

June 3, 2013

**PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Plaza,  
Ayala Triangle, Ayala Avenue,  
1226 Makati City, Philippines

Attention: *MS. JANET A. ENCARNACION*  
*Head – Disclosure Department*

RE: Definitive Information Statement

Gentlemen:

We are submitting the Definitive Information Statement of Megawide Construction Corporation with the following attachments to be filed with the Securities and Exchange Commission today:

1. Management's Report;
2. Audited Consolidated Financial Statements as of December 31, 2012;
3. Consolidated Financial Statements as of March 31, 2013;
4. PDTC Report as of March 31, 2013;
5. Notice of Annual Stockholders' Meeting with Agenda; and
6. Minutes of the Annual Stockholders' Meeting held on June 26, 2012.

Thank you.

Very truly yours,

**MEGAWIDE CONSTRUCTION CORPORATION**

By:

  
**GRACE Q. BAY**  
Assistant Corporate Secretary  
Compliance Officer  
Corporate Information Officer

  
**JOYCE M. BRIONES**  
Corporate Information Officer

**SEC Number: CS200411461**

**File Number: \_\_\_\_\_**

**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**  
(Calendar Year Ending)

**DEFINITIVE INFORMATION STATEMENT  
SEC Form 20-IS**

**December 31, 2012**  
**Period Ended Date**

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
[ ] Preliminary Information Statement  
[X] Definitive Information Statement
  
2. Name of Registrant as specified in its charter **MEGAWIDE  
CONSTRUCTION  
CORPORATION**
  
3. Province, country or other jurisdiction  
of incorporation or organization **Philippines**
  
4. SEC Identification Number **CS200411461**
  
5. BIR Tax Identification Code **232-715-069-000**
  
6. Address of principal office **2/f Spring Bldg.  
Arnaiz Ave. cor. P.  
Burgos St., Pasay  
City, Metro Manila**
  
7. Registrant's telephone number, including area code **(02) 655-1111**
  
8. Date, time and place of the meeting of  
security holders **June 26, 2012, 2:00  
p.m. at Leyte-Samar  
Room, Sofitel  
Philippine Plaza  
Manila**
  
9. Approximate date on which the Information  
Statement is first to be sent or given to  
stockholders **June 4, 2013**
  
10. Securities registered pursuant to Sections 8 and 12 of the Code or  
Sections 4 and 8 of the RSA (information on number of shares and  
amount of debt is applicable only to corporate registrants):  

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
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**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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**Common Stock** **1,268,789,326**

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes   **X**   No \_\_\_\_\_

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**Philippine Stock Exchange, Inc.** **Common Shares**

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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**MEGAWIDE CONSTRUCTION CORPORATION**  
**SEC Form 20-IS**

**A. GENERAL INFORMATION**

**Item 1. Date, time and place of meeting of security holders.**

- |    |   |   |
|----|---|---|
| a) | Date of Meeting   | June 26, 2013   |
|    | Time of Meeting   | 2:00 p.m.   |
|    | Place of Meeting  | <b>Leyte-Samar Room, Sofitel<br/>Philippine Plaza Manila</b>    |
|    | Registrant's Mailing Address  | 2/F Spring Bldg., Arnaiz Ave. cor. P.<br>Burgos St., Pasay City |
| b) | Approximate Date when the<br>Information Statement is first<br>to be sent or given to security<br>holders | June 4, 2013  |

**Item 2. Dissenters' Right of Appraisal.**

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.<sup>1</sup>

**Item 3. Interest of Persons in or Opposition to Matters to be Acted Upon.**

a. No current director or officer of Megawide or nominee for election as a director of Megawide, nor any associate of such persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the stockholders' meeting, other than election to office and declaration of stock dividends.

b. No director has informed Megawide in writing that he intends to oppose any action to be taken by Megawide at the annual meeting.

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<sup>1</sup> The right of appraisal means the right of a dissenting stockholder to demand payment of the fair market value of his shares in the instances provided under the Corporation Code. In such instances the right may be exercised by any stockholder who shall have voted against the proposed action by making a written demand to the corporation within 30 days after the date on which the vote was taken for payment of the fair market value of his shares. Failure to make the demand shall be deemed a waiver of such right.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof.**

a) As of May 27, 2013, Megawide has 1,268,789,326 issued and outstanding common shares.<sup>2</sup> All the shares of stock are entitled to vote.

b) Only stockholders of record at the close of business on May 27, 2013 are entitled to notice and to vote at the Annual Stockholders' Meeting.

c) Cumulative voting is allowed for election of members of the board in a stock corporation. Every stockholder is entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name on the stock transfer books of Megawide. Each stockholder may vote such number of shares for as many persons as there are directors to be elected; or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares shall equal; or he may distribute these shares on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Megawide multiplied by the total number of directors to be elected.

d) Security Ownership of Certain Record and 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 May 27, 2013 are as follows:

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner <sup>3</sup>	Citizenship	Number of Shares Held	Percent (%)
Common	Citicore		Filipino	720,718,257	56.80%

<sup>2</sup> Of the 1,268,789,326 shares, 87,586,680 common shares or 6.90 % of the issued and outstanding common shares are owned by foreigners.

On May 15, 2013, Megawide issued a total of 35,959,523 shares of common stock to CHI, Geoffred D. Deetan, Ellie Chan and Dennis Bryan Ty. On May 24, 2013, Megawide issued 118,729,800 shares of common stock to CHI pursuant to a placing and subscription transaction.

<sup>3</sup> Except for the directors, officers, Citicore Holdings Investment, Inc. and Sybase Equity Investments Corporation (both corporations filed a SEC Form 23-A with the Commission), whose shares are lodged with PCD Nominee, other beneficial owners are unknown to the Issuer.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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	Holdings Investment, Inc. - Stockholder  20 N. Domingo St., Brgy. Valencia, Quezon City				
Common	PCD Nominee Corporation - Stockholder  37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City		Filipino	238,700,123	18.81%
Common	PCD Nominee Corporation - Stockholder  37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City		Non-Filipino	87,586,680	6.90%
Common	Sybase Equity Investments Corporation - Stockholder  c/o Virginia A. Yap/Judith E. Balderrama 10 <sup>th</sup> Floor, L. V. Locsin Bldg., 6752 Ayala Ave. cor. Makati Ave., Makati City		Filipino	195,000,000	15.37%

As of May 27, 2013, no other PCD participants have more than 5% of any class of Megawide's voting securities except the following:

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

<b>Title of Class</b>	<b>Name &amp; Address of Record Owner &amp; Relationship with Issuer</b>	<b>Name of Beneficial Owner &amp; Relationship with Record Owner</b>	<b>Citizenship</b>	<b>Number of Shares Held</b>	<b>Percent (%)</b>
Common	Citicore Holdings Investment, Inc. - Stockholder  20 N. Domingo St., Brgy. Valencia, Quezon City	Citicore Holdings Investment, Inc.	Filipino	720,718,344	56.80%
Common	Sybase Equity Investments Corporation – Stockholder  c/o Virginia A. Yap/Judith E. Balderrama 10 <sup>th</sup> Floor, L. V. Locsin Bldg., 6752 Ayala Ave. cor. Makati Ave., Makati City	Sybase Equity Investments Corporation	Filipino	217,249,500	17.12%

The Board of Directors generally has the power to vote on behalf of their respective corporations. A proxy is usually designated to cast the vote for the corporation.

**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 May 27, 2013:<sup>4</sup>

<sup>4</sup> The shares of the Directors and Officers are currently lodged with the PCD Nominee.



**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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<b>Title of class</b>	<b>Name of beneficial owner</b>	<b>Amount and nature of beneficial owner</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Michael C. Cosiquien Director, Chairman and CEO	1 (Direct)	Filipino	Nil
Common	Edgar B. Saavedra Director, President and COO	1 (Direct)	Filipino	Nil
Common	Yerik C. Cosiquien Director	1 (Direct)  4,757,050 (Indirect)	Filipino	Nil  0.37%
Common	Elizabeth Anne C. Uychaco Director	31,200 (Direct)	Filipino	Nil
Common	Leonilo G. Coronel Independent Director	2 (Direct)	Filipino	Nil
Common	Leonor M. Briones Independent Director	2 (Direct)	Filipino	Nil
Common	Florentino A. Tuason, Jr. Director and Corporate Secretary	130 (Direct)	Filipino	Nil
Common	Carlos Leitao Assistant Vice President for Operation	3,900 (Direct)	French	Nil
Common	Louie Ferrer VP for Marketing and Corporate Information Officer	0	Filipino	Nil

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

Common	Oliver Y. Tan Chief Financial Officer, Chief Investment and Strategy Officer and Corporate Information Officer	13,000 (Direct)	Filipino	Nil
Common	Irving C. Cosiquien Treasurer	0 (Direct) 4,757,050 (Indirect)	Filipino	Nil  0.37%
Common	Masashi Watanabe – Assistant Vice President for Precast	3,900 (Direct)	Japanese	Nil
Common	Grace Q. Bay Assistant Corporate Secretary, Compliance Officer and Corporate Information Officer	8,060 (Direct)	Filipino	Nil
Common	Joyce M. Briones Corporate Information Officer	4,160 (Direct) 900 (Indirect)	Filipino	Nil
AGGREGATE SHAREHOLDINGS OF DIRECTORS AND OFFICERS AS A GROUP		9,579,357		0.75%

No director or key officer of Megawide owns at least 10% of Megawide's issued and outstanding shares of common stock.

3. There are no voting trusts or similar agreements with respect to any portion of the outstanding shares, nor any agreement which may result in a change of control of Megawide.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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4. On July 6, 2012, Michael Cosiquien and his family and Edgar Saavedra and his family – the original shareholders of Megawide, who held a total of 688,500,000 shares or 61.8% of the total issued and outstanding capital stock of Megawide transferred and consolidated their shares in Citicore Holdings Investment, Inc. (CHI). CHI is 99.50% owned by Michael Cosiquien and Edgar Saavedra, together with their families, with 0.50% owned by Oliver Tan. As a result of the transfer of shares, CHI owned and controlled 61.8% of the issued and outstanding capital stock of Megawide.

**Item 5. Directors and Executive Officers.**

a.

1. Directors and Executive Officers

The following are the incumbent Directors and Officers of the Corporation (brief description of their respective business experience for the past five years included):<sup>5</sup>

**Michael C. Cosiquien**, 39, Filipino, is the Chairman and Chief Executive Officer of Megawide. He is also a director of Altria East Land Inc. (Altria), MySpace Properties, Inc., CHI, Megapolitan Realty and Development Corporation (Megapolitan) and Megapolitan Marketing Inc. He is a licensed civil engineer, having passed the Government Licensure Board Examination for Civil Engineering in 1995. He graduated at the De La Salle University with a degree in Bachelor of Science major in Civil Engineering in 1995. His professional engineering experience spans fifteen (15) years. He has been a member and Chairman of the Megawide Board since July 28, 2004 and the Chief Executive Officer since July 19, 2010.

**Edgar B. Saavedra**, 38, Filipino, is the President and Chief Operating Officer of Megawide. He is also a director of Altria, MySpace Properties, Inc. and CHI. He is a licensed engineer, having passed the Government Licensure Board Examination for Civil Engineering in 1996. He obtained his Bachelor of Science degree in Civil Engineering from the De La Salle University in 1996. He attended special studies on foundation works sponsored by Philippine Institute for Civil Engineers. He also obtained training in German formwork system and basic occupational safety and health. Engr. Saavedra specializes in European building technologies and advanced formwork systems. He has

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<sup>5</sup> Directors shall hold office for one (1) year or until their successors are elected and qualified. The first directors are also the incorporators. The annual meeting of the stockholders shall be held every June 30 of each year.

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.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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been a member and President of the Megawide Board since July 28, 2004 and the Chief Operating Officer since July 19, 2010.

**Yerik C. Cosiquien**, 34, Filipino, is a director of Megawide. Mr. Cosiquien is also the General Manager of Cosmo Fortune Corporation. He was the Corporate Secretary from July 28, 2004 to May 20, 2011 and Key Accounts Manager of Kraft Food Philippines, Incorporated. He obtained his Bachelor of Science degree in Psychology Economics from the University of British Columbia. He has been a member of the Megawide Board since July 28, 2004.

**Leonilo G. Coronel**, 66, Filipino, is an independent director of Megawide. He heads the Audit and Compensation Committees of Megawide. He is also the Managing Director of BAP Credit Bureau Inc., director of Software Ventures Int'l., Executive Director of RBB Micro Finance Foundation and independent director of DBP-Aiwa Securities SMBC Phils. Inc. He was a director at the Philippine Dealing System, Philippine Depository & Trust Corporation and Philippine Clearing House Corporation, Trustee/Treasurer and member of the Capital Market Development Council Institute, Project Director of Small & Medium Ent's. Credit Program of the Philippine Business for Social Progress and Consultant of Land Bank of the Philippines. He obtained his Bachelor of Arts degree in Economics from the Ateneo de Manila University. He has been an independent director of Megawide since July 19, 2010.

**Leonor M. Briones**, 72, Filipino, is an independent director of Megawide. She is the Chairman of the Nomination Committee of Megawide. Mrs. Briones is also the President of Social Watch Philippines, Inc. She was the Treasurer of the Philippines, Vice President for Finance and Administration of the University of the Philippines System and Secretary to the Commission of the Commission on Audit. She obtained her Bachelor in Business Administration, major in Accounting from Siliman University. She obtained a Masters in Public Administration, major in Local Government and Fiscal Administration from the University of the Philippines Diliman, Post Graduate Diploma in Development Administration, major in Public Enterprises and Certificate in Policy for Public Enterprise from the Harvard Institute for International Development, Harvard University, Massachusetts, USA. She has been an independent director of Megawide since July 19, 2010.

**Elizabeth Anne C. Uychaco**, 57, Filipino, is a director of Megawide. Ms. Uychaco is the Senior Vice President, Corporate Services of SM Investments Corporation and Vice Chairperson of Belle Corporation. She graduated at St. Scholastica's College with a degree in Bachelor of Arts. She obtained a Master's Degree in Business Economics from the University of Asia and Pacific and a Master's Degree in Business Administration from the Ateneo Business School. She has been a member of the Megawide Board since March 16, 2011.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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**Florentino A. Tuason, Jr.**, 63, Filipino, is a director and Corporate Secretary of Megawide. He is a senior partner of the law firm Quasha Ancheta Peña & Nolasco. He is a retired Commissioner in the Commission on Elections, a former Executive Judge in the Regional Trial Court of Makati City and former First Senior Vice President (FSVP) of the Development Bank of the Philippines (DBP). He was a director of DBP Management Corporation, Capitol Development Bank, Telecommunications Industries and Services, Inc. and Phoenix Iron Steel Corporation. He graduated at the University of the Philippines with a degree in Bachelor of Arts major in Political Science. He obtained his Bachelor of Laws from the University of the Philippines. He has been a member of the Megawide Board since April 8, 2011 and the Corporate Secretary since June 3, 2011.

**Engr. Carlos Leitao, C.E.**, 42, French, is the Assistant Vice President for Operation of Megawide. Engr. Leitao undertook key international projects such as the Barwa Financial Project, 11 clustered towers of 47-storeys office and hotel building in Qatar; the MET Project, 3 high-rise condominiums (each at 73-storeys high) in Thailand; the Emporio Place Condominium (3-towers at 48-storey, 35-storey, 17-storey) and the River Condominium (twin towers at 73-storey and 48-storey) both projects are located at Thailand; City Light Condominium, composed of 4-high rise towers each at 43-storey high, the High Park Condominium, consist of 2-high rise towers at 19-storey and 27-storey, and the Sail Marina Condominium, consist of 2-high rise towers at 73-storey and 63-storey high, located at Singapore. Prior to his present position, Engr. Leitao worked with Bouygues Construction, a French construction company listed on Euronext Paris Exchange and is a blue chip in the CAC 40 Stock Market Index from 1988 to 2005. He has been the Vice President for Operation since July 30, 2010.

**Louie Ferrer**, 37, Filipino, is the VP for Marketing and a Corporate Information Officer of Megawide. Mr. Ferrer served as the Associate Marketing Manager at JCB International Co., Ltd, Country Marketing Manager at TNT Intl, and Accounts Director at Creative Juice Manila. Mr. Ferrer has also been the Managing Director of MagicWorx Licensing Inc. since 2004. He obtained his degree in Industrial Design from the De La Salle University in 1996. He has been the VP for Marketing for Megawide since November 22, 2010 and Corporate Information Officer since February 16, 2011.

**Oliver Y. Tan**, 35, Filipino, is the Chief Investment and Strategy Officer, Chief Financial Officer and a Corporate Information Officer of Megawide. Mr. Tan worked as financial analyst for Golden Astra Capital Incorporated, a private investment fund located in Makati with portfolios in Equities, Commodities, Options, Currencies and other derivative financial instruments. He co-founded a general construction firm and served as its Vice-Chairman and Chief Financial Officer. He finished his Bachelor of Science in Business Administration in Financial Management at Philippine School of Business Administration (PSBA) after transferring from University of Santo Tomas (UST) where he took up his Bachelor of Science in Electrical Engineering. He

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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has been the Chief Investment and Strategy Officer since November 22, 2010, Corporate Information Officer since February 16, 2011 and Chief Financial Officer of Megawide since May 20, 2011.

**Irving C. Cosiquien**, 40, Filipino, is the Treasurer of Megawide. He was a director of Megawide from July 28, 2004 to April 8, 2011 and Chief Financial Officer from July 19, 2010 to May 20, 2011. He is also a director of Megapolitan and General Manager of Megapolitan Marketing, Incorporated. He was Operations Manager of Jimmian Hardware. He obtained his Bachelor of Science degree in Industrial Psychology from the De La Salle University. He has been the Treasurer of Megawide since July 19, 2010.

**Engr. Masashi Watanabe, C.E.**, 64, Japanese, Assistant Vice President for Precast of Megawide. His vast knowledge and experience in pre-cast concrete production spans more than three decades. His prior positions include, among others, being a Clerk in the Pre-cast Concrete Production Factory Division of Shimizu Corporation, Ltd. in Japan from 1971 to 1976; Site Clerk for the Mass Housing Production Division in the Shin-Matsudo Sun Light Pastoral Condominium Project from 1976 to 1980; Site Manager for Jakarta Hilton International Hotel and the Barren Gulf of Bank project from 1983 to 1986; Section Chief of Kurosawa Construction; Project Manager for the Taichung City West Treatment Center, Mitsubishi Electronic Taichung Building and Japan Community Society Building in Taiwan; Project Director for the Ajinomoto Kunol Foods Building, Mitsubishi Motors Tsudayama Studio, Yokohama Fureai Hospital, Kobayashi's Transportation Cot. Quake Absorbing Structure Warehouse, Memorial of Yokohama Port Renewal work and Yokohama Stadium Renewal; Section Manager for the Twin Towers Condominium Project in Hiroshima; and Project Section Manager for the Japan Embassy Project in Moscow. Engr. Watanabe is a licensed First Class Construction Management Engineer in Tokyo, Japan. He is also Second Class Architect and is qualified in Weld Engineering, Dangerous Article Handler and a First Class Small Craft. Moreover, Engr. Watanabe finished Special Engineering at Kogakuin University. He is a licensed First Class Construction Management Engineer in Tokyo, Japan. He is also Second Class Architect and is qualified in Weld Engineering, Dangerous Article Handler and a First Class Small Craft. Moreover, He finished Special Engineering at Kogakuin University. He has been the Precast Manager of Megawide since June 30, 2010.

**Grace Q. Bay**, 43, Filipino, is the Assistant Corporate Secretary, Compliance Officer and a Corporate Information Officer of Megawide. She is a partner of the law firm Quasha Ancheta Peña & Nolasco. She is the Corporate Secretary of various corporations, which include, St. Luke's Medical Center (Global City), Inc., SLMC Bonifacio Global City MAB Corp., Pilipinas Total Gas, Inc., PTGI Laguna Gas, Inc., Colombo Merchants Philippines, Inc., Brillante Realty, Inc. and Chatham House Condominium Corporation. She is the Assistant Corporate Secretary of QBE Insurance (Phils.), Inc. She



**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

---

graduated at the University of the Philippines with a degree in Bachelor of Arts major in Political Science. She obtained her Bachelor of Laws from the University of the Philippines. She has been a Corporate Information Officer of Megawide since February 16, 2011, Assistant Corporate Secretary since June 3, 2011 and Compliance Officer since June 30, 2011.

**Joyce M. Briones**, 32, Filipino, is a Corporate Information Officer of Megawide. She is the Corporate Secretary of American Association of the Philippines, Inc. and the Assistant Corporate Secretary of St. Luke's College of Medicine William H. Quasha Memorial, Inc. She graduated at the University of the Philippines with a degree in Bachelor of Arts major in Political Science. She obtained her law degree from the Ateneo de Manila University. She has been a Corporate Information Officer of Megawide since February 16, 2011.

The Securities Regulation Code (SRC) and the Revised Code on Corporate Governance require any corporation with a class of equity shares listed for trading in an Exchange to have at least two (2) independent directors. Presently, Megawide's incumbent independent directors are Leonor M. Briones and Leonilo G. Coronel.

The Nomination Committee<sup>6</sup> created by the Board under its Manual on Corporate Governance nominated the following for re-election to the Board of Directors at the Annual Stockholders' Meeting on June 26, 2013:

Michael C. Cosiquien  
Edgar B. Saavedra  
Yerik C. Cosiquien  
Leonor M. Briones (Independent Director)<sup>7</sup>  
Leonilo G. Coronel (Independent Director)<sup>8</sup>  
Elizabeth Anne C. Uychaco  
Florentino A. Tuason, Jr.

2. All employees are expected to make reasonable contribution to the success of the business of Megawide. There is no "significant employee" as defined in Part IV (A) (2) of SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

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<sup>6</sup> The Nomination Committee is composed of Leonor Briones, chairman; Yerik Cosiquien and Louie Ferrer, members. In approving the nominations for Independent Directors, the Nomination Committee took into consideration the guidelines of Independent Directors prescribed in SRC Rule 38, as amended, Section 2, Article III of Megawide's By-Laws and Megawide's Manual on Corporate Governance.

<sup>7</sup> Stockholder Suyen Corporation nominated Leonor M. Briones and Leonilo G. Coronel as independent directors. Professor Briones and Mr. Coronel are not related to the stockholder that recommended them.

<sup>8</sup> Ibid.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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3. Family Relationships

Directors Michael Cosiquien, Yerik Cosiquien and Treasurer Irving Cosiquien are siblings.

4. Involvement in Certain Legal Proceedings

Megawide has no knowledge that the current members of the Board of Directors or its executive officers have been involved during the last five years up to the present in any legal case affecting/involving themselves and/or their properties before any court of law or administrative body in the Philippines or elsewhere, which are material to an evaluation of the ability or integrity of any of the said directors or executive officers. Also, the said persons have not been convicted by final judgment during the last five years up to the present of any offense punishable by the laws of the Philippines or of the laws of any other country.

5. Certain Relationship and Related Transactions

Advances to office and employees

Advances to officers and employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are liquidated 60 days from the date the cash advances were received. Advances are only given to few and selected employees that are highly reliable and do not have negative record in the Human Resources Department.

Rendering of service

Megawide provides construction services to SM Development Corporation (SMDC) and Ground 18 Realty Corporation of the Bench Group, who are both stockholders of Megawide. Megawide also contracts a casino owned by Belle Casino who is partially owned by SMDC. Contracts with these companies are based on an arms-length transaction and prevailing market price in construction industry. There is no ongoing contractual arrangement between parties as result of the relationship between owners.

Rental of land and building

The lot where Megawide's corporate office was constructed is leased from Megapolitan for a monthly rental of P100,000 with a term of five (5) years, or until January 31, 2016, and renewable for another five (5) years upon mutual agreement.

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



**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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1. SMDC for the lease of a 16,614 sqm. parcel of land located at the Mall of Asia Complex to be used as the staging area for the construction of the Sea Residences. The lease is for one (1) year, which will expire on April 25, 2011, with a monthly rental of P581,490.00. The lease was renewed for another twelve (12) months commencing on April 26, 2011 and ending on January 25, 2013. The renewal included, among others the increase in the area of leased premises from 15,614sqm to 33,333 sqm and monthly rental from P581,490.00 to P1,329,120.00.
2. Megapolitan on January 1, 2010 for the lease of a 1,225.61 square feet lot at Edison corner Dian Streets, Makati City for its motor pool for a term of two (2) years, or until December 31, 2012. Megawide pays a monthly rental of P28,622.50; and
3. Megapolitan on January 1, 2010 for the lease of a warehouse located at Brgy. Tagpos, Binangonan, Rizal for a term of two (2) years, or until December 31, 2012. Megawide pays a monthly rental of P28,622. Megawide will extend both rentals for another two (2) years.

At no cost, Megawide also leases the land where its precast manufacturing plant is built from Altria. It also leased an office space from Philwide Construction and Development Corporation (Philwide) for a term until December 31, 2012.

Both Megapolitan and Philwide are owned by the family of Michael Cosiquien. Rental rates are based on the current rates used by lessors depending on the location of property being rented.

#### Key Management Personnel Compensation

Compensation of key management personnel includes salary and post-employment benefit of Michael Cosiquien and Edgar Saavedra. Their salary is at arm's length and have terms equivalent to the transactions entered into with third parties.

#### Short-term placement

Megawide has placed its excess cash in a short-term investment with BDO Private Bank, Inc., is a related party of SMDC. Rates on these investments are based on prevailing rate in the market. Short-term investment with related parties amounted to P2 billion as of December 31, 2012.

#### Bank loans and finance lease

Megawide availed of loans from BDO Unibank Inc. and entered into leaseback agreement with BDO Leasing & Finance Corporation. Interest rate provided by BDO Unibank, Inc. and BDO Leasing & Finance Corporation is

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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4% and 7% per annum, respectively. Interest rates are based on prevailing rate in the market. Outstanding bank loan with BDO Unibank, Inc. is P812 million and outstanding lease liability with BDO Leasing & Finance Corporation is P414 million as of December 31, 2012.

**Transactions with Stockholders**

In July 2012, the incorporators of Megawide collectively holding a total of 688,500,000 shares or 61.8% of the total issued and outstanding capital stock of Megawide transferred their shares to CHI. By virtue of the transfer, CHI legally owns and controls 61.8% of the issued and outstanding capital stock of Megawide.

In October 2012, Megawide entered into joint venture with CHI and formed Citicore-Megawide Consortium, Inc. (CMCI). The ownership is 10% for Megawide and 90% for CHI. The first project booked by CMCI was the Department of Education's PPP for school buildings. In 2012, the Department of Education awarded to CMCI the school buildings in Regions 3 and 4. CMCI commissioned Megawide to construct all the school buildings in both regions.

In December 2012, Megawide acquired 100% of the issued and outstanding shares of Altria, the owner of the property in Taytay, Rizal where the Precast Plant of Megawide is located.

b. There is no director who has declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of disagreement with Megawide on matters relating to operations, policies and practices.

**Item 6. Compensation of Directors and Executive Officers**

**All Officers and Directors as a Group**

1. The aggregate annual compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to Megawide's CEO and four (4) most highly compensated executive officers as a group are as follows:

**SUMMARY COMPENSATION TABLE**  
**Annual Compensation**  
**(In ₱ millions)**

<b>Name and Position</b>	<b>Fiscal Year</b>	<b>Annual Salary</b>	<b>Bonus</b>
<b>Michael C.</b>			

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

<b>Cosiquien Chairman and CEO</b>			
<b>Edgar B. Saavedra President and COO</b>			
<b>Oliver Y. Tan CFO</b>			
<b>Ronald Paulo VP-Operations</b>			
<b>Masashi Watanabe Assistant Vice President for Precast</b>			
(projected)	2013	P 50.0	P 12.0
	2012	P 50.0	P 12.0
	2011	P 48.0	P 12.0
<b>Aggregate compensation paid to all other officers and directors as a group unnamed</b>			
	2013	P19.21	P 2.0
	2012	P 20.0	P 2.0
	2011	P 19.5	P 2.0

2. The directors do not receive compensation for services provided as a director other than reasonable per diems for attendance at meetings of the Board or any of its committees and monthly allowance in the form of reimburseable expenses. Regular directors receive P20,000.00 per diem every Board meeting.

3. There are no bonus, profit sharing stock options warrants, rights of other compensation plans or arrangements with directors or officers that will result from their resignation, retirement, termination of employment or change in the control of Megawide.

The duties and responsibilities of the elected corporate officers are specified in Megawide's By-laws and Manual on Corporate Governance.

4. There are no outstanding warrants or options held by Megawide's CEO, executive officers and directors.

**Item 7. Independent Public Accountants.**

The accounting firm of Punongbayan & Araullo served as Megawide's external auditor for the last fiscal year. The handling partner of Punongbayan & Araullo is Ms. Mailene S. Sigue-Bisnar. There was no change in or

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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disagreement with the external auditor on accounting and financial disclosures.

Megawide's Manual on Corporate Governance and SRC Rule 68 provide that Megawide's external auditor shall either be rotated or the handling partner changed every five (5) years or earlier. Punongbayan & Araullo has served as Megawide's external auditor since 2009, with Ms. Mailene S. Sigue-Bisnar as handling partner.

In accordance with Megawide's Manual on Corporate Governance, the Audit Committee recommends the appointment of the external auditors. The Audit Committee is composed of Leonilo Coronel, chairman, Michael Cosiquien and Lizanne Uychaco.

The approval of the appointment of Punongbayan & Araullo as external auditors for the current year will be one of the matters to be undertaken during the annual meeting.

Punongbayan & Araullo representatives will be present during the stockholders' meeting and will have an opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

To be discussed and voted in the annual stockholders' meeting on June 26, 2013 is the declaration of stock dividends. On April 8, 2013, the Board of Directors approved the declaration of stock dividends equivalent to 30% of the total issued and outstanding shares of stock with a par value of Php1.00 each to be taken from the unrestricted retained earnings of Megawide as of December 31, 2012.

The following are the rights relating to the common shares of Megawide:

#### **1. Voting Rights**

Megawide has only one class of shares: common shares. All the common shares have full voting and dividend rights. The rights of Megawide's stockholders include the right to receive notice of stockholders' meetings, the right of inspection of Megawide's corporate books and other stockholders' rights contained in the Corporation Code of the Philippines.

#### **2. Fundamental Matters Requiring Stockholder Approval**

## **MEGAWIDE CONSTRUCTION CORPORATION**

### **Securities and Exchange Commission Form 20-IS**

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The Corporation Code considers certain matters as significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. These acts, which require Board approval and the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of Megawide in a meeting duly called for the purpose (except for the amendment of By-Laws and approval of management contracts in general, which require approval of shareholders representing a majority of Megawide's outstanding capital stock), include:

- a) Amendment of the Articles;
- b) Extension or shortening of corporate term;
- c) An increase or decrease of capital stock and incurring, creating or increasing bonded indebtedness;
- d) Delegation to the Board the power to amend or repeal or to adopt new By-Laws;
- e) Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of Megawide's assets;
- f) Merger or consolidation of Megawide with another corporation or corporations;
- g) Investment of corporate funds in any other corporation or for a purpose other than the primary purpose for which Megawide was organized;
- h) Dissolution;
- i) Declaration or issuance of stock dividends;
- j) Ratifying a contract between Megawide and a Director or officer where the vote of such Director or officer was necessary for approval;
- k) Entering into a management contract where: (a) a majority of Directors of the managing corporation constitutes the majority of the board of the managed company; or (b) stockholders of both the managing and managed corporations represent the same interest and own or control more than one third of the outstanding capital stock entitled to vote;
- l) Removal of Directors;
- m) Ratification of an act of disloyalty by a Director; and
- n) Ratification of contracts with corporations in which a Director is also a member of the board, where the interest of the Directors is substantial in one corporation and nominal in the other.

### **3. Pre-emptive Rights**

The Corporation Code confers pre-emptive rights on shareholders of a Philippine corporation entitling such shareholders to subscribe for all issues or other dispositions of equity related securities by the corporation in proportion to their respective shareholdings, regardless of whether the equity related securities proposed to be issued or otherwise disposed of are identical to the shares held. A Philippine corporation may provide for the denial of these preemptive rights in its article of incorporation. Megawide's Amended Articles of Incorporation have denied preemptive rights on all classes of shares it

## **MEGAWIDE CONSTRUCTION CORPORATION**

### **Securities and Exchange Commission Form 20-IS**

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issued and therefore further issues of shares (including treasury shares) can be made without offering such shares on a pre-emptive basis to the existing shareholders.

#### **4. Derivative Suits**

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

#### **5. Appraisal Rights**

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

- a) An amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence;
- b) The sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
- c) The investment of corporate funds in another corporation or business or for any purpose other than the primary purpose for which the corporation was organized; and
- d) A merger or consolidation.

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

#### **6. Dividends**

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed earnings of the corporation which has not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends. A corporation may pay dividends in cash, by the distribution of property, or by the issuance of shares.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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Board approval suffices for the approval of payment of cash and property dividends. Stock dividends may be paid and distributed only upon the approval of the shareholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting called for that purpose.

The Corporation Code generally requires a corporation with surplus profits in excess of 100% of its paid-in capital to declare and distribute such surplus to its shareholders in the form of dividends. Notwithstanding this general rule, a Philippine corporation may retain all or any portion of such surplus when: (i) justified by definite expansion plans approved by its Board of Directors; (ii) the required consent of any financing institution or creditor for the declaration of dividends pursuant to a loan agreement which prohibits such declaration without said creditor's consent has not yet been secured; or (iii) it can be clearly shown that such retention is necessary under special circumstances.

#### 7. Disclosure Requirements / Right of Inspection

Philippine stock corporations are required to file an annual general information sheet which sets forth data on their management and capital structure and copies of their annual financial statements with the SEC. Corporations must also submit their annual financial statements to the BIR. Corporations whose shares are listed on the PSE are also required to file current, quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to require copies of the most recent financial statements of the corporation, which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain. The Board is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year.

There are no existing provisions in the Amended Articles of Incorporation or the Amended By-Laws of Megawide which will delay, defer or in any manner prevent a change in control of Megawide. However, because Megawide owns land, Philippine laws limit foreign shareholdings in Megawide to maximum of 40% of its issued and outstanding capital stock. Any transfer of Megawide's shares by Filipinos to non-Filipinos will be subject to the limitation that any such transfers will not cause foreign shareholdings in Megawide to exceed 40% of Megawide's issued and outstanding capital stock. In the event that foreign ownership of Megawide's issued and outstanding capital stock will exceed 40%, Megawide has the right to reject a transfer request to persons other than Philippine Nationals.

To maintain its Philippine Contractors Accreditation Board (PCAB) license, Megawide, pursuant to the Implementing Rules and Regulations of P.D. No. 1746, must maintain its Filipino shareholding at least 60% of the issued and outstanding capital stock. However, should Megawide decide to engage in the



**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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construction of government projects, foreign equity should be limited to 25% in accordance with Executive Order No. 858 promulgating the Eighth Regular Foreign Investment Negative List, which enumerates the investment areas and activities, and their foreign-ownership restrictions, open to foreign investors.

**Item 11. Financial and Other Information**

Megawide's consolidated financial statements are incorporated herein by reference as Exhibit "1."

For the Management's Discussion and Analysis and Changes in and Disagreements with Accountants on Accounting and Financial Disclosure, please refer to the Management's Report attached to this Information Statement.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

The approval of the minutes of the annual stockholders' meeting held on June 26, 2012 will be taken up during the meeting.

The matters taken up during the annual stockholders' meeting on June 26, 2012 were as follows:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting on June 30, 2011
4. Chairman's Address
5. President's Report
6. Election of Directors
7. Approval of the Audited Financial Statements for the Year Ended December 31, 2011
8. Appointment of External Auditor
9. Other Matters
10. Adjournment.

**Item 19. Voting Procedures**

- a. The vote required for approval or election

The vote required for the election of directors and all questions (except in cases otherwise provided by the Corporation) is the vote of at least a majority of the outstanding capital stock.<sup>9</sup>

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<sup>9</sup> Sections 24 and 48 of the Corporation Code.



b. The method by which votes will be counted

Article II, Section 7 of the By-laws provides that at all meetings of stockholders, a stockholder may vote in person or by proxy. Section 24 of the Corporation Code of the Philippines provides that in stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election.

Each stockholder shall have one (1) vote for each share of stock entitled to vote and recorded in his name in the books of Megawide.

Punongbayan & Araullo will assist in the counting of votes.

### **PART III**

#### **SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on May 31, 2013.

  
**FLORENTINO A. TUASON, JR.**  
Corporate Secretary