

BOOSTING

FOR A FIRST-WORLD PHILIPPINES



 **MEGAWIDE**

2022 Annual and Sustainability Report

BOOSTING

FOR A FIRST-WORLD PHILIPPINES



2022 Annual and Sustainability Report

ABOUT THE COVER

For 25 years, Megawide has pursued its vision of Engineering a First-World Philippines. The groundwork has been laid and the plan has long been in motion. This year, Megawide takes things further, strengthening itself to face the future fortified. Megawide is **boosting itself for a First-World Philippines**.



ABOUT THE REPORT

Reporting Framework

2-3
January 1 to December 31, 2022

Date of Most Recent Report

August 2022

Reporting Cycle

2-3
Annual

Megawide's 2022 Annual and Sustainability Report (ASR) aligns with both the Philippine Securities and Exchange Commission's (SEC) Sustainability Reporting Guidelines for Publicly-Listed Companies and the Global Reporting Initiative (GRI) Standards for sustainability reporting. This report has been prepared in accordance with the GRI Standards.

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For all sustainability concerns and queries, please contact us through our Megawide Foundation office at foundation@megawide.com.ph.

For inquiries from customers, investors, analysts, and the financial community, please contact Investor Relations at ir@megawide.com.ph.

For media and other stakeholders, please contact Corporate Communications at corpaffairs@megawide.com.ph.

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FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

ECONOMIC VALUE GENERATED, DISTRIBUTED, RETAINED

(In Php)

201-1

Direct economic value generated (revenue)	14,583,321,979
Direct economic value distributed	12,884,317,220
Operating costs	1,193,636,220
Employee wages and benefits	2,144,693,362
Payments to suppliers, other operating costs	5,651,094,236
Dividends given to stockholders and interest payment to loan providers	3,664,363,198
Taxes given to government	-
Investments to communities (e.g. donations, CSR)	230,530,268
Economic value retained	1,699,004,759

Note: Covers all entities

YEAR-ON-YEAR PERFORMANCE

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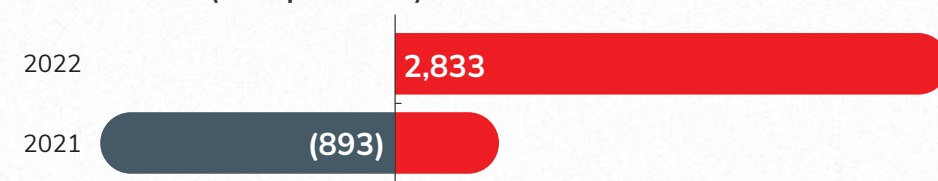
Revenue (In Php Millions)



EBITDA (In Php Millions)



Net Income (In Php Millions)



Note: Restated to correct computational errors in 2021 Revenue, previously reported as 15,644; and 2021 EBITDA, previously reported as 2,842.

MARGIN PERFORMANCE

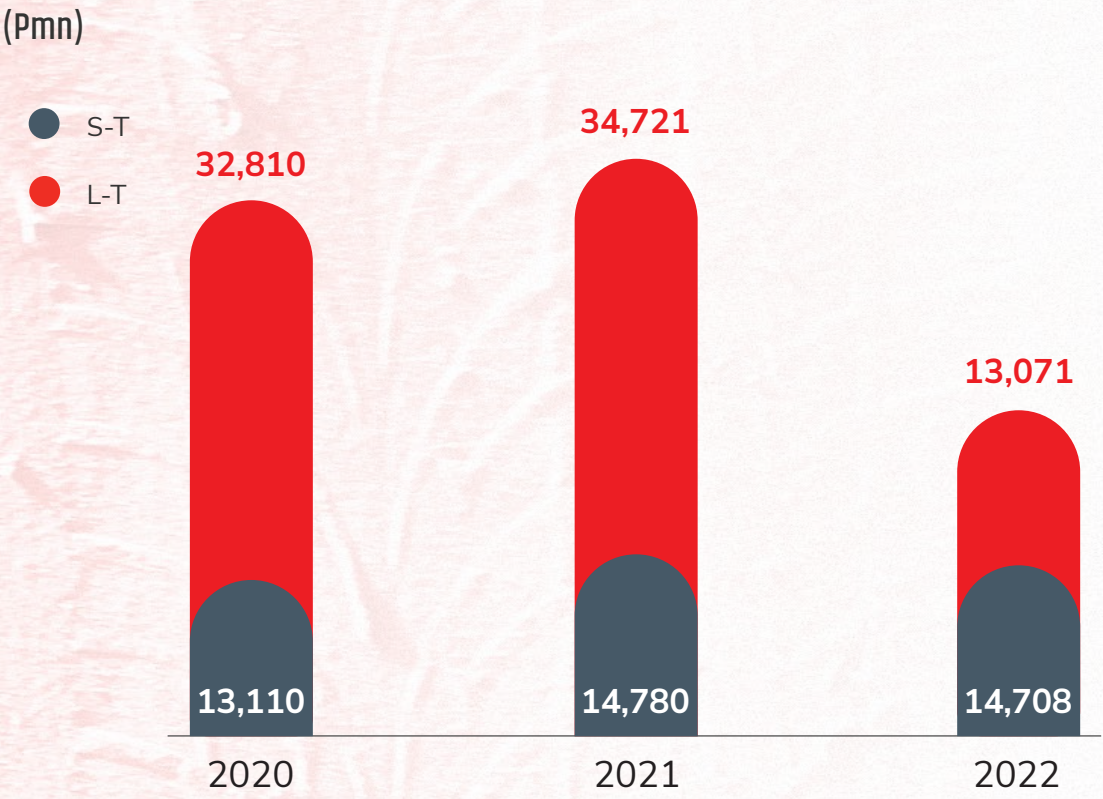
	FY 2022	FY 2021	FY 2020
Gross Profit Margin	13%	18%	19%
EBITDA Margin	14%	18%	21%
Net Income Margin	19%	-6%	-7%

STABLE FINANCIAL CONDITION

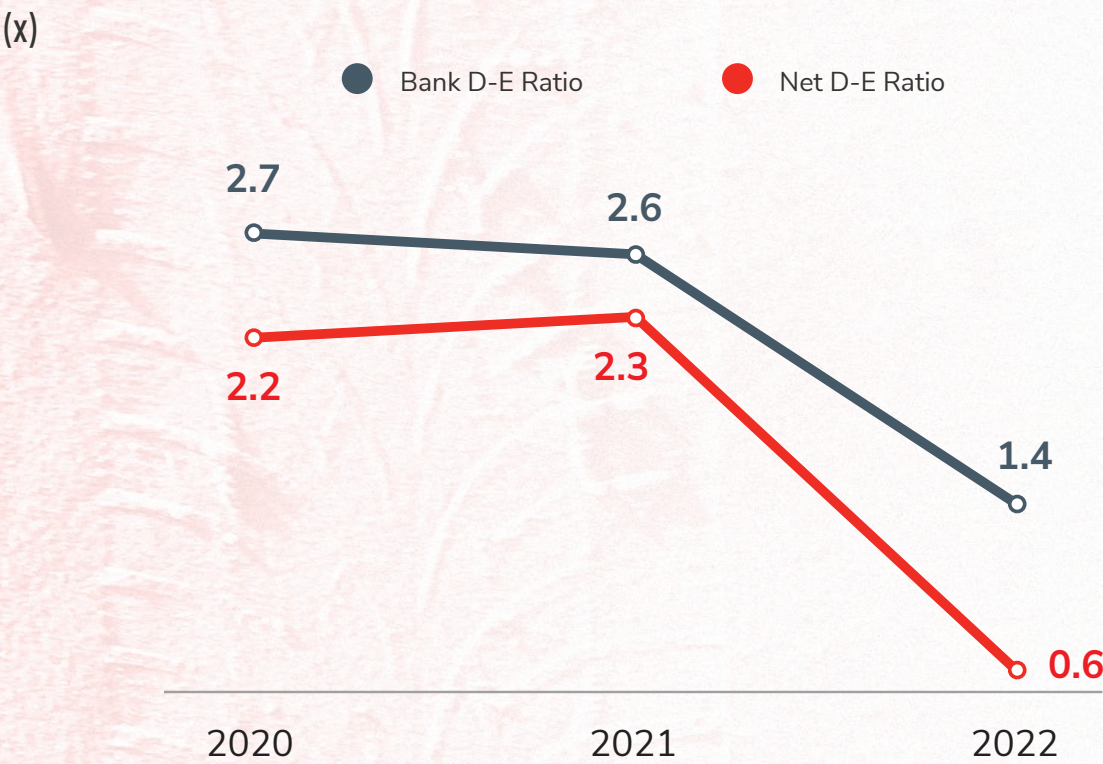
(In Php Millions)

	31-DEC-2022	31-DEC-2021	Movement
Cash & Financial Assets	16,815	5,846	10,969
Other Current Assets	9,564	33,926	(569)
Current Assets	55,047	39,772	15,275
Concession Assets	—	30,504	—
Non-Current Assets	12,657	45,258	(32,747)
Total Assets	67,704	85,031	(17,473)
Current Liabilities	24,994	27,164	(2,372)
Non-Current Liabilities	22,848	38,666	(15,762)
Total Liabilities	47,842	65,830	(18,134)
Equity	19,861	19,201	660

REDUCED BANK LOANS



IMPROVED LEVERAGE



MEGAWIDE
AT 25



MEGAWIDE AT 25

Megawide was established

1997

Megawide's initial public offering is oversubscribed three times

2011



Mactan-Cebu International Airport (MCIA) awarded

2014



Parañaque Integrated Transport Exchange (PITX) awarded

2015

MCIA T1 renovation complete; Expanded business units' capacity; EPC enters Industrial and Cold Storage

2019

Metro Manila Subway CP-104 awarded

2022

2007

Triple A License obtained and Megawide awarded largest contracts of the year

2012

Precast Plant becomes the second largest in Asia



2013

PSIP Phases 1&2 in motion with the construction of 10,000 classrooms

2018

MCIA T2 and PITX started operations; Clark International Airport T2 construction began



2017

Quadruple A, PCAB License obtained

2020

CIA T2 handed over, Megawide post record order book, Carbon Market redevelopment and Malolos-Clark Railway Project Phase 1 awarded

2021

Carbon Market agreement signed



2022 MILESTONES

Megawide celebrates two decades of building and engineering toward a First-World Philippines in 2022, by continuing our mission and reaching milestones. The year’s achievements holistically represent the direction of the business as we bring our blueprint of world-class structures and transportation infrastructure to life while maintaining the highest standards of environmental, social, and governance (ESG) performance.



Perspective of Ortigas Subway Station

Source: DoTR

PROGRESS ON OUR BLUEPRINT FOR A FIRST-WORLD PHILIPPINES

3-3

With its current pivot to taking on more public infrastructure projects, Megawide’s blueprint of a First-World Philippines involves structures that support efficiency and leverage best-in-class innovations. The key to making this plan come to life is the expertise and experience that Megawide shares with its joint venture partners, who have also worked on successful infrastructure projects in highly-developed countries.

Metro Manila Subway Contract

In May 2022, Megawide – alongside Japanese joint venture partners Tokyo Construction Co., Ltd. (Tokyo Construction) and Tobishima Corporation – signed the Metro Manila Subway Contract Package 104 (CP-104) with the Department of Transportation (DOTr).

The joint venture is primed for successfully completing the project, with Tokyo Construction having led the redevelopment of the Tokyo Metro Ginza Line’s Shibuya Station and Tobishima Corporation’s experience in developing public works projects in Japan and other countries.

Funded by the Japan International Cooperation Agency, the Metro Manila Subway will be the Philippines’ first-ever subway system, providing commuters with a modernized and convenient means of transportation amid the growing congestion of urban traffic.

The Metro Manila Subway CP-104 has an estimated contract value of over Php 17 billion and involves the construction of the subway’s underground stations and connecting tunnels for Ortigas North and South.

Megawide’s promising Precast and Construction Solutions (PCS) segment will supply the structural needs of the CP-104 with a new production line devoted to the project. While initial plans include the Precast unit providing the tunnel lining for CP-104, prospects for supplying to other legs of the Metro Manila Subway remain open as Megawide grows the pre-cast segment’s capacity by introducing a new plant.

GMCA Shares Sale Agreement

In line with Megawide’s strategy for cycle-resiliency, scalability, and sustainable growth, the Company and GMR Airports International, B.V. (GAIBV) closed the transaction for Aboitiz InfraCapital, Inc.’s (AIC’s) acquisition of a 33.33 and 1/3% share in GMR-Megawide Cebu Airport Corporation (GMCA) – concessionaire for the award-winning Mactan Cebu International Airport (MCIA) – for a total consideration of Php 9.5 billion.

In addition, GMCA issued Php 15.0 billion worth of Exchangeable Notes, maturing on October 2024, which is expected to be converted by AIC for the remaining 66 & 2/3% stake in GMCA.

The agreement is expected to fuel further developments for MCIA, and at the same time, open opportunities for Megawide to pursue more big-ticket infrastructure projects.



REINFORCING OUR ESG PLATFORM

After being battered by storms and other natural calamities in previous years, Megawide has hardened the resolve to reinforce our own ESG platform. The focus is on sustainability, as the Company strengthens itself internally, while creating innovative structures that can spur social development without compromising the environment.

OUR ESG WINS IN 2022

ENVIRONMENT



2,500 sqm.
planted with seedlings
at Nueva Ecija

SOCIAL



97
scholars since 2015



16
graduates of MEES



9
scholar-graduates passed
the licensure exam

GOVERNANCE



2
Golden Arrows received
from the Institute of
Corporate Directors

The Company is committed to uphold the highest standards of governance, reaching new highs in its corporate governance performance and putting policies into practice despite challenges. In 2022, Megawide fortified its governance structures and remained unperturbed by headwinds.

ASEAN Corporate Governance Scorecard

On January 20, 2023, the Institute of Corporate Directors (ICD) held the 2022 ACGS Golden Arrow Awards at Sheraton Manila Hotel to recognize the top-performing Publicly Listed Companies (PLCs) in the Philippines based on the ASEAN Corporate Governance Scorecard (ACGS) 2021 results.

During this event, Megawide Construction Corp. received 2 Golden Arrows for its 2021 ACGS Score.

The ACGS is a tool used to assess the corporate governance performance of publicly-listed companies across six ASEAN member states. It evaluates their accomplishments based on global best practices while at the same time identifying the participating firm's strengths and areas for improvement.

Highlighted by the ACGS is Megawide's compliance with the corporate governance standards, as prescribed by the Philippine Stock Exchange and the Securities and Exchange Commission, and aligned with the global best practices under the ACGS.



Assuring Full Compliance

Megawide assures our stakeholders and government bodies of our full compliance with pertinent laws and regulations as a publicly-listed company in the Philippines. This is inherent in our commitment to being a Company that exercises First-World standard of ethics and integrity.

In June 2022, Megawide received an Omnibus Order from the Lapu-Lapu City Regional Trial Court, dismissing a case filed against the Officers and Directors of GMR-Megawide Cebu Airport Corporation (GMCAC), a subsidiary of Megawide. The Company has always taken the position that it is not in violation of the Anti-Dummy Law and that GMCAC operated MCIA in compliance will all applicable laws, rules, and regulations since the

grant of the concession agreement beginning in 2014.

Furthermore, the enactment of Republic Act No. 11659, or the amendment to the Public Services Act, which explicitly excludes airport operations and maintenance from the definition of a public utility. As such, airport operations is not covered by foreign nationality restrictions under the Anti-Dummy Law and provided an additional ground to dismiss the said case against the executives of GMCAC.

The Company continues to pursue good governance amid these instances and collaborates closely with government agencies to secure necessary legal requirements in its business endeavors.



AWARDS



2022 IR Magazine Awards South East Asia

- Best Investor Relations Officer (small cap) - Joan Cosico
- Finalist in Best Annual Report - 2021 Annual Sustainability Report: "Indomitable"



19th Philippine Quill - Division 4: Communication Skills

- "All-In for a First-World Philippines: Megawide Construction Corporation's 2019 Annual and Sustainability Report" (Category: Publications)
- KaMegawide: Kasama at Kaisa sa Pag Unlad ng Bansa (Category: Social Media)



FinanceAsia Best Managed Companies Poll 2022

- Country Awards: Most Effective in creating and implementing Diversity & Inclusion policies over the past 12 months
- Regional Awards - Industrials: Megawide Construction Corporation



Philippine Excellence in Concrete Construction Awards

- Winner, Mid-rise Category for Plumera Mactan Project

ABOUT MEGAWIDE



ABOUT MEGAWIDE



Megawide Construction Corporation (MCC) was established in 1997 as a general construction business. Since then, our drive to innovate and introduce modern solutions to Philippine infrastructure has led us to grow into an integrated infrastructure and construction solutions business. Additionally, Megawide has diversified its offerings to also include transport-oriented developments such as airports and landports.

Over the past two decades, Megawide has grown to become one of the country's top innovators in infrastructure with its First-World design, engineering, and workmanship. Megawide takes

this further by working alongside international industry experts to bring global best practices to the Philippines.

The Company's diverse portfolio includes projects under leading and premium property companies, which include low- to high-rise condominiums, horizontal housing, offices, hotels, casinos, and complexes.

In a recent pivot to develop its public works capacity, Megawide has become a partner of choice in the Philippine government's Public-Private Partnership (PPP) projects.



VISION

We will be a First-World Philippines.



MISSION

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



VALUES

Excellence

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

Teamwork

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

Malasakit

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

Innovation

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

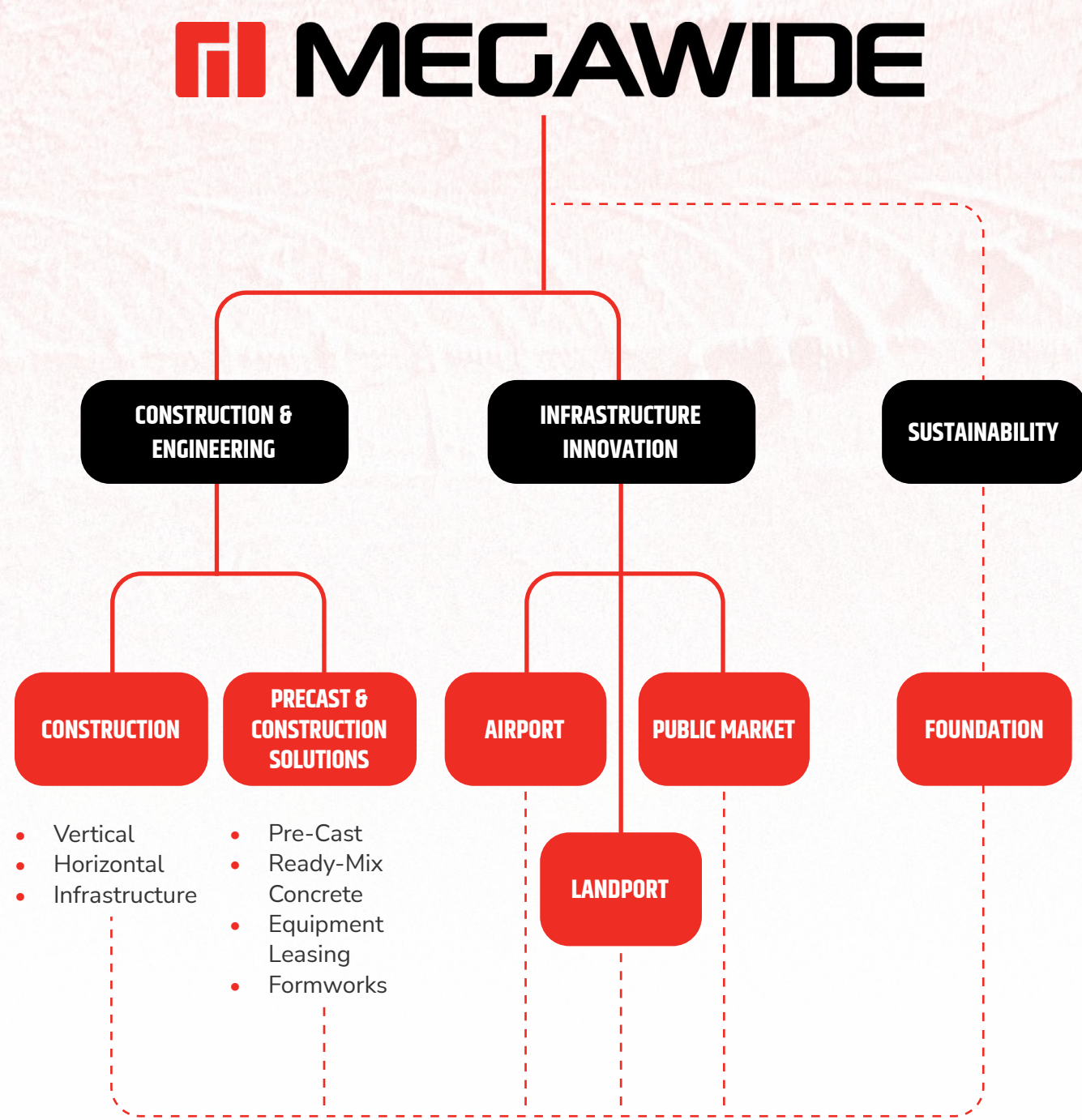
Integrity

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

Community

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

CORPORATE STRUCTURE



BRAND PORTFOLIO

2-6

	Construction	Precast and Construction Solutions	Airport	Landport	Public Market
Projects/ Products	- Residential - Industrial - Office and commercial - Airport Terminal - Land transport facility - Public school buildings - Emergency Quarantine Facilities (EQFs)	- Precast fabrication plant - Mobile and stationary batching plants - Modern formworks systems - Construction equipment leasing services	Mactan-Cebu International Airport (MCIA) Terminals 1 and 2 A 25-year Concession Agreement under the PPP program, awarded in 2014.	Parañaque Integrated Terminal Exchange (PITX) A 35-year Concession Agreement under the PPP program, awarded in 2015.	Carbon Market Freedom Park, Sto. Niño Chapel A 50-year joint-venture agreement with the Cebu City Government signed in 2021
Services	Construction, renovation and repairs, and the improvement or development of various infrastructure and buildings.	Customizable Precast technology; High-strength and durable ready-mix concrete; Safe and efficient formworks systems; Specialized machinery and transport equipments	Construction, renovations and rehabilitation, operations and maintenance, commercial leasing of assets and operations of the allied business within the airport.	Operation and maintenance of a multi-modal transport terminal and commercial property leasing within the complex.	Wet and dry goods market, night food market & entertainment, hawker center (The Barracks), place of worship, cultural heritage site
Headquarters	Megawide Head Office, 20 N. Domingo St., Brgy. Valencia, Quezon City, Metro Manila	4 Velasquez St., Sitio Bangiad, Brgy. San Juan, Taytay, Rizal	Lapu-Lapu Airport Rd., Lapu-Lapu City, Cebu	1 Kennedy Rd., Brgy. Tambo, Parañaque City, Metro Manila	Unit 2, Carbon Market, Ermita, Cebu City, Cebu 6000

PRECAST AND CONSTRUCTION SOLUTIONS

2-6

EPC is Megawide's main arm for our Construction Solutions services, offering clients with a wide range of construction capabilities that can be tailor-fit to the project needs. The following services and units are all located within the Taytay Industrial Complex in Rizal province, with several mobile units for specific project sites:

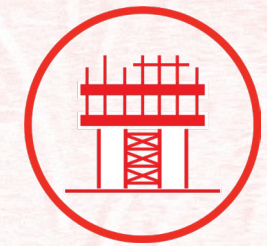


Precast

Our precast technology allows for greater standardization, higher-quality structures, and design customization while simultaneously saving time and cutting back on long-term costs.



2-6



Formworks

Our proprietary German formworks systems include reusable platforms, scaffolding, shoring, temporary facilities, and forming technology that are characterized by efficiency and safety, and fall protection.



Batching Plant

Our concrete batching plants, which are also available as mobile facilities, let us create custom formulations for our concrete, resulting in high-strength, chloride- and sulfate-resistant concrete.



Construction Equipment, Logistics, and Services (C.E.L.S.)

Our fleet of advanced construction machinery, vertical equipment, and groundworks include tower cranes, earth-moving vehicles, specialized material handling, and concrete delivery equipment.



MEMBERSHIP OF ASSOCIATIONS & EXTERNAL INITIATIVES

2-28

- Philippine Constructors Association, Inc. (PCA)
- Financial Executives Institute of the Philippines (Finex)
- Makati Business Club
- Philippine Chamber of Commerce and Industry
- Cebu Chamber of Commerce and Industry (CCCI)
- Mandaue Chamber of Commerce and Industry (MCCI)
- Federation of Philippine Industries
- Philippine Institute of Civil Engineers
- Association of Structural Engineers of the Philippines
- Association of Carriers and Equipment Lessors (ACEL)
- Philippine Institute for Supply Management

STRATEGIC PARTNERS

- Philippine Government through the Public-Private Partnership (PPP) Program;
- National Housing Authority
- GMR Infrastructure (Singapore) Pte. Limited (GISPL)
- GMR Infrastructure Limited (GIL)
- Integrated Design Associates (IDA)
- Local Government of the City of Cebu
- Suez International
- Hyundai Engineering and Construction Co., Ltd.
- Dong-Ah Geological Engineering Company, Ltd.
- Tokyu Corporation
- Tobishima Corporation

LICENSES & CERTIFICATIONS

- ISO 14001:2015
- ISO 9001: 2015
- ISO 45001: 2018
- OHSAS 18001:2007
- Accreditation of Indigenous Technologies for Housing (AITECH)
- Philippine Government Electronic Procurement System – Platinum Membership (PhilGEPS)
- Quadruple A (AAA) Platinum contractor licensed by the Philippine Contractors Accreditation Board (PCAB)

SUSTAINABILITY AT MEGAWIDE





SUSTAINABILITY AT MEGAWIDE

Sustainability, to Megawide, is about building structures that last—cascading quality of life for generations to come. With our focus on strengthening our ESG initiatives, Megawide has systems in place for overseeing its environmental and social impacts, while it maintains corporate governance standards that enhance effective leadership.

THE MEGAWIDE FOUNDATION

At the forefront of Megawide’s sustainability initiatives is the Megawide Corporate Foundation, Inc. (Megawide Foundation). The Megawide Foundation operates in line with the United Nations’ Sustainable Development Goals (UN SDGs), encouraging collaborative efforts to cascade positive impacts.

VISION

For marginalized Filipino communities to thrive through sustainable First-World opportunities.

MISSION

To engineer a future where marginalized Filipino communities can thrive by empowering them through First-World opportunities, collaborating to harness their unique resources and skills; and building self-sustaining programs in education, livelihood, and environmental conversation.

VALUES

- Collaboration
- Empowerment
- Excellence
- Innovation
- Integrity
- Sustainability

SDG CONTRIBUTIONS 203-2



HIGH-QUALITY TECHNICAL EDUCATION

We provide our people and host communities access to high-quality education. We believe it is never too late to learn something new and make use of it, so we sponsor students through our flagship program, the Megawide Engineering Excellence Scholarship (MEES).



COMMUNITY BUILDING

We support sustainable ways of living through eco-friendly activities with our communities. Through the provision of facilities and acts of service for and with our communities, we build the spirit of bayanihan and better well-being for all.



STRATEGIC PARTNERSHIPS, MEMBERSHIPS, AND AFFILIATIONS

We bring together the best to accomplish our mission. Our partnerships with organizations that share our vision of a sustainable future allow us to reach more people and learn new strategies.

Our affiliations include the Philippine Business for Social Progress (PBSP), and the League of Corporate Foundations. Partner Schools: Technological University of the Philippines (TUP) Manila, Polytechnic University of the Philippines (PUP) Manila, Pamantasan ng Lungsod ng Maynila (PLM), University of the Philippines (UP) Diliman, and Cebu Technological University and partner organization: Primary Structures Educational Foundation, Inc.



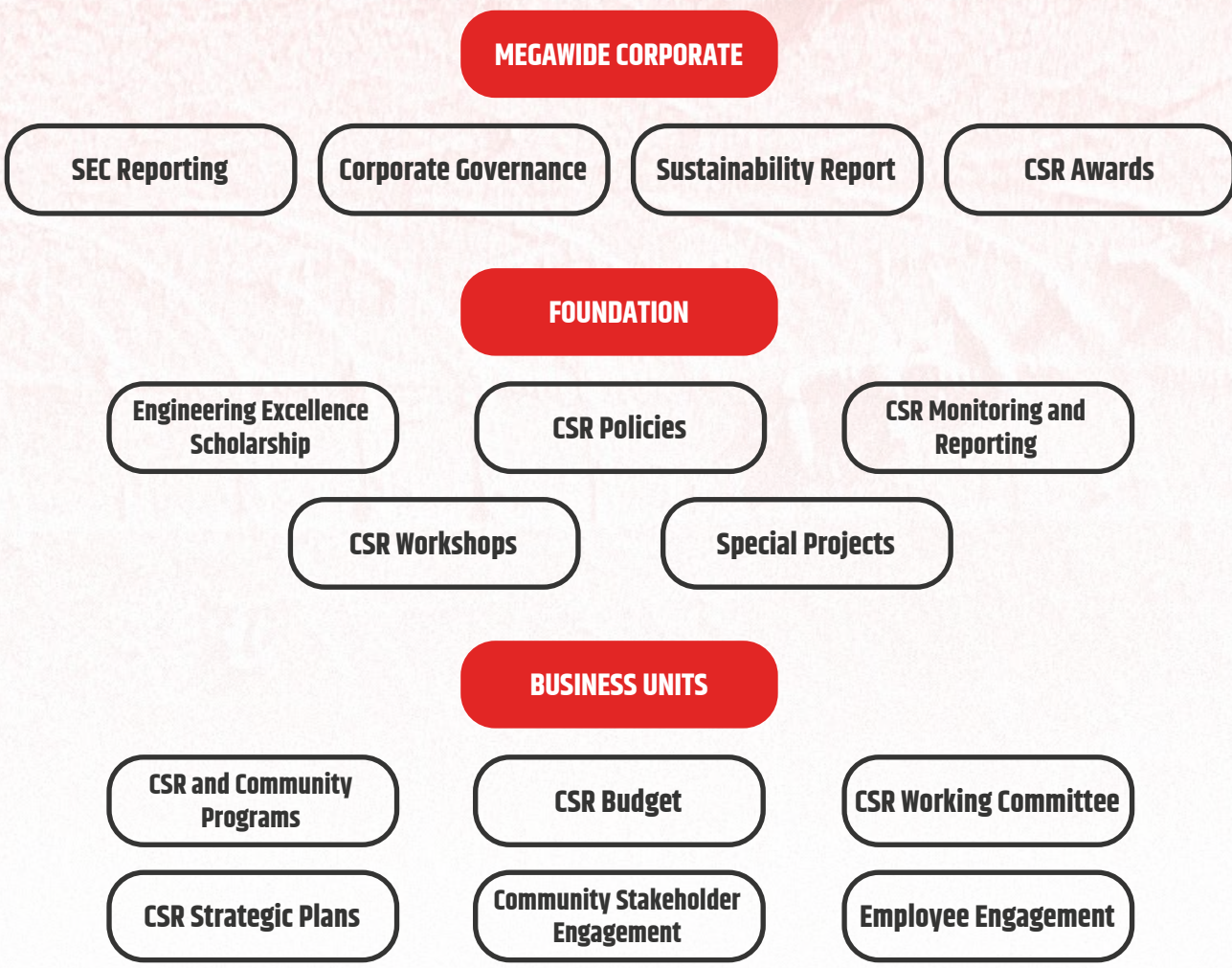
LICENSES

We grow our capacity to deliver quality service by meeting set standards. Our licenses are obtained from the Philippine Council for NGO Certification (PCNC) and the Department of Social Welfare and Development (DSWD).

These physical licenses also serve as seals of approval and provide our social license to operate within the different communities surrounding our operations, which we define as part of our stakeholder base.

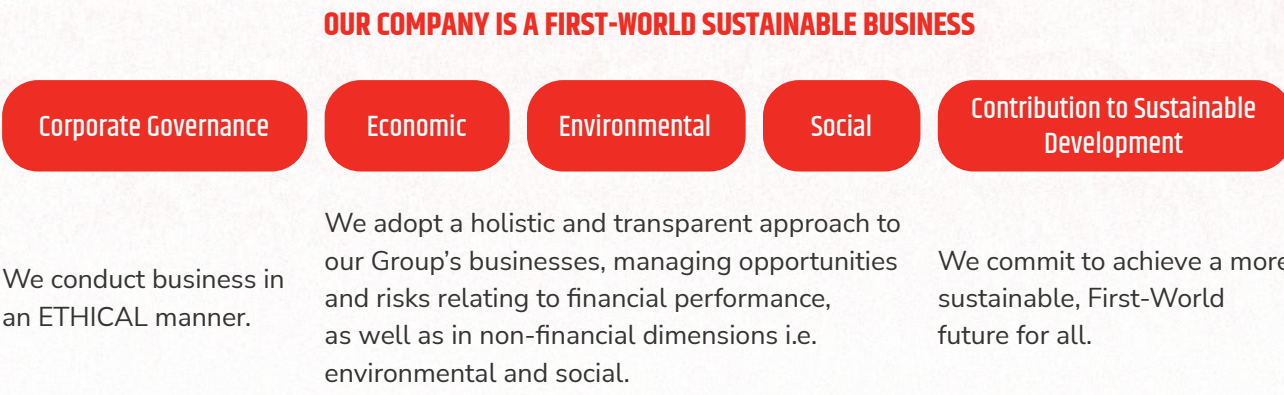
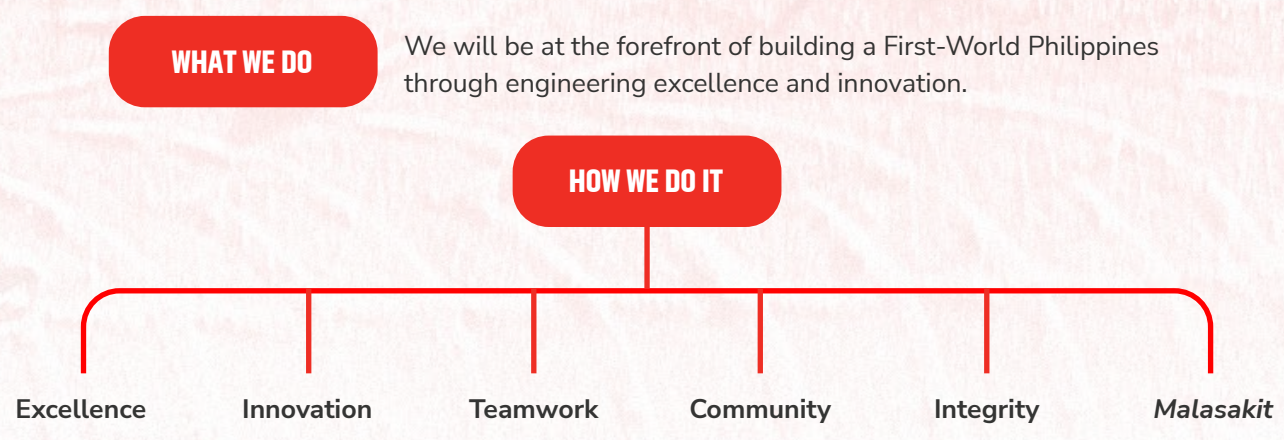
FOUNDATION FRAMEWORK

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



SUSTAINABILITY FRAMEWORK

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





PARTNERING TO PROVIDE FIRST-WORLD OPPORTUNITIES

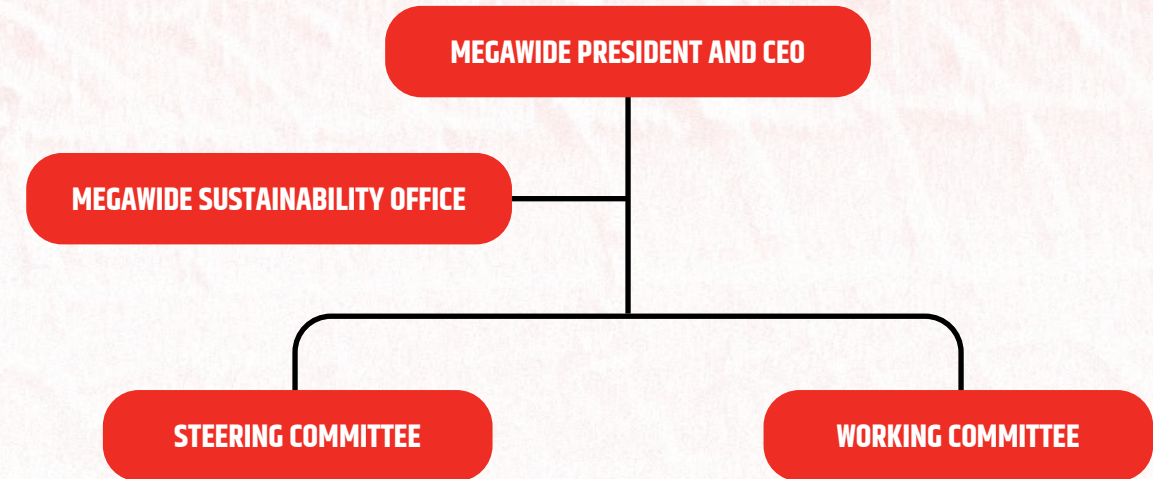
The School of Knowledge for Industrial Labor, Leadership, and Services (SKILLS) continues its partnership with Megawide Foundation in providing first-world opportunities to the community through education and livelihood opportunities. The partnership started in 2019 and blossomed into three batches of projects and training programs, as well as the handling of MEES in Cebu since 2022.

One inspiring story was of an 18-year-old male, assigned at one of Megawide's previous projects and eventually led and guided other trainees his age throughout their training, as the opportunities motivated him to share his knowledge with others. Indeed, through the constant guidance and support of SKILLS and the Foundation, inspired beneficiaries to be proactive and more involved.

SUSTAINABILITY GOVERNANCE STRUCTURE

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



	High-Level Responsibility
Megawide President and CEO	- Leads the Company's sustainability initiative - Provides management direction and support
Megawide Sustainability Office	- Determines sustainability initiatives and strategies to be implemented across the different business units - Supports the Steering and Working Committees in providing technical expertise - Offers technical and financial support for program implementation
Steering Committee	- Review and assess the targets and initiatives for the respective business units - Support the Working Committee in identifying BU/ department level strategies
Working Committee	- Implement programs in their respective business units and departments - Coordinate and work closely with the Steering Committee

MATERIALITY

2-29, 3-1

Megawide first rolled out its Sustainability Framework in 2018 and reworked this in 2021 to better capture its efforts under the five areas: Economic, Environmental, Social, Corporate Governance, and Contribution to Sustainable Development.

The Company’s strategic business units take guidance and direction from this framework and align their projects and programs with these sustainability commitments.

Megawide abides by the sustainability reporting requirements of the Security and Exchange Commission (SEC), as well as the Global Reporting Initiative (GRI) Standards. A materiality assessment was first conducted in 2018 to identify critical topics

that are most relevant to Megawide’s business and stakeholders. This included an engagement process with internal and external stakeholders to understand their issues and concerns.

For the 2022 sustainability report, Megawide collected concerns from stakeholders raised during the reporting period. Material topics were also reviewed in the context on how the Company’s activities both positively and negatively impact the economy, environment, and society. This is to align with the updated Materiality Assessment of the GRI Standards (2021 version). With that, topics that were covered in the previous reporting period have been considered to be material for 2022 as well.

Material Topics

3-2

Criticality	Material Topic	Relevant GRI Standard	Contribution to SDGs
HIGH	Pandemic	• GRI 403: Occupational Health and Safety • GRI 416: Customer Health and Safety	• SDG 3: Good Health and Well-being • SDG 8: Decent Work and Economic Growth
	Employee Welfare and Well-being	• GRI 401: Employment • GRI 402: Labor/Management Relations • GRI 403: Occupational Health and Safety	• SDG 3: Good Health and Well-being • SDG 8: Decent Work and Economic Growth
	Shareholder Confidence	• GRI 201: Economic Performance • GRI 2-29: Approach to stakeholder engagement	• SDG 16: Peace, Justice, and Strong Institutions
	Health and Safety	• GRI 403: Occupational Health and Safety • GRI 416: Customer Health and Safety	• SDG 3: Good Health and Well-being • SDG 8: Decent Work and Economic Growth
	Corruption/Fraud	• GRI 205: Anti-corruption	• SDG 16: Peace, Justice, and Strong Institutions
	Ethical Business Operations	• GRI 205: Anti-corruption • GRI 2-27: Compliance with laws and regulations	• SDG 16: Peace, Justice, and Strong Institutions
	Customer Satisfaction	• GRI 416: Customer Health and Safety	• SDG 16: Peace, Justice, and Strong Institutions

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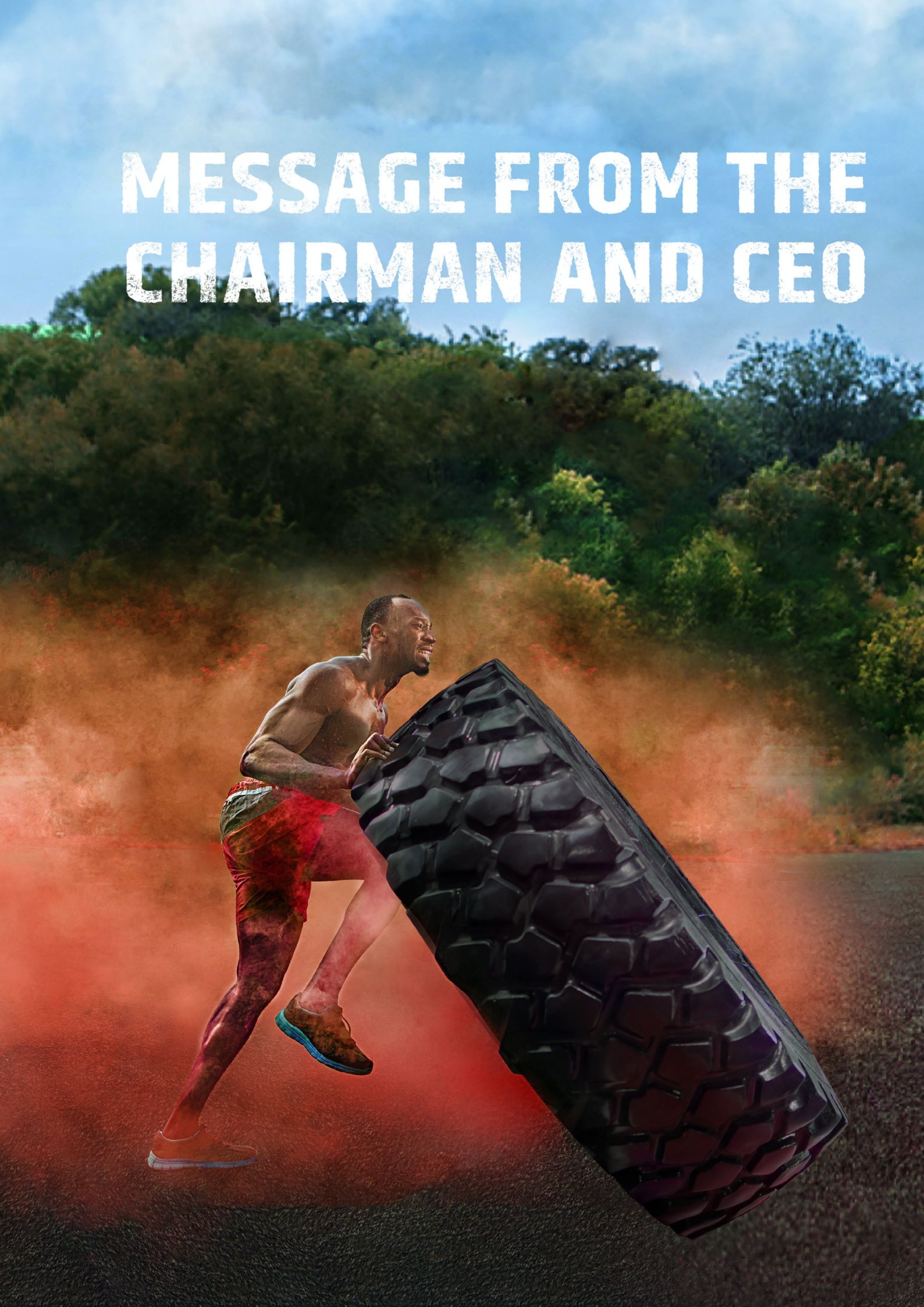
Criticality	Material Topic	Relevant GRI Standard	Contribution to SDGs
HIGH	Employee Training and Competency	• GRI 404: Training and Education	• SDG 8: Decent Work and Economic Growth
	Innovation in Operations/ Products & Services	• GRI 2-6: Activities, value chain, and other business relationships • GRI 301: Materials	• SDG 9: Industry, Innovation, and Infrastructure
MEDIUM	Product Quality and Responsibility	• GRI 2-6: Activities, value chain, and other business relationships • GRI 2-27: Compliance with laws and regulations • GRI 301: Materials • GRI 308: Supplier Environmental Assessment • GRI 414: Supplier Social Assessment • GRI 416: Customer Health and Safety • GRI 417: Marketing and Labeling	• SDG 12: Responsible Consumption and Production • SDG 16: Peace, Justice, and Strong Institutions
	Financial Sustainability/ Profitability	• GRI 201: Economic Performance	• SDG 1: No Poverty • SDG 8: Decent Work and Economic Growth
	Information Security/ Data Privacy	• GRI 418: Customer Privacy	• SDG 16: Peace, Justice, and Strong Institutions
	Local Sourcing/ Procurement	• GRI 2-6: Activities, value chain, and other business relationships • GRI 204: Procurement Practices	• SDG 12: Responsible Consumption and Production
	Human Rights (Child Labor/Forced Labor/ Discrimination)	• GRI 405: Diversity and Equal Opportunity • GRI 406: Non-discrimination • GRI 408: Child Labor • GRI 409: Forced Labor • GRI 411: Rights of Indigenous Peoples	• SDG 10: Reduced Inequalities
	Employee Turnover, Attrition, and Retention	• GRI 401: Employment • GRI 402: Labor/Management Relations	• SDG 1: No Poverty • SDG 8: Decent Work and Economic Growth
	Energy Management/ Efficiency	• GRI 302: Energy	• SDG 7: Affordable and Clean Energy
	Impact on Community/ Contribution to Society	• GRI 203: Indirect Economic Impacts • GRI 413: Local Communities	• SDG 10: Reduced Inequalities
	GHG Emissions/ Climate Change	• GRI 305: Emissions	• SDG 13: Climate Action
	Waste Disposal and Recycling	• GRI 306: Waste	• SDG 11: Sustainable Cities and Communities • SDG 12: Responsible Consumption and Production

Criticality	Material Topic	Relevant GRI Standard	Contribution to SDGs
MEDIUM	Water Consumption	GRI 303: Water and Effluents	SDG 6: Clean Water and Sanitation
	Impact on Biodiversity	GRI 304: Biodiversity	- SDG 13: Climate Action - SDG 14: Life Below Water - SDG 15: Life on Land

Stakeholder Concerns in 2022
2-29

Stakeholder Group	Engagement Method	Key Concerns	Company Response
Employees	Employee surveys, FGDs, townhall meetings, email	Work-life effectiveness, recognition, and supportive working relationships	Health and wellness webinars, hybrid work arrangements, employee engagement activities, themed celebrations, free meals and transportation
Customers	Email, MS Teams	Low CSAT survey results	Reviewed and checked current processes in cascading and generating survey
Contractors	Email, phone calls and texts, Viber	- Finalization of Service Level Agreement - Late billing payment	- Thorough review and checking of SLA to ensure all items are covered - Clear communication on processing timeline with vendors
Communities	Email, meetings	Livelihood programs and environmental concerns	CSR programs
Local Barangays	Virtual and physical meetings	- Need for quarantine facility - Reports of concrete discharge at Taytay 1 creek	- Construction of quarantine facility - Recommended prioritized cleaning of buildup and discharge way
NGOs Charities	Virtual and physical meetings	Need for sponsorship	Outreach program
Regulatory Bodies	Email, meetings, and calls	- LLDA findings on STP change of discharge time and improvement of logbook - Listing of 5,928 common shares - Regulatory clean-up of Megawide and affiliates, with SEC - Late completion of one-time permits (FSIC) and operational permits (PTOs)	- Complied based on LLDA findings and STP rehabilitation and upgrade - Close coordination with the SEC and PSE - Close coordination with SEC to obtain Certificates of Good Standing - Advanced completion of requirements
Investors	Email, virtual and physical meetings, site visits	Work-from-home set up	Provided site visits to analysts and investors

MESSAGE FROM THE
CHAIRMAN AND CEO



We are gaining speed and momentum on the path to our vision. Amidst pressure from internal deficiencies and external forces, the wins we achieved this year became the boost we needed to accelerate our journey towards a First-World Philippines – this time, with a strong ESG agenda to help show us the way.

SHAPING A VISION

2-22

Our 25th year marks more than two decades of innovating, evolving, and engineering ideas and projects that made us into one of the country's leading infrastructure innovators.

From our early Public-Private Partnerships (PPP) like the PPP for School Infrastructure Project, Mactan-Cebu International Airport, Parañaque Integrated Terminal Exchange, and Clark International Airport Terminal Building; to ongoing projects such as Malolos- Clark Railway and Metro Manila Subway; to our foray into digital infrastructure, we have concretized our vision and strengthened our position in Philippine infrastructure.

We believe these are projects that help elevate the country through quality of design and engineering that delivers efficient solutions, modern systems, and convenience to stakeholders – conditions believed to only be available in first-world countries.

We hope that the structures and services we create will serve as symbols and catalysts of progress, not just in our landscape but in the mindset of the Filipino: that we can live in a First-World environment, and all citizens can have First-World opportunities.





The overall goal of shared prosperity should go beyond profit, loss and measurable gains; it should prioritize social well-being and ecological sustainability.

EVADING RISKS AND ACCELERATING DIVERSIFICATION

2-22

Megawide, like all other corporations during and after COVID-19, faced difficulties maintaining profitability and an intact financial position. Other external factors, such as rising crude prices, an expected global recession, and the Russia-Ukraine war, put further pressure on the local business environment, manifesting through elevated inflation and interest rates.

2022 was our opportunity to recharge and stay on course with our strategy of self-improvement. To be stronger, one needs to identify points of weakness and develop boosters to enhance these areas. The challenges also opened opportunities that became a panacea for these difficulties.

Specifically, the transaction involving our airport subsidiary GMR-Megawide Cebu Airport Corp. (GMCAC) enabled the Company to address internal challenges and evade the potential impact of emerging external issues. The Company may have divested one of its major assets, but it boosted the greater organization to be in a better position to achieve its long-term goals.

It enabled us to ease our balance sheet and provided flexibility in pursuing our broader growth agenda. In addition, the transaction unlocked funds that will accelerate our diversification into more cycle-resilient, scalable, and emerging growth segments. Furthermore, the move will enable us to diversify and strengthen our stakeholder base, as we explore other ventures and pursue a more focused ESG agenda.

REVITALIZING OUR POSITION

2-22

In 2022, Megawide recorded Php 14.8 billion in revenues and delivered a net income of Php 2.83 billion, reversing the Php 893.2 million loss reported the previous year. The net income figure includes the exceptional gain from the airport transaction, representing part of the upfronted value from our divestment in GMCAC, and one-off items related to terminated projects in the construction business that were negatively impacted by the pandemic in 2020.

The proceeds also enabled us to delever part of our outstanding bank debts, which resulted in a much more comfortable bank debt-to-equity ratio of 1.4x by the end of December 2022 from 2.6x at the end of December 2021. As we pursue our inclusive growth and shared prosperity goals, our revitalized financial position will offer us much needed flexibility and capital raising capacity.

PURSuing SHARED PROSPERITY

While our strategic objectives steer our business decisions, we firmly believe that ESG should be central to our operations as well. One of our realizations from the pandemic was that our

corporate existence goes beyond the material and financial benefits we impart to shareholders. We embrace that we are equally responsible to the environment, the society, and all stakeholders.

With this in mind, the Company is mindfully focused on the concepts of inclusive growth, circular economies, and shared prosperity, which should be anchored on an effective ESG campaign. Specifically, the Company became more cognizant that CSR activities should have long-term relevance and our environmental footprint should be made through sustainable construction in support of a zero-carbon future.

We repurposed the objectives of our business units to better appreciate the needs of their stakeholders and surrounding communities, and subsequently carry out CSR initiatives that are tailor-fit to the concerns of their locale.

The overall goal of shared prosperity should go beyond profit, loss and measurable gains; it should prioritize social well-being and ecological sustainability. While CSR programs help us actively give back to local communities, ESG is likewise built into our infrastructure and development projects. For instance, we support sustainable mobility through efficient transportation infrastructure and green technology and design.





BOOSTED FOR THE FUTURE

2-22

With this boost, the Company will be in a better financial standing, with a flexible balance sheet to support its long-term growth objectives, anchored on more sustainable business segments.

Megawide will also pursue a more holistic and inclusive ESG platform, guided by programs of Megawide Foundation that prioritize stakeholder interests, and positive social and environmental impact.

There is much to look forward to and much to be done. I am grateful to our stakeholders who have stood by Megawide through the decades, and employees who are committed to our vision. I am equally thankful to our host communities, creditors, trade partners, and regulators for their continued support and confidence in our organization. Thank you for sharing our vision and keeping our passion for a First-World Philippines burning bright.

On to the next twenty-five years!

Edgar Saavedra

EDGAR B. SAAVEDRA

Chairman, President and CEO

PEOPLE BEHIND THE COMPANY



MEMBERS OF THE BOARD

The following provides the information on each Member of Megawide Construction Corporation's Board of Directors, as of December 31, 2021, including their current directorships and positions in other companies, previous business experience, and educational background:



Mr. Edgar B. Saavedra

Chairman of the Board, CEO, and President

Age: 47

Citizenship: Filipino

Term of Office: Yearly

Mr. Saavedra is currently the Chairman and President of Citicore Holdings Investment Inc. He is also the Chairman of MWM Terminals, Inc., Cebu2World Development, Inc., Citicore Power Inc., Citicore Energy REIT Corp., and Citicore Renewable Energy Corporation. He also serves as Director of GMR-Megawide Cebu Airport Corporation and Globemercants Inc. In addition, he serves as the Chairman, Chief Executive Officer, and President of PH1 World Developers, Inc. Further, he is a Trustee and Vice President of Megawide Corporate Foundation, Inc.

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



Mr. Manuel Louie B. Ferrer

Vice-Chairman of the Board, Executive Director of Infrastructure Development, and Chief Corporate Affairs and Branding Officer

Age: 47

Citizenship: Filipino

Term of Office: Yearly

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

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



Mr. Oliver Y. Tan

Director

Age: 44

Citizenship: Filipino

Term of Office: Yearly

Mr. Tan serves as Director and President of Citicore Power Inc., Citicore Energy REIT Corp., and Citicore Renewable Energy Corporation. Further, he is Director and Vice President of Citicore Holdings Investment Inc.

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



Mr. Ramon H. Diaz

Executive Director and Group Chief Financial Officer

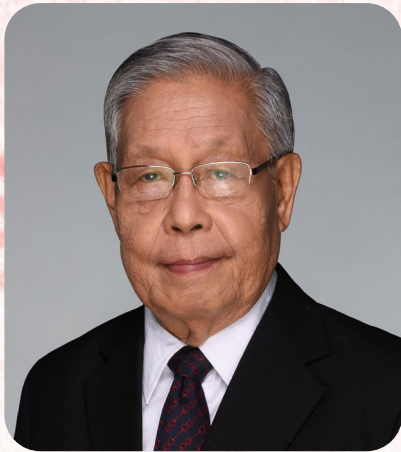
Age: 63

Citizenship: Filipino

Term of Office: Yearly

Mr. Diaz is a Director of Citicore Holdings Investment Inc., Citicore Power Inc., MWM Terminals, Inc., and Citicore Renewable Energy Corporation. Also, he serves as Director and Treasurer of GMR-Megawide Cebu Airport Corporation and Cebu2World Development, Inc.

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



Ret. Chief Justice Hilario G. Davide, Jr.
Independent Director

Age: 86
Citizenship: Filipino
Term of Office: Yearly

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

Ret. Chief Justice Davide, Jr. served as Chief Justice of the Supreme Court of the Philippines from November 1998 to December 2005. After his retirement from the Supreme Court, he served as the Permanent Representative of the Republic of the Philippines to the United Nations (UN) in New York from February 2007 to April 2010. He was an educator, legislator, and presidential adviser before his appointment as the country's top diplomat to the UN. Further, he was Commissioner of the 1986 Constitutional Commission which drafted the 1987 Constitution of the Philippines. Recognized for his accomplishments in government service, he was conferred the Ramon Magsaysay Award in 2002. He obtained his Bachelor of Laws from the University of the Philippines.



Mr. Celso P. Vivas
Independent Director

Age: 75
Citizenship: Filipino
Term of Office: Yearly

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

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



Mr. Alfredo E. Pascual*
Independent Director

Age: 73
Citizenship: Filipino
Term of Office: Yearly

Mr. Pascual is currently the Lead Independent Director of SM Investments Corporation and an Independent Director of Concepcion Industrial Corporation and Asiabest Group International Inc. He also serves on the board of nonprofits, such as the Institute of Corporate Directors, Institute for Solidarity in Asia, University of the Philippines Foundation, Inc., FINEX Academy, Philippine Council for Foreign Relations, and US-Philippines Society. Further, he is the President of the Management Association of the Philippines and Association of Former Employees of the Asian Development Bank.

In 2018 and 2019, Mr. Pascual was President and Chief Executive Officer of the Institute of Corporate Directors. From 2011 to 2017, he led the UP System as President and Board Co-Chair. Before UP, Mr. Pascual worked at the Asian Development Bank (ADB) for nineteen (19) years in several positions, including Director for Private Sector Operations, Director for Infrastructure Finance, and Advisor for Public-Private Partnership (Infrastructure Development). At ADB, he had postings in the Philippines, India, and Indonesia, and represented ADB on the board of its investee companies in China, India, and Philippines. Earlier on, Mr. Pascual held executive positions in investment houses, such as First Metro Investment Corporation, and was a finance professor at the Asian Institute of Management. He finished Master of Business Administration and Bachelor of Science Major in Chemistry (cum laude) at the University of the Philippines.

*Appointed as DTI Secretary June 2022; replaced by Lilia de Lima effective 20 December 2022, who resigned effective 12 May 2023

KEY OFFICERS CORPORATE OFFICE



Edgar B. Saavedra
Chairman of the Board, Chief Executive Officer, and President



Manuel Louie B. Ferrer
Vice-Chairman of the Board, Executive Director of Infrastructure Development, and Chief Corporate Affairs and Branding Officer



Ramon H. Diaz
Executive Director and Group Chief Financial Officer



Christopher A. Nadayag
Treasurer and Deputy Chief Financial Officer



Maria Belinda B. Morales
Chief Human Resources Officer



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



Martin Miguel Flores*
Chief Risk Officer



Zheena E. Ocampo
Acting Chief Audit Executive



Abigail Joan R. Cosico*
Chief Investor Relations Officer



Jaime Raphael C. Feliciano
Chief Business Development Officer



Mohit Malhi
Chief Executive Advisor



Jez G. Dela Cruz
Vice President – Corporate Finance
and Financial Planning



Rogelio Ramos, Jr.
Branding Head



Manuel Y. Ongjuco
Human Resources Operations Head



Rolando S. Bondoy
Assistant Vice President – Investor Relations



Anthony Leonard G. Topacio
Assistant Vice President – Legal



Robert Jason L. Torres
Assistant Vice President –
Corporate Affairs



Mia Grace Paula S. Cortez
Assistant Vice President –
Comptrollership and Group
Comptroller



Charlotte Y. King**
Corporate Secretary



Ma. Criselle R. Zapata-Herrera***
Assistant Corporate Secretary

*Appointed on 08 April 2022 effective 08 April 2022
**Resigned effective 12 January 2023; replaced by Atty. Alshwaid Ismael
***Completed 1-year term; replaced by Atty. Christian Jason Daludado, who resigned
effective 20 December 2022; replaced by Atty. Sean Borja

KEY OFFICERS

PRECAST AND CONSTRUCTION SOLUTIONS



Markus Hennig
Executive Vice President –
PCS Management



Neil Sharpe
Vice-President – Formworks



Jeralbine Nuguid
Assistant Vice-President – Precast



Teofilo Marzabal
Assistant Vice President –
Quality and Assurance



Marizel Rahon
Assistant Vice President –
Comptrollership



Rexford Ilagan
Assistant Vice President –
Ready Mix Concrete



Voltaire de la Rosa
Assistant Vice President –
Human Resource and Admin



Melona Dablo
Head of Supply Chain Management



Dennis Makalintal
Head – C.E.L.S.

KEY OFFICERS

ENGINEERING PROCUREMENT AND CONSTRUCTION



Frederick Tan
Chief Operating Officer



Bram van Olffen
Executive Vice President -
Engineering



Bryan Sy
Vice President -
Head of Human Resources



Reynaldo Rodrin
Assistant Vice President -
Operations



Jules Ronquillo
Assistant Vice President -
Operations



Grant Lee Fellowes
Project Director



Joselito Inamarga*
Assistant Vice President -
Operations

**Retired March 31, 2023*

KEY OFFICERS AND MEMBERS OF THE BOARD

MEGAWIDE CORPORATE FOUNDATION INC.



Manuel Louie B. Ferrer
Chairman of the Board
and President



Edgar B. Saavedra
Trustee and Vice Chairman



Teresa C. Saavedra
Trustee and Executive Director



Charlotte Y. King*
Corporate Secretary



Christian Jason Daludado**
Assistant Corporate Secretary



Christopher A. Nadayag
Treasurer



Paulette D. Liu
Independent Trustee



Celso P. Vivas
Independent Trustee



*Resigned effective 12 January 2023; replaced by Atty. Alshwaid Ismael
**Resigned effective 20 December 2022

KEY OFFICERS AND DIRECTORS

SUBSIDIARIES

MWM TERMINALS, INC.

Edgar B. Saavedra
Chairman of the Board

Manuel Louie B. Ferrer
Director

Jaime Raphael C. Feliciano
Director and President

Christopher A. Nadayag
Director and Treasurer

Ramon H. Diaz
Director

Maria Belinda B. Morales
Director

Raymund Jay S. Gomez
Director

Abigail Joan R. Cosico
Director

Al-Shwaid L. Ismael
Corporate Secretary

Sean James B. Borja
Assistant Corporate Secretary

GMR-MEGAWIDE CEBU AIRPORT CORPORATION

Srinivas Bommidala
Chairman of the Board

Manuel Louie B. Ferrer
Director and President

Edgar B. Saavedra
Director

Ramon H. Diaz
Director and Treasurer

Jez Dela Cruz
Director

Vivek Singhal
Director

P Sripathy
Director

Alejandro Manalo*
Deputy Chief Financial Officer

Florentino A. Tuason, Jr.
Corporate Secretary

Kimberly Hope Bisnar
Assistant Corporate Secretary

CEBU2WORLD DEVELOPMENT, INC.

Edgar B. Saavedra
Chairman of the Board

Manuel Louie B. Ferrer
Director and President

Lydwena R. Eco
Deputy General Manager

Ramon H. Diaz
Director and Treasurer

Maria Belinda B. Morales
Director

Ma. Cristina G. Angan*
Director

Raymund Jay S. Gomez
Director

Abigail Joan R. Cosico
Director

Charlotte Y. King**
Corporate Secretary

**Ma. Criselle R.
Zapata-Herrera*****
Assistant Corporate Secretary

*Resigned effective 16 January 2023

**Resigned effective 12 January 2023; replaced by Atty. Alshwaid Ismael

***Completed 1-year term; replaced by Atty. Christian Jason Daludado, who resigned effective 20 December 2022; replaced by Atty. Sean Borja

BUSINESS REVIEW



BUSINESS REVIEW

3-3, 203-1

Megawide's healthy financial results translate to efficient wealth distribution, helping our country grow and enabling us to share material and indirect economic impacts to our local communities as well. In 2022, Megawide accelerated the thrust towards infrastructure, delving into transport-related projects that promote mobility and commercial activity.

The Company is set on boosting our value chain by pursuing a long-term and sustainable growth agenda, guided by our mission and vision and measured through our Key Result Areas (KRAs). These KRAs were developed using a bottom-up approach and aligned with financial and operational targets throughout the Group.

Our accomplishments are then regularly evaluated against our KRAs or a balanced scorecard, within the context of the Group's roadmap, to benchmark our initiatives' effectiveness. In line with our goal of constant improvement across the organization, Megawide uses the results of our evaluations as inputs to build on and enhance our processes moving forward.

For the year 2022, our key achievements include progress on existing projects, such as the Carbon Market modernization, Malolos-Clark Railway Project, and expansion of our transit-centric developments (TCDs) portfolio, and the awarding of big-ticket infrastructure projects, in particular the Metro Manila Subway System.

CONSTRUCTION

OUR TOP CONTRACTS AS OF 2022

₱5.3 billion

Metro Manila
Subway CP-104

₱8.3 billion

Malolos-Clark
Railway Project

₱21.3 billion

Westside City
Resorts World

₱5.5 billion

Carbon Market
Modernization

203-1

METRO MANILA SUBWAY CP-104



The Metro Manila Subway will be the country's first underground rail transport system, which includes the construction of the Ortigas North and South stations as well as the connecting tunnels under the signed Contract Package (CP) 104. Working together on the project, which has an estimated total project cost of ₱17 billion, are Megawide and its Japanese developer-partners Tokyu Construction and Tobishima Corporation.

As of the end 2022, the location has been boarded up and the affected areas are closed to traffic. The staging area is being cleared and slowly built up to prepare for the initial site development this year.

MALOLOS CLARK RAILWAY PROJECT PHASE 1

Megawide and its Korean partners are constructing Phase 1 of the Malolos-Clark Railway Project (MCRP) - a part of the larger North-South Commuter Railway (NSCR) project of the Department of Transportation (DOTr). Phase 1 is a 17-kilometer segment, which includes the building and provision of civil engineering for viaduct structure, including elevated station buildings in Calumpit, Bulacan and Apalit, Pampanga, with an estimated total project cost of P28 billion, P8.3 billion of which represents Megawide's share in the consortium.

As of end-2022, the project is almost a tenth completed, with delivery expected in the next 16-18 months.



WESTSIDE CITY RESORTS WORLD



Megawide's largest contract to date from the private sector is Suntrust's latest township Westside City. The 31-hectare development is located in the rising Entertainment Capital of Asia, where the Company is engaged to complete several civil and structural works packages as well as management of subcontractors and delivery of concrete and pre-cast materials.

The complex is a showcase of Megawide's diverse offerings, leveraging on a fully-integrated EPC platform and highly advanced pre-cast technology, enabling it to deliver on time and on-spec amid a tight timetable.



PRECAST AND CONSTRUCTION SOLUTIONS

In 2022, Megawide reintroduced our Precast and Construction Solutions (PCS) business unit, synergizing with our construction and engineering services to accelerate our turnaround times and keep up with our growing project portfolio. PCS has seen steady growth over the years, tripling its revenues in 2022 compared with 2019 and increasing its share from less than 3% to around 7% as of end last year.



The PCS segment continued to expand their foothold in the horizontal housing market segment, securing their 9th location for the supply and build contract with Phirst Park Homes, totaling approximately 19,000 units to date.



Precast

Precast technology allows us to customize concrete materials to fit the construction needs of our customers. The innovation also promotes ecologically-responsible building methodology, by reducing dust and noise pollution in project sites.

Megawide boosted its Precast Unit's production capacity this year, growing from a baseline 96,000 cubic meters of precast production annually to around 144,000 cubic meters as of end last year. This is expected to reach as high as 230,000 cubic meters once the ongoing capacity expansion is completed. This comes with the opening of a second precast plant that will be used for producing half-slabs for flooring and horizontal infrastructure at a faster rate than before.



Ready Mix Concrete

Megawide's Batching Plant (BP) supplies environmentally friendly ready-mix concrete through its main and mobile batching plants. Our concrete utilizes the MultiCON innovation, which is currently under research and evaluation, creating a mix that is cost-efficient (uses less water and energy), built to last, and produces less greenhouse gas (GHG) emissions.

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



Formworks

Our proprietary Formworks lay the foundation for easy assembly and dismantling of temporary facilities that customers can use for interim purposes, such as worker barracks, accommodation rooms, and on-site offices. These unique advantages offer clients ease and convenience, resulting in efficiency and conducive work spaces.



C.E.L.S.

Construction equipment leasing services (C.E.L.S.) deliver logistical expertise through its experienced and highly-capable manpower and fleet of specialized construction equipment. The unit offers end-to-end packages including concrete delivery, materials handling, and earthmoving.



Facilities Management Department

The Facilities Management Department (FMD) is in charge of managing Megawide's offices and offering building management services to customers. It recently acquired a Property Management contract for The Hive Residences – a project by PH1 World Developers – to deepen its portfolio and diversify its offerings. Fostering closer ties with key stakeholders and government partners, FMD also donated and constructed the Bureau of Fire Protection's Taytay Office.



Research and Development

Megawide's Research and Development (R&D) unit is behind the innovation that we inject into our products, operations, and service offerings. Inspired by global best practices and approved by Philippines standards, R&D constantly seeks out opportunities to make construction methodologies efficient and environmentally sound as it tests these new learnings to local projects.



AIRPORT

MACTAN-CEBU INTERNATIONAL AIRPORT TRANSACTION



In a bid to further strengthen the Company's business and financial portfolio, Megawide and its partner GMR Airports International BV (GAIBV) executed a Share Subscription and Transfer Agreement with Aboitiz InfraCapital, Inc. (AIC), for the latter to acquire shares in GMR-Megawide Cebu Airport Corporation (GMCAC), the developer and operator of the award-winning Mactan Cebu International Airport (MCIA).

The agreement will result in AIC owning 33 & 1/3% minus 1 share in GMCAC for a total consideration of P9.5 billion. The transaction likewise involved the issuance of Exchangeable Notes for the aggregate amount of P15.5 billion, which will mature on 30 October 2024, and is expected to be exchanged by AIC for the remaining 66 and 2/3% plus 1 share in GMCAC.

The transaction closed on December 16, 2022.

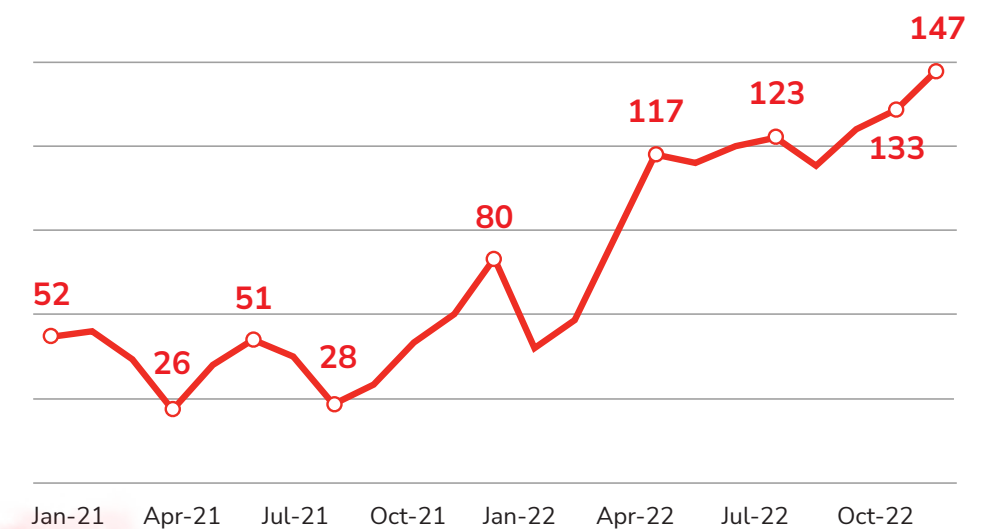
LANDPORT

PARAÑAQUE INTEGRATED TERMINAL EXCHANGE ñ



In 2022, the Parañaque Integrated Terminal Exchange (PITX) continue to exceed pre-Covid levels and averaged 107,000 passengers daily in 2022, with the peak at 147,000 passengers in December. With the healthy foot traffic, monthly commercial sales likewise reached a record high in December 2022, amounting to Php 110 million, with average daily passenger spend recorded at Php 25/passenger. This was attributed to new retail and food offerings at the terminal catering to the thousands of daily visitors at PITX.

AVERAGE DAILY FOOT TRAFFIC (‘000)



PUBLIC MARKET

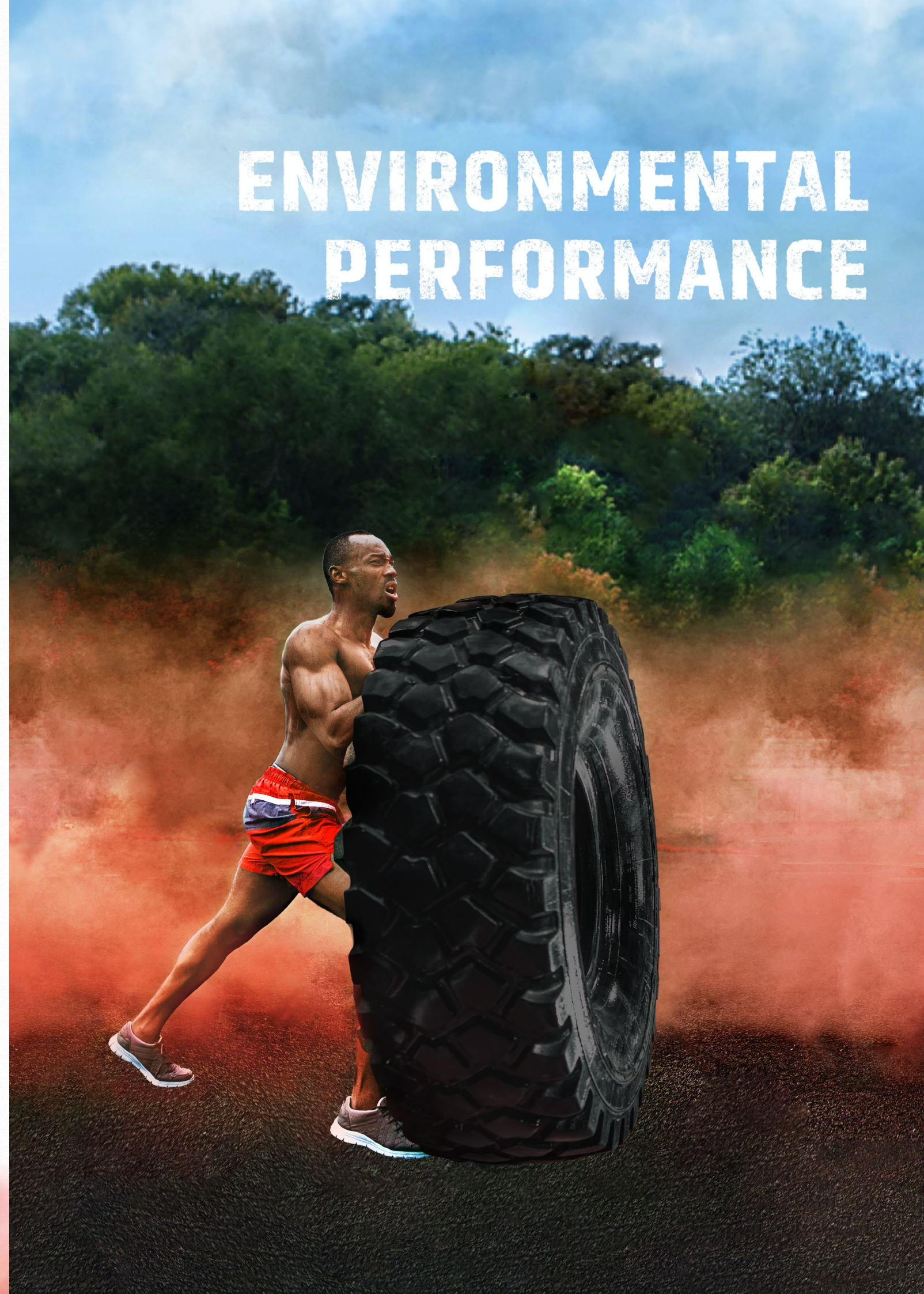
CARBON MARKET MODERNIZATION



The modernization of the Carbon District in Cebu City continued in 2022, involving progress on the public market building and redevelopment of key public spaces surrounding the area. Megawide leveraged its engineering excellence and collaboration with our stakeholders, completing the construction of the new Sto. Niño Chapel, a multilevel open-plan interim market building, and mechanical parking.

The Carbon night market, which offered a unique food and entertainment vibe, was launched in June 2022 while the construction of the iconic Puso Village was also completed in December 2022.

ENVIRONMENTAL PERFORMANCE



ENVIRONMENTAL PERFORMANCE

MATERIALS

3-3

Megawide strictly follows local and global regulations, such as the Philippine National Standards (PNS), American Society for Testing and Materials (ASTM), American National Standards Institute (ANSI), American Concrete Institute (ACI), Construction Specifications Institute (CSI),

American Association of State Highway and Transportation Officials (AASHTO), and the ISO standard related to Quality, Environment, Safety, and Health. Routine quality checking for materials are conducted to maintain customer satisfaction and prevent negative environmental impacts.

Materials Used by Weight or Volume

301-1

MCC - PCS (Batching Plant)		
Non-renewable materials	Quantity	Unit
Cement	88,663	t
Water	25,720	t
Coarse aggregates	215,463	t
Fine aggregates	216,278	t



301-1

MCC - PCS (Taytay Complex)		
Non-renewable materials	Quantity	Unit
Cement	279,399	t
Admixture	2,730,289	L
Calcium carbonate	5,025	t
Fly ash	44,701	t
Gravel 3/4	271,881	t
Gravel 3/8	346,006	t
S1	173,037	t
Vibro	359,946	t

MCC - EPC		
Non-renewable materials	Quantity	Unit
Sand	1,572	m3
Gravel	3,079	m3
White sand	953,768	bags
Wire	47,549	kg
Polyvinyl chloride (PVC)	385,039	pcs
Renewable materials	Quantity	Unit
Magazine box	594	kg
Cork board	4,467	kg
Carbon paper	2,590	kg
Sticker paper	170	kg
Tissue paper	3,191	kg

DID YOU KNOW?

Formworks uses Alkus board in its wall formwork panels in lieu of wood, which is both economically and environmentally-wise technology. These boards can be re-used more than 1,000 times and reduce the need for timber.

PCS

The quality and quantity of raw materials and equipment calibration used for our Batching Plant’s ready-mix concrete are reviewed by the team and reported to the Procurement and Supply Chain Department. Our Approving of Raw Materials for Use in Concrete Policy guides the inspection and approval phase prior to dispatch.

Pricing negotiations fall under the jurisdiction of the Procurement and Supply Chain Department as well, while the Quality Control Department is responsible for ensuring consistent product quality. The Research and Development Department, on the other hand, conducts verification and validation. All processes are documented properly and cascaded accordingly to all the concerned departments of the Batching Plant.

EPC

Our construction at project sites mainly use steel, cement, and aggregates as raw materials. We source these from various suppliers to ensure availability and minimize delays. Specialized laboratories test the materials to ensure compliance with the standards set by regulatory bodies.

MWMTI AND GMCAC

MWMTI and GMCAC engage with local service providers and vendors for services such as maintenance, marketing, and other operations. Additionally, both companies promote partnerships with local suppliers to source raw materials, provided that they adhere to vendor accreditation guidelines. This approach helps reduce handling costs, particularly in the face of fluctuating fuel prices and ensures efficient turnaround times.



ENERGY

Megawide is aware that construction and engineering are energy-intensive activities, which is why we strive to initiate energy-saving programs and the greater use of renewable energy (RE) to minimize our negative impacts. Proper energy management also leads to effective cost management as our energy conservation programs reduce operational costs and generate savings.

Energy Consumption

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Renewable energy - Biodiesel (GJ)	N/A	N/A	18.83	N/A	N/A
Renewable energy - Solar (kWh)	N/A	Data unavailable	N/A	N/A	430.34
Gasoline (GJ)	N/A	N/A	N/A	N/A	N/A
LPG (GJ)	N/A	0.002	N/A	N/A	N/A
Diesel (GJ)	N/A	8.6	N/A	N/A	147.33
Electricity (kWh)	396,925.00	4,053,382.80	988,120.00	9,389,922.05	22,983,910.87

CORPORATE AND EPC

The Company’s energy consumption at Megawide’s Corporate Office (HoldCo) and EPC’s Head Office increased due to back-to-office work requirements for employees starting in February 2022. An increase in employees resulted in greater use of electronic equipment and assets, such as lights, air-conditioning units, appliances, and other devices. This is opposed to remote work set-ups

that reduced our operational demand and reflected greater energy consumption savings.

To minimize consumption this year, the Facilities Management Department (FMD) practiced energy conservation by managing the use of lights, appliances, and other equipment when not needed. Metering devices are present to measure the impact of conservation efforts.





100% RE BY 2023

Partnering with Citicore Energy REIT Corp., Megawide FMD applied for the Philippine government's Green Energy Option Program to achieve 100% renewable energy use at our Taytay Industrial Plant and Head Office by 2023.

3-3

PCS

The PCS Team is exploring the use of RE on top of energy efficiency initiatives to reduce consumption. PCS monitors its energy consumption using a tracking system and an annual energy report is submitted to the Department of Energy (DOE) for yearly recording.

In 2022, the PCS units' Green Energy Option Program (GEOP) application is being reviewed by Management as the cost of renewable energy unexpectedly increased compared to the initial proposal due to market conditions. PCS is also looking out for energy-saving and efficient equipment, having installed solar-powered flood lights as well as light-emitting diode (LED) lights around the Taytay Industrial Complex.

MWMTI

MWMTI's energy consumption increased by 19% to 9,389,922.05 kilowatt-hours (kWh) in 2022 from 7,872,664 kWh in 2021. This can be attributed to the increased occupancy of facilities despite setbacks in the early months of 2022. In response, MWMTI's Facility Management Team adopted energy-efficient practices to manage its consumption and minimize losses. It also conducted a major preventive maintenance activity on the entire electrical system.

GMCAC

GMCAC recognizes the importance of monitoring and managing energy consumption, as well as diversifying energy sources given its significant power requirements. It is looking to adopt more renewable energy sources, aside from its current use of solar energy.

EMISSIONS

3-3

We understand the critical role that construction and engineering companies play in reducing greenhouse gas (GHG) emissions, especially in the context of the collective action needed to make change happen. As with our energy consumption management, Megawide continues to look for ways to minimize emissions and adopt RE.

Scope 1 and 2 Emissions
305-1, 305-2

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Scope 1 Emissions (Tonnes CO ₂ e)	N/A	544.44*	1.17	N/A	10.5
Scope 2 Emissions (Tonnes CO ₂ e)	282.69	2,886.81	703.74	6,687.50	16,369.14

*LPG not included in calculations

PCS

Emissions primarily come from equipment in project sites, which includes generator sets, diesel fire burners, and LPG vapor burners that use diesel and LPG. These tools are regularly monitored and properly maintained to minimize harmful discharge. As part of Megawide's commitment to lessening emissions, the PCS units comply with standards and regulations. Precast also conducts quarterly stack emission testing to confirm that emissions are compliant with the DENR standards.

EPC

EPC secures a permit to operate its generator sets from the Department of Environment and Natural Resources - Environmental Management Bureau (DENR-EMB). Self-monitoring reports are conducted quarterly to assess the emission levels of the Head Office and to comply with standards.





3-3

MWMTI

MWMTI conducts emission testing with a third-party vendor for the Air Pollution Sources Installations. Results have shown that the facility passes the criteria and parameters of the testing, allowing the facility to continue to operate.

GMCAC

GMCAC identifies emissions sources through Air Pollution Source Equipment (APSE) to ensure that any exceedance from the standards of DENR-EMB is corrected as part of its Air Quality Management Plan. Monitoring of the airport operations' emissions and the quality of ambient air in surrounding communities is regularly carried out. Opportunities to improve the management of emissions include regular preventive maintenance of APSEs to ensure compliance with DENR-EMB guidelines. With regard to emissions relative to energy consumption, initiatives related to the use of renewable sources are being considered as well.

GMCAC conducts Ambient Air Quality monitoring in six areas, while Noise Quality Monitoring is implemented in four areas surrounding the airport:

Ambient Air Quality Monitoring Sites

- Carbo Bay Area (MCIA Gate)
- Bangkal Barangay Hall
- Science & Technology Education Center (STEC)
- Pusok National High School
- Terminals 1 and 2 Ramp Area

Noise Quality Monitoring Sites

- Science & Technology Education Center (STEC)
- St. Augustine International School
- MCIAA General Aviation Building
- Carmelite EMD Foundation School

WASTE MANAGEMENT

3-3, 306-1



Megawide's waste management practices are monitored by relevant regulatory bodies, including the DENR and the Laguna Lake Development Authority (LLDA). Compliance and waste reduction efforts are necessary in order for the Group to mitigate any harmful effects to human health as well as to prevent land and water pollution.

Waste Generated

306-3

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Non-hazardous waste (t)	Data unavailable*	9,954.89	13.22	1,181.6	823.40
Hazardous waste (t)		85.4	0.65	N/A	29.00
Total waste generated (t)	Data unavailable	10,040.29	13.86	1,181.6	852.40

*HoldCo does not monitor this at the moment prior to disposal since it does not have the equipment to weigh waste. HoldCo currently segregates its waste and disposes segregated waste in the assigned garbage area of Rockwell Santolan Town Plaza.

3-3, 306-2

CORPORATE

HoldCo produces solid waste mainly from its office activities. To ensure proper waste segregation in the common office and meeting rooms, segregated waste bins are provided. As per the agreement with the building administration, waste is deposited in the building's Material Recovery Facility (MRF) for storage and segregation prior to disposal. Hazardous waste is transferred to the EPC Head Office for a third-party hauler to collect, handle, treat, and dispose, in compliance with regulatory policies.

PCS

For 2022, the PCS units set goals focused on proper waste segregation and the continuous scheduling of disposal for scraps and solid waste. Although these goals have not yet been refined, PCS continues to think of ways to improve its waste management process for the current year and the years to come.

The PCS Supply Chain Management and Safety Departments have Scrap and Garbage Disposal Policies in place. The concerned departments are currently coordinating with one another to assess how the units can improve their current waste management policies. PCS FMD has initiated a project to improve the existing MRF area at the Taytay Industrial Complex, with the goal of developing a more organized and manageable facility for the disposal of scrap and other types of waste. The Construction Team has already prepared the layout for the new MRF area and is currently outsourcing potential vendors for the project.

EPC

At the EPC Head Office, proper waste segregation instructions were disseminated to all employees, complemented with specifically labeled and clearly illustrated waste bins for different kinds of wastes. The MRF is arranged further to segregate the various waste. A third-party contractor approved by the local government unit (LGU) hauls all waste and scraps through proper arrangements. These waste management procedures are also disseminated to project sites through the conduct of online training and seminars.

3-3, 306-2

MWMTI

The quantity of waste disposed of at the terminals is affected by the number of passengers and tenants inside the facility. The terminal follows national regulations and operates a MRF, while also planning to increase its capacity to accommodate the increased volume of waste generated in the complex arising from rising passenger throughput.

MWMTI is also responsible for managing both residual waste and food waste generated by food and beverage tenants. Proper handling and disposal of food waste is ensured by conducting daily inspections and close monitoring of activities by food service tenants to help improve the solid and food waste management among users and tenants.

GMCAC

The continuous generation of waste remains a challenge in the airport. Waste is generated in the terminals, particularly from the resources used by concessionaires and ground handlers in operations. Aircrafts also contribute largely to the impact of waste generation.

GMCAC aims to reduce its waste through increased efforts in promoting the use of recyclable materials. A solid waste management plan is in place and a third-party service provider collects and disposes waste. Waste is already segregated at the source to reduce the quantity of residual waste disposed of in landfills. It is then transported to a staging area, also known as the Central Waste Facility, where further segregation of waste is done. Hauling of residual wastes is conducted four to five times a week and recyclable waste is collected by a scrap hauler.

In order to prevent any negative impact on the environment, GMCAC implements a no-single-use-plastic policy, and ensures proper waste management by coordinating with stakeholders and concessionaires through the provision of a Management Information Notice (MIN). This system allows both parties to work hand-in-hand with GMCAC Management in minimizing waste, through monthly monitoring of waste generation.

With emerging technologies that immensely promote the reduction of landfill-bound waste, GMCAC could explore the use of these innovations to further prevent land and water pollution.



WATER AND EFFLUENTS

3-3, 303-1, 303-2

Megawide’s businesses utilize water for operational requirements. Managing water consumption through proper treatment and disposal is a priority to prevent water pollution, which could affect the health of neighboring communities and aquatic environments. As a shared resource, water is regularly managed through conservation efforts.

Water Withdrawal, Consumption, and Recycled

303-3, 303-5

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Water withdrawal (ML)	1.22	181.48	7.18	0	356.23
Water consumption (ML)	1.22	134.31	7.18	224.93	153.77
Water recycled and reused (cu.m)	0	Data unavailable	0	0	0

Water Discharge

303-4

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Total volume of water discharge (ML)	This is handled by the building administration; Megawide is only a tenant.	44.23	46.72	52.41	202.46

CORPORATE

With the return of on-site work as a requirement for employees, an increase in water consumption has been observed. To mitigate this, the FMD continued with the maintenance of automatic faucets in comfort rooms to regulate water usage. FMD is also responsible for monitoring HoldCo’s effluents

by regularly cleaning grease traps on a weekly basis. Furthermore, HoldCo installed screens at the pantry sinks to filter food and unwanted residues. It is likewise exploring the use of adjustable water aerators that fit with existing faucets to better regulate water consumption.

3-3, 303-1, 303-2

PCS

For the Taytay Industrial Complex, water is mostly used for production & domestic purposes, such as washing, gardening, and maintenance. The Construction Team ensures that water-efficient fixtures have been installed in the washrooms, worker barracks, and engineer dorms to control the water flow and prevent wastage. A communication channel has been established and implemented by the Maintenance Team to address the repair-related concerns of stay-in employees.

One of the requirements stated on the discharge permit issued by the DENR and Laguna Lake Development Authority (LLDA) was to coordinate with a third-party vendor to perform quarterly water and wastewater quality testing. This procedure is conducted to ensure that water potability, discharge, and effluents are within the parameters stated on the discharge permit.

EPC

A third-party water vendor supplies potable water to the EPC Head Office for domestic use purposes. FMD monitors the water supply on a daily basis and assures that supplied water is in line with water quality standards. Facilities management also ensures that the treated effluents are tested and monitored regularly based on wastewater quality parameters. In 2022, the EPC Sewage Treatment Plant (STP) was rehabilitated and upgraded to enhance and improve wastewater treatment.

To track progress, EPC established baseline data to identify water-related impacts. It also installed water-efficient faucets and conducted wastewater quality testing to enhance compliance.

MWMTI

MWMTI utilizes water for both domestic and commercial purposes, such as in washrooms, for cleaning, maintenance activities, and landscaping.



A system to conserve water is in place to ensure efficient water use and reduction on wastewater generation, specifically the 5-second intervals of water flow from sinks in the restrooms.

Cistern tanks are present in the terminals for both potable and non-potable water, which are cleaned annually to address sanitation and health issues. These tanks are independent from the main water system to provide constant water supply and minimize inconvenience for passengers and tenants. A sewage treatment plant (STP) is operational, located at the terminals to treat wastewater before releasing it to the public drainage systems. MWMTI collaborates with an authorized contractor to oversee the quantity and quality of effluents to avoid adverse effects on water bodies where the water is being discharged.

MWMTI is looking further into water-related opportunities, such as water use optimization in washrooms, water pressure adjustments for both potable and non-potable water systems, and implementation of rainwater harvesting.

GMCAC

Water at GMCAC is mainly used for domestic purposes, landscaping, dust suppression, cooling towers, and equipment washing. A third-party vendor supplies water to the airport terminal. GMCAC has a goal of ensuring that discharged wastewater is within the standards of the receiving water body as well as the standards of DENR. Wastewater undergoes treatment in the STP before it is discharged into the Mactan Channel. Water and wastewater testing are also conducted every month by a service provider to monitor potability and quality.

The company is continuously pushing water conservation programs forward, including information and educational campaigns. As water depletion is already an existing problem, GMCAC aims to reduce the use of freshwater resources by exploring the possibility of recycling blowdown water from cooling towers. GMCAC is also looking into installing systems for rainwater harvesting as an alternative water source.

Our sewage treatment plant achieved 100% compliance, improving previous performance owing to our enhanced reportorial and regulatory initiatives.

100%
compliance

Since 2014, Megawide has been using recycled water for its concrete production. This is in line with our goal of zero wastewater discharge to our nearby communities.

23,628 tons
of water recycled
in 2022



ENVIRONMENTAL COMPLIANCE

2-27

Megawide ensures that its operations are in accordance with environmental laws, regulations, and standards, both in the Philippines and internationally, with the goal of establishing a high benchmark for the local industry that meets First-World standards.

MCC

The Compliance Team is responsible for monitoring and regularly updating these requirements to keep abreast with global levels all the time. Additionally, the team is responsible for identifying any new environmental regulations that may apply to Megawide's operations. Through the conduct of internal audits, the Company ensures compliance with the latest environmental guidelines.

GMCAC

GMCAC's Environmental Compliance Certificate (ECC) comes with certain conditions for its continued effectiveness. To ensure that GMCAC's environmental management plans and activities comply with government regulations, the company periodically submits compliance and monitoring reports to DENR-EMB. The team likewise secures valid permits and licenses, aside from meeting DENR's quarterly self-monitoring reports (SMR) and semi-annual compliance monitoring reports (CMR).

BIODIVERSITY

3-3

Construction and pollution go hand in hand and Megawide's activities can potentially disrupt surrounding ecosystems and biodiversity. For this reason, the Group is exploring biodiversity conservation efforts to allow such systems to thrive.

From teeth to trees

Toothbrushes became tree saplings in Megawide's tree planting activity at Carangalan, Nueva Ecija. Using Bambuhay toothbrushes, the world's first plantable toothbrush, the Company and our volunteer employees planted over a hundred seeds in our partner locale.

Megawide purchased the biodegradable bamboo toothbrushes and distributed them among our employees to promote a zero-waste lifestyle. Employees could then return the toothbrushes for the tree planting activity.

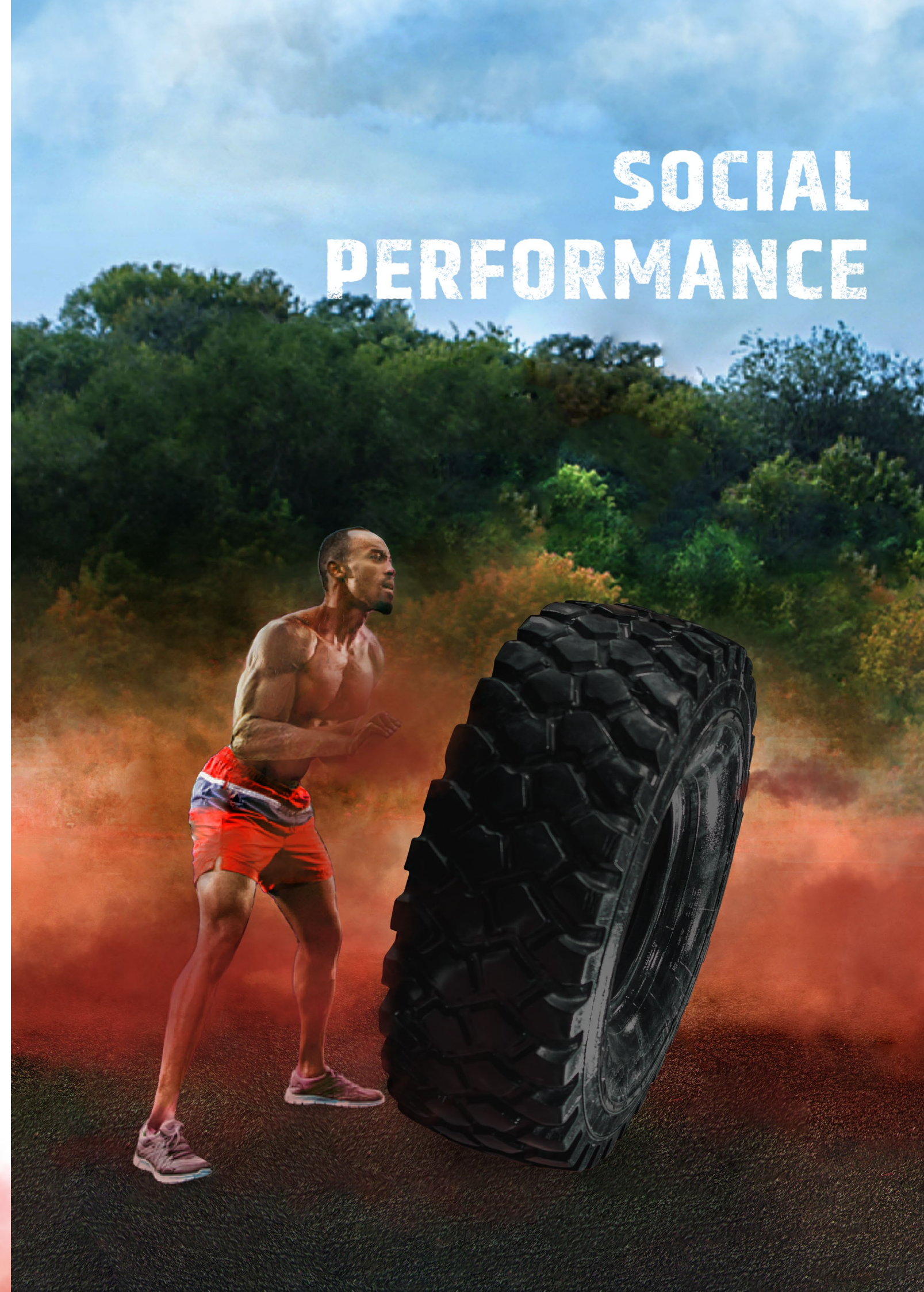


Saving forests through Formworks innovation

The formworks unit of the Pre-Cast and Construction Solutions (PCS) segment has been practicing environmental sustainability in its operations through the use of Alufix board in its

wall formwork system. This material is used instead of wood and can be used more than 1,000 times, reducing the need for wood and cutting down trees.

SOCIAL PERFORMANCE



SOCIAL PERFORMANCE

FOR OUR PEOPLE

Experiences from our employees

What is it like working at Megawide? Let's hear it from them:

Q: What is Megawide to you?

"Si Megawide, hindi ko lang siya tinitingnan as family, kasi Megawide is a community. Matututo ka talaga, napaka-lawak ng environment na pwedeng maging malaki ang impact sa iyo."

"[I don't only see Megawide as family, because Megawide is a community. You learn and the environment is so extensive that it has the potential to make an impact on you.]"



Bennie Sangeles
Payroll Assistant Manager
Has been working at Megawide since 2012



John Paul Bautista
Internal Audit Supervisor
Has been working at Megawide for 7 months

Q: What do you enjoy the most about Megawide?

"Alam mo yung feeling na valuable ka kasi kailangan yung input mo? At the same time, yung ginagawa mo nakikita mong nagtatranslate siya into an output na may natutunguhan."

"[You know when you feel valuable because your input is needed? At the same time, you see your work turn into an output that leads to something concrete.]"

EMPLOYMENT

3-3

Megawide recognizes that lack of employee support can reduce productivity, elevate stress levels, and increase employee turnover. To prevent this, the Group ensures that employees are provided with their basic needs as well as valuable benefits to create a more motivated and productive workforce.

CORPORATE

Megawide requires skilled workers, such as engineers, project managers, and technical personnel, for its operations and project sites. Due to the high demand for these professionals, the Company must uphold effective human resource management practices to remain a preferred employer in the local engineering and construction industry. Aside from offering regular employees with attractive and competitive compensation and benefits packages, Megawide also ensures that project employees are well compensated with basic wages, allowances, performance bonuses, and project completion incentives.

HoldCo is responsible for managing and ensuring productivity, especially for executive-level vacancies, to fulfill its overarching role of a holding company. An officer-in-charge is tasked to keep uninterrupted operations to avoid a decline in productivity. In 2022, a talent acquisition strategy and manpower planning system has been rolled out to proactively address business requirements. In relation to this, the Human Resources (HR) Department manages a talent pipeline for critical positions and develops a holistic program to attract new hires and minimize the risk of attrition. An Employer Branding Program and Onboarding Program for all levels are likewise in place to orient existing and new employees on their scope of work.



HoldCo adopted a hybrid work arrangement for its employees, combining both work from home and work on site – a strategy aimed at maintaining productivity and promoting work-life balance, without losing out on market competitiveness.

PCS

The HR Department focuses on attracting, hiring, and retaining qualified and promising employees who can deliver quality output and meet the expectations of clients and customers.

The PCS units comply with all applicable labor standards and internal employment policies by Megawide. Strict guidelines on recruitment, onboarding, and talent management are in place to ensure that the best talents are selected, developed, and retained. To meet its manpower needs, PCS ensures that all online job platforms, to which employees are subscribed to, are fully utilized and harnessed. Job profiles are created to outline the right specifications and identify the correct fit, which are then used for employee selection. This ensures that each applicant is assessed based on their knowledge and qualifications as required and stated in the job profile.

Applicants also undergo the process of selection and a stringent series of interviews. Background

checks are carried out to verify the veracity of the information provided by the applicant and complete a total personality assessment. The PCS units likewise collaborate with the Public Employment Service Office (PESO), Technical Education and Skills Development Authority (TESDA), and Local Government Units (LGUs) to reach out to its potential bench of talents. In 2022, the HR Department established a Recruitment Tracker to monitor its hiring status and manage its pool of candidates in case there is a sudden need for additional staff.

In terms of benefits, PCS units keep communication lines open for employees to express their queries and needs, to which the HR Department addresses in the best and most timely way possible. Health group insurance was renewed in 2022, which gives rank and file employees access to minor hospitals for health care services. Surveys on the effectiveness and value of benefits were rolled out to gather feedback from employees.

Moreover, Kumustahan Sessions are carried out monthly to provide an interactive platform for the HR Department to cascade new policies, company updates, and new activities. It also serves as an avenue for employees to express their grievances and needs from management. In addition to this, HR 101 is conducted with all Supervisors and Managers to ensure that all PCS Leaders are aligned with the current policies and HR processes that are crucial in managing their subordinates.

To track the effectiveness of the actions of PCS, KPIs – which are anchored on the Balanced Scorecard – are set for all positions to evaluate and track individual employee performance. Different work arrangements and programs on health and mental well-being are also being explored to further improve the management approach PCS on employee wellness and productivity.

EPC

EPC develops, improves, and implements policies on recruitment, benefits, promotion, employee engagement, and training and development aligned with the labor standards. To remain relevant, the Company also changes its management strategies and manpower planning based on internal talent movements. The Company regularly reviews its processes and job and competency profiling as well as updates the benefits and salary structure to better manage EPC employees. Attrition is constantly monitored and retention strategies are developed based on talent classification.

In 2022, EPC observed an increase in customer/employee satisfaction as internal processes were improved and employees were provided with better opportunities at work. EPC HR Department regularly reviews end-to-end onboarding processes and implements a Performance Management System to evaluate if existing processes are effective. A dashboard is also used to monitor the projects and plans of the HR Department to ensure that these are carried out and completed. Furthermore, EPC carries out Employee Care Programs and constantly enhances its training and onboarding processes. For a longer-term perspective, leadership development interventions and technical training were put in place to develop a more skilled workforce.

To improve its management approach towards employees, EPC is looking into strengthening communication and branding initiatives by having a more active presence on social media to attract external hires. Moreover, it is exploring ways to improve its offboarding program, develop a fully functional HR Portal, and refine existing processes and systems.



MWMTI

MWMTI implements a strong recruitment process as a strategy in hiring the right people who can achieve its objectives. Changes in the organizational structure were made to further strengthen collaboration among departments. MWMTI ensures critical functions are performed by creating and opening up new positions. It also provides statutory benefits to its employees such as overtime pay, holiday pay, night shift differential, leave credits, and 13th month pay.

Safety and healthy protocols concerning COVID-19 are strictly enforced to keep the workplace safe. COVID-19 webinars and regular reminders of the protocols were done to keep employees updated and vigilant. A hybrid work arrangement was set up for selected employees to allow them to perform tasks remotely and to continue to reduce exposure to COVID-19.

GMCAC

GMCAC conducts regular reviews of its compensation and benefits packages and recognizes that while a competitive salary is important, it is not the only factor that contributes to employee satisfaction and retention. As a result, GMCAC is able to design the appropriate packages that can both attract new talent and fulfill the needs of current employees, all while avoiding unnecessary expenses.





TRAINING AND DEVELOPMENT

3-3

Megawide ensures that employees receive training and education to set them up for long-term success. By providing opportunities for professional development, employees can enhance their capabilities and acquire new skills that enable them to make greater contributions to the Group’s shared goals, at the same time prevent dissatisfaction at work and increase employees’ chances of growing professionally.

Training Hours

404-1

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Total training hours provided to employees*					
Female employees	664	3,535	4,828	1,306	2,127
Male employees	824	28,600	12,532	1,428	3,249
Average training hours provided to employees**					
Female employees	16.48	12	10.92	50.23	1.89
Male employees	16.20	12	8.21	43.27	2.43

*In hours
**In hours/employees

3-3, 404-2

CORPORATE

HoldCo developed and implements an individual development plan based on performance and competency gaps that covers both technical and leadership training for its employees. Currently, HoldCo has a training and development policy, where training interventions are included as part of individual growth planning for each employee. This process was designed to be delivered during the performance appraisal process.

HoldCo also assigns a coach or mentor to each employee to provide them support and help them succeed if training programs are found to be insufficient. Coaching training is now used by executives to establish a framework of execution, where key personnel receive additional mentoring from experts to hone their ability to execute strategies on top of their management skills. Moreover, HoldCo implements both technical and leadership training as well as includes team building initiatives to build a culture of group learning and support. It has also released unlimited access to online learning courses to Megawide executives via Coursera.

Through training and education, there has been an improvement in scores in the annual employee engagement surveys. HoldCo has also observed an increase in overall retention for key and critical talents. To track the effectiveness of its strategy in providing training, HoldCo monitors attendance and the number of training hours accomplished per employee. Relevant certifications or memberships to professional organizations that were obtained by employees also serve as indicators of the success of training programs.

PCS

The PCS units continuously upskill its employees to ensure business continuity, in case of attrition, and prepare workers for possible job level upgrades. Employees receive training in accordance with

the training policy and balanced scorecard agreed upon at the start of the year. A training tracker is in place, where the status of employee training is reported monthly. Attendance in training is also included in the metrics and performance evaluation of employees.

The type of training provided depends on the nature of work and necessary competencies within each PCS unit. Employees enroll in technical and soft skill training programs for both mandatory and development reasons. Skilled workers also undergo upskilling programs to enhance their performance at work. By utilizing the Performance Evaluation System (PMS) and Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis, the BUs are able to gather data regarding the training needs of each employee. These processes help them identify the types of training that can be implemented to create a more productive and efficient workforce. PCS partners with different institutions to revitalize its on-the-job training platforms and develop engagement programs and career plans. For intended retirees, pre-retirement planning is carried out as well.

In 2022, the PCS units observed an increase in the number of training programs as well as the avenues available to take these, such as online and face-to-face formats. To improve its management approach towards training, the PCS units are looking into opportunities that can enable continuous tracking of individual progress and increase attendance in training programs.



3-3, 404-2

EPC

EPC is committed to providing competency profiles that will enable employees to better understand the work that is required of them to deliver and perform on the job. Such competency profiles and needs assessments serve as the basis for training and development programs, while a check-back system is in place to assess the effectiveness of these campaigns. This system includes interviews, group discussions, and course evaluations. At EPC, there is the continuous education and reiteration of the People Management Principles to align these with the employees' mindset on professional development and career advancement, which are conducted either through formal HR sessions or a series of discussions.

In line with its training policy, EPC continues with its strategy to be more intentional with its learning and development schedules. This is done through Learning Needs Interviews, Competency Assessments, and Performance Management, with the goal of providing learning solutions that are relevant and value adding to the individual and the business.

A. Leadership and Communications Courses

In 2022, EPC introduced a top-down and needs-based approach to learning, focusing on selected programs designed to address the priorities of the business. EPC was able to conduct face-to-face workshops which enabled participants to better interact with each other and focus on the program.

B. Courses Offered in 2022:

- English Grammar Refresher
- English Business Communication
- Powerful Presentation Skills
- Leadership and Management Fundamentals
- Creating Accountability and Delegation
- Connect Through Conversations
- Life Orientations: Basic Productivity
- Life Orientations: Natural Leadership



C. Leadership Forum

Apart from formal classroom training, EPC also launched its leadership forum branded as ASINTADA: Aligning People and Business. This forum serves as a venue for Leaders (Executive and Manager Level) to gain leadership insights from distinguished speakers and learn more about where Megawide is heading in terms of people development.

In 2022, the Leaders were given an overview of the EPC Competencies and the purpose of Development Plans in guiding employees towards professional and personal growth.

D. People Management Process Cascade

EPC also continues to communicate its People Management processes to its Line Managers, who are key constituents in the managing structure. These processes include Talent Sourcing and Onboarding, Hiring, Training and Performance Management. As Line Managers are developed through training and workshops, HR continues to extend support during the implementation of these and allow leaders to become more capable at managing their team members.

Moving forward, EPC aims to balance both learning assessment and effectiveness evaluation. This will be facilitated through frequent feedback mechanisms and in-depth discussions regarding the different training programs.

As the core programs stabilize in the coming years, EPC plans to put more emphasis on technical and skilled workers' programs, while striving to widen its reach as it extends these campaigns to more employees.

3-3, 404-2

MWMTI

MWMTI's talent development efforts consist of upgrading leadership skills, acquiring coping mechanisms with COVID-19 and mental health issues, and keeping the workplace safe and secure. This includes webinars on COVID-19, caring for one's mental health, building emotional resilience, physical wellness, and occupational safety and health, including basic life support and first-aid, and bomb awareness.

MWMTI aims to continue training People Managers in leadership skills. Supervisory skills training is provided to high-potential rank and file employees. Other types of training include internal training courses, cross-training, job enrichment training, and job enlargement training. MWMTI conducts small-group team building sessions as well which are designed to enhance teamwork by building trust among employees, promoting better communication, instilling accountability, and increasing psychological safety.

MWMTI implements a lecture on The Code of Discipline which includes topics on anti-bullying,

anti-harassment, and anti-discrimination. This is a regular fixture on employee onboarding for all new hires. MWMTI also provides other forms of development assistance such as coaching and counseling.

GMCAC

GMCAC focuses on strong employee engagement and welfare programs to retain employees rather than implementing training bonds as a strategy to maximize the training investment. GMCAC also implements various employee engagement programs and conducts regular talent reviews and succession planning.

GMCAC is looking into developing internal subject matter experts as future resource persons via training on strategic planning and performance management topics. For GMCAC, investing in employee training and development is aligned with its vision to become the leading airport operator in the Philippines.



OCCUPATIONAL HEALTH AND SAFETY

3-3

As a construction and engineering Group, implementing a proper occupational health and safety (OHS) management system is critical in reducing work-related injuries, illnesses, and fatalities. Having the necessary processes and measures in place to ensure the safety of all Megawide employees makes for a more efficient and productive workforce.



OHS Performance

403-9, 403-10

Disclosure	MCC		MWMTI	GMCAC
	PCS	EPC (Head Office)		
Safe man-hours	2,117,196	898,448	957,752.40	411,608
No. of work-related injuries	15	0	0	0
No. of work-related fatalities	0	0	0	0
No. of work-related ill-health	0	0	0	0
No. of safety drills	2	2	4	2

3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

PCS

The PCS units adopt high standards of safety in all operations and maintain an OHS certification to manage OHS-related concerns. It also implements the Philippine Occupational Safety and Health (OSH) Standards, which are monitored by the Department of Labor and Employment (DOLE).

A strict OHS management system is in place and covers all workers, areas, and activities. Regular site inspections enable work-related hazards to be identified, and advice is then communicated to employees on how to eliminate hazards, mitigate risks, and apply the hierarchy of controls. The results of the routine inspections are used for auditing and taken into consideration when evaluating and improving the OHS management system. PCS units also ensure that workers are certified to work on their respective activities. All workers are required to undergo an 8-hour seminar on safety awareness and other work-specific training.

Workers are informed during hazard and risk orientation and training on how to report on hazardous situations. They are also instructed to proceed to the medical department for an assessment of any injury sustained. For any work-related incident, all parties involved are investigated and corrective actions are made later on.

For occupational health services, PCS units ensure that there is a secured stock of medicines and that equipment is thoroughly inspected for the safety of employees. Health awareness and orientation is also attended by all workers. Health maintenance organization (HMO) is already provided and any personal health-related information of the workers are kept confidential. Workers are encouraged to participate and raise any OHS-related concern through capacity building activities such as toolbox meetings and drills. Moreover, the PCS units established a safety committee where all workers are represented.

In terms of COVID-19, the PCS units continue to follow health and safety guidelines mandated by the government. Safety protocols are still in place to prevent the spread of COVID-19 within the workplace.



3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

EPC

EPC has an OHS management system that is in accordance with national laws, guided by the Philippine Occupational Safety and Health (OSH) standards by the Department of Labor and Employment (DOLE). This system complies with the guidelines under OHSAS 18001 certification, which is the international standard for OHS procedures, policies, forms, and methodologies. The OHS management system of EPC covers the necessary controls to ensure that all tasks within project sites and various departments are safely and efficiently accomplished. In addition, EPC conducts a Hazard Risk Assessment and Control (HIRAC) which provides an additional basis for controls and actions to take. With all employees complying with the OHS management system, this safeguards EPC against possible violations of government regulations.

Prior to employment, workers are required to undergo physical and medical examinations to assess their fitness to work. They also undergo an Environmental, Health, and Safety Orientation before working onsite which equips them with the basic safety knowledge related to their jobs. Toolbox and health talks are regularly held at the beginning of each shift to discuss health and safety protocols. EPC also provides a dedicated staff nurse onsite to monitor worker health and provide immediate care in cases of emergency. An approved method statement and Job Hazard and Risk Assessment are required prior to the start of each project task to guarantee that proper health and safety controls are implemented onsite. Controls are regularly monitored for compliance and project sites undergo safety inspections and audits where results are communicated to the persons-in-charge for immediate corrective action and resolution. Since the risk of injury is inherent to the construction and engineering industry, EPC emphasizes compliance with the highest construction safety standards. For instance, EPC has adopted the European Standard on Safety Scaffoldings which utilizes safety scaffoldings as a requirement to provide safe access in the



workplace. It also implements a Zero Accident Safety Program that focuses on the prevention of accidents or serious injuries to workers. In line with this, EPC strictly enforces the use of personal protective equipment (PPE). A Safety Engineer is also stationed at each construction site to oversee all safety protocols.

In the event of a reported incident, an investigation team is formed consisting of Site Supervisors, Foremen, Safety Advisor, Safety Officer, and Nurse. Witnesses and persons involved are asked to provide their statements to support the investigation. EPC adopts a root cause analysis and implements corrective and preventive actions to ensure that such incidents will not be repeated. Learnings and recommendations from the investigations are communicated to all employees through toolbox meetings, health and safety committee meetings, and project safety alerts. EPC also complies with a policy that provides all projects with a Contractors' All Risk Insurance to cover risks of possible injuries, death, or property damage.

3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

MWMTI

MWMTI has an OHS management system that includes wellness programs and plans to improve the health and lifestyle of employees. A virtual training on OHS was conducted to raise awareness and communicate the safety protocols to employees. The participation of employees in these programs allows them to learn more details on OHS, therefore ensuring compliance within the workplace.

MWMTI utilizes Hazard Identification, Risk Assessment and Risk Control, and Job Hazards Analysis to identify how exposed workers are to hazards that are present in their work areas. Such processes are overseen by personnel who have been trained for the tasks assigned to them. Results from these processes undergo evaluation to identify residual risk that could still be present in the workplace as well areas for improvement. Workers report any work-related hazards through any means necessary such as through the clinic, Information Counter, Viber and Microsoft (MS) Teams Chat, and other related applications.

To prevent accidents or injuries in the workplace, each employee is required to attend the Mandatory

Eight-Hours OSH Orientation to become more informed on identifying hazards in the workplace. Workers also enroll in Fire Safety Seminar and Health Talks. Any work-related incident undergoes thorough investigation from the OHS team, the clinic, and security team. This is then reviewed and approved by the immediate superiors for the implementation of proper controls.

In terms of occupational health services, the PITX communicates with Clinic Management to ensure that there are enough staff members manning the facility's clinic. Clinic Management is supervised and monitored by the Health and Safety Specialist to ensure the quality of services being provided. The clinic is also evaluated through KPIs on a monthly basis. Employees are welcome to go to the clinic for their immediate health concerns as it is open 24/7. Patient records are kept with utmost confidentiality and consent is first requested prior to the release of information to others, if necessary. PITX also has a joint management-worker health and safety committee in place. The promotion of better health is done by consulting with MWMTI's physician.



GMCAC

GMCAC implements an OHS management system across the entire business to achieve its goal and commitment of safety to their employees. This system was established in accordance with the Philippine OSH Standards and RA 11058/DO 198, which covers workers in airport operations, airside operations, and landside operations within the MCIAA & GMCAC Public-Private Partnership scope. Workers participate in the safety orientation as part of the onboarding program. Physical and virtual trainings on OHS are also provided and facilitated by external training providers as an effort to promote worker health. Information and educational campaigns are also implemented within the workplace to complement the above-mentioned practices.

Hazards within the workplace are overseen by a Safety Team that is trained and certified to identify and address such hazards. Work-related hazards are included in the Daily Shift Report (DSR) from the Safety Team and a safety inspection is conducted 24/7 to ensure the safety of GMCAC's employees and operations. If workers find themselves in situations with imminent danger, they may directly contact the Safety Team and inform their shift manager to include the hazard or incident in the DSR or during the daily sunrise meeting. In case of work-related incidents, an

investigation is carried out by the team and findings are used to determine corrective actions in order to prevent the incident from recurring.

GMCAC currently enforces the following policies to safeguard the health of its employees:

- Project Contractor Safety Policy
- Personal Protective Equipment Policy
- Permit to Work Policy and Monitoring
- Hepatitis B Workplace Policy
- Tuberculosis Workplace Policy
- Mental Health Policy
- Drug-free Workplace Policy

GMCAC conducts medical surveillance for its employees through pre-employment examination, routine consultation, annual physical examination (APE), fit to work clearance, post-employment check, and special check-ups. The company employs doctors and nurses, who are available 24/7, and an ambulance is also on standby and equipped with standard emergency equipment and certified paramedics. The personal health related information of workers is always kept confidential as stipulated in the clinic management contract.

GMCAC also has an Environment, Health, and Safety (EHS) Committee composed of seven distinct teams: safety management, health and wellness, emergency response, 5S management, apron safety management, environmental management, and security management. The committee comes together to discuss and implement strategies that can further improve the current OHS management system.



DIVERSITY, NON-DISCRIMINATION, AND EQUAL OPPORTUNITY

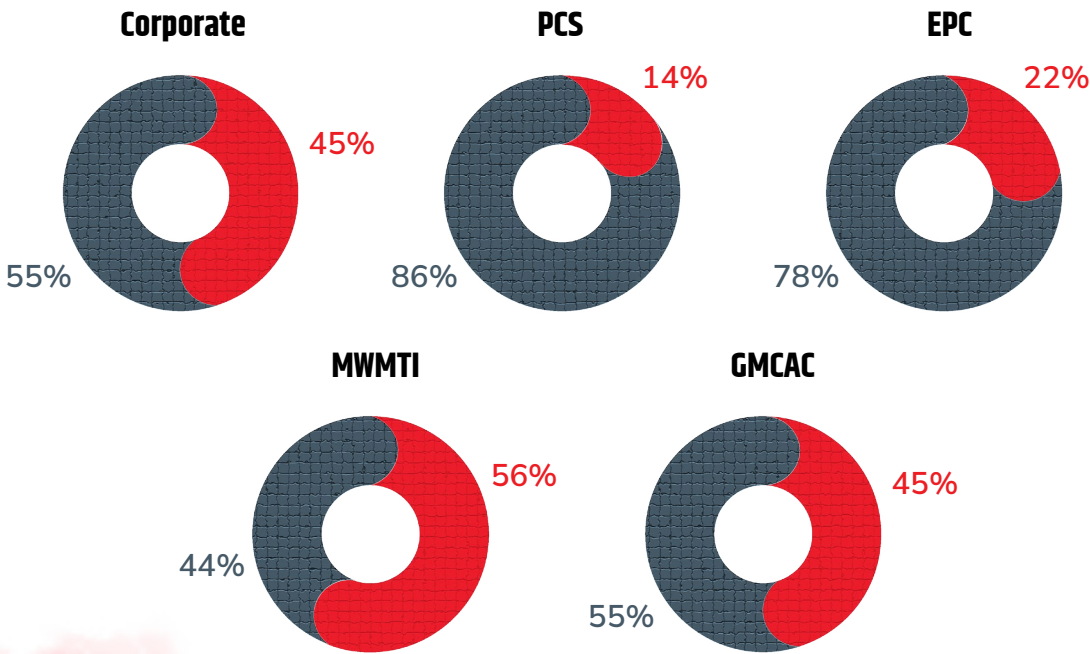
3-3

Across the Group, Megawide upholds the value of diversity and equal opportunity, while maintaining a peaceful, contented, and respectful working population. The Group promotes equal opportunity and does not discriminate against personnel, officers, directors, or even applicants on the basis of race, color, religion, sex, national origin, age, sexual orientation, or disability. Megawide enforces policies that protect individuals regardless of their age or gender, such as the following: The Anti-Age Discrimination in Employment Act (RA No. 10911), The Solo Parents' Welfare Act (RA No. 8972), The Magna Carta of Women (RA No. 9710), The Magna Carta for Persons with Disability (RA No. 7277, as amended).

Workforce Demographics

(% Share)

Male Workers Female Workers





3-3, 406-1

MWMTI

Upholding diversity within MWMTI provides a perception of fairness which could boost the morale of employees. When it comes to hiring, promotion, rewards and recognition, and other career development opportunities, the business practices the principle of equal opportunity by not discriminating against individuals in terms of age, race, gender, religion, sexual orientation, civil status, health conditions, and disabilities. All employees are given sensitivity training which is aimed at preventing incidents of bullying, harassment, and discrimination. In 2022, no incidents related to discrimination were reported within the company.

GMCAC

GMCAC employs a fair and inclusive recruitment strategy, with no gender and civil status preference during the hiring process as the business intends to uphold equal male and female representation across all job levels. The company also offers equitable leave benefits to all employees and additional benefits for employees from the vulnerable sector. To further strengthen gender equality, GMCAC is currently working on women empowerment in the workplace by allowing women leaders within the business to encourage other women to take on greater roles and responsibilities as well as participate more actively in GMCAC's activities. In the long run, this initiative is expected to achieve higher female representation among the ranks and in the top management.

PCS

PCS units offer equal opportunities to all genders and the capacities of employees are evaluated based on their skills, abilities, and knowledge rather than age and gender. The PCS units also extend employment opportunities to fresh graduates and non-certified TESDA individuals, while providing training and assistance to those who lack experience but hold high potential to perform on the job.

Employees are also encouraged to voice out any diversity or discrimination-related concerns during the Kumustahan Sessions and all their concerns are discussed and elevated to Management to raise awareness within other departments and concerned personnel. Aside from Kumustahan Sessions, safety and gender related/awareness trainings are also conducted. The PCS units can explore multicultural programs as an opportunity to bridge the gap between nationalities to further maintain a healthy working environment. As of end 2022, there were no discrimination-related incidents reported across the PCS group.

HUMAN RIGHTS

3-3

MCC

Megawide strictly complies with all applicable labor and human rights laws, which has resulted in zero legal actions or employee grievances involving forced or child labor. The Company strongly believes that adhering to such laws protects the human rights of its employees.

Only employees of legal age are hired to work at Megawide. Background checks are conducted and appointed candidates are required to submit official documents to prove their legitimate age. For OJTs, candidates are required to submit papers from their school as proof of their scholastic requirement to undergo OJT. In addition, a non-misrepresentation

clause is specified in Megawide's employment contract that can be used as a deterrent for underaged employment.

The HR Department, together with the Legal Department, oversees that employment is done at will and without prejudice and intimidation and ensures that all officers and employees of Megawide are not forced, harassed, or intimidated into doing or accepting work against their will. Megawide's Code of Business Conduct and Ethics contains the following provisions in relation to labor laws and human rights:

"Non-Discriminatory Environment: The Company fosters a work environment in which all individuals are treated with respect and dignity. The Company promotes equal opportunity and does not discriminate against Company Personnel, potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation, or disability. The Company will only make reasonable accommodations for its Company Personnel in compliance with applicable laws, rules and regulations. The Company is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action, and will not tolerate discrimination by Company Personnel. This policy also applies equally to the treatment of the Company's customers/clients.

Harassment-Free Workplace: The Company will not tolerate any form of harassment of Company Personnel, customers or suppliers, which shall include sexual harassment. Sexual harassment is illegal and Company Personnel are prohibited from engaging in any form of sexually harassing behavior. Sexual harassment

means unwelcome sexual conduct, either visual, verbal or physical, and may include, but is not limited to, unwanted sexual advances, unwanted and/or suggestive touching, language of a sexual nature, telling sexual jokes, innuendoes, suggestions, suggestive looks and displaying sexually suggestive visual materials.

Workplace Violence: It is the policy of the Company to ensure that all inter-relationships among persons in the workplace will be professional and free from bias, harassment, and/or violence. Thus, the workplace must be free from any kind of violent behavior. Threatening, intimidating, or aggressive behavior, as well as bullying, subjecting to ridicule, or other similar behavior toward fellow Company Personnel or others in the workplace will not be tolerated.

Any form of violent misconduct, discrimination, harassment, retaliation, and/or other forms of violent behavior, even if not unlawful, will be subject to disciplinary action. Additionally, any misconduct that is also unlawful may be subject to civil and criminal liability."

Megawide conducts an annual reorientation of its Code of Business Conduct and Ethics to instill in the minds of employees the policies that pertain to human rights. The Company is also proactive in

preventing incidents related to labor laws or human rights by ensuring that all immediate superiors are well-informed of these policies and are able to handle any reported incidents.





3-3

MWMTI

MWMTI measures corporate excellence based on the attainment of its goals and the general welfare of its employees, customers and stakeholders. MWMTI continues to place a premium on the value of its employees, the satisfaction of its customers, the respect for its suppliers, and the satisfaction of its investors.

It aims to carry out business activities while upholding the highest standards of human rights and adhering to principles of honesty, integrity, and good faith. MWMTI also makes sure to respect the legitimate interests of the parties they do business with. Its employees interact lawfully, decently, and professionally with its colleagues, suppliers, customers, and investors.

MWMTI abides by all national labor laws and regulations, and all local ordinances that pertain to wages, labor standards, workplace conditions, compensation, benefits, due process, and the discipline and severance of employment. MWMTI acknowledges the relevance of complying with corporate policies on inclusion and diversity, anti-discrimination, anti-harassment, anti-corruption, workplace safety, data privacy, single parenthood, violence against women, mental health, and corporate sustainability. The business can only thrive in an environment where human rights are protected and respected and where labor laws are strictly adhered to.

GMCAC

GMCAC is compliant with labor laws and human rights requirements which positively impacts team dynamics, work culture, and stakeholder relations. It ensures adherence to these laws and regulations by implementing the Organizational Climate Survey, Employee Engagement Survey, HR Buddy System, and Department Coordination Meetings. GMCAC has also established the Banwag and Employee Engagement Committees.

GMCAC identified the following as risks due to non-compliance to labor laws: labor unrest, labor cases, and termination of concession agreements with the government. It prevents these by implementing strict labor compliance measures to protect all employee rights and ensure that all labor concerns are addressed. GMCAC automatically prevents child labor by registering all its personnel with SSS, Pag-Ibig, PhilHealth, and BIR among others, which require registrants to be at least 18 years of age. Furthermore, GMCAC does not accept child labor employed by contractors in any of its projects.

GMCAC benchmarks the best practices, reflects on its core values, and defines a positive and engaging work culture/environment to continue upholding ethical governance.

LABOR-MANAGEMENT RELATIONS

3-3, 402-1

Harmonious labor-management relations can promote a strong commitment among employees, a satisfied and productive workforce, and a managed employee turnover rate. Megawide values the importance of having the appropriate avenues for employees to express their concerns and implements the proper procedures and initiatives to address labor-management issues.

PCS

The PCS units implement policies that are aligned with labor standards set by regulatory bodies. For instance, a minimum of two weeks' notice is given to employees prior to the implementation of any significant operational changes that may affect them.

In 2022, Department Heads cascaded raised issues such as employees' project-based employment and queries about their benefits which helped in preventing the same issues from occurring in other departments. An employee discipline process consistent with labor standards is currently being pursued. For employees that have cases filed against them, the PCS units enforce the twin-notice rule and ensure that concerned individuals undergo due process.

Kumustahan Sessions were continuously implemented to ensure that there is constant

EPC

EPC aims to set an efficient turnaround time to address all of the employees' concerns. For example, employees are given a minimum of 30 days' notice before the implementation of significant operational changes that may affect them. Currently, a discipline management policy and engagement campaign is part of the Project HR Plan, where various town halls and open forums are conducted to understand and address the issues and concerns raised by the employees. Monthly site visits are also held to check on the welfare of employees on the ground.

communication between the employees and the Management. Coaching Sessions are also held between immediate heads and their subordinates, wherein areas for improvement vis-à-vis expectations were discussed. Line Leaders also attend a refresher course on labor relations as well as leadership training to gain a deeper understanding on how to resolve labor issues.

Annual employee engagement surveys are conducted to measure employee engagement. In line with this, PCS units utilize a policy enforcement tracker which keeps track of the number of cases or incidents filed within a month and the actions taken to address such cases.

The PCS units also recognize the need to update the Company Code of Discipline and existing policies to better address the current concerns on labor-management relations in a timely manner.

To track the effectiveness of the existing processes, employee engagement and satisfaction surveys are administered to collect feedback and comments.

Moreover, EPC is considering implementing leadership training on basic labor laws and discipline management for managers and supervisors to improve its executive approach for labor-management relations.



3-3, 402-1

MWMTI

MWMTI complies with relevant labor laws and standards and follows due process in resolving disciplinary cases. Alignment meetings are set and memoranda are created to communicate and disseminate policies and guidelines to ensure clear understanding from management to the workforce.

MWMTI employees are given a one week notice before changes in operations are implemented especially if such changes may affect them. To boost morale and build camaraderie among employees, employee engagement programs and activities are held every month.

GMCAC

Employees of GMCAC are provided with channels to air their grievances to management. Engagement processes with relevant departments served as a way to track the effectiveness of the systems in place that address issues and grievances raised by employees.

FOR OUR COMMUNITIES

3-3

A comprehensive strategic planning across operations can result in mutually-beneficial coexistence between Megawide and local communities within its sites. To promote this, Megawide ensures that it operates in compliance with local regulations and aims to optimize operational efficiency within its areas of activities, while developing various programs and initiatives that meet the needs of local communities.



As a means of sustaining its community projects, GMCAC repaired the roofing of the 4-room school building of Ibo Elementary School in Cebu. The building was previously a donation from GMCAC which sustained damage after Typhoon Odette.

PCS

The PCS units slowly revived its corporate social responsibility (CSR) projects in 2022, after being affected by the pandemic from 2020 to 2021. The different segments participated in the Brigada Eskwela Program in 2022 to help do repairs and maintenance work for public schools.

For one, CELS helped the local communities by responding to equipment requests made by the LGU and partners with LGU employment agencies in sourcing applicants for various positions. For recruitment activities, the unit prioritizes hiring individuals from communities that are local to project sites.

The Precast segment once again participated in the Balik Eskwela Program of San Juan Elementary

School, which aims to help achieve the Megawide's goal of building more resilient communities. After two years of studying remotely, the objective of the Balik Eskwela Program was to prepare students to return to a face-to-face setting again by ensuring that classrooms were clean, safe, and conducive.

Furthermore, the Formworks business continuously extended help to local communities by donating items for the construction and rehabilitation of public schools in Taytay, Rizal. FMD, together with the Health, Safety, Security, and Environment (HSSE) Department, also organized quarterly blood-letting activities to help maintain the health and physical well-being of residents.





MWMTI

MWMTI upgraded its facilities to adjust to increasing passenger traffic and accommodate more tenants in the facility. The company acknowledges that its activities and operations can result in environmental impacts, such as air pollution, solid waste, and increased traffic congestion. To mitigate these impacts, MWMTI ensures the proper implementation of waste management procedures and traffic management schemes to manage the vehicular flow.

GMCAC

With close coordination with its communities, GMCAC adopts an inclusive, cohesive, and united approach to developing the communities surrounding the airport by generating more jobs for the community and implementing sustainable livelihood programs.

GMCAC continuously provides support to local public schools in Ibo and Pusok by helping create a conducive learning environment. It also provides calamity assistance for communities in need and coordinates with the LGU to ensure a two-way support system to meet the goals of the business and local communities.

GMCAC has also established a 10-year CSR Roadmap to ensure that the programs developed align with the objectives and pillars of the roadmap. In line with this, community consultations are



3-3

EPC

In 2022, EPC implemented a sustainable livelihood program for indigenous people in Carangalan, Nueva Ecija involving bamboo juice making.



conducted twice a year to discuss the needs of communities and determine the initiatives to be implemented by GMCAC.

The company also participates in educational support programs, such as repair of classrooms, provision of materials for distance learning, and customer service training programs for all frontline airport personnel. In 2022, GMCAC completed a classroom repair at Ibo Elementary School, donated school materials for modular learning, provided support for student learning competitions, and launched a mobile vaccination program for communities. It also met with local community heads and potential industry partners to develop more relevant and effective programs for the communities.

In order to monitor such programs, a regular reporting and tracking system is in place, which is submitted to the grantors. To improve its community engagement, GMCAC is looking into better planning mechanisms, the provision of appropriate manpower, and more alignment meetings with the local community and LGU.

Our Stakeholder Stars



Scholars taking part in creating a First-World Philippines

Dreaming big, aiming high has always defined **Ralph Julian**, a Mechanical Engineering scholar of the Megawide Foundation from the Technological University of the Philippines (TUP). As he enters his 5th year, Ralph describes how Megawide changed his beliefs and values in life and how eager he is to contribute to the Company's vision of engineering the First-World Philippines as soon as he becomes an engineer. Indeed, the scholarship program not only opened up opportunities and gave him motivation, but extended hope to the underprivileged.



Boss-Lady driving First-World service

Kolyn Calbasa, Corporate Affairs Officer and CSR Champion of Parañaque Integrated Terminal Exchange (PITX) is a boss lady with a heart for public service and sustainable projects for PITX stakeholders.

Kolyn spearheaded the projects like "Barkada ni PIT", which aims to promote the health and well-being of drivers, and the "Swift, Swift, Vroom, Vroom", which focuses on information and education campaign on waste management. Clean-up drives and livelihood seminars will also be held in Barangays Tambo and Dongalo as a culmination of the community building programs, that allow PITX to serve the community and the key stakeholders.



Great achievers and great believers

Growth and change take time and effort but for **Merliza Ipi**, a 23 year-old Civil Engineering graduate from Cebu Technological University, anything is possible as long as we believe in ourselves. Merliza took a chance when she applied for scholarship almost four years ago. At that time, her confidence was an all-time low and building relationship was just out of peer pressure.

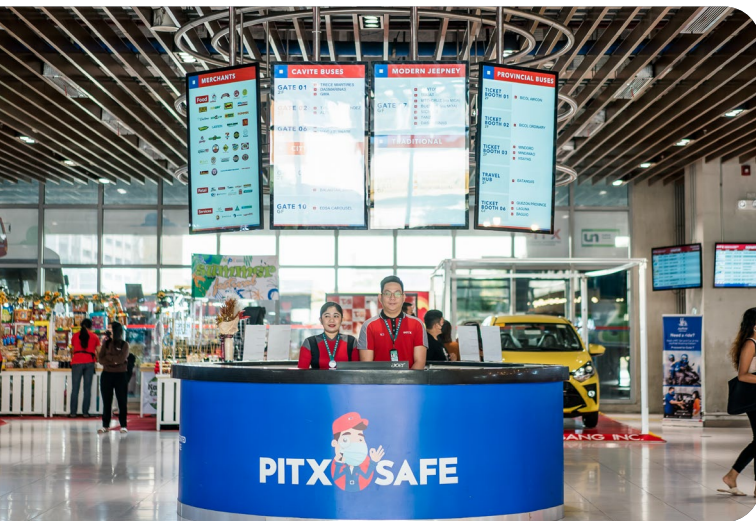
After getting into the program, things turned around for Merliza and her outlook became much more optimistic. One of the things that helped her was the monthly MeGabay activities – catapulting her to the president of the College of Engineering and bagging her citations, such as the Outstanding Student Leader of CTU Main Campus and CEO Service Awardee on her graduation, among others. In everything, Merliza recognizes the Foundation's values – integrity, *malasakit*, and excellence – which she learned and promises to practice as she becomes part of engineering a first-world Philippines.

FOR OUR CUSTOMERS

CUSTOMER SAFETY AND SATISFACTION

3-3

Public infrastructure operations and construction activities are exposed to and serve external clients and customers. Maintaining safety and health protocols as well as investing in the improvement of facilities and services are of utmost importance to keep customers safe, healthy, and satisfied.



MWMTI

MWMTI has a 24-hour feedback center which caters to all customer concerns. Customer-facing employees undergo training to ensure high standards of service. The Parañaque Integrated Terminal Exchange (PITX), the country's first landport, continues to enhance customer experience by promoting PITX as a friendly terminal and developing a culture of exceptional customer service across the entire PITX community. MWMTI aims for all PITX front liner staff to provide high levels of customer service consistently. Customer satisfaction is measured by monitoring Customer Satisfaction (CSAT) scores through the Landport Service Quality (LSQ) Survey. PITX defines and builds its Customer-Centric strategy by putting the needs of customers at the core of the business. The PITX LSQ Survey also provides more in-depth data analysis between Overall Satisfaction Score and Passenger Stated Importance.

GMCAC, alongside the Department of Health and local government of Cebu, kickstarted a mobile vaccination program at MCIA. The mobile vaccination offered free COVID-19 vaccinations for first and second doses, as well as booster shots to the local community and airport passengers.



GMCAC

GMCAC is committed to developing, nurturing, and proactively promoting a safety culture at MCIA with the philosophy – “Safety First.” The business enforces and follows its safety policy statement and regularly conducts safety inspections and work environment measurements. Such processes have allowed GMCAC to receive a good rating at air service quality based on surveys and social media reporting.

As the threat of the COVID-19 eases globally, GMCAC slowly experiences a resurgence of international and global travel. Safety and health protocols have also been relaxed but the team continues to encourage minimum safety standards such as wearing of masks, temperature checks, and maintaining enough distance as much as necessary.

CUSTOMER PRIVACY

3-3

MCC

Megawide recognizes that there may be instances when protection and security of personal data can get destroyed, lost, altered, or disclosed, accessed, and processed without consent. To prevent cases of digital identity theft, fraud, and file corruption, Megawide implements reasonable and appropriate organizational, physical, and technical measures intended for the protection of personal data against any accidental or unlawful destruction, alteration and disclosure, as well as against any other unlawful processing. These include the execution of safeguards to protect the computer network and regular monitoring for security breaches.

Megawide is firmly committed to ensuring that all personal data collected from data subjects – clients, employees, suppliers, stakeholders, and other relevant external parties, are processed in compliance with Republic Act No. 10173 or “An Act Protecting Individual Personal Information in Information and Communication Systems in the Government and the Private Sector, Creating for this Purpose a National Privacy Commission, and for Other Purposes” (the “Data Privacy Act”), its Implementing Rules and Regulations, and other relevant policies and issuances of the National Privacy Commission (“NPC”).

Megawide has a Data Privacy Manual (the “Data Privacy Manual”) in compliance with the Data Privacy Act. In adherence to the general principles of transparency, legitimate purpose, and proportionality under the Data Privacy Act, Megawide abides by the Data Privacy Manual in carrying out its principal business. This is to ensure that personal data under its control remain safe and secured while being processed in the course of its key operations and processes. The Data Privacy Manual aims to inform clients, employees, partners, and stakeholders of Megawide's data protection and security measures, and guide them in the



exercise of their rights under the Data Privacy Act and other relevant regulations and policies.

Moreover, Megawide recognizes that robust information technology (“IT”) management systems are critical to protecting personal data. Thus, in addition to the Data Privacy Manual, it has also adopted IT data protection policies and procedures, such as hard disk drive low-level formatting and firewall configuration management and monitoring systems.

As the pandemic subsided, Megawide slowly returned to on-site work in 2022 from previous remote work arrangements in 2020 and 2021. Data privacy of subjects remains protected under the remote work set-up with the IT Department's implementation of the following measures : (i) migration of all working documents and resources in the cloud services of Microsoft Office; (ii) installation of antivirus software for end-point security with data loss prevention features for all users; (iii) continuous monitoring of firewall logs for any security breaches; and (iv) setting up of alert mechanisms for any unauthorized attempt to the IT system of Megawide. These measures were maintained in the return-to-office mode to continuously comply with data privacy guidelines.

GMCAC

GMCAC plans to reinforce its data privacy measures with cybersecurity solutions, best practices, data privacy policy, and people training to further protect the privacy of its customers. Currently, GMCAC complies with the following policies:

- Information Security Policy
- Email Usage Policy
- Removable Storage Device Policy
- GMCAC Rules for Using Internet
- GMCAC Rules in Virus Prevention
- User ID and Password Management
- Access Control Policy
- Physical and Environmental Security of the Network
- GMCAC Network and Security Policy
- Patch Management Policy

GMCAC is currently implementing cybersecurity solutions that include Endpoint Detection and Response (EDR), Data Loss Prevention (DLP), Security Information and Event Management (SIEM), Security Operations Center (SOC), Vulnerability Assessment and Penetration Testing (VAPT), cloud proxy, email security, and cloud security among others. The business is also working on obtaining ISO27001 certification.

GMCAC recognizes the need to implement consent management for any type of data collected and define retention policies for all types of data. There is also an opportunity for each department to identify the various types of risks that can lead to a data breach and address the gaps and risks identified to further improve the management of data security and customer privacy.



MARKETING AND LABELING

3-3

Megawide has an established portfolio in the construction industry, given its strong brand name and proven track record of providing quality construction services and of managing the airport and terminal operations. Due to its Large B classification for government registration, Megawide has participated in biddings for large infrastructure projects. Megawide also aims to obtain ISO and LEED certification for its properties and future developments as a commitment to provide quality work to clients and to advocate for responsible production. It secures its equipment in different business segments with the necessary certifications and licenses. It applies for and renews the proper environmental and safety licenses and permits as well.

In the transport and airport operations, Megawide engages with different stakeholders, especially passengers in providing information on the services of PITX and MCIA. MWMTI distributes flyers containing the vicinity map, route map, and terminal guide. It is currently expanding its partnerships with different organizations to increase the marketability of the Landport. GMCAC accommodates stakeholder feedback through social media channels and gives the appropriate responses. These avenues also allow the business to improve its processes and services based on customer perception. GMCAC has also improved its brand assets classification in terms of logo use on collaterals. It has created a more comprehensive brand manual and developed more brand engagement activities. GMCAC reviews its marketing on social media on a monthly basis.

Any internal or external factors that influence the success of marketing strategies and activities may affect the Group's reputation. Corporate plans and strategies are aimed to provide a greater advantage over Megawide's competitors in the industry.



Megawide is exposed to the risk that its name or marks, or those confusingly similar to it, will be used, copied, reproduced, imitated, or infringed by an unauthorized third party. Such risk includes the use of the Megawide name or marks for projects, goods, or services which the Group is not a part of, have not produced, or are not offered by Megawide. This leads to the unfair and illegal appropriation of the goodwill associated with Megawide's name and marks. To minimize or address the marketing and labeling related risks faced by Megawide, its name and marks are registered with the Intellectual Property Office of the Philippines (IPO). The IPO in particular has issued Certificates of Registration for Megawide's typeface, logo, and logo with typeface.

By registering its name and marks with the IPO, Megawide is protected against the unauthorized use or infringement of its name and marks, or those confusingly similar to the Group. Additionally, Megawide is assured that it is the owner of such name and marks and holds the exclusive right to utilize the same. Megawide, as a fair competitor in the industry, continues to uphold its accreditation and certifications from regulatory and voluntary codes. Aside from maintaining the uniqueness of its brand and trademark, processes across the BUs are also being managed to maintain quality and timely delivery of work that are true to all accreditations and certifications of the business. Megawide not only markets construction products and services, but Terminal and Airport operations as well through various platforms and media. The Branding Team continues to develop its marketing strategies to effectively and responsibly communicate its products and services to wider audiences.

FOR OUR SUPPLIERS

SUPPLY CHAIN MANAGEMENT

3-3

MCC

Megawide recognizes the importance of having effective supply chain management as this can prevent violations against socioeconomic issues and mitigate the environmental impacts across the supply chain. Trade and business partners are required to comply with all relevant laws, rules, and regulations by adhering to the Company's Code of Conduct and Ethical Standards for Suppliers to guide external entities on the standards, virtues, and values they must uphold and practice in all their dealings with Megawide.

Contractors, suppliers, and service providers must undergo an assessment and accreditation process, which includes the submission of pertinent documents that will prove their good legal and financial standing. Suppliers of PCS units are assessed through the submission of documents and plant visits. Suppliers that have ownership over quarries, they are required to submit Environmental Compliance Certificates and other required clearances.

The Accreditation Team is responsible for performing a comprehensive check of the supplier's records, which involves evaluating whether there are any unresolved cases. The management approach is evaluated through the total number of approved and accredited suppliers. The PCS units are also considering accrediting suppliers based on environmental performance, exposure to bribery and corruption, cases of forced and child labor, and other human rights concerns.

EPC includes anti-fraud and whistleblowing policies in its supplier accreditation process. There are directions to improve the supplier accreditation process by including environmental and social criteria.

GMCAC

When dealing with vendors, the Code of Conduct comes together with the Purchase Order document, which vendors need to acknowledge and confirm upon receipt. Vendors are also required to submit documents to GMCAC to prove their eligibility and compliance with relevant laws and regulations. At the end of the year, vendors are evaluated based on their performance, and those who have received low scores are given another opportunity to improve their showing in the coming year.



PROCUREMENT PRACTICES

3-3

MCC

Engaging with homegrown businesses can create a richer and more robust local supply chain. For this reason, Megawide pursues a procurement strategy that partners with local suppliers, vendors, and subcontractors, especially within our project sites, to enrich the surrounding businesses and contribute to nation-building. By doing so, we enable smoother communication and a more efficient evaluation process. The strategy also ensures on-time and quality delivery while facilitating easier payment methods. We evaluate our suppliers through plant visits and background checks.

Megawide's Procurement Team engages with various partners to address price volatility and supply availability issues by having a broader sourcing scope and wider price comparison. Since engagements with foreign counterparties for imported items can cause longer lead times and higher costs, the Procurement Team transacts with authorized distributors, importers, and manufacturers through direct sourcing agreements to secure the most efficient terms and deals.

For the Precast and Construction Solutions (PCS) segment (formerly referred to as the Business Units or BUs), new procurement practices are carried out to comply with policies implemented by the local government unit (LGU). The PCS Supply Chain Management Team forecasts the total cost of production for raw materials, which consist of local and imported materials, together with proper planning and scheduling for required parts. These

procurement practices aid the PCS in maintaining the appropriate stock levels and inventories, thus preventing overbuying and overstocking materials. Monthly forecasts and deliveries are aligned with the monthly requirements. This data is shared with suppliers in order for them to plan their production and delivery schedules to meet the monthly needs of each unit. Materials are categorized by item groups during the bidding process, with strategic materials prioritized to lock in the best price through supplier agreements. Alternative sourcing strategies are continuously improved to guarantee product availability and supply.

The PCS Team constantly aims to improve its strategies by collaborating with a range of partners in its business and operations through the Supply Chain Management (SCM) Policy, guided by the Procurement Manual. The Procurement Process has been digitalized over the last two years, in terms of purchase requests and job order approvals to support the entire function.

Specifically, digital reporting has been enhanced with the use of Odoo Software, where data can be retrieved in real-time from the SAP database and be reported to management without manual intervention. Through digitization, the Procurement and Warehouse Team is able to meet their goals and targets on time as well as roll out strategies more efficiently. Deliverables are also met without any delays that would typically affect operations. At the start of the year, procurement-based Key Performance Indicators (KPIs) are set and regularly monitored by the team.

GMCAC

GMCAC taps local suppliers to ensure on-time and high-quality delivery of products and services for its airport operations. Maintaining strong business partnerships with suppliers allows for a well-organized procurement process – from ordering, to production planning, to maintenance schedules – which are essential in ensuring that product and service requirements are constantly being met.



CORPORATE GOVERNANCE



CORPORATE GOVERNANCE



GOVERNANCE HIGHLIGHTS

In 2022, Megawide made several strides in solidifying our corporate governance. While the Company continued to carry out our New Manual on Corporate Governance, we were also able to reassure our stakeholders of the ethical conduct of our airport business with the dismissal of a previously filed case in June 2022.

Megawide upholds an uncompromising standard of business conduct rooted in its corporate policies and values and executed by its leadership. With the belief that good governance happens when plans are put into practice, Megawide constantly seeks ways to improve its governance systems and empower its people.

CORPORATE POLICIES

The Company's corporate policies protect the wellbeing of employees at Megawide and support the rights and interests of our stakeholders.

ANTI-BRIBERY AND ANTI-CORRUPTION

3-3

Good corporate governance is key in maintaining the trust and confidence of investors in the Group, as well as preserving high morale among employees. To sustain these, Megawide has established the necessary policies and initiatives that promote ethical behavior within the business.

Megawide, being a publicly-listed Company, recognizes its obligation to comply with relevant laws and regulations. Consequently, it embraces and adheres to the highest levels of legal, ethical, and moral standards. The Group is committed to upholding a strong culture of ethics, compliance, and enforcement across its operations. In compliance with its Manual on Corporate Governance, the Board of Directors developed various policies to ensure that Megawide does not condone dishonest, unethical, or unprofessional behavior, regardless of the individual's position, influence, and level of authority. The Compliance Officer, Chief Human Resources Officer, or Chief Audit Executive shall be responsible for assessing any reports on violations or suspected violations of these directives.

The Company is committed to regularly conduct orientation seminars for its directors, senior management, and employees to thoroughly discuss the Manual on Corporate Governance, Code of Business Conduct and Ethics, Employee Code of Discipline, Code of Conduct and Ethical Standards for Suppliers, Whistle Blowing Policy, and Anti-fraud Policy. These codes and policies are also available on the official Megawide website, which is accessible to all employees. For transactions with third-party organizations, a Code of Conduct and Ethical Standards for Suppliers is strictly followed

to guide external parties on the standards, virtues, and values to uphold and practice in all their dealings with Megawide.

As stated in the Code of Business Conduct and Ethics, the acceptance of kickbacks or secret commissions from suppliers, contractors, and other service providers is strictly prohibited. A breach of this rule may result in cessation of professional relationship and/or termination of employment with Megawide, as well as prosecution of criminal cases arising therefrom to the fullest extent of the law. The Code of Business Conduct and Ethics, Employee Code of Discipline, Code of Conduct and Ethical Standards for Suppliers, Whistleblowing Policy, Anti-Fraud Policy, and other relevant rules and regulations provide for the clear and stringent policies on curbing and penalizing employee involvement in offering, paying, and receiving bribes. Furthermore, Megawide's Whistleblowing Policy and Anti-Fraud Policy establish the guidelines, procedures, and controls that will facilitate the prevention, detection, reporting, investigation, and punishment of all fraudulent activities within the Group.

For any suspicions of fraudulent activity within the Group, individuals should promptly adhere to the Megawide's policies and procedures on reporting anomalies and irregularities. The concerned parties must report the matter to the Internal Audit Department, Legal Department, Human Resources Department, and/or through the Whistle Blowing Policy and Sumbong Anomalya Para sa Kompanya (SAPAK) campaign. All reported fraudulent activities that could affect the Company's financial statements shall be managed by the Chief Audit

Executive, in coordination of the Chief Finance Officer and Compliance Officer, who shall refer the matter to the appropriate Board Committees.

In compliance with Megawide's Code of Business Conduct and Ethics, all supervisors, managers, officers, directors, and employees that have any form of control in directing the Company's business operations, or deal directly with suppliers and contractors, are required to fill out a Conflict of Interest Disclosure Form prior to hiring, which is updated at least annually (or as often as necessary when there is a need to disclose certain conflicts of interest), to help Megawide identify and resolve conflicting interests within the Group.

Megawide endeavors to continue to uphold a culture of exceptional corporate governance and accountability, with an ongoing effort to develop and maintain this culture, in order to prevent any incidents of corruption. It strives to conduct its business with the highest ideals of integrity and ethical and moral value as well as to strictly comply with all applicable laws and regulations. All codes and policies are regularly promoted and consistently enforced throughout the Group. The operations of Megawide also undergo in-depth internal audits by the internal audit group, which periodically monitors compliance with the Group's anti-corruption policies and identifies, evaluates, and addresses potential and actual incidents of corruption.

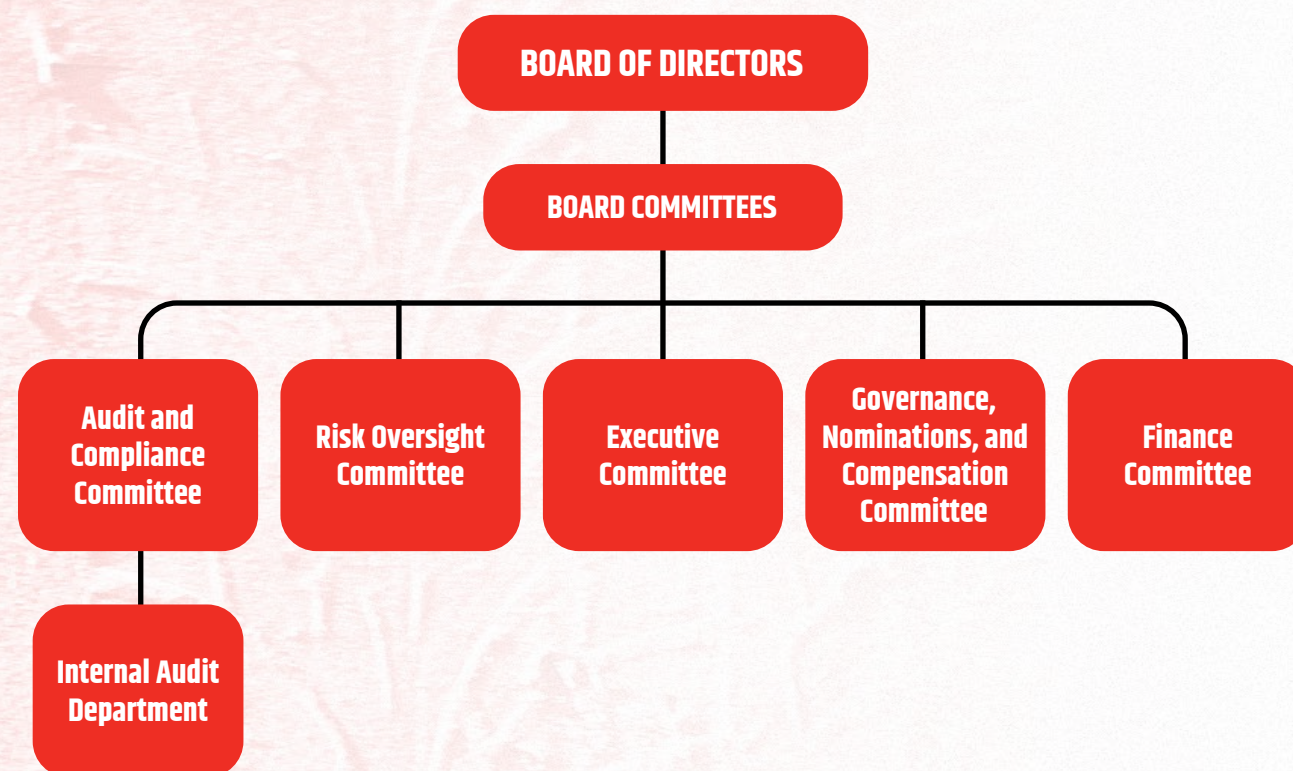


OTHER PERTINENT POLICIES

2-15. 2-26

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

THE BOARD OF DIRECTORS



2-9

The Company is governed by the Board of Directors composed of a total of seven (7) directors, four (4) executive directors and three (3) independent directors.

Megawide has the following Board Committees:

1. Executive Committee;
2. Finance Committee;
3. Audit and Compliance Committee;
4. Board Risk Oversight Committee;
5. Governance, Nominations, and Compensation Committee

Megawide has four (4) executive directors and three (3) non-executive/independent directors.

Tenure of members of the board is one (1) year. Members of the Board of Directors are re-elected

every year during the Annual Stockholders' Meeting. Members of the Board Committees are elected every year during the Organizational Meeting after the Annual Stockholders' Meeting.

However, the Board's Independent Directors shall serve for a maximum cumulative term of five (5) years. After which, such Independent Director shall be perpetually barred from re-election as such in the Company, but may continue to qualify for nomination and election as a non-Independent Director. In the instance that the Company wants to retain an Independent Director who has served for five (5) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.



BOARD COMMITTEES

1

Executive Committee

The Executive Committee shall exercise all the fiduciary powers of the Board to act upon any matter which should not be postponed until the previously scheduled Board meetings, as well as oversee, without limitations and to the extent allowed by the By-Laws, the management of the Company's businesses and other affairs, particularly during the intervening periods when the Board has no scheduled meetings or is unavailable or unable to meet.

Chairman	Edgar B. Saavedra
Vice Chairman	Manuel Louie B. Ferrer
Member	Ramon H. Diaz
Member	Oliver Y. Tan

2

Audit and Compliance Committee

The Audit and Compliance Committee shall assist the Board in its function and responsibilities over the Company's internal controls, audit, financial reporting, and related party transactions.

Chairman	Celso P. Vivas
Vice Chairman	Chief Justice Hilario G. Davide, Jr. (Ret.)
Member	Oliver Y. Tan

3

Finance Committee

The Finance Committee shall assist the Board in its oversight responsibilities over management's regular finance functions and the Company's asset management, and bidding activities.

Chairman	Ramon H. Diaz
Vice Chairman	Oliver Y. Tan
Member	Chief Justice Hilario G. Davide, Jr. (Ret.)
Member	Celso P. Vivas

4

Governance, Nominations and Compensation Committee

The Governance, Nominations and Compensation Committee shall assist the Board in corporate governance, nomination and election of its Directors and key officers, and in determining their proper compensation.

Chairman	Chief Justice Hilario G. Davide, Jr. (Ret.)
Vice Chairman	Lilia De Lima
Member	Manuel Louie B. Ferrer
Member	Celso P. Vivas

5

Risk Oversight Committee

The Board Risk Oversight Committee shall assist the Board in its oversight responsibilities over the Company's Enterprise Risk Management Framework and Security Management Systems. The committee is guided by the Company's Enterprise Risk Management Framework in identifying Megawide's risk exposure and in determining the effectiveness of the risk management strategies.

Chairman	Lilia De Lima
Vice Chairman	Celso P. Vivas
Member	Edgar B. Saavedra
Member	Ramon H. Diaz
Member	Chief Justice Hilario G. Davide, Jr. (Ret.)

BOARD MEETING ATTENDANCE

Below is the recorded attendance of Megawide's Directors to Board and Board Committee meetings held from January 1, 2022, to December 31, 2022.

1

Board of Directors' Meetings

Name	Position	No. of Meetings	Meetings Attended
Edgar B. Saavedra	Chairman of the Board, CEO, and President	8	8
Manuel Louie B. Ferrer	Vice-Chairman of the Board and Executive, Director, Infrastructure Development	8	7
Oliver Y. Tan	Director	8	8
Ramon H. Diaz	Executive Director and Group Chief Financial Officer	8	8
Hilario G. Davide, Jr.	Independent Director	8	8
Celso P. Vivas	Independent Director	8	8
Alfredo E. Pascual*	Independent Director	3	3
Lilia B. De Lima**	Independent Director	0	0

*Tenure ended June 30, 2022

** Tenure began December 20, 2022

2

Audit and Compliance Committee Meetings

Name	Position	No. of Meetings	Meetings Attended
Celso P. Vivas	Chairman	7	7
Hilario G. Davide, Jr.	Vice-Chairman	7	7
Alfredo E. Pascual*	Member	4	4
Oliver Y. Tan	Member	7	4

*Tenure ended June 30, 2022

** Tenure began December 20, 2022

3

Finance Committee Meetings

Name	Position	No. of Meetings	Meetings Attended
Ramon H. Diaz	Chairman	4	4
Oliver Y. Tan	Vice-Chairman	4	1
Hilario G. Davide, Jr.	Member	4	4
Celso P. Vivas.	Member	4	4
Alfredo E. Pascual*	Member	3	3

*Tenure ended June 30, 2022

4

Governance, Nominations, and Compensation Committee Meetings

Name	Position	No. of Meetings	Meetings Attended
Hilario G. Davide, Jr.	Chairman	3	3
Alfredo E. Pascual*	Vice-Chairman	2	2
Lilia B. De Lima**	Vice-Chairman	0	0
Celso P. Vivas	Member	3	3
Manuel Louie B. Ferrer	Member	3	3

*Tenure ended June 30, 2022

** Tenure began December 20, 2022

5

Board Risk Oversight Committee Meetings

Name	Position	No. of Meetings	Meetings Attended
Alfredo E. Pascual*	Chairman	2	2
Lilia B. De Lima**	Chairman	0	0
Celso P. Vivas	Vice-Chairman	4	4
Hilario G. Davide, Jr.	Member	4	4
Edgar B. Saavedra	Member	4	4
Ramon H. Diaz	Member	4	4

*Tenure ended June 30, 2022

** Tenure began December 20, 2022

REMUNERATION OF THE BOARD

2-19, 2-20

Through the GNCC, the Board shall oversee the establishment and administration of the Company's compensation program, and align the remuneration of key officers and Board members with its long-term interests. The GNCC shall formulate and adopt a policy specifying the relationship between remuneration and performance.

Directors' compensation shall always be in accordance with the By-Laws of the Company and/or as approved by the stockholders during an annual stockholders' meeting. The Board shall, from time to time, approve a reasonable per diem that a director may receive for attendance in Board meetings and Board committee meetings.

The specific duties and responsibilities of the GNCC in the area of compensation are detailed as follows:

Oversee and evaluate the Company's human resource planning process and succession plans for the Chief Executive Officer (CEO) and other senior executive positions. Recommend for Board approval short-listed candidates for these positions.

Establish and review annually an emergency succession plan for the CEO and other senior executive positions.

Evaluate the performance of the CEO, approve annual salary, bonus and other incentive awards, remuneration or executive benefits to the CEO. In determining the long-term incentive component of CEO compensation, the GNCC shall consider, among other factors, the Company's performance and relative shareholder return, the amount of similar incentives awards to CEOs at comparable companies and the awards given to the CEO in the past years.

Review and approve senior officers' salary, bonus and awards based on the GNCC's established criteria. Oversees regulatory compliance with respect to these compensation matters.

Review and approve any severance or similar termination payments proposed to be made to any current or former member of senior officers of the Company.

Review periodically and make recommendations to the Board concerning the level/status of the Board compensation in relation to best practices of other similarly situated public companies.

Evaluate annually the performance of the GNCC and report the results of evaluation to the Board.

Prepare and approve all reports of the GNCC in accordance with the applicable rules and regulations of the Securities and Exchange Commission (SEC).

Discharge any responsibilities delegated by the Board relating to the Company's compensation programs.

The total per diem paid to the Directors for the year ended December 31, 2022, was Php 2,940,000.00.



FOR SHAREHOLDERS

SHAREHOLDER RIGHTS

The rights of the Company's shareholders are recognized in our Articles of Incorporation, By-Laws, New Manual on Corporate Governance, and Code of Business Conduct and Ethics.

1

Voting Right

Shareholders shall have the right to elect, remove, and replace Directors. Directors are elected through cumulative voting and cannot be removed without cause if it will deny minority shareholders representation in the Board. Shareholders may also vote on corporate acts in accordance with the Revised Corporation Code of the Philippines.

2

Pre-emptive Right

All shareholders shall have the pre-emptive right unless the same is denied in the articles of incorporation or any amendment thereto, or as required by the SEC, and in documents signed by such shareholders. They shall have the right to subscribe to the capital stock of the Company. The Company's articles of incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not conflict with the Corporation Code, as amended from time to time.



3

Power of Inspection

Shareholders shall be allowed to inspect corporate books and records, including minutes of Board meetings and stock registries, in accordance with the Corporation Code. They shall be furnished with Annual Reports (SEC Form 17-A), including financial statements, without cost or restrictions. This is subject to reasonable restrictions in accordance with the Corporation Code and jurisprudence.

4

Right to Information

Shareholders shall be provided, upon request, periodic reports which disclose personal and professional information about the Directors and officers and certain other matters such as their holdings of the Company's shares, dealing with the Company, relationships among Directors and key officers, and the aggregate compensation of Directors and officers.

The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

The minority shareholders shall have access to all information relating to matters for which the management is accountable and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of shareholders' meeting, being within the definition of "legitimate purposes."

5

Rights to Dividends

Shareholders shall have the right to receive dividends subject to the discretion of the Board.

The Company shall be compelled to declare dividends when its retained earnings shall be in excess of one hundred percent (100%) of its paid-in capital stock, except:

- when justified by definite corporate expansion projects or programs approved by the Board; or
- when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not yet been secured; or
- when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

6

Appraisal Right

Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any shareholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or extending or shortening the term of corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of merger or consolidation.

PROMOTION AND ENHANCEMENT OF RIGHTS

The Board shall be transparent and fair in the conduct of the annual and special shareholders' meetings of the Company. The shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted, and any doubt about the validity of a proxy shall be resolved in the shareholder's favor.

It is the duty of the Board to promote the rights of the shareholders, remove impediments to the exercise of those rights, and provide an adequate avenue for them to seek timely redress for the breach of their rights.

The Board shall take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the shareholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information shall be made available to the shareholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all shareholders shall be treated equally or without discrimination, the Board shall give minority shareholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.



EQUITABLE TREATMENT OF SHAREHOLDERS

While protecting the rights of our shareholders, Megawide also ensures that all shareholders are treated equally and are not discriminated against. The Company has protocols in place, such as the full disclosure and review of all related-party transactions (RPTs) by the Audit and Compliance Committee. Our Insider Trading Policy prohibits insider trading, serving to protect members of the Company from misuse of power and position.

DISCLOSURE AND TRANSPARENCY

Disclosure and transparency are key to running a responsible and ethical business. We ensure that all information on crucial decisions and operations within the Company are disclosed to the concerned persons. Enhancing transparency is a continuous

goal that Megawide outlines in the New Manual on Corporate Governance.

Our main channels for communicating company activities to our stakeholders are:



Company Website

Found at www.megawide.com.ph, the Company website publishes all disclosures, stock information, and resources on corporate governance activities. The website is compliant with the SEC's prescribed format for publicly-listed companies, while IT, creative licenses, and branding guidelines ensure that the page remain accessible, readable, and user-friendly.



Analysts' Briefing

Quarterly analysts' briefings keep investors up-to-date on Megawide's operational and financial performance, as well as significant developments. In 2022, the Company held regular updates and briefings to the investment community on significant company developments and financial results.



Investor Conferences, Non-deal Roadshows, One-on-One Meetings, and Conference Calls

The Investor Relations Team, Chief Financial Officer, Chairman, President, or other members of the Management Team may meet with fund managers and investors to discuss matters of business. As the lingering pandemic discouraged face-to-face meetings, the Team participated in various virtual conferences and Investor Days, local and foreign, where the Company was invited as a presenter.



Press Releases

The Company publishes and submits press releases and other disclosures to the SEC, as required, on most significant and material Company developments, that will have an impact on the share price and investors' decision-making process. These are available on the Philippine Stock Exchange (PSE) Edge website, http://edge.pse.com.ph/companyInformation/form.do?cmpy_id=627.



Site Visits

The Investor Relations Team conducts site visits at our Precast Facility, MCIA, PITX, and other project requested sites during the course of the year. In 2022, the IR Team conducted at least 1 (one) site visit per quarter.

The following information is also provided in the interest of transparency for our stakeholders:

1

Ownership Structure

Owners holding more than 5 percent (5%) of Megawide’s shares of stock (as of December 31, 2022) are as follows:

Class of Shares	Shareholder	No. of Common Shares	%	Beneficial Owner
Common	Citicore Holdings Investment, Inc. (Filipino) No. 20 N. Domingo Street, Barangay Valencia, Quezon City	712,925,501	35.41%	Edgar B. Saavedra
Common	Megacore Holdings, Inc.* (Filipino) No. 20 N. Domingo Street, Barangay Valencia, Quezon City <i>*Shares are lodged with PCD Nominee Corporation (Filipino)</i>	617,709,197	30.68%	Edgar B. Saavedra
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, corner Paseo de Roxas	1,168,975,251	58.06%	Publicly-Held Shares
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, corner Paseo de Roxas	84,545,105	3.52%	Publicly-Held Shares

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

Name	No. of Shares Held	%
BDO Securities Corporation	652, 281,742	32.39%
CLSA Philippines, Inc.	382,920,604	19.02%

The following table sets forth the security ownership of Megawide’s Directors and officers as of December 31, 2022:

2

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Owner	%
Common	Edgar B. Saavedra <i>Chairman of the Board, CEO, and President</i>	Filipino	1 (Direct) 2 (Indirect)	Nil
Common	Manuel Louie B. Ferrer <i>Vice-Chairman of the Board, Executive Director for Infrastructure Development, and Chief Corporate Affairs and Branding Officer</i>	Filipino	1 (Indirect)	Nil
Common	Oliver Y. Tan <i>Director</i>	Filipino	18,767,852 (Indirect)	0.93%
Common	Ramon H. Diaz <i>Executive Director and Group Chief Financial Officer</i>	Filipino	350,000 (Indirect)	0.02%
Common	Hilario G. Davide, Jr. <i>Independent Director</i>	Filipino	1 (Direct)	Nil
Common	Celso P. Vivas <i>Independent Director</i>	Filipino	1 (Indirect)	Nil
Common	Alfredo E. Pascual <i>Independent Director</i>	Filipino	1 (Direct) 10,900 (Indirect)	Nil
Common	Christopher A. Nadayag <i>Treasurer and Deputy Chief Financial Officer</i>	Filipino	49 (Indirect)	Nil
Common	Raymund Jay S. Gomez <i>Chief Legal Officer, Compliance Officer, and Data Protection Officer</i>	Filipino	0	Nil
Common	Maria Belinda Morales <i>Chief Human Resources Officer</i>	Filipino	35,000 (Indirect)	Nil

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Owner	%
Common	Zheena E. Ocampo <i>Acting Chief Audit Executive</i>	Filipino	7,500 (Indirect)	Nil
Common	Kama Neson Ganeson* <i>Acting Chief Risk Officer</i>	Malaysian	0	Nil
Common	Martin Miguel Flores** <i>Chief Risk Officer</i>	Filipino	4,400 (Indirect)	Nil
Common	Abigail Joan R. Cosico** <i>Chief Investor Relations Officer</i>	Filipino	0	Nil
Common	Anthony Leonard G. Topacio* <i>Corporate Secretary</i>	Filipino	0	Nil
Common	Charlotte Y. King** <i>Corporate Secretary</i>	Filipino	0	Nil
Common	Jasmine M. Jimenez <i>Assistant Corporate Secretary</i>	Filipino	0	Nil
Common	Ma. Criselle R. Zapata-Herrera** <i>Assistant Corporate Secretary</i>	Filipino	25,200	Nil
Aggregate Shareholdings of Directors and Officers as a Group			19,200,908	0.95%

External Audit Fees and Services

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

Particulars	Nature	Audit Fees (amounts in Php) For the years ended December 31		
		2022	2021	2020
Punongbayan & Araullo	Audit of Financial Statements	3,885,000.00	3,535,000.00	3,346,250.00
Punongbayan & Araullo	Summary of Application of Proceeds on Preferred Shares	600,000.00 (Q1 to Q4)	600,000.00 (Q1 to Q4)	150,000.00 (Q4)
Punongbayan & Araullo	Transfer Pricing Documentations and Review of Information Return	-	-	2,600,000.00
Punongbayan & Araullo	Agreed Upon Procedures (PCAB Renewal)	35,000.00	35,000.00	35,000.00
Punongbayan & Araullo	Q1 and Q3 Consolidated Financial Statements Review and Prospectus Circle-Up (for Preferred Shares Offering)	3,700,000.00	3,500,000.00	3,500,000.00
Punongbayan & Araullo	Tax Opinion on Development Projects	250,000.00	100,000.00	250,000.00
SyCip Gorres Velayo & Co. (SGV)	Audit of Financial Statements of GMCAC	1,546,545.00	1,339,000.00	1,339,000.00

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Audited Financial Statements

The Audited Financial Statements as of and for the year 2022 were released on 2 May 2023 and are uploaded in Megawide's website.

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RPTs

The Related Party Transactions (RPTs) are presented in Note 28 of the Audited Financial Statements for the year 2022 and in the Annual Report (SEC Form 17-A) of Megawide.

ANNEX

ANNEX A - ECONOMIC PERFORMANCE

I. Proportion of Spending on Local Suppliers (204-1)

Disclosure	MCC				MWMTI	GMCAC
	Corporate	PCS (Batching Plant)	PCS (Taytay Complex)	EPC (Head Office)		
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers (%)	50*	80	80	Data unavailable	100	Data unavailable

*Estimates

II. Anti-corruption (205-2, 205-3)

Disclosure	MCC	MWMTI	GMCAC
Percentage of directors to whom the organization's anti-corruption policies and procedures have been communicated to (%)	100	100	Data unavailable
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to (%)	60*	60	Data unavailable
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to (%)	60	60	Data unavailable
Percentage of directors and management that have received anti-corruption training (%)	100	100	Data unavailable
Percentage of employees that have received anti-corruption training (%)	10*	10	Data unavailable

*Estimates

(205-2, 205-3)

Disclosure	MCC	MWMTI	GMCAC
Number of incidents in which directors were removed or disciplined for corruption	0	0	Data unavailable
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	Data unavailable
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	Data unavailable
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcome of such cases	0	0	Data unavailable

ANNEX B - ENVIRONMENTAL PERFORMANCE

I. Compliance with Laws and Regulations (2-27)

Disclosure	MCC	MWMTI	GMCAC
No. of instances for which fines were incurred	0	0	0
No. of instances for which non-monetary sanctions were incurred	0	0	0
No. of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	0	0	0
Monetary value of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	0	0	0
No. of fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	1*	0	0
Monetary value of fines for instances of non-compliance with laws and regulations that occurred in previous reporting period	Php 25,000 (Pandi)*	0	0

*Initially operating with a Certificate of Non-Coverage (CNC), the Batching Plant was required by the DENR to secure an ECC.

II. Recycled Input Materials (301-2)

Disclosure	PCS Batching Plant	PCS Taytay Complex	EPC
Percentage of recycled input materials used to manufacture the organization's primary products and services (%)	9	Data unavailable	Data unavailable

IV. Biodiversity (304-1, 304-3, 304-4)

Disclosure	MCC		MWMTI	GMCAC
	PCS (Taytay Complex)	PCS (Batching Plant)		
Geographic location	Latitude: 14.54829 Longitude: 121.12691	Parañaque – 14°31'09.9"N 120°59'14.1"E Ortigas – 14°35'23.4"N 121°06'10.0"E Aglipay – 14°34'51.9"N 121°01'31.4"E Pandi – 14°51'38.3"N 120°57'27.0"E Apalit – 14°56'51.3"N 120°44'50.7"E	Latitude: 14.509358 Longitude: 120.991285	10°18'56.70"N, 123°58'43.44"E
Subsurface and underground land that may be owned, leased, or managed by the organization	Owned	N/A	Owned	N/A
Position in relation to the protected area or the high biodiversity value area outside protected areas	In the area	Parañaque – residential & river Ortigas – residential Aglipay – residential Pandi – residential Apalit – residential	N/A	N/A

(304-1, 304-3, 304-4)

Disclosure	MCC		MWMTI	GMCAC
	PCS (Taytay Complex)	PCS (Batching Plant)		
Type of operation	Office & Manufacturing	Manufacturing/ Production	Office, Commercial, Leasing and Transportation	Office, Transportation
Size of operational site	0.141769 sq.km.	Parañaque – 5,000sqm Ortigas – 4,000sqm Aglipay – 2,400sqm Pandi – 2,400sqm Apalit – 7,000sqm	193,403.46 sq.m	428,127 sq.m
Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area	Freshwater	Parañaque – fresh water	Freshwater	Maritime
Biodiversity value characterized by listing of protected status	N/A	N/A	N/A	N/A

Disclosure	MCC	MWMTI	GMCAC
	PCS		
Habitats protected or restored (ha)	N/A	N/A	N/A
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	N/A	N/A

Note: All EPC project sites are not within the perimeters of protected areas.

V. Air Pollutants (305-7)

Disclosure	MCC		MWMTI	GMCAC
	PCS	EPC (Head Office)		
NO _x	- Area adjacent to Road 1 - 12.1 - Truck Parking Area Near Plant 2 - 11.8 - Central Warehouse Area - 9.5 - Area Between Old Bay Works and Formworks - No data - Precast Assembly Point Area and Near Main Gate - No data *No Emission Testing required for Genset	No Emission Testing required by DENR. On standby for gensets. EPC has secured PTO (Permit To Operate) to DENR for generator sets.	N/A	0.67 ug/Ncm
SO _x	- Area adjacent to Road 1 – No data - Truck parking area near Plant 2 – No data - Central Warehouse Area - No data - Area between Old Bay Works and Formworks – No data - Precast assembly point area and near main gate – No data *No Emission Testing required for Genset		N/A	7.03 ug/Ncm
Persistent organic pollutants (POPs)	N/A		N/A	N/A
Volatile organic compounds (VOCs)	N/A		N/A	N/A
Hazardous air pollutants (HAPs)	N/A		N/A	N/A
Particulate matter (PM)	- Area adjacent to Road 1 – 72.1 - Truck parking area near Plant 2 – 10.8 - Central Warehouse Area - 13.4 - Area between Old Bay Works and Formworks - 14.8 - Precast assembly point area and near main gate – 9.3 *No Emission Testing required for Genset		N/A	21.5 ug/Ncm PM10

VI.Waste Diverted from and Directed to Disposal (306-4, 306-5)

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Total non-hazardous waste	Data unavailable*	9,954.89	13.22	1,181.6	823.40
Preparation for reuse (t)		0	0	0	0
Recycling (t)		747.9	12.02	0	0
Incineration (t)		0	0	0	0
Landfilling (t)		0	1.20	0	785.78
Other recovery operations (t)		234.2	0	0	37.62
Other disposal operations (t)		8,972.79	0	0	0

*HoldCo does not monitor this at the moment prior to disposal since it does not have the equipment to weigh waste. HoldCo currently segregates its waste and disposes segregated waste in the assigned garbage area of Rockwell Santolan Town Plaza.

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Total hazardous waste	Data unavailable*	85.4	0.65	0	29.00
Preparation for reuse (t)		0	0	0	0
Recycling (t)		85.4	0.65	0	0
Incineration (t)		0	0	0	0
Landfilling (t)		0	0	0	0
Other recovery operations (t)		0	0	0	0
Other disposal operations (t)		0	0	0	29.00

*HoldCo does not monitor this at the moment prior to disposal since it does not have the equipment to weigh waste. HoldCo currently segregates its waste and disposes segregated waste in the assigned garbage area of Rockwell Santolan Town Plaza.

VII. Supplier Environmental Assessment (308-1, 308-2)

Disclosure	MCC		MWMTI	GMCAC
	PCS	EPC (Head Office)		
Percentage of new suppliers that were screened using environmental criteria (%)	7	100	Data unavailable	Data unavailable
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment (%)	0	Data unavailable	Data unavailable	Data unavailable

ANNEX C - SOCIAL PERFORMANCE

I. Employee Breakdown (2-7)

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Total number of employees	95	1,927	1,968	59	189
Number of male employees	52	1,661	1,526	26	104
Number of female employees	43	266	442	33	85
Attrition rate*	-0.04	0.30	0.03	0.02	0.01
Ratio of lowest salary against minimum wage	1.1:1	1:1	1:0	1.2:1	Data unavailable

*Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

II. New Employee Hires and Employee Turnover (401-1)

MCC - Corporate				
Disclosure	Number of new hires		Number of employee turnover	
	Male	Female	Male	Female
Below 30	13	9	3	9
30-50	5	1	13	9
Above 50	0	3	1	0
Total	18	13	17	18

MCC - PCS				
Disclosure	Number of new hires		Number of employee turnover	
	Male	Female	Male	Female
Below 30	288	86	562	33
30-50	343	21	192	18
Above 50	543	16	11	10
Total	1,174	123	765	61

MCC - EPC				
Disclosure	Number of new hires		Number of employee turnover	
	Male	Female	Male	Female
Below 30	147	60	96	74
30-50	199	31	153	43
Above 50	11	0	14	0
Total	357	91	263	117

MWM TI				
Disclosure	Number of new hires		Number of employee turnover	
	Male	Female	Male	Female
Below 30	1	4	1	5
30-50	6	7	7	5
Above 50	0	1	0	0
Total	7	12	8	10

GMCAC				
Disclosure	Number of new hires		Number of employee turnover	
	Male	Female	Male	Female
Below 30	0	3	0	3
30-50	5	2	4	1
Above 50	1	0	2	0
Total	6	5	6	4

III. Employee Benefits (401-2, 401-3)

MCC - Corporate			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	54%	46%
Health care (aside from Philhealth)	Y	54%	46%
Disability and invalidity coverage	Y	54%	46%
Parental leave	Y	29%	16%
Retirement provision (aside from SSS)	N	0%	0%
Stock ownership	N	0%	0%
SSS	Y	54%	46%
PhilHealth	Y	54%	46%
Pag-Ibig	Y	54%	46%
Vacation leaves	Y	54%	46%
Sick leaves	Y	54%	46%
Housing assistance (aside from Pag-Ibig)	N	0%	0%
Further education support	N	0%	0%
Telecommuting	Y	2%	2%
Flexible working hours	Y	22%	26%

MCC - PCS CELS			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	0%	0%
Health care (aside from Philhealth)	Y	65%	5%
Disability and invalidity coverage	Y	0%	0%
Parental leave	Y	0%	0%
Retirement provision (aside from SSS)	N	0%	0%
Stock ownership	N	0%	0%
SSS	Y	32%	4%
PhilHealth	Y	1%	0%
Pag-Ibig	Y	35%	1%
Vacation leaves	Y	55%	5%
Sick leaves	Y	44%	4%
Housing assistance (aside from Pag-Ibig)	N	0%	0%
Further education support	N	0%	0%
Telecommuting	Y	0%	0%
Flexible working hours	N/A	0%	0%



(401-2, 401-3)

MCC - PCS FMD			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	0%	0%
Health care (aside from Philhealth)	Y	Data of Utilization c/o Holdco	Data of Utilization c/o Holdco
Disability and invalidity coverage	Y	0%	0%
Parental leave	Y	0%	10%
Retirement provision (aside from SSS)	N	N/A	N/A
Stock ownership	N	0%	0%
SSS	Y	20%	20%
PhilHealth	Y	10%	10%
Pag-Ibig	Y	13%	0%
Vacation leaves	Y	47%	60%
Sick leaves	Y	37%	50%
Housing assistance (aside from Pag-Ibig)	N	23%	40%
Further education support	N	0%	0%
Telecommuting	Y	0%	0%
Flexible working hours	N/A	0%	0%

MCC - PCS Formworks			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	0%	5%
Health care (aside from Philhealth)	Y	Data of Utilization c/o Holdco	Data of Utilization c/o Holdco
Disability and invalidity coverage	Y	0%	0%
Parental leave	Y	3%	9%
Retirement provision (aside from SSS)	N	N/A	N/A
Stock ownership	N	0%	0%
SSS	Y	29%	36%
PhilHealth	Y	4%	36%
Pag-Ibig	Y	35%	36%
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Housing assistance (aside from Pag-Ibig)	N	18%	18%
Further education support	N	0%	0%
Telecommuting	Y	0%	0%
Flexible working hours	N/A	12%	91%

(401-2, 401-3)

MCC - PCS Precast			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	1%	0%
Health care (aside from Philhealth)	Y	94%	6%
Disability and invalidity coverage	N	0%	0%
Parental leave	Y	0%	0%
Retirement provision (aside from SSS)	N	0%	0%
Stock ownership	N	0%	0%
SSS	Y	93%	7%
PhilHealth	Y	93%	7%
Pag-Ibig	Y	93%	7%
Vacation leaves	Y	35%	3%
Sick leaves	Y	13%	2%
Housing assistance (aside from Pag-Ibig)	N	0%	0%
Further education support	N	0%	0%
Telecommuting	N	0%	0%
Flexible working hours	N	0%	0%
Others: SIL	Y	1%	99%

MCC - PCS Batching Plant (NCR)			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	N	0	0
Health care (aside from Philhealth)	Y	66%	34%
Disability and invalidity coverage	N	0	0
Parental leave	Y	100%	0
Retirement provision (aside from SSS)	N	0	0
Stock ownership	N	0	0
SSS	Y	75%	25%
PhilHealth	Y	71%	29%
Pag-Ibig	Y	72%	27%
Vacation leaves	Y	76%	24%
Sick leaves	Y	76%	24%
Housing assistance (aside from Pag-Ibig)	N	0	0
Further education support	N	0	0
Telecommuting	Y	0	0
Flexible working hours	Y	0	0

(401-2, 401-3)

MCC - PCS Batching Plant (Region 3)			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	100%	0
Health care (aside from Philhealth)	Y	78%	22%
Disability and invalidity coverage	N	0	0
Parental leave	Y	0	0
Retirement provision (aside from SSS)	N	0	0
Stock ownership	N	0	0
SSS	Y	75%	25%
PhilHealth	Y	87%	14%
Pag-Ibig	Y	100%	0
Vacation leaves	Y	76.92%	23.08%
Sick leaves	Y	76.92%	23.08%
Housing assistance (aside from Pag-Ibig)	N	0	0
Further education support	N	100%	0
Telecommuting	N	78.38%	0
Flexible working hours	N	0	0

MCC - EPC			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	0%	0%
Health care (aside from Philhealth)	Y	22%	4%
Disability and invalidity coverage	N	0%	0%
Parental leave	Y	1%	0%
Retirement provision (aside from SSS)	N	0%	0%
Stock ownership	N	0%	0%
SSS	Y	78%	23%
PhilHealth	Y	78%	23%
Pag-Ibig	Y	78%	23%
Vacation leaves	Y	78%	61%
Sick leaves	Y	22%	14%
Housing assistance (aside from Pag-Ibig)	N	0%	0%
Further education support	N	0%	0%
Telecommuting	N	0%	0%
Flexible working hours	N	0%	0%

(401-2, 401-3)

MWMTI			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	0%	0%
Health care (aside from Philhealth)	Y	45%	52%
Disability and invalidity coverage	Y	0%	0%
Parental leave	Y	2%	2%
Retirement provision (aside from SSS)	Y	0%	0%
Stock ownership	N	0%	0%
SSS	Y	3%	10%
PhilHealth	Y	0%	0%
Pag-Ibig	Y	2%	0%
Vacation leaves	Y	48%	60%
Sick leaves	Y	31%	36%
Housing assistance (aside from Pag-Ibig)	N	0%	0%
Further education support	N	0%	0%
Telecommuting	Y	21%	34%
Flexible working hours	Y	57%	74%

GMCAC			
List of benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
Life insurance	Y	0%	0%
Health care (aside from Philhealth)	Y	55%	45%
Disability and invalidity coverage	Y	0%	0%
Parental leave	Y	2%	1%
Retirement provision (aside from SSS)	Y	0%	0%
Stock ownership	N	0%	0%
SSS	Y	55%	45%
PhilHealth	Y	55%	45%
Pag-Ibig	Y	55%	45%
Vacation leaves	Y	48%	42%
Sick leaves	Y	27%	31%
Housing assistance (aside from Pag-Ibig)	N	0%	0%
Further education support	N	0%	0%
Telecommuting	N	0%	0%
Flexible working hours	N	0%	0%

(401-2, 401-3)

MCC - Corporate				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	27	2	2	1
Female	15	1	1	1

MCC- PCS Batching Plant				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	69	3	3	0
Female	Data unavailable			

MCC- PCS Precast				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	0	0	0	0
Female	0	0	0	0

(401-2, 401-3)

MCC- PCS Formworks				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	55	4	4	4
Female	22	2	2	2

MCC- PCS FMD				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	0	0	0	0
Female	1	1	1	1

MCC- PCS CELS				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	Data unavailable			
Female	Data unavailable			

(401-2, 401-3)

MCC- EPC				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	571	24	24	24
Female	Data unavailable			

MWMTI				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	Data unavailable	1	0	0
Female	Data unavailable	1	1	1

GMCAC				
Gender	Total number of employees			
	Entitled to Parental Leave	Who took Parental Leave	Who returned to work after parental leave ended	Who returned to work after parental leave ended who were still employed twelve months after their return to work
Male	78	3	3	3
Female	33	1	1	1

IV. Employees Receiving Regular Performance and Career Development Reviews (404-3)

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Senior Management	100%	100%	Data unavailable	82%	Data unavailable
Middle Management	100%	100%	Data unavailable	93%	Data unavailable
Rank and File	100%	100%	Data unavailable	88%	Data unavailable

V. Diversity of Governance Bodies and Employees (405-1)

MCC					
Employee Category	Age Group			Gender	
	Under 30	30-50	Over 50	Male	Female
Board of Directors	0%	50%	50%	100%	0%

MCC - Corporate					
Employee Category	Age Group			Gender	
	Under 30	30-50	Over 50	Male	Female
Senior Management	0%	65%	35%	75%	25%
Middle Management	4%	92%	4%	24%	76%
Rank and File	41%	53%	6%	71%	29%

MCC - PCS					
Employee Category	Age Group			Gender	
	Under 30	30-50	Over 50	Male	Female
Senior Management	4%	75%	21%	89%	11%
Middle Management	16%	73%	11%	66%	34%
Rank and File	30%	63%	7%	92%	8%

(405-1)

MCC - EPC					
Employee Category	Age Group			Gender	
	Under 30	30-50	Over 50	Male	Female
Senior Management	0%	84%	16%	76%	24%
Middle Management	13%	79%	7%	65%	35%
Rank and File	39%	56%	5%	80%	20%

MWMTI					
Employee Category	Age Group			Gender	
	Under 30	30-50	Over 50	Male	Female
Senior Management	9%	73%	18%	73%	27%
Middle Management	13%	87%	0%	53%	47%
Rank and File	45%	55%	0%	30%	70%

GMCAC					
Employee Category	Age Group			Gender	
	Under 30	30-50	Over 50	Male	Female
Senior Management	0%	63%	38%	75%	25%
Middle Management	6%	74%	20%	52%	48%
Rank and File	13%	73%	14%	52%	48%

VI.Ratio of Basic Salary and Remuneration of Women to Men (405-2)

MCC - Corporate		
Employee Category	Male	Female
Senior Management	1	0.86
Middle Management	1	0.99
Rank And File	1	1.04

(405-2)

MCC - PCS (Batching Plant)				
Employee Category	NCR		Region 3	
	Male	Female	Male	Female
Senior Management	1	0.94	1	N/A
Middle Management	1	0.91	N/A	1.00
Rank And File	1	1.01	1	1.06

MCC - PCS (Precast)		
Employee Category	Male	Female
Senior Management	1	N/A
Middle Management	1	3
Rank And File	1	14

MCC - PCS (Formworks)		
Employee Category	Male	Female
Senior Management	1	0.35
Middle Management	1	0.82
Rank And File	1	0.92

MCC - PCS (CELS)		
Employee Category	Male	Female
Senior Management	1	1.19
Middle Management	1	0.77
Rank And File	1	1.07

MCC - EPC		
Employee Category	Male	Female
Senior Management	Data unavailable	
Middle Management	1	0.77
Rank And File	1	1.22

MWMTI		
Employee Category	Male	Female
Senior Management	1	1.28
Middle Management	1	1.07
Rank And File	1	0.95

GMCAC		
Employee Category	Male	Female
Senior Management	Data unavailable	
Middle Management	Data unavailable	
Rank And File	Data unavailable	

VII. Rights of Indigenous Peoples (411-1)

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
No. of identified incidents of violations involving the rights of indigenous peoples	Data unavailable				

VIII. Local Communities (413-1)

Disclosure	MCC			MWMTI	GMCAC
	Corporate	PCS	EPC (Head Office)		
Percentage of operations with implemented local community engagement, impact assessments, and/or development programs (%)	Data unavailable	Data unavailable	100	Data unavailable	N/A

IX. Supplier Social Assessment (414-1, 414-2)

Disclosure	MCC		MWMTI	GMCAC
	PCS	EPC (Head Office)		
Percentage of new suppliers that were screened using environmental criteria (%)	Data unavailable	Data unavailable	Data unavailable	100
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment (%)	Data unavailable			

X. Customer Health and Safety (416-2)

Disclosure	MCC	MWMTI	GMCAC
No. of incidents of non-compliance concerning health and safety impacts of products/services:			
Resulting in a fine or penalty	Data unavailable		
Resulting in a warning	Data unavailable		
With voluntary codes	Data unavailable		

XI. Marketing and Labeling (417-2)

Disclosure	MCC	MWMTI	GMCAC
No. of incidents of non-compliance concerning product and service information and labeling:			
Resulting in a fine or penalty	Data unavailable	0	0
Resulting in a warning	Data unavailable	0	0
With voluntary codes	Data unavailable	0	0



MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

FY2022 vs FY2021

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

Results of Continuing Operations

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

Revenues decreased by 1% or PhP 203 million

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

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

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

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

Direct Costs increased by 3% or PhP 422 million

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

Gross Profit decreased by 25% or PhP 624 million

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

Other Operating Expenses increased by 5% or PhP 61 million

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

Impairment Losses increased by 708% or PhP 1.5 billion

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

Finance Costs increased by 9% or PhP 142 million

Finance costs amounted to PhP 1.6 billion. The increase of P142 million is mainly due to interest expense from bonds payable amounting to P118 million.

Finance Income increased by 11% or PhP 53 million

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

Others - net decreased by 204% or PhP 848 million

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

Tax Expense decreased by PhP 781 million or 845%

The Group realized a tax income amounting to P689 million mainly relating to temporary difference arising from net operating loss carry over (NOLCO) and impairment losses on contract assets.

Results of Discontinued Operations

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

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

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

Consolidated Net Income Increased by 417% or PhP 3.7 billion

Consolidated net income from continuing and discontinued operations amounted to P2.8 billion compared with the consolidated net loss of P893 million in 2021. This is mainly due to recognized gain



on deconsolidation of a subsidiary amounting to P6.6 billion, though offset by impairment losses on financial and nonfinancial assets amounting to P1.7 billion and P916 million, respectively.

Financial Condition

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

ASSETS

Current Assets increased by 35% or by PhP14 billion

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

Cash and Cash Equivalents increased by 170% or PhP 9.9 billion

The increase in cash and cash equivalents was due to the proceeds from sale of investment in airport segment amounting to P7.2 billion.

Trade and Other Receivables increased by 8% or by PhP 1.39 billion

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

Inventory of Construction Materials increased by 4% or PhP 81 million

The increase in inventory levels during the period was due to the new projects started during the period, as well as to comply with the Company's business strategy to maintain buffer levels of inventory at site, considering longer procurement lead time during the quarantine period imposed by the government.

Contract assets increased by 7% or PhP 329 million

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

Other Current Assets decreased by 6% or by PhP 569 million

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

Non-Current Asset Held for Sale increased by 100%% or P2.9 billion

Total noncurrent assets held for sale pertains to the total assets of airport segment amounting to P2.9 billion. The increase is mainly due to deconsolidation in 2022 and reclassification of fair-value of GMCAC assets to this account.

Non-Current Assets amounted to P12 billion

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

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at P4 million

FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at P4 million for both periods.

Investments in Associates and Joint Ventures decreased by 73% or by PhP 630 million

The decrease is a result of share in the net losses taken up on the Group's investment in various joint ventures and associates and the write-off of investment in 2022.

Property, Plant and Equipment decreased by 6% or by PhP 433 million

The Group recognized depreciation charges on property, plant and equipment amounting to PhP 1.31 billion and procured certain pre-cast equipment to expand capacity of construction support and service units and various specialized equipment to support specification requirement of the ongoing projects.

Investment Properties increased by 5% or by PhP 206 million

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

Deferred tax assets increased by PhP 664 million

The increase was mainly due to temporary difference arising from net operating loss carry over (NOLCO).

Other Non-Current Assets decreased by 87% or PhP 2.1 billion

Balance of other non-current asset of airport segment amounting to P1.8 billion was derecognized upon disposal. Whereas the decrease of P0.3 million was mainly due to decrease in the deferred input VAT balance of the Group.

LIABILITIES AND EQUITY

Current Liabilities decreased by 13% or PhP 3.4 billion

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

Interest-Bearing Loans and Borrowings-Current decreased by PhP 72 million

The decrease is due to repayments of short-term loans and lease liabilities. This was offset additional borrowings made to support the working capital requirements of the Group.

Trade and Other Payables decreased by 38% or by PhP 3.3 billion

The decrease is due to progress billings on work in progress contracts. The balance of trade and other payables of airport segment amounting to P2.3 billion was derecognized upon disposal.

Contract liabilities – current decreased by 3% or PhP 113 million

The decrease is mainly related to recoupment of downpayments from client.



Other Current Liabilities decreased by 15% or by PhP 41 million

The balance of other current liabilities of airport segment amounting to P94 million was derecognized upon disposal. While increase of P63 million is due to the increase in tax liabilities of the Group such as withholding taxes and output VAT.

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

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

Loans and Borrowings-Non-Current decreased by 62% or PhP 21.65 billion

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

Exchangeable notes increased by PhP 7.8 billion

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

Contract liabilities –non current decreased by 32% or PhP 651 million

The decrease is mainly related to reclassification to current portion of customer advances upon recoupment based on construction schedule.

Post employment defined benefit obligation decreased by 21% or by PhP 63 million

The post-employment defined benefit obligation decreased due to experience adjustments and changes in demographic assumptions.

Deferred tax liabilities decreased by 100% or by PhP 873 million

The balance of deferred tax liabilities of the airport segment amounting to P971.6 million was derecognized upon disposal.

Other non-current liabilities decreased by 44% or PhP 288 million

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

Equity attributable to Parent increased by 19% or by PhP 3.1 billion

The increase in equity was mainly due to total comprehensive income amounting to PhP 3.6 billion, dividend payments of PhP 490 million to preferred stock shareholders, deposits for future stock subscription of PhP 2.3 million, and increase in other reserves amounting to PhP 14.71 million.

Material Events and Uncertainties

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

Other than the impact of COVID-19 on the business which is disclosed in Note 1.3 of the consolidated audited financial statements or **Exhibit "2"**, there are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing Megawide's liquidity in any material way. Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

Megawide has a capital commitment to utilize the proceeds from the issuance of its preferred shares amounting to One Billion Five Hundred Fifty-Five Million Eight Hundred Eleven Thousand Five Hundred Sixty-Eight Pesos (PhP 1,555,811,568.08) for various PPP projects. Other than that, there are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of Megawide.

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

There are no material events subsequent to December 31, 2022 that have not been reflected in the consolidated audited financial statements or **Exhibit "2"** of the Company.

Liquidity and Capital Resources

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

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

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

Cash Flows

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

(Amounts in Php Millions)	For the years ended December 31		
Cash Flow	2022	2021	2020
Net cash provided by operating activities	(2,907)	1,356	2,735
Net cash used in investing activities	5,074	(1,829)	(1,515)
Net cash provided by financing activities	8,000	(895)	(509)

Key Performance Indicators (KPIs)

Megawide’s KPIs are as follows:

Amounts in Php Billion, except Ratios and Earnings per Share	2022	2021	2020
Construction Order Backlog	PhP 50.85	PhP 60.01	PhP 68.44
Current Ratio ¹	2.25	1.45	1.53
Net Debt to Equity Ratio ²	0.61	2.27	1.89
Book Value Per Share ³	5.67	2.13	4.49
Earnings per Share ⁴	1.53	-0.42	-0.33
Return on Assets ⁵	0.04	-0.01	-0.01
Return on Equity ⁶	0.15	-0.04	-0.05
Gross Profit Margin ⁷	0.13	0.18	0.19

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

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

Risk Management Objectives and Policies

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

¹ Current Assets/Current Liabilities

² Interest bearing loans and borrowings less cash and cash equivalents and financial assets valued through profit or loss/Stockholder’s Equity

³ Total Equity/Issued and Outstanding Shares

⁴ Net Profit/Issued and Outstanding Shares

⁵ Net Profit/Average Shares

⁶ Net Profit/Average Equity

⁷ Gross Profit/Revenue

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

Item 7. Financial Statements

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

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

External Audit Fees and Services

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

Particulars	Nature	Audit Fees (amounts in Php) For the years ended December 31		
		2022	2021	2020
Punongbayan & Araullo	Audit of Financial Statements	3,885,000.00	3,535,000.00	3,346,250.00
Punongbayan & Araullo	Summary of Application of Proceeds on Preferred Shares	600,000.00 (Q1 to Q4)	600,000.00 (Q1 to Q4)	150,000.00 (Q4)
Punongbayan & Araullo	Transfer Pricing Documentations and Review of Information Return	-	-	2,600,000.00
Punongbayan & Araullo	Agreed Upon Procedures (PCAB Renewal)	35,000.00	35,000.00	35,000.00
Punongbayan & Araullo	Q1 and Q3 Consolidated Financial Statements Review and Prospectus Circle-Up (for Preferred Shares Offering)	3,700,000.00	3,500,000.00	3,500,000.00
Punongbayan & Araullo	Tax Opinion on Development Projects	250,000.00	100,000.00	250,000.00
SyCip Gorres Velayo & Co. (SGV)	Audit of Financial Statements of GMCAC	1,546,545.00	1,339,000.00	1,339,000.00

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

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

The ACC is required to pre-approve all audit and non-audit services to be rendered by independent accountants and approve the engagement fee and any other compensation to be paid to such independent accountants. When deciding whether to approve these items, the ACC takes into account whether the provision of any non-audit service is compatible with the independence standards under the guidelines of the SEC. To assist in this undertaking, the ACC communicates with the external auditors with regard to any relationship or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take the necessary action to ensure their independence.

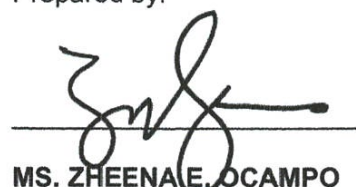
**tenure ended June 30, 2022*

**STATEMENT OF THE ACTING CHIEF AUDIT EXECUTIVE
ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM
OF MEGAWIDE CONSTRUCTION CORPORATION**
For the Year Ended 31 December 2022

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

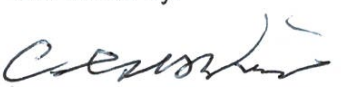
- With the guidance and supervision of the Audit and Compliance Committee ("ACC") of the Board of Directors ("Board") of Megawide, the Internal Audit Department ("IAD") has been focused on enhancing and strengthening the internal control system of the Megawide Group by providing independent assurance and recommendations in a systematic and disciplined approach, which are designed to add value and improvements to the Megawide Group's business and operations.
- The Megawide Group's present internal control system appears strong and able to provide reasonable assurance on the accomplishment of its overall business objectives, which include:
 - i. producing reliable financial reports;
 - ii. developing effective enterprise risk management ("ERM") programs across its departments and business units; and
 - iii. complying with corporate governance, financial, legal, and tax reporting requirements.
- The management of the Megawide Group and its process owners have consistently adopted the recommendations of the IAD for the improvement of its internal control systems and for the effectiveness of its ERM programs.
- The IAD has complete independence with respect to the departments and business units in the Megawide Group that it is auditing. In fact, the Board and the management of the Megawide Group have not placed any limitations or restrictions on the scope of the audit of the IAD.
- Lastly, the Board, through the ACC, and the Office of the Chief Executive Officer have provided the IAD with general direction and guidance on the scope of its work and the activities covered in its 2020 annual audit plan.

Prepared by:



MS. ZHEENA E. OCAMPO
Acting Chief Audit Executive
Date: 02 May 2023

Concurred by:



MR. CELSO P. VIVAS
Chairman of the ACC
Date: 02 May 2023



MR. EDGAR B. SAAVEDRA
Chairman, Chief Executive
Officer, and President
Date: 02 May 2023

**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE
TO THE BOARD OF DIRECTORS**
For the Year Ended 31 December 2022

This report covers the activities of the Audit and Compliance Committee ("ACC") of the Board of Directors (the "Board") of Megawide Construction Corporation ("Megawide") for the year ended 31 December 2022, pursuant to the provisions of Megawide's New Manual on Corporate Governance Manual.

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

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

The ACC also performed the following for the audit year of 2022:

- a. Reviewed and approved the 2020 IAD Risk-Based Internal Audit Plan.
- b. Reviewed and approved all the audit fees and services provided by Megawide's external auditor, Punongbayan & Araullo ("P&A").
- c. Evaluated the non-audit work furnished by P&A, including the non-audit fees paid, particularly, on its impact on the total annual audit fees and consultancy expenses of Megawide. As determined by the ACC, the non-audit work performed by P&A did not appear to be in conflict with their duties as external auditor, nor posed a threat to their independence.
- d. Reviewed and discussed with P&A the scope and methodology of their audit, the results of their examination, and the quality of their financial reports.
- e. Evaluated the performance, independence, and qualifications of P&A in the conduct of their audit. In this regard, the ACC received a letter from P&A confirming their independence and containing other matters that require disclosure under applicable auditing standards. Based on its review, the ACC recommended the re-appointment of P&A as the external auditor of Megawide for the year 2022.
- f. In behalf of the ACC and before the audit was finalized, the Chairman of the ACC, Mr. Celso P. Vivas, (in lieu of a face-to-face meeting) had a private tele-conversation meeting with P&A, through its engagement partner, Ms. Mailene Sigue-Bisnar, and her team. The said meeting was not attended by any of Megawide's Executives or Officers, as required by the rules and regulations of the SEC and the Manual. Mr. Vivas asked P&A if there are any unresolved critical and/or material audit issues. P&A confirmed that there are no unresolved audit issues.
- g. After P&A presented Megawide's 2022 Consolidated Audited Financial Statements, the ACC reviewed the same and recommended its approval to the Board. Upon careful deliberation, the Board approved Megawide's 2022 Consolidated Audited Financial Statements.

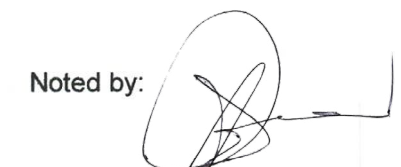
AUDIT AND COMPLIANCE COMMITTEE

By:



MR. CELSO P. VIVAS
Chairman of the ACC
Date: 02 May 2023

Noted by:



MR. EDGAR B. SAAVEDRA
Chairman of the Board, Chief
Executive Officer, and President
Date: 02 May 2023

May 2, 2023

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Megawide Construction Corporation and its subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

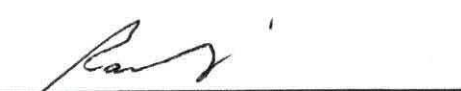
In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to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

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

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

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


ENGR. EDGAR B. SAAVEDRA
President
195-661-064-000


RAMON H. DIAZ
Group Chief Financial Officer
133-692-824-000

SUBSCRIBED AND SWORN TO before me this MAY 02 2023 at
SAN JUAN CITY affiants exhibiting to me their valid Tax Identification
Numbers stated above.

Signed this day of MAY 02 2023.

Doc. No. 488;
Page No. 101;
Book No. 2;
Series of 2023.


FRA ANGELICA S. ALEJANDRE
Appointment No. 109 (2023-2024)
Notary Public for and in the Cities of
Pasig and San Juan and in the
Municipality of Pateros
Until 31 December 2024
Santolan Town Plaza, 276 Santolan Rd.
San Juan City
Roll of Attorneys No. 77312
*TR No. 1673663 / 01-06-2023 / San Juan City



Report of Independent Auditors

The Board of Directors and Stockholders
Megawide Construction Corporation and Subsidiaries
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia
Quezon City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

Offices in Cavite, Cebu, Davao
BOA/ PRC Cert of Reg. No. 0002
SEC Accreditation No. 0002

grantthornton.com.ph

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue and Cost Recognition on Construction Contracts

Description of the Matter

The Group's revenue from construction contracts and the related cost of construction amounting to P14,583.3 million and P12,557.6 million, respectively, represent 98% of its total revenues and 97% of total direct costs from continuing operations in 2022. The Group uses the percentage of completion method to determine the appropriate amount of contract revenues to be recognized for the reporting period. It uses the input method (i.e., based on the Group's efforts or inputs to the satisfaction of a performance obligation) in determining the percentage of completion in accordance with PFRS 15, *Revenue from Contracts with Customers*.

In our view, the revenue and cost recognition of construction contracts is significant to our audit due to the materiality of the contract revenues to the total revenues of the Group, the complexity of the application of PFRS 15 in construction contracts, and the application of significant management judgment and high estimation uncertainty in measuring construction revenue based on the stage of completion of the construction project. The determination of percentage of completion is dependent on the proper recognition of actual construction costs incurred and the reasonableness of estimated construction costs. An error in the application of the requirements of PFRS 15 and of management judgment and estimate could cause a material misstatement in the consolidated financial statements.

The basis of significant judgments and estimates are included in Notes 2 and 3 to the consolidated financial statements. In addition, the details of construction contract revenues and costs are disclosed in Notes 21 and 22 to the consolidated financial statements, respectively.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue and cost recognition on construction contracts, which was considered to be a significant risk, included the following:

- Testing the design and operating effectiveness of the Group's processes and controls over the recognition and measurement of contract revenues and costs, including the related information technology general and application controls;
- Evaluating the appropriateness of the Group's revenue recognition on construction contracts based on the requirements of PFRS 15 which include the following:
 - reviewing significant construction contracts, including contractual terms and conditions to ensure these contracts are appropriately accounted for in accordance with PFRS 15;
 - evaluating whether the methodology by which management determines the percentage of completion (i.e., input method) is appropriate and consistent with the Group's satisfaction of its performance obligation;
 - determining proper accounting for contract costs whether these are considered as incremental costs of obtaining a contract, costs to fulfil the contract or mobilization costs; and,

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- determining whether performance obligation is distinct for proper allocation of transaction price.
- Testing the schedules of contracts completed and on-going projects as of the end of the reporting period such as, but not limited to, verifying the mathematical accuracy of the schedules, agreeing beginning balances on a per project basis, recalculating ending balances based on incurred contract costs for the current period, and agreeing contract prices, on a sample basis, to construction contracts;
- Testing the completeness of contract costs by examining, on a sample basis, contract costs incurred during the period and tracing these costs to supporting documents such as bill of materials, billing invoices and receipts recognized and searching for unrecorded costs by examining subsequent disbursements related to the projects;
- Comparing the percentage of completion used by the Group to the percentage of total costs incurred to date over the total estimated costs on the project and reconciling variances;
- Recomputing total estimated cost as the product of total contract price and cost ratio derived from the examined contracts and comparing with project cost estimates certified by the Group's engineers. In testing the reasonableness of budgetary estimates, we have ascertained the qualification of projects engineers who prepared the budgets;
- Performing physical inspection of selected construction projects to assess if the completion based on costs is consistent with the physical completion of the project;
- Performing cut-off procedures to determine whether contract revenues and costs are recognized in the correct period by examining billing and supplier invoices near the end of the reporting period; and,
- Performing analytical review procedures on contract revenues and costs, prior period estimates and consistency with the developments during the current period, stage of completion, and final forecast project results based on our expectations and investigating variances from our expectations.

(b) Disposal of Subsidiaries and Discontinued Operations

Description of the Matter

In 2022, the Group disposed of certain ownership interests in GMR-Megawide Cebu Airport Corporation (GMCAC) and another subsidiary that is also involved in the airport operations, as more fully discussed in Note 10 to the consolidated financial statements. This resulted in the deconsolidation of the said subsidiaries from the Group and the classification of the related airport reporting segment as discontinued operations. As of December 31, 2022, the Group retained certain ownership interest in GMCAC while the other subsidiary was fully disposed of. The total gain on deconsolidation recognized from these transactions amounted to P6,569.1 million.

In our view, this matter is significant to our audit due to the materiality of the amounts involved in the disposal of the subsidiaries and the complexity of the deconsolidation process and presentation and disclosure of discontinued operations in the Group's consolidated financial statements. The transaction also involves the use of estimates on the determination of the fair value of the interest retained by the Group in GMCAC using the discounted cash flow method. An error in the application of the requirements of PFRS 5, *Non-current Asset Held for Sale and Discontinued Operations*, and PFRS 10, *Consolidated Financial Statements*, and of the use of management estimate could cause a material misstatement in the consolidated financial statements.

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The basis of significant judgments and estimates are included in Notes 2 and 3 to the consolidated financial statements. In addition, the details of the disposal are disclosed in Note 10 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risks relating to the disposal of the subsidiaries, deconsolidation and presentation and disclosure of discontinued operations included the following:

- Examining the related contracts between the Group and the acquirer relating to the sale of the subsidiaries and verifying the existence and accuracy of the consideration received in accordance with the contracts;
- For GMCAC, obtaining an understanding of the methodology and evaluating the appropriateness and reasonableness of the underlying assumptions and the sufficiency, reliability and relevance of the data used by the Group in determining the fair value of the remaining interest in the subsidiary partially disposed in accordance with PFRS 13, *Fair Value Measurement*, which include the following procedures:
 - Understanding the process of making the accounting estimates, but not limited to, the foot traffic projections and the net cash flows to be generated by the airport until the end of the concession period and evaluating the appropriateness of processes applied in making these estimates and testing the reasonableness of these accounting estimates; and,
 - Involving the Firm's valuation specialist in testing the appropriateness of the assumptions and methodology used in determining the fair value of the remaining interest in the subsidiary partially disposed, which include the appropriateness of the pre-tax discount rate and growth rates, and the reasonableness of the cash flow projections prepared by management, including the consideration of the impact of COVID-19,
- Reviewing the appropriateness of the deconsolidation process for both subsidiaries and the accuracy of the assets and liabilities derecognized as a result of the sale in accordance with the requirements of PFRS 10;
- Verifying the accuracy of the gain from deconsolidation of subsidiaries and the gain on remeasurement of remaining ownership interest of the Group over GMCAC taking into account the amount of consideration received and the net assets disposed of;
- Reviewing the accuracy of the results of operation presented in the statements of comprehensive income indicating those relating to continuing operations and those that are relating to discontinued operations in the current year and prior years presented; and,
- Evaluating the completeness and appropriateness of the presentation and disclosures relating to the disposal of the subsidiaries, deconsolidation and discontinued operations in the Group's consolidated financial statements in accordance with PFRS.

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(c) Expected Credit Loss Assessment on Contract and Retention Receivables, Advances to and Receivables from Related Parties and Contract Assets

Description of the Matter

As at December 31, 2022, the carrying amounts of the Group's contract and retention receivables (collectively as trade receivables), advances to and receivables from related parties (including accrued interest) and contract assets amounted to P5,091.9 million, P10,932.7 million and P5,106.3 million, respectively. These financial assets totalling to P21,130.9 million which are disclosed in Notes 6 and 9 to the consolidated financial statements represent 31% of the total assets of the Group as at the end of the reporting period. The Group's management exercises significant judgment and makes estimates in determining when the trade receivables, advances to and receivables from related parties and contract assets are impaired and in measuring impairment losses to be recognized in accordance with the expected credit loss (ECL) requirements under PFRS 9, *Financial Instruments*. The Group's significant accounting policies, management judgment and estimates, are described in Notes 2 and 3 to the consolidated financial statements, while the disclosures relating to credit risk applicable to these financial assets are disclosed in Notes 28 and 32 to the consolidated financial statements.

Because of the complexity of the requirement of PFRS 9 in determining ECL and the high level of uncertainties involved in management's use of judgment and estimates, we identified the use of ECL assessment and measurement of the Group's trade receivables, advances to and receivables from related parties and contract assets discussed above as a key audit matter.

How the Matter was Addressed in the Audit

Our audit procedures to determine the appropriateness of the ECL computation adopted by the Group, the recoverability of trade receivables, advances to related parties and contract assets, and the adequacy of the related allowance for credit losses on these assets included, among others, the following:

- Evaluating appropriateness of the Group's ECL computation based on the requirements of the financial reporting standard and the related policies and procedures of the Group;
- Identifying customers, on a sample basis, with financial difficulty and/or breach of contract resulting in default on payments through discussion with management, inspecting the customers' payment history, and determining any related retention liability that can be recovered by the Group in settlement of the selected past due or delinquent customers' accounts;
- For advances to and receivables from related parties, evaluating the capacity of the related parties to pay by assessing their liquidity and whether there are any valid business purposes on which these advances were made;
- For contract assets, identifying whether such costs are recoverable and subsequently billable based on the terms of the specific contract;
- Evaluating the appropriateness and reasonableness of underlying assumptions, including forward-looking information and the sufficiency, reliability and relevance of the data used by the Group;
- Checking the mathematical accuracy of the provision matrix applicable to the ECL computation, including testing of aging of trade receivables; and,
- Evaluating the sufficiency and appropriateness of disclosures in the Group's consolidated financial statements in accordance with PFRS 9.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Mailene Sigue-Bisnar.

PUNONGBAYAN & ARAULLO


By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 9566627, January 3, 2023, Makati City
SEC Group A Accreditation
Partner - No. 90230-SEC (until financial period 2025)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-020-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 2, 2023

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MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(Amounts in Philippine Pesos)

- 2 -

	Notes	2022	2021
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 15,758,197,239	P 5,846,088,030
Trade and other receivables - net	6	18,360,999,611	16,970,554,555
Construction materials	8	2,126,166,237	2,045,159,384
Contract assets - net	9	5,106,307,785	4,777,704,858
Other current assets	12	<u>9,563,285,300</u>	<u>10,132,960,472</u>
		50,914,956,172	39,772,467,299
Non-current asset classified as held for sale	10	<u>2,879,769,625</u>	-
Total Current Assets		<u>53,794,725,797</u>	<u>39,772,467,299</u>
NON-CURRENT ASSETS			
Financial assets at fair value			
through other comprehensive income	7	3,544,472	3,544,472
Investments in associates and joint ventures	11	231,295,805	861,513,183
Property, plant and equipment - net	14	6,734,023,493	7,166,867,342
Investment properties - net	15	4,699,071,474	4,493,343,814
Deferred tax assets - net	26	689,304,708	24,595,138
Concession assets - net	13	-	30,503,822,564
Other non-current assets - net	12	<u>300,790,305</u>	<u>2,350,475,048</u>
Total Non-current Assets		<u>12,658,030,257</u>	<u>45,404,161,561</u>
TOTAL ASSETS		<u>P 66,452,756,054</u>	<u>P 85,176,628,860</u>

	Notes	2022	2021
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	P 14,707,801,548	P 14,780,086,022
Trade and other payables	17	5,332,737,951	8,616,715,347
Contract liabilities	19	3,590,333,090	3,703,189,013
Other current liabilities	20	<u>306,528,558</u>	<u>265,859,336</u>
Total Current Liabilities		<u>23,937,401,147</u>	<u>27,365,849,718</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	13,071,219,958	34,721,410,470
Exchangeable notes	10	7,763,200,000	-
Contract liabilities	19	1,405,179,227	2,056,202,307
Post-employment defined benefit obligation	24	237,400,671	300,125,050
Deferred tax liabilities - net	26	-	872,560,526
Other non-current liabilities	20	<u>371,474,463</u>	<u>659,573,110</u>
Total Non-current Liabilities		<u>22,848,474,319</u>	<u>38,609,871,463</u>
Total Liabilities		<u>46,785,875,466</u>	<u>65,975,721,181</u>
EQUITY			
Equity attributable to shareholders of the Parent Company:	27		
Capital stock		2,528,052,137	2,528,052,137
Additional paid-in capital		16,987,855,617	16,987,855,617
Deposits on future stock subscription		2,250,000	-
Treasury shares		(8,615,690,576)	(8,615,690,576)
Revaluation reserves - net		149,758,638	94,011,896
Other reserves		-	(22,474,837)
Retained earnings		<u>8,612,106,239</u>	<u>5,555,676,962</u>
Total equity attributable to shareholders of the Parent Company		19,664,332,055	16,527,431,199
Non-controlling interests		<u>2,548,533</u>	<u>2,673,476,480</u>
Total Equity		<u>19,666,880,588</u>	<u>19,200,907,679</u>
TOTAL LIABILITIES AND EQUITY		<u>P 66,452,756,054</u>	<u>P 85,176,628,860</u>

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(Amounts in Philippine Pesos)

	Notes	2022	2021	2020
CONTINUING OPERATIONS				
REVENUES				
	21			
Construction operations		P 14,583,321,979	P 14,329,463,579	P 10,842,199,945
Landport operations		<u>258,328,537</u>	<u>715,039,460</u>	<u>902,413,963</u>
		<u>14,841,650,516</u>	<u>15,044,503,039</u>	<u>11,744,613,908</u>
DIRECT COSTS				
	22			
Cost of construction operations		<u>12,557,581,615</u>	<u>12,130,698,076</u>	<u>9,393,546,769</u>
Costs of landport operations		<u>364,306,388</u>	<u>369,473,673</u>	<u>355,895,519</u>
		<u>12,921,888,003</u>	<u>12,500,171,749</u>	<u>9,749,442,288</u>
GROSS PROFIT		<u>1,919,762,513</u>	<u>2,544,331,290</u>	<u>1,995,171,620</u>
INCOME AND EXPENSES				
Other operating expenses	23	(1,193,636,156)	(1,132,227,913)	(955,961,797)
Impairment losses on receivables and contract assets	6, 9	(1,722,576,955)	(213,281,637)	(22,597,200)
Finance costs	25	(1,657,069,895)	(1,515,276,560)	(1,452,362,976)
Finance income	25	526,021,744	472,499,105	477,474,829
Others - net	25	(433,680,564)	(415,160,145)	(320,698,531)
		(<u>4,480,941,827</u>)	(<u>1,973,126,860</u>)	(<u>1,632,748,613</u>)
PROFIT (LOSS) BEFORE TAX		(<u>2,561,179,314</u>)	<u>571,204,430</u>	<u>362,423,007</u>
TAX INCOME (EXPENSE)	26	<u>689,157,079</u>	(<u>92,508,265</u>)	(<u>47,330,788</u>)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(<u>1,872,022,235</u>)	<u>478,696,165</u>	<u>315,092,219</u>
DISCONTINUED OPERATIONS				
	10			
PROFIT (LOSS) BEFORE TAX	26	<u>4,888,130,450</u>	(<u>1,294,986,187</u>)	(<u>972,232,083</u>)
TAX EXPENSE		(<u>183,362,300</u>)	(<u>76,864,397</u>)	(<u>217,456,027</u>)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS		<u>4,704,768,150</u>	(<u>1,371,850,584</u>)	(<u>1,189,688,110</u>)
NET INCOME (LOSS)		<u>P 2,832,745,915</u>	(<u>P 893,154,419</u>)	(<u>P 874,595,891</u>)
Net Income (Loss) Attributable To:				
Shareholders of the Parent Company:				
Continuing operations		(P 1,871,908,063)	P 478,704,913	P 315,092,223
Discontinued operations		<u>5,449,613,779</u>	(<u>821,690,147</u>)	(<u>713,242,145</u>)
		<u>3,577,705,716</u>	(<u>342,985,234</u>)	(<u>398,149,922</u>)
Non-controlling interests:				
Continuing operations		(114,172)	(8,748)	-
Discontinued operations		(<u>744,845,629</u>)	(<u>550,160,437</u>)	(<u>476,445,969</u>)
		(<u>744,959,801</u>)	(<u>550,169,185</u>)	(<u>476,445,969</u>)
		<u>P 2,832,745,915</u>	(<u>P 893,154,419</u>)	(<u>P 874,595,891</u>)
Earnings (Loss) per Share				
	30			
Continuing operations		(P 1.17)	(P 0.01)	P 0.02
Discontinued operations		<u>2.71</u>	(<u>0.41</u>)	(<u>0.35</u>)
		<u>P 1.54</u>	(<u>P 0.42</u>)	(<u>P 0.33</u>)

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(Amounts in Philippine Pesos)

		2022	2021	2020
NET INCOME (LOSS)		<u>P 2,832,745,915</u>	(<u>P 893,154,419</u>)	(<u>P 874,595,891</u>)
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation adjustment		(<u>17,785,487</u>)	<u>23,225,513</u>	(<u>8,756</u>)
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of post-employment defined benefit plan	24	<u>106,253,260</u>	<u>108,948,597</u>	<u>77,543,235</u>
Tax expense	26	(<u>25,535,309</u>)	(<u>26,719,556</u>)	(<u>23,262,970</u>)
		<u>80,717,951</u>	<u>82,229,041</u>	<u>54,280,265</u>
Other Comprehensive Income – net of tax		<u>62,932,464</u>	<u>105,454,554</u>	<u>54,271,509</u>
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>P 2,895,678,379</u>	(<u>P 787,699,865</u>)	(<u>P 820,324,382</u>)
Total Comprehensive Income (Loss) Attributable To:				
Shareholders of the Parent Company:				
Continuing operations		(P 1,808,975,599)	P 581,635,816	P 369,524,943
Discontinued operations		<u>5,447,968,969</u>	(<u>821,658,231</u>)	(<u>713,242,141</u>)
		<u>3,638,993,370</u>	(<u>240,022,415</u>)	(<u>343,717,198</u>)
Non-controlling interests:				
Continuing operations		(114,172)	2,514,399	(161,215)
Discontinued operations		(<u>743,200,819</u>)	(<u>550,191,849</u>)	(<u>476,445,969</u>)
		(<u>743,314,991</u>)	(<u>547,677,450</u>)	(<u>476,607,184</u>)
		<u>P 2,895,678,379</u>	(<u>P 787,699,865</u>)	(<u>P 820,324,382</u>)

See Notes to Consolidated Financial Statements.



MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(Amounts in Philippine Pesos)

Attributable to Shareholders of the Parent Company (See Note 27)											
		Common Stock		Preferred Stock		Deposit on future stock subscription		Treasury Shares		Additional Paid-in Capital	
Balance at January 1, 2022	P	2,399,426,127	P	128,626,010	P	-	(	P	8,615,690,576	P	16,987,855,617
Declaration of cash dividends		-		-		-		-		-	
Deposit on future stock subscription		-		-		2,250,000		-		-	
Effect of deconsolidation		-		-		-		-		-	
Increase in non-controlling interest from conversion of shareholder loans to capital stock		-		-		-		-		-	
Increase in other reserves during the year		-		-		-		-		-	
Total comprehensive income (loss) for the year		-		-		-		-		-	
Balance at December 31, 2022	P	2,399,426,127	P	128,626,010	P	2,250,000	(	P	8,615,690,576	P	16,987,855,617
Balance at January 1, 2021	P	2,399,426,127	P	87,001,010	P	-	(	P	4,615,690,576	P	13,057,711,509
Issuance of preferred shares (Series 4)		-		40,000,000		-		-		3,930,144,108	
Declaration of cash dividends		-		-		-		-		-	
Subscription of preferred shares		-		1,625,000		-		-		-	
Retirement of preferred shares (Series 1)		-		-		-	(	4,000,000,000		-	
Total comprehensive income (loss) for the year		-		-		-		-		-	
Balance at December 31, 2021	P	2,399,426,127	P	128,626,010	p	-	(	P	8,615,690,576	P	16,987,855,617
Balance at January 1, 2020	P	2,399,426,127	P	40,000,000	p	-	(	P	3,912,617,536	P	8,776,358,765
Acquisition of treasury shares		-		-		-	(	703,073,040		-	
Declaration of cash dividends		-		-		-		-		-	
Subscription of preferred shares		-		47,001,010		-		-		4,281,352,744	
Total comprehensive income (loss) for the year		-		-		-		-		-	
Balance at December 31, 2020	P	2,399,426,127	P	87,001,010	P	-	(	P	4,615,690,576	P	13,057,711,509

See Notes to Consolidated Financial Statements.

	Revaluation Reserves		Other Reserves		Retained Earnings		Total		Non-controlling Interests (See Note 27)		Total
P 94,011,896	(P 22,474,837)	P 5,555,676,962	P 16,527,431,199	P 2,673,476,480	P 19,200,907,679						
-	-	(489,629,428)	(489,629,428)	-	(489,629,428)						
-	-	-	2,250,000	-	2,250,000						
(5,540,912)	37,187,923	(31,647,011)	-	(2,734,679,232)	(2,734,679,232)						
-	-	-	-	816,875,000	816,875,000						
-	(14,713,086)	-	(14,713,086)	(9,808,724)	(24,521,810)						
61,287,654	-	3,577,705,716	3,638,993,370	(743,314,991)	2,895,678,379						
P 149,758,638	P -	P 8,612,106,239	P 19,664,332,055	P 2,548,533	P 19,666,880,588						
(P 8,950,923)	(P 22,474,837)	P 6,404,291,624	P 17,301,313,934	P 3,221,153,930	P 20,522,467,864						
-	-	-	3,970,144,108	-	3,970,144,108						
-	-	(505,629,428)	(505,629,428)	-	(505,629,428)						
-	-	-	1,625,000	-	1,625,000						
-	-	-	(4,000,000,000)	-	(4,000,000,000)						
102,962,819	-	(342,985,234)	(240,022,415)	(547,677,450)	(787,699,865)						
P 94,011,896	(P 22,474,837)	P 5,555,676,962	P 16,527,431,199	P 2,673,476,480	P 19,200,907,679						
(P 63,383,647)	(P 22,474,837)	P 7,083,442,710	P 14,300,751,582	P 3,697,761,114	P 17,998,512,696						
-	-	-	(703,073,040)	-	(703,073,040)						
-	-	(281,001,164)	(281,001,164)	-	(281,001,164)						
-	-	-	4,328,353,754	-	4,328,353,754						
54,432,724	-	(398,149,922)	(343,717,198)	(476,607,184)	(820,324,382)						
(P 8,950,923)	(P 22,474,837)	P 6,404,291,624	P 17,301,313,934	P 3,221,153,930	P 20,522,467,864						



MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(Amounts in Philippine Pesos)

	Notes	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		P 2,326,951,136	(P 723,781,757)	(P 609,809,076)
Adjustments for:				
Gain on deconsolidation of subsidiaries	10	(6,569,065,060)	-	-
Finance costs	16, 18, 20, 24	3,377,239,001	2,809,511,249	2,506,745,214
Impairment losses	6, 9, 11, 12	2,638,252,142	-	-
Depreciation and amortization	12, 13, 14, 15	1,713,375,467	1,470,073,791	1,473,642,618
Finance income	5, 18, 20, 28	(539,605,711)	(482,013,897)	(694,776,972)
Unrealized mark-to-market gain (loss) in interest rate swap	7	(43,247,266)	(78,648,688)	43,343,700
Equity in net losses on associates and joint ventures	11, 25	15,743,230	67,682,803	30,310,530
Gain on disposals of property, plant and equipment	14, 25	(3,407,646)	(24,279,017)	(1,874,270)
Gain on loan modification	18	-	(207,829,510)	-
Operating profit before working capital changes		2,916,235,293	2,830,714,974	2,747,581,744
Decrease (increase) in trade and other receivables	(	1,869,952,921)	(1,219,654,784)	2,650,694,608
Increase in construction materials	(	95,910,817)	(326,116,521)	(431,915,331)
Increase in contract assets	(	2,036,208,937)	(546,104,612)	(255,866,150)
Increase in other current assets	(	265,358,921)	(2,120,473,836)	(1,422,128,570)
Decrease in other non-current assets		395,472,512	63,294,203	580,695,993
Increase (decrease) in contract liabilities	(	932,931,503)	1,107,650,558	(559,137,655)
Increase (decrease) in trade and other payables	(	954,258,825)	1,642,452,631	(252,580,078)
Increase (decrease) in other liabilities	(	21,517,953)	55,629,272	(91,400,696)
Increase (decrease) in post-employment defined benefit obligation	(	39,389,743)	62,177,399	57,466,084
Cash generated (used in) from operations	(	2,903,821,815)	1,549,569,284	3,023,409,949
Cash paid for income taxes	(	3,920,211)	(193,910,390)	(288,222,518)
Net Cash From (Used in) Operating Activities	(	2,907,742,026)	1,355,658,894	2,735,187,431
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of subsidiaries	10	7,236,799,800	-	-
Acquisitions of property, plant and equipment, and computer software license	12, 14	(1,109,762,695)	(1,098,783,120)	(666,114,368)
Additions to concession assets	13	(730,769,591)	(625,279,308)	(655,426,311)
Decrease in investment in trust fund	12	(163,541,216)	-	-
Proceeds from sale of property, plant and equipment	14	105,252,731	86,082,882	4,361,282
Interest received		62,995,548	38,352,323	57,936,688
Acquisitions of investment properties	15	(327,602,398)	(229,228,015)	(255,601,473)
Net Cash From (Used in) Investing Activities		5,073,372,179	(1,828,855,238)	(1,514,844,182)
Balance carried forward		P 2,165,630,153	(P 473,196,344)	P 1,220,343,249

- 2 -

Notes	2022	2021	2020
Balance brought forward	P 2,165,630,153	(P 473,196,344)	P 1,220,343,249
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings	18, 34	20,482,038,343	4,291,987,360
Repayment of loans and borrowings	18, 34	(16,612,813,627)	(2,294,147,502)
Proceeds from issuance of exchangeable notes	10	7,763,200,000	-
Interest paid	18, 34	(3,227,733,770)	(2,350,860,782)
Dividends paid	27	(436,629,428)	(505,629,428)
Financing collected from related parties	28	54,389,121	761,922
Payment of debt and equity issuance cost	(	24,521,810)	-
Deposit on future stock subscription	27	2,250,000	-
Retirement of preferred shares		-	(4,000,000,000)
Proceeds from issuance of preferred shares	27	-	3,971,769,108
Financing granted to related parties	28	-	(8,950,004)
Acquisition of treasury shares	27	-	(703,073,040)
Net Cash From (Used in) Financing Activities		8,000,178,829	(895,069,326)
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents			
	(	9,436,680)	(11,796,212)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		10,156,372,302	(1,380,061,882)
EFFECT OF DECONSOLIDATION OF SUBSIDIARIES	10	(244,263,093)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		5,846,088,030	7,226,149,912
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	P 15,758,197,239	P 5,846,088,030	P 7,226,149,912

- Supplemental Information on Non-cash Investing and Financing Activities –
- 1) In 2022, 2021 and 2020, the Group recognized right-of-use assets and lease liabilities amounting to P113.0 million, P187.6 million and P157.2 million, respectively (see Note 16).
 - 2) As a result of the sale and deconsolidation of subsidiaries disposed of in 2022, the Group derecognized the assets and liabilities of the subsidiaries from the consolidated financial statements as of December 31, 2022 (see Note 10).

See Notes to Consolidated Financial Statements.



GRI CONTENT INDEX

Megawide Construction Corporation has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 in accordance with the GRI Standards.



For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational details	4
	2-2	Entities included in the organization's sustainability reporting	This ASR reports on the perations of the following strategic business units (SBUs): 1. Megawide Construction Corporation (MCC) A. Corporate Office (HoldCo) B. Precast and Construction Solutions (PCS) C. Engineering, Procurement, and Construction (EPC) 2. MWM Terminals Inc. (MWMTI) 3. GMR-Megawide Cebu Airport Corporation (GMCAC)
	2-3	Reporting period, frequency and contact point	4
	2-4	Restatements of information	7
	2-5	External assurance	This report has not undergone external assurance.
	2-6	Activities, value chain and other business relationships	22-24
	2-7	Employees	136
	2-8	Workers who are not employees	Information is unavailable because the initial data was not validated due to time constraints. Improvements on a more efficient data gathering process will be discussed before the preparation of the next report.
	2-9	Governance structure and composition	115
	2-10	Nomination and selection of the highest governance body	See p. 2 of Governance, Nominations and Compensation Committee Charter

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
GRI 2: General Disclosures 2021	2-11	Chair of the highest governance body	The Chairman of the Board is also the President and Chief Executive Officer of the Company. Possible issues on conflicts of interest are managed by the Board and Board Committees through the enforcement of the Manual on Corporate Governance and policies relating to conflict of interest and related party transactions.
	2-12	Role of the highest governance body in overseeing the management of impacts	32
	2-13	Delegation of responsibility for managing impacts	Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-14	Role of the highest governance body in sustainability reporting	See pp. 5 & 24-25 of the Manual on Corporate Governance
	2-15	Conflicts of interest	114
	2-16	Communication of critical concerns	Critical concerns are reported to the Board as an agenda item during the regular board meeting or, if warranted, during the special board meeting.
	2-17	Collective knowledge of the highest governance body	The Board of Directors undergo annual training on corporate governance which includes ESG topics to advance collective knowledge.
	2-18	Evaluation of the performance of the highest governance body	The Board conducts an annual board self-evaluation. The results are reported and considered in the election of the members of the Board during the Annual Stockholders Meeting (ASM).
	2-19	Remuneration policies	120
	2-20	Process to determine remuneration	120
	2-21	Annual total compensation ratio	Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-22	Statement on sustainable development strategy	37-41
	2-23	Policy commitments	Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.

GRI STANDARD	DISCLOSURE		PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments		Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-25	Processes to remediate negative impacts		Information is unavailable as there are currently no systems in place to track this. In time for the next report, internal systems will be reassessed to determine if the necessary information can be obtained.
	2-26	Mechanisms for seeking advice and raising concerns	114	
	2-27	Compliance with laws and regulations	78, 131	
	2-28	Membership associations	25	
	2-29	Approach to stakeholder engagement	33, 35	
	2-30	Collective bargaining agreements		This disclosure is not applicable as Megawide is not unionized.
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	33	
	3-2	List of material topics	33-35	
Financial Sustainability/Profitability & Shareholder Confidence				
GRI 3: Material Topics 2021	3-3	Management of material topic	57	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	8	
Impact on Community/Contribution to Society				
GRI 3: Material Topics 2021	3-3	Management of material topic	14, 57	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	57-58, 61-63	
	203-2	Significant indirect economic impacts	28	
Local Sourcing/Procurement				
GRI 3: Material Topics 2021	3-3	Management of material topic	108-109	

GRI STANDARD	DISCLOSURE		PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	130	
Corruption/Fraud & Ethical Business Operations				
GRI 3: Material Topics 2021	3-3	Management of material topic	112-113	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		No significant risks of corruption were identified in operations.
	205-2	Communication and training about anti-corruption policies and procedures	130-131	
	205-3	Confirmed incidents of corruption and actions taken	130-131	
Product Quality and Responsibility, & Innovation in Operations/Products & Services				
GRI 3: Material Topics 2021	3-3	Management of material topic	65, 67	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	65-66	
	301-2	Recycled input materials used	132	
Energy Management/Efficiency				
GRI 3: Material Topics 2021	3-3	Management of material topic	68-69	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	68	
Water Consumption				
GRI 3: Material Topics 2021	3-3	Management of material topic	75-77	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	75-77	
	303-2	Management of water discharge-related impacts	75-77	
	303-3	Water withdrawal	75	
	303-4	Water discharge	75	
	303-5	Water consumption	75	
Impact on Biodiversity				
GRI 3: Material Topics 2021	3-3	Management of material topic	79	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	132-133	

GRI STANDARD	DISCLOSURE		PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	132-133	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	132-133	
GHG Emissions/Climate Change				
GRI 3: Material Topics 2021	3-3	Management of material topic	70-71	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	70	
	305-2	Energy indirect (Scope 2) GHG emissions	70	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	134	
Waste Disposal and Recycling				
GRI 3: Material Topics 2021	3-3	Management of material topic	72-74	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	72	
	306-2	Management of significant waste-related impacts	73-74	
	306-3	Waste generated	72	
	306-4	Waste diverted from disposal	135	
	306-5	Waste directed to disposal	135	
Product Quality and Responsibility				
GRI 3: Material Topics 2021	3-3	Management of material topic	107	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	136	
	308-2	Negative environmental impacts in the supply chain and actions taken	136	
Employee Welfare and Well-being, & Employee Turnover, Attrition, and Retention				
GRI 3: Material Topics 2021	3-3	Management of material topic	82-84	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	137	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	138-145	
	401-3	Parental leave	138-145	

GRI STANDARD	DISCLOSURE		PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
Employee Welfare and Well-being, & Employee Turnover, Attrition, and Retention				
GRI 3: Material Topics 2021	3-3	Management of material topic	98-99	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	98-99	
Pandemic, Employee Welfare and Well-being, & Health and Safety				
GRI 3: Material Topics 2021	3-3	Management of material topic	89-93	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	90-93	
	403-2	Hazard identification, risk assessment, and incident investigation	90-93	
	403-3	Occupational health services	90-93	
	403-4	Worker participation, consultation, and communication on occupational health and safety	90-93	
	403-5	Worker training on occupational health and safety	90-93	
	403-6	Promotion of worker health	90-93	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90-93	
	403-9	Work-related injuries	89	
	403-10	Work-related ill health	89	
Employee Training and Competency				
GRI 3: Material Topics 2021	3-3	Management of material topic	85-88	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	85	
	404-2	Programs for upgrading employee skills and transition assistance programs	86-88	
	404-3	Percentage of employees receiving regular performance and career development reviews	146	

GRI STANDARD	DISCLOSURE		PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic	94-95	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	146-147	
	405-2	Ratio of basic salary and remuneration of women to men	146-147	
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic	94-95	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	95	
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic	96-97	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		No significant risks of child labor were identified in operations.
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic	96-97	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		No significant risks of forced labor were identified in operations.
Human Rights (Child Labor/Forced Labor/Discrimination)				
GRI 3: Material Topics 2021	3-3	Management of material topic		Megawide does not currently have established systems in place to manage this topic. However, the Company aims to explore potential mechanisms and solutions to effectively address this matter.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	149	

GRI STANDARD	DISCLOSURE		PAGE NUMBER(S)	DIRECT ANSWER(S)/REASON(S) FOR OMISSION
Impact on Community/Contribution to Society				
GRI 3: Material Topics 2021	3-3	Management of material topic	100-101	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	149	
Product Quality and Responsibility				
GRI 3: Material Topics 2021	3-3	Management of material topic	107	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	149	
	414-2	Negative social impacts in the supply chain and actions taken	149	
Pandemic, Health and Safety, Customer Satisfaction, & Product Quality and Responsibility				
GRI 3: Material Topics 2021	3-3	Management of material topic	103	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	150	
Product Quality and Responsibility				
GRI 3: Material Topics 2021	3-3	Management of material topic	106	
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	150	
Information Security/Data Privacy				
GRI 3: Material Topics 2021	3-3	Management of material topic	104-105	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		In 2022, there have been no substantiated complaints made concerning breaches of customer privacy.



ACKNOWLEDGEMENTS

The 2021 Megawide Annual and Sustainability Report was made possible through the cooperation between the following teams and strategic business units:

CORPORATE AFFAIRS, COMMUNICATION AND BRANDING
FACILITIES MANAGEMENT
FINANCE
HUMAN RESOURCES
INFORMATION TECHNOLOGY
INTERNAL AUDIT
INVESTOR RELATIONS
LEGAL
OFFICE OF THE CORPORATE SECRETARY
SECURITY

ENGINEERING, PROCUREMENT, AND CONSTRUCTION
PRECAST AND CONSTRUCTION SOLUTIONS
GMR-MEGAWIDE CEBU AIRPORT CORPORATION
MEGAWIDE FOUNDATION
MWM TERMINALS, INC.
CEBU2WORLD DEVELOPMENT, INC.

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COMMON STOCK

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

SHAREHOLDER SERVICES AND ASSISTANCE

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

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