for the PSIP I Projects

- (a) Build Lease Transfer Agreement (for Package B) dated October 8, 2012 with a contract price of 5,229,899,136 for the construction of school buildings in Region III;
- (b) Build Lease Transfer Agreement (for Package C) dated October 8, 2012 with a contract price of 7,229,899,136 for the construction of school buildings in Region IV-A; and

The PSIP involves the construction, maintenance and lease of school buildings under a Build-Lease Transfer (BLT) framework. Under the BLT, CMCI will build over 7,000 classrooms then lease the same to DepEd for 10 years before transferring the school buildings to DepEd.

(ii) Agreement executed by the Department of Education and Megawide for the PSIP II Projects

On October 17, 2013, Megawide executed a Build Transfer Agreement with the DepEd for the construction of school buildings in Regions I, II, III and CAR with contract price of P2,255,923,096.49.

(iii) Build Operate Transfer Agreement executed by MWCCI and the DOH

On March 6, 2014, Megawide's 51%-owned subsidiary, MWCCI, executed a Build Operate Transfer Agreement with DOH relative to the MPOC Project for a total contract price of approximately P5.69 Billion. The BOT Agreement covers the design, construction, operation and maintenance of the hospital for the designated 25-year concession period, and then turnover the hospital to the DOH at the end of such period.

MWCCI has complied with the requirements under the BOT agreement for which it incurred significant costs including, among others, the costs for securing the construction performance, incorporation and equity requirement of MWCCI, project development costs, and securing the financing of the MPOC Project in order to achieve the financial close of the BOT Agreement. The foregoing were incurred to ensure MWCCI's timely compliance with its obligations and deadlines under the BOT Agreement. On the other hand, despite repeated reminders and letters, the

DOH failed to comply with its obligations under the BOT Agreement, particularly among others, the appointment of the independent consultant, the issuance of the certificate of possession over the MPOC Project site, and the issuance of Notice to Commence Construction as stipulated in the BOT Agreement.

Under the foregoing circumstances, on November 11, 2015, MWCCI sent a Notice of Termination of the BOT Agreement to DOH, which was accepted by DOH on March 3, 2016.

(iv) Concession Agreement executed by GMCAC and DOTC and MCLAA

On April 22, 2014, GMCAC executed a concession agreement for the renovation of the MCIA and the construction of a new and 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. The Concession Period is for 25 years.

(v) Concession Agreement executed by MWMTI and DOTC

On February 25, 2015, MWMTI entered into a BOT agreement with the DOTC to undertake the ITS Project. Upon completion of the project, MWMTI shall operate and maintain the facility, which is divided into terminal and commercial areas, within the agreed concession period of 35 years from the date of the completion of the construction, which is equivalent to 18 months. Upon the start of the commercial operations, MWMTI will receive certain annual cash support from DOTC throughout the 35 years. MWMTI shall then turnover the facility to the DOTC at the end of the concession period.

Operating and Finance Lease

In the conduct of its ordinary course of business, Megawide enters into finance lease agreements with financing companies for its vehicles and equipment for terms 36-60 months. As of December 31, 2015, total carrying amount of transportation equipment and construction equipment held under finance leases amounted to P228,495,905. Outstanding liabilities for the finance leases as of December 31, 2015 amounted to P154,602,178.

Leased Properties

Megawide is leasing the 1,493 sq. m. property at N. Domingo St., Barangay Valencia, Quezon City where its corporate office is located from Megapolitan. The lease agreement is valid until February 5, 2016 and Megawide pays a monthly rental of PP196,619.40. The lease agreement with Megapolitan was renewed for additional 2 years. Megawide leases an office space from Philwide with a monthly rental of P1,000.00. It also leases an office space from Philwide. Megawide pays a rental of P1,000.

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

Date	Lease	Duration	Location	Area	Monthly Rental
May 11, 2015	Flora E. Perez	May 11, 2016	Juan Luna Ave. Chrysanthemum Village, San Pedro Laguna		P18,947 inclusive of taxes
March 1, 2015	La Fuerza Inc.	March 31, 2016	Don Mariano Lim Compound Alabang-Zapote Rd. Almanza Uno Las Piñas City	90 sqm.	30,240 inclusive of taxes
July 14, 2015	Abihail Corporation	January 13, 2016	Edsa & Sierra Madre St., Brgy. Highway Hills, Mandaluyong City	990 sqm.	P332,640 inclusive of taxes
April 1, 2014	Myrna Tomas	March 31, 2016	87 Mindanao Ave., Brgy. Pag-Asa /B.Bantay Quezon City.	809.50 sqm	P120,960 inclusive of taxes, w/ 8% esc. Starting 4/1/15.
April 11 2014	LVN Pictures Inc.	April 11, 2016	Brgy. Kaunlaran Cubao, Quezon City.	2,019.38 sqm.	P271,404.67 inclusive of taxes
June 1, 2013	New Zealand Creamery, Inc.	May 31, 2016	Yakal St. Cor. Talisay St. Makati City	1,350 sqm.	P200.00/sqm inclusive taxes, or a total of P270,000
June 1, 2013	New Zealand Creamery, Inc.	May 31, 2016	Yakal St. Cor. Talisay St. Makati City	1,176 sqm.	P200.00/sqm inclusive of taxes, or a total of P235,200
February 1, 2010	MEGAPOLITAN REALTY AND DEVELOPMENT CORP.	February 2, 2016	N. Domingo St. Brgy. Valencia Quezon City	1,493 sqm	P235,628.6800 inclusive of taxes and 7% escalation every year.
June 1, 2015	Kenneth Lim	June 2, 2016	Unit PR3325 Princeton Residences Gilmore, Quezon City		P15,789.47 inclusive of taxes
March 1, 2013	Dizon Farms Produce, Inc.	March 1, 2018	Ligid, Tipas , Taguig City	615 sqm	P75.00/sqm. inclusive of taxes, or amount of P46,125.00
November 1, 2013	Aguacate Marketing Corp.	October 31, 2018	Tipas St. Taguig City	1,450 sqm	P150.00/sqm inclusive of taxes or a total of P217,500.00
Sept. 15, 2014	The Luxe Residences	April 15, 2016	118 H.V. dela Costa St.,	980 sqm	294,000 inclusive of VAT and other

	Development Inc.		Salcedo Village, Makati City.		taxes
April 1, 2014	Eldan Land Use Management And Development	March 31, 2016	Mariano St. Cor. A. Luna, Makati City	399 sqm.	84,000 inclusive of taxes, and 5% esc. Starting 4/1/15.
August 1, 2015	Hanston Properties Inc.	July 31, 2017	818 Pantaleon St. Cor. Barangka Drive Mandaluyong City	1,000 sqm.	145,600 inclusive of taxes
Dec 1, 2015	Hanston Properties Inc	July 31, 2017	818 Pantaleon St. Cor. Barangka Drive Mandaluyong City	1,009.56 sqm.	146,991.94 inclusive of taxes
December 1, 2012	Josefino V. Cabrera	December 1, 2017	Sapang Viejo, Ligid-Tipas Taguig City	2,327 sqm.	139,620 inclusive of taxes
June 24, 2013	Carolina Q. Villongco	October 25, 2016	4760 Mariano St. Brgy. Poblacion, Makati City.	180 sqm	52,631.5790 inclusive of taxes
September 1, 2014	Maria Elma Javier Loresca	June 30, 2016	Sixto Antonio Ave., Brgy. Maybunga, Pasig City.	310 sqm.	63,157.8948 inclusive taxes

Loan Agreements

The Group has existing credit lines granted per bank (amounts in P Millions) as of date:

Bank	Credit Line	Outstanding Line	Available Credit Line
BDO Unibank, Inc.	13,900.00	9,116.00	4,784.00
Bank of the Philippine Islands	4,050.00	2,984.00	1,066.00
Metrobank	2,700.00	1,730.00	970.00
Philippine National Bank	3,200.00	1,537.00	1,663.00
Security Bank	800.00	-0-	800.00
HSBC (USD millions)	707.49	582.65	124.84
Standard Chartered Bank (USD millions)	943.32	215.88	727.44
Land Bank of the Philippines	3,840.00	2,932.00	908.00
Development Bank of the Philippines	4,810.00	1,953.00	2,857.00
Asian Development Bank	3,300.00	518.00	2,782

Additionally, Megawide has the following loan agreements:

P3 Billion – BDO Private Bank

On July 11, 2011, Megawide entered into a P3 Billion Notes Facility Agreement with BDO Private Bank, Inc. – Wealth Advisory and Trust Group to fund Megawide’s capital expenditure requirements. The note earns interest at the rate per annum which is equal to the interest rate based on the relevant Philippine Dealing System Treasury Fixing (PDST-F) benchmark rate referenced to the bid yield for treasury securities of maturity similar to the one month plus a margin from 125 to 150 basis points.

As of date, the outstanding amount on the Notes Facility is P900 Million.

The final maturity dates of the notes issued pursuant to this Agreement are in 2016.

P6.5 Billion Notes Facility Agreement

On December 7, 2012, Megawide, as Sponsor, entered into a P6.5 Billion Notes Facility Agreement with CMCI as Issuer, Citicore as Sponsor, and several banking institutions. The P6.5 Billion Notes Facility Agreement is for the purpose of financing the debt portion of the total project cost of PSIP Contract Package B for Region III and Contract Package for Region IV-A.

In consideration of the commitments made by the noteholders to CMCI in accordance with such agreement, and to ensure the payment by CMCI of all its obligations under such agreement and other loan documents, and for other good and valuable consideration, CMCI assigned to the security trustee appointed under the agreement for the benefit of the noteholders all CMCI’s rights, title and interests into its project accounts, project receivables and project documents (subject to governmental approval, including the Build Lease Transfer Agreements with the government), among others.

In April 2015, the loan was paid in full.

Repurchase Agreement

On March 23, 2015, CMCI executed an RPA with certain local commercial banks, whereby the CMCI shall offer all outstanding finance lease receivables arising from the PPP school infrastructure project within the purchase period on a limited recourse basis such as upon, the occurrence of certain repurchase events under the RPA. Consequently, Megawide became a guarantor under the RPA.

P4.0 Billion Notes Facility Agreement

On February 19, 2013, Megawide, as Issuer, entered into a P4 Billion Notes Facility Agreement with several banking institutions. The P4 Billion Notes Facility Agreement is for the purpose of funding Megawide’s working capital requirements and for general corporate purposes.

As of date, the outstanding amount on the notes facility is P3.20 Billion.

The final maturity dates of notes issued under this Agreement are in 2018, 2020 and 2023, respectively.

P11.3 Billion Omnibus Loan and Security Agreement

On April 8, 2014, Megawide, as Sponsor, Assignor and Pledgor, entered into a P11.3 Billion OLSA with GMCAC as Borrower, GMR Infrastructure Limited as Sponsor, Assignor and Pledgor, GMR Infrastructure (Singapore) Pte. Limited as Assignor and Pledgor and BDO Unibank, Inc. as Lender. The P11.3 Billion OLSA is for the purpose of partially funding the payment of the bid premium of the MCIA Project.

In consideration of the commitments made by the lender to GMCAC in accordance with such agreement, and to ensure the payment by GMCAC of all its obligations under such agreement and other loan documents, and for other good and valuable consideration, GMCAC assigned to the security trustee appointed under the agreement for the benefit of the lender all its rights, title and interests into its project accounts, project receivables and project documents, among others.

On May 5, 2015, GMCAC paid all outstanding loans.

P2.0 Billion OLSA

On December 17, 2014, the GMCAC entered into a P2,000.0 million (which at GMCAC's option may be increased up to P2,330.0 million) OLSA with various local universal banks, as onshore lenders. On January 26, 2015, the parties amended the facility to include another local universal bank as offshore lender to contribute US\$75.0 million (or equivalent to P3,500.0 million) into the facility. The facility has a term of 15 years, the repayment of which starts in 2019 and shall continue every year thereafter until 2030.

As of December 31, 2015, the amount of undrawn borrowing facility that may be available in the future amounted to P6,300.0 million and US\$64.0 million for onshore and offshore loans, respectively.

P2.9 Billion OLSA

On October 2, 2014, Megawide, as Guarantor, entered into a P2.9 Billion OLSA with MWCCI as Borrower, Land Bank of the Philippines and Development Bank of the Philippines as Lenders. The P2.9 Billion OLSA is to finance the construction cost of the new POC.

On October 13, 2015, the banks informed MWCCI that the financing is already subject to cancellation or revalidation. Given that there was no indication from DOH as to when it will comply with its obligations, MWCCI was constrained to cancel and not to revalidate the financing agreement.

P3.3 Billion OLSA and P100 Million Irrevocable Letter of Credit

On December 18, 2015, MWMTI entered into an omnibus loan and security agreement with a local universal bank for a loan facility amounting to P3.300 billion to finance the construction of the ITS Project. The loan facility, which has Megawide and Waltermart as

pledgers and sureties, is already available to MWMTI based on the drawdown schedule provided in the loan facility. As of date, there is no outstanding loan amount.

Moreover, MWMTI is committed for a construction performance security amounting to P100.0 million in the form of irrevocable unused letter of credit to the DOTC, which was guaranteed by Megawide.

Shareholders Agreements

Agreement with Philcarbon Inc. in relation to MCEI

On June 27, 2014, Megawide entered into a Shareholders' Agreement with PhilCarbon Inc., a renewable energy developer to establish a company that will engage in the development of energy projects for Megawide. Pursuant to said Shareholders' Agreement, MCEI was incorporated on September 4, 2014.

Under the Shareholders' Agreement, Megawide shall own 70% of MCEI and provide 100% of the funds needed to capitalize and operate MCEI. PhilCarbon shall own 30% of MCEI. MCEI's Board shall be composed of 5 directors designated by Megawide and 2 directors designated by PhilCarbon. MCEI will initially develop energy projects to be selected by the MCEI Board from the current portfolio of stage zero projects of PhilCarbon.

Agreement with GMR in relation to GMCAC

On April 8, 2014, Megawide entered into a Shareholders' Agreement with GMR setting forth the terms and conditions governing their participation in the share capital of GMCAC, and their rights and obligations as shareholders in relation to GMCAC. Under said Shareholders' Agreement, the parties defined the business of GMCAC, the required manpower support from each shareholder, the composition of the board, formation of committees and the management team for the orderly management of the MCIA Project, conduct of board and shareholder meetings as well as restrictions on the transfer rights of the stockholders and issuance of additional shares.

Agreement with WP Property Management Inc. (WMPMI) in relation to MWM Terminals, Inc.

Megawide and WMPMI entered into Memorandum of Understanding dated November 21, 2014 whereby both parties set forth their basic rights and conditions as shareholders in relation to MWM Terminals, Inc. Under said Shareholders' Agreement, the parties defined the business of MWM Terminals, Inc., shareholders structure, the composition of the board, and the management team and conduct of board and shareholder meetings as well as restrictions on the transfer rights of the stockholders and issuance of additional shares.

b. Reports on SEC Form 17-C**

Megawide filed the following reports on SEC Form 17-C during the last six (6) month period covered by this Report:

Date Filed	Particulars
June 10, 2015	Report on the number of shareholders owning 1 board lot each and Foreign Ownership as of May 31, 2015

June 10, 2015	Annual List of stockholders for 2015
July 6, 2015	Clarification of new article posted in BusinessWorld Online on the capital expenditure budget for MCIA
July 6, 2015	<p>Election of the following members of the Board of Directors for the ensuing year:</p> <ol style="list-style-type: none"> 1. Michael Cosiquien; 2. Edgar B. Saavedra; 3. Yerik C. Cosiquien; 4. Elizabeth Anne C. Uychaco; 5. Florentino A. Tuason, Jr.; 6. Leonor M. Briones (independent director); and 7. Leonilo G. Coronel (independent director). <p>Approval by the stockholders of the following:</p> <ol style="list-style-type: none"> a. Minutes of the June 30, 2014 Annual Stockholders' Meeting; b. Ratification of all acts of Management and the Board of Directors as reported by the President and stated in the Information Statement for the year ended December 31, 2014; c. Audited Financial Statements for year ended December 31, 2014; d. Appointment of Punongbayan & Araullo as independent auditors; and <p>Election of the following as officers of Megawide for the ensuing year:</p> <p>Chairman and Chief Executive Officer - Michael Cosiquien</p> <p>President and Chief Operating Officer - Edgar Saavedra</p> <p>Treasurer - Irving Cosiquien</p> <p>Corporate Secretary - Florentino A. Tuason, Jr.</p>

	<p>Chief Financial Officer / Chief Investment and Strategy Officer / Corporate Information Officer - Oliver Tan</p> <p>Chief Marketing Officer / Corporate Information Officer - Louie Ferrer</p> <p>Assistant Corporate Secretary / Compliance Officer and Corporate Information Officer - Joyce Briones</p> <p>Appointment of the following as members of the Board Committees:</p> <p><u>Executive Committee</u></p> <p>Michael Cosiquien – Chairman Edgar Saavedra – Member Elizabeth Anne Uychaco – Member Oliver Tan - Member</p> <p><u>Audit and Compliance Committee</u></p> <p>Leonilo Coronel (independent director) - Chairman Elizabeth Anne Uychaco - Member Michael Cosiquien - Member</p> <p><u>Compensation and Nomination Committee</u></p> <p>Elizabeth Anne Uychaco - Chairman Leonor Briones (independent director) Yerik Cosiquien - Member Louie Ferrer - Member Leonilo Coronel (independent director) - Member Florentino A. Tuason, Jr.- Member Edgar Saavedra - Member</p> <p><u>Risk Committee</u></p> <p>Leonor Briones (independent director) – Chairman Leonilo Coronel (independent director) – Member Michael Cosiquien - Member Edgar Saavedra - Member Elizabeth Anne Uychaco - Member Florentino A. Tuason, Jr. - Member</p>
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July 13, 2015	Report on the number of shareholders owning 1 board lot each and Foreign Ownership as of June 30, 2015
July 20, 2015	List of Top 100 Stockholders as of June 30, 2015
July 20, 2015	Public Ownership Report as of June 30, 2015
July 20, 2015	Report on use of proceeds from follow-on offering of preferred shares, as of June 30, 2015
August 12, 2015	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of July 31, 2015
August 13, 2015	Incorporation of Silay Solar Power, Inc.
September 9, 2015	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of August 31, 2015
October 2, 2015	Clarification of new article posted in Philippine Daily Inquirer and Philippine Star on solar projects
October 8, 2015	Report on number of shareholders owning 1 board lot each and Foreign Ownership Report as of September 30, 2015
October 19, 2015	List of Top 100 Stockholders as of September 30, 2015
October 19, 2015	Public Ownership Report as of September 30, 2015
October 19, 2015	Report on use of proceeds from follow-on offering of preferred shares, as of September 30, 2015
October 19, 2015	Attendance in corporate governance seminar
November 11, 2015	Report on number of shareholders owning 1 board lot each and Foreign Ownership Report as of October 31, 2015
November 23, 2015	Termination of the MPOC Project

December 8, 2015	Report on number of shareholders owning 1 board lot each and Foreign Ownership Report as of November 30, 2015
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**Please refer to the SEC Form 17-C previously filed with the SEC.

