August 14, 2013

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Ex[illegible]

[illegible]

Company's Full Name

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

655-1111
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17 – Q
Form Type

June 30, 2013
Period Ended Date

–

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2013

2. SEC Identification Number CS200411461

3. BIR Tax Identification No.

12.

Review of financial condition as of June 30, 2013 as compared with financial condition as of December 31, 2012

Financial Condition

As of the end of the first half of 2013, total assets stood at P19.19 billion, 60% higher than its value of P12.03 billion as of 2012.

Current assets grew by 86% due to the following:

Cash and cash equivalents increased by 350% or P733 million due to collections towards the end of the quarter amounting to P284 million and portion of the proceeds of corporate note issuance was deposited in bank for working capital.

Short-term investments increased by 100% or P6.52 billion because the Company sold portion of its Retail Treasury Bonds (RTB) and invested the proceeds to short-term placements due to the decline in value of RTB.

The Company issued corporate notes in February 2013 and issued new shares in May 2013, the proceeds of both transactions were invested also in short-term placement.

Financial assets at fair value through profit or loss decreased by 51% or P1.01 billion because the Company sold portion of its RTB and invested the proceeds to short-term placements due to the decline in value of RTB.

Inventory increased by 732% or P495 million due to voluminous purchases of construction materials required by projects especially cement and rebar and other construction materials for PPP school infrastructure project of the Department of Education and new projects such as Rockwell Business Center and Shangrila and raw materials of precast and batching plants.

Cost in excess of billings increased by 40% or P419 million because of cost of construction already incurred but not yet billed towards the end of the second quarter. These expenses will be included in the progress billing in Julyet17ETBT1 0 0 m[(JETBT1)3(ly)4.99 Tm[( )] TJETB Tm[

Increase in other non-current asset by 16% or P24.50 million due to deferred input vat on purchases of capital asset.

As of the end of the first half of 2013, total liabilities registered an increase of 52%, from P7.25 billion as of 2012 to P11.03 billion at the end of second quarter of 2013.

Current liabilities decreased by 2

Inventory increased by 732% or P495 million due to voluminous purchases of construction materials required by projects especially cement and rebar and other construction materials for PPP school infrastructure project of the Department of Education and new projects such as Rockwell Business Center and Shangrila and raw materials of precast and batching plants.

Cost in excess of billings increased by 40% or P419 million because of cost of construction already incurred but not yet billed towards the end of the second quarter. These expenses will be included in the progress billing in July.

Increase in property and equipment by 7% or P279 million because of the expansion of batching plant in Taguig and acquisition of mobile mixers and other construction equipment.

Increase in investment in associate by 37% or P53.50 million due to the additional investment in CMCI.

Increase in other non-current asset by 16% or P24.50 million due to deferred input vat on purchases of capital asset.

Decrease in trade and other payables by 33% or P645 million as a result of payments made to suppliers. The Company also paid its non-trade payable to Altria East Land Inc. representing the purchase price of Altria's net asset.

Advances from customers increased by 64% or P444 million due to the downpayments received from Shangrila and Rockwell projects.

Billings in excess of costs on uncompleted contracts – net increased by 3% or P40 million due to lower costs incurred for projects under structural stage as of the end of second quarter.

Other current liabilities increased by 264% or P80 million due to additional deferred output tax on receivables not yet collected as of end of June 30, 2013.

Interest-bearing loans and borrowings increased by 328% or P3.92 billion due to corporate note issued by the Company in February 19, 2013 amounting to P4 billion.

Other non-current liability decreased by 12% or P5.31 million due to amortization of unearned interest income on sale and leaseback.

Capital stock increased by 14% or P155 million due to top up last May 2013.

Additional-paid up capital increased by 126% or P2.48 billion due top up last May 2013.

Retained earnings increased by 44% or P748 million due to net income earned as of the end of second 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 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.

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

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

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

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

(Amounts in P millions)	For six (6) months ended June 30	
Cash Flow	2013 (unaudited)	2012 (unaudited)
Net cash provided by operating activities	359	339
Net cash used in investing activities	(5,785)	(2,504)
Net cash provided by financing activities	6,158	933

Indebtedness

As of June 30, 2013, 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

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.

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 described below and in the succeeding pages.

Market Risk

Megawide 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 P1,298,336CID 12/Lang (en-P)>>BD TJEsD TJEsD TJm[(ba)-3(nk a)-4(mount nE6

Megawide

historical default rates. The balance of such receivables relates to reputable companies that have a good track record with Megawide.

Megawide is not exposed to any significant credit risk exposures to its lessors as lease agreements were executed with reputable entities. Megawide can negotiate, before the end of the lease term, to apply deposit to rentals due.

Liquidity Risk

Megawide 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.

Megawide 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 June 30, 2013, Megawide's financial liabilities have contractual maturities which are presented below.

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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.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred.

Megawide does not have foreign securities investments.

Key Performance Indicators

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

LIQUIDITY RATIOS		
Key Indicators	June 30, 2013	December 31, 2012

A more conservative variation of quick ratio. It measures Megawide's ability to pay its short-term debts from its most liquid assets without relying on receivables and inventory.

4. Book Value per Share (Equity/Shares Outstanding)

   Measures the amount of net assets available to stockholders of a given type of stock

5. Interest-Bearing Debt Ratio (Interest-Bearing Debt/ Equity + Interest-Bearing Debt)

   Measures the extent to which the assets having explicit cost are financed by interest-bearing debt

6. Total debt ratio (Total Liabilities/Total Assets)

PART II – OTHER INFORMATION

Submissions of SEC Form 17-C:

Date Filed	Particulars
April 4, 2013	Corporate Governance Guidelines Disclosure for year 2012
April 8, 2013	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of March 31, 2013
April 12, 2013	Disclosure re: Approval of AFS 2012
April 17, 2013	

June 7, 2013	Annual List of Stockholders
June 10, 2013	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of May 31, 201

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

By:

MICHAEL C. COSIQUIEN	**OLIVER Y. TAN**
Principal Executive Officer	Principal Financial Officer

	2013	2012	2013	2012
CONTRACT REVENUES	P 4,168,372,412	P 3,639,081,599	P 1,517,224,247	P 2,205,274,974
CONTRACT COSTS	3,417,184,195	3,030,476,168	1,207,794,828	1,208,763,365
	593,806,612	486,862,895	268,868,337	984,373,496
OTHER INCOME (CHARGES)				
Finance income				
Interest Income	21,950,305	33,541,202		

	UNAUDITED	
	June 30, 2013	
A S S E T S		
CURRENT ASSETS		

MEGAWIDE CONSTRUCTION CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012
(Amounts in Philippine Pesos)
(UNAUDITED)

	2013	2012
CAPITAL STOCK		
Balance at beginning of year	P 1,114,100,003	P 1,114,100,003
Issuances during the year	154,689,323	-
Balance at end of year	1,268,789,326	1,114,100,003
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	1,961,729,696	1,961,729,696
Issuances during the year	2,478,754,219	-
Balance at end of year	4,440,483,915	1,961,729,696
RETAINED EARNINGS		
Balance at beginning of year	1,704,854,569	842,750,755
Net profit	747,957,126	474,351,742
Balance at end of year	2,452,811,695	1,317,102,497
TOTAL EQUITY	P 8,162,084,936	P 4,392,932,196

		2013		2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	P	747,957,125	P	1,156,411,473
Adjustments for:				
Depreciation		251,143,535		359,421,062
Interest income		(310,235,142)		(87,205,222)
Interest expense		112,714,938		134,779,350
Loss on disposals of property and equipment		-		(2,176,227)
Share in net loss of an associate		-		1,004,876
Operating profit before working capital changes		801,580,456		1,562,235,312
Decrease(Increase) in trade and other receivables		345,836,331		(996,665,030)
Decrease(Increase) in construction materials		(495,435,210)		103,448,821
Increase in costs in excess of billings on uncompleted contracts		(186,443,596)		(613,959,962)
Decrease(Increase) in other current assets		8,893,105		(578,255,593)
Increase in other non-current assets		(24,501,839)		(58,838,746)
Increase(Decrease) in trade and other payables		(571,288,595)		820,801,416
Increase (Decrease) in advances from customers		444,557,605		(111,680,355)
Increse in billings in excess of costs on uncompleted contracts		40,271,812		229,957,618
Cash generated from (used in) operations		363,470,070		357,043,481
Cash paid for income taxes		(3,701,228)		(17,441,044)
Net Cash From Operating Activities		359,768,842		339,602,437
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment		(530,351,948)		(1,576,080,602)
Increase in short-term investments		(5,511,609,257)		(1,226,284,422)
Increase in investment in associate		(53,500,000)		(146,500,000)
Interest received		310,235,142		89,316,333
Proceeds from sale of property and equipment		-		355,311,244
Net Cash Used in Investing Activities		(5,785,226,063)		(2,504,237,447)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net payment of loans		(129,224,023)		1,183,168,134
Proceeds on issuance of shares to stock		2,400,664,782		-
Proceeds on corporate notes		4,000,000,000		-
Interest paid		(112,714,938)		(134,584,171)
Dividends paid				(144,833,001)
Advances from stockholders		-		29,505,156
Net Cash From Financing Activities		6,158,725,821		

		2013		2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	P	747,957,125	P	501,277,651
Adjustments for:				
Depreciation		251,143,535		68,955,724
Interest income		(310,235,142)		

1.2 Acquisition of an Asset, Investment in an Associate and their Operations

resentation of
Financial Statements ð Clarification of the Requirements for Comparative Information,

Accounting Policies, Changes in Accounting
Estimates and Errors

(c) *Functional and Presentation Currency*

2.2 Adoption of New and Amendments to PFRS

Property, Plant and Equipment

(b) Effective in 2012 that is not Relevant to the Company

First-time Adoption of PFRS,

(c) Early Adoption of PAS 1 (Amendment)

Presentation of Financial Statements ð Clarification of the Requirements for Comparative Information

Accounting Policies, Changes in Accounting Estimates and Errors

(d) Effective Subsequent to 2012 but not Adopted Early

Financial Instruments: Disclosures ð Offsetting Financial Assets and Financial Liabilities

Financial Instruments: Presentation

Property, Plant and Equipment ð Classification of Servicing Equipment

Financial Instruments ð Presentation ð Tax Effect of Distributions to Holders of Equity Instruments

2.3 Financial Assets

(a) *Financial Assets at FVTPL*

(b) *Loans and Receivables*

2.4 Construction Materials

2.5 Other Assets

2.7 Acquisition of Asset

2.8 Property, Plant and Equipment

2.9 Intangible Assets

2.10 Financial Liabilities

2.11

(a) *Contract revenues*

(b) *Interest income*

2.21 Related Paeted Paie13 795.36 Tm 0 Tc[( )]TJ0ET1m[140.423g

2.23 EarTc[ve5(et, Pe l6(S2-)-ha l6(e)38TJ489.310.423g)423g)ps a13.37 257.78 Tm[( )]TJET EMC

2.24 Ee9sntsBTF1 12 Tf241 0 0.3333 1 178.46 95.76 Tm[(ABTF1 12 Tf241 0 0.3333 1 186.38 95.76 T

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

3.1 Critical Management Judgments in Applying Accounting Policies

(a) Distinction Between Business Combination and Asset Acquisition

(b) Distinction Between Operating and Finance Leases

(c) Capitalization of Borrowing Costs

(d) Recognition of Provisions and Contingencies

3.2 Key Sources of Estimation Uncertainty

(a) Determining Percentage of Completion

(b) Impairment of Trade and Other Receivables

(c) Determining Net Realizable Value of Construction Materials

(d) Estimating Useful Lives of Intangible Assets and Property, Plant and Equipment

(e) Determining Realizable Amount of Deferred Tax Assets

(f) *Impairment of Non-financial Assets*

5. TRADE AND OTHER RECEIVABLES

	2013	2012
	P1,673,468,029	
	389,528,362	
	2,062,996,391	
	878,726,067	
	240,536,271	
	1,119,262,338	
	22,467,750	
	3,204,726,479	
	(116,971,133)	
	P3,087,755,346	

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

127,927,993
35,276,474
11,826,376

10. TRADE AND OTHER PAYABLES

	2013	2012
	P1,050,673,617	
	213,584,625	
	21,836,712	
	14,754,836	
	1,040,093	
	-	
	-	
	P 1,301,889,883	

14. CONTRACT REVENUES

19. EQUITY

Capital Stock

Shares			Amount		
2013			2013		
2,000,000	2,000,000		P 2,000,000,000		
1,114,100,003			P 1,114,100,003		
154,689,323	-		154,689,323	-	
-	-		-	-	
-			-		
P 1,268,789,326					

Retained Earnings

(c) Other Price Risk Sensitivity

(b) Trade and Other Receivables

P	1,091,451,610
	90,618,012
	333,945,476
	546,981,293
P	2,062,996,391

(c) Financial assets at FVTPL

(d) Refundable Security and Bond Deposits

Liquidity Risk