May 10, 2013

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Plaza,
Ayala Triangle, Ayala Avenue,
1226 Makati City, Philippines

By:

GRACE C. BAY

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

161% or

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(oproblem)5(h.)]

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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		34,938,884
	P	9,036,013,062

(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	1,565,837,461	-
	P 3,418,304,840	P 5,156,322,501

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' car p83( )- Tm[( )] TJET EMC /Puct a p

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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 duly caused this report to be signed by the undersigned thereto duly authorized.

MEGAWIDE CONSTRUCTION CORPORATION

[redacted]

EXHIBIT "1"

MEGAWIDE CONSTRUCTION CORP.

Interest income	[illegible]	[illegible]
Finance costs	(48,594,841)	(21,865,007)
Others – net	8,648,733	12,609,878
	[illegible]	[illegible]
PROFIT BEFORE TAX	360,920,151	279,575,955
TAX EXPENSE	[illegible]	[illegible]
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

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

		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

MEGAWIDE CONSTRUCITON CORPORATION
AGING OF ACCOUNTS RECEIVABLE
MARCH 31, 2013

Grand Total	545,754,934	53,681,539	477,776,528	513,506,306	120,749,491	1,711,468,798

MEGAWIDE CONSTRUCTION CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013
(Amounts in Philippine Pesos)
(UNAUDITED)

1. CORPORATE INFORMATION

Megawide Construction Corporation (the Company) was incorporated in the Philippines on July 28, 2004 and is engaged in the general construction business, including constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures. It performs general construction works which involve site development, earthworks, structural and civil works, masonry works, architectural finishes, electrical works, plumbing and sanitary works, fire protection works and mechanical works.

Currently, the Company is continuously engaged in the business of construction, its sole business activity where it utilizes the services of subcontractors. Hence, no segment information and disclosures are presented in the Company's financial statements.

On January 28, 2011, the Philippine Stock Exchange (PSE) and the Philippine Securities Exchange Commission (SEC) approved the Company's application for the listing of its common stock. The approval covers the initial public offering of 292 million unissued common shares of the Company at P7.84 offer price per share and the listing on PSE's main board on February 18, 2011.

The registered office of the Company, which is also its principal place of business, is located at the 2nd Floor Spring Building, Arnaiz Avenue corner P. Burgos St., Pasay City. The Company also maintains an engineering office at No. 66 Scout de Guia cor. Scout Tobias, Brgy. Laging Handa, Quezon City, and an extension office at 3rd Floor of JSB Building, Tomas Morato, Quezon City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income. Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively, makes a retrospective

(iv) 2010 Annual Improvements to PFRS. The FRSC has adopted the *2010 Improvements to PFRS*. Most of these amendments became effective for annual periods beginning on or after July 1, 2010 or January 1, 2011. Among those improvements, only the following amendments which are effective from January 1, 2011 were identified to be relevant to the Company's financial statements but which did not have any material impact on its financial statements:

PAS 1 (Amendment), *Presentation of Financial Statements: Clarification of Statement of Changes in Equity* (effective from July 1, 2010). The amendment clarifies that, for each component of equity, an entity may present an analysis of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. As the Company currently has no other comprehensive income, the adoption of this standard did not impact the Company's financial statements.

PAS 34 (Amendment), *Interim Financial Reporting ð*

PFRS 1 (Amendment)	:	First Time Adoption of PFRS – *Interim*

If the Company decides to early adopt for its 2012 financial statements, the June 30, 2012 financial statements will already reflect the application of PFRS 9 and qualitative and quantitative discussion of the impact evaluation.

The Company decided not to early adopt PFRS 9 in its June 30, 2012 financial statements.

(v) PFRS 13, *Fair Value Measurement* (effective January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Company believes that the adoption of the new standard in 2013 will not have any significant effect on its financial statements as the Company usually enters into transactions which results in assets being classified as "hold-to-collect contractual cash flows," thus, measured at amortized cost.

2.2 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The Company's financial assets include FVTPL and loans and receivables as follows:

(a) FVTPL

This category includes financial assets that are either classified as held for trading or that meets certain conditions and are designated by the entity to be carried at fair value through profit or loss upon initial recognition. All derivatives fall into this category, except for those designated and effective as hedging instruments. Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months from the end of the reporting period.

Financial assets at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Financial assets (except derivatives and financial instruments originally designated as financial assets at fair value through profit or loss) may be reclassified out of fair value through profit or loss category if they are no longer held for the purpose of being sold or repurchased in the near term.

2.4 Property and Equipment

Property and equipment, except land and construction in progress, are carried at acquisition cost or construction cost less subsequent depreciation and any impairment losses. Land held for use in operations or administration is stated at cost less any impairment losses.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use.

2.5 Intangible Assets

Intangible assets include acquired computer software licenses, which are accounted for under the cost model. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire an asset at the time of its acquisition or production. Capitalized costs are amortized on a straight-line basis over the estimated useful lives (ranging from three to five years) as the lives of these intangible assets are considered finite. In addition, intangible assets are subject to

Obligations under finance lease (included as part of Interest-bearing loans and borrowings) are recognized at amounts equal to the fair value of the leased property or, if lower, at the present value of minimum lease payments, at the inception of the lease.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the BOD.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer

(b) *Interest income* – Income is recognized as the interest accrues taking into account the effective yield on the asset.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in profit or loss, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.15), on an accrual basis.

2.10 Leases ð

2.13 Impairment of Non-financial Assets

The Company’

Actuarial gains or losses are not recognized as income or expense unless the total unrecognized gain or loss exceeds 10% of the greater of the obligation and related plan

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the

(b) *Determining Net Realizable Value of Inventories*

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the time the estimates are made. The Company periodically reviews its inventories for possible damaged and obsolete items. Items identified as obsolete are provided with impairment allowance.

There was no allowance for obsolescence provided on inventories in both years.

(c) *Useful Lives of Property and Equipment*

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the amountand obsole 0 peraul

4. INTEREST-BEARING LOANS AND BORROWINGS

The short-term and long-term interest bearing loans are as follows as of March 31, 2013 and December 31, 2012:

	March 2013	December 2012
Current:		
Bank loans	P 1,613,154,521	P 1,833,403,747
Obligation under finance lease	239,312,858	242,221,685
	1,852,467,379	2,075,625,432
Non-current –		
Notes payable	5,000,000,000	1,000,000,000
Obligation under finance lease	156,322,501	194,444,128
	5,156,322,501	1,194,444,128
	P 7,008,789,880	P 3,270,069,560

	BDO	MTBC	PNB	Eastwest	HSBC	Total
Beginning Balance	812,067,188	454,425,000	466,911,559	100,000,000	-	1,833,403,747
Availments	591,629,688	321,000,000	170,067,900	-	178,902,405	1,261,599,993
Payments	(736,174,219)	(454,425,000)	(291,250,000)		-	(1,481,849,219)
Ending balance	667,522,656	321,000,000	345,729,459	100,000,000	178,902,405	1,613,154,521

The loans bear a fixed rate that ranges from 3.70% to 4.00% in 2013 and 2012. Total interest on these loans amounted to P41.53 million and P28.55 million as of March 31, 2013 and 2012, respectively.