

May 10, 2013

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Plaza,
Avenida Arriola, Alabang, Muntinlupa,
1226 Makati City, Philippines

By:

[Handwritten Signature]

MEGAWIDE CONSTRUCTION CORPORATION

Company's Full Name

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

655

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17

Review of financial condition as of March 31, 2013 as compared with financial condition as of December 31, 2012

Financial Condition

As of the end of the first quarter of 2013, total assets stood at P16.42 billion, 36% higher than its value of P12.03 billion as of same period of 2012.

Current assets grew by 48% due to the following:

Cash and cash equivalents increased by 363% or P759 million due to collections of some receivables towards the end of the quarter, collection of downpayment from Citicore-Megawide Consortium Inc. (CMCI) for the PPP school infrastructure project of the Department of Education and from H2O Ventures for World Hotel Project.

Short-term investments increased by 62% or P3.21 billion because the Company invested the proceeds of its corporate notes issuance to Retail Treasury Bond.

Inventory increased by 161% or P109 million due to voluminous purchase of construction materials required by projects especially cement and rebar for the PPP school infrastructure project of the Department of Education.

Cost in excess of billing increased by 55% or P[(due)7(-)129(to435781 0 0 1 321.07 462.55 TmETt)]-189

Decrease in trade and other payables by 20% or P381 million due to substantial payments made to suppliers towards the end of the first quarter.

Material Changes to Megawide's Balance Sheet as of March 31, 2013 compared to the Balance Statement as of December 31, 2012 (increase/decrease of 5% or more)

363% increase in Cash and Cash Equivalents or P759 million

Due to collection made towards the end of first quarter, receipt of downpayment from CMCI for the PPP school infrastructure project of the Department of Education and from H2O ventures for the World Hotel Project

Portion of the proceeds from the corporate note issuance was deposited in the bank for working capital purposes

62% increase in Short-term Investments

19% increase in Retained Earnings or P322 million
Additional net income recorded for the quarter.

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

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-230(a)69(problem)5(h.)]

Indebtedness

On February 19, 2013, Megawide was able to raise P4 billion corporate notes thru private placement. The proceeds of the fund raising are to be used for the Company's working capital requirements and general corporate purposes.

To date, Megawide has not been in default in paying interests and principal amortizations.

Megawide is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to its financial instruments. The Company's risk management is coordinated with the BOD, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below and in the succeeding pages.

Market Risk

(a) Foreign Currency Risk

The Company has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, except for U.S. dollar and Euro denominated Cash in bank amounting to P1.51 million as of March 31, 2013.

(b) Interest Rate Risk

As at March 31, 2013, the Company is exposed to changes in market rates through its short-term investments which are subject to 30 to 90 days re

Cash and cash equivalents	P	968,328,965
Short-term investments		3,000,000,000
Financial asstes at FVTPL		2,218,385,414
Trade and other receivables excluding advances to suppliers		2,814,359,799
Refundable security deposits		<u>34,938,884</u>
	P	<u>9,036,013,062</u>

(a)

Liquidity Risk

The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at March 31, 2013 the Company's financial liabilities have contractual maturities which are presented below.

	Current	Non-current
Interest-bearing loans and borrowings	P 1,852,467,379	P 5,156,322,501
Trade and other payables	<u>1,565,837,461</u>	<u>-</u>
	<u>P 3,418,304,840</u>	<u>P 5,156,322,501</u>

Financial Instruments

The Company categorized its financial instruments as financial asset and financial liabilities. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual terms of the financial instrument.

The Company's financial assets include fair value through profit and loss (FVTPL) and loans and receivables. FVTPL includes short-term placements and retail treasury bonds (RTB) that are measured at fair value, and changes therein are recognized in profit or loss. Loans and receivables include Cash and Cash Equivalents, Short-Term Investments and Trade and Other Receivables (excluding Advances to suppliers) in the statement of financial position. Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate.

The fair value of the Company's FVTPL are categorized as level 1 wherein quoted prices in active markets for identical assets was used as valuation basis. The Company did not use significant judgment in classifying its FVTPL in the fair value hierarchy because of the availability of a market that quotes prices of identical asset.

The Company considered the risk in the valuation of its financial assets by referring to quoted prices in an active markets for its FVTPL, regularly monitor the age of its receivables from its customers and ensuring that collections are received within the agreed credit period. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Financial liabilities are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges are recognized as an expense in profit or loss as part of Finance costs under the Other income (charges) account in the statement of comprehensive income.

The Company's FVTPL is the only financial asset measured at fair value as of the end of the second quarter. The Company sold its FVTPL in first quarter resulting to gain on sale of P64 million presented as finance income in the statement of comprehensive income. As of the first quarter, the Company opted not to revalue its RTB since the Company has no plan in selling its remaining FVTPL.

The Company does not have investment in foreign securities.

Key Performance Indicators

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

Return on Assets	2.27%	2.61%
Return on Equity	6.32%	5.54%
Net Profit Margin	12.17%	12.00%

Submissions of SEC Form 17-C:

Date Filed	Particulars
January 8, 2013	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of December 31, 2012
January 17, 2013	Public Ownership Report as of December 31, 2012
January 17, 2013	List of Top 100 Stockholders as of December 31, 2012
January 30, 2013	Annual Report on the use of proceeds for 2012
January 30, 2013	Certificate of Compliance with the Manual on Corporate Governance 2012
January 30, 2013	Certificate of Attendance 2012
February 8, 2013	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of January 31, 2013
February 11, 2013	Clarification of news item published in on February 8, 2013
February 12, 2013	Clarification of news item published in on February 11, 2013
February 15, 2013	Clarification of news item published in on February 13, 2013
March 7, 2013	Signing of an understanding with GMR Infrastructure Limited
March 8, 2013	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of February 28, 2013

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has caused this report to be signed by the undersigned in its behalf.

MEGAWEL CONSTRUCTION CORPORATION

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	2019	2018
Interest income	1,622,274	1,618,211
Income taxes	(38,254,360)	(28,855,667)
Other income	8,648,733	12,609,878
	<u>75,281,316</u>	<u>7,866,188</u>
INCOME BEFORE TAX	560,920,151	219,575,955
TAX EXPENSE	23,237,670	14,805,260
NET PROFIT	322,689,482	264,768,606
OTHER COMPREHENSIVE INCOME	-	-
NET PROFIT	P 322,689,482	P 264,768,606

See Notes to Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CAPITAL STOCK		
Balance at beginning of year	P 1,114,100,003	P 565,000,002
Issuances during the year	<u>-</u>	<u>291,999,998</u>
Balance at end of year	<u>1,114,100,003</u>	<u>857,000,000</u>
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	1,961,729,696	60,000,000
Issuances during the year	<u>-</u>	<u>1,925,119,959</u>
Balance at end of year	<u>1,961,729,696</u>	<u>1,985,119,959</u>
RETAINED EARNINGS		
Balance at beginning of year	1,704,854,569	429,728,115
Net profit	<u>322,689,482</u>	<u>104,085,555</u>
Balance at end of year	<u>2,027,544,051</u>	<u>533,813,670</u>
TOTAL EQUITY	<u>P 5,103,373,750</u>	<u>P 3,375,933,629</u>

		2012
Profit before tax		P 279,573,935
Adjustments for:		
Depreciation		69,018,871
Interest income		(14,475,317)
Interest expense		21,469,007
Loss on disposals of property and equipment		-
Operating profit before working capital changes		355,586,496
Decrease in trade and other receivables		336,666,618
Increase in construction materials		(102,520,134)
Decrease(increase) in costs in excess of billings on uncompleted contracts		446,226,214
Increase in other current assets	(170,096,934.74)	(68,877,942)
Decrease in other non-current assets		(48,093,691)
Decrease in trade and other payables		(12,714,282)
Increase (Decrease) in advances from customers		(109,000,000)
Decrease in billings in excess of costs on uncompleted contracts		(450,554,095)
Cash generated from (used in) operations		346,719,183
Cash paid for income taxes	-	(14,805,328)
Net Cash From (Used In) Operating Activities		331,913,855
Acquisitions of property and equipment		(272,143,807)
Increase in short-term investments		(1,322,297,808)
Interest received		14,475,317
Proceeds from sale of property and equipment	-	-
Net Cash Used in Investing Activities		(1,579,966,298)
Net proceeds from loans		252,319,190
Interest paid		(21,469,007)
Net Cash From Financing Activities	3,689,825,677	230,850,183
	759,029,954	(1,017,202,260)
		1,440,677,903
		P 423,475,643