November 14, 2014

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

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

RE: SEC Form 17-Q

Gentlemen:

Please find attached Megawide Construction Corporation's ("Company") interim

Retained earnings decreased by 1% or P34 million

- The decreased was primarily due to the stock dividends declared amounting to Php750 million offsetting the nine months net profit posted in the amount of Php755.64 million.

Non-Controlling interest increased by P1.91 billion

- Non-

- Trade and other receivables decreased 7% by P267million due to the result of the

Company last April 2014. In compliance to the Concession Agreement, GMCAC

- Capital stock increased by 45% or P750 million due to the stock dividends declared D P R X Q W L Q J 3 K S P L O O L R Q O D V W - X Q H D W L stock dividends equivalent to 750.0 million common shares of stock with par value of P1.0 each shall be taken from the unrestricted retained earnings of the Parent Company as of December 31, 2013.

7 K H U H D U H Q R R W K H U P D W H U L D O F K D Q J H V L Q 0 H J D Z L G 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 oeET BT 1w H » |ÀPeET Bf04A>8<004800t 1 0C0003>-5(en (d ee

(Amounts in P millions)	For nine (9) months ended September 30	
Cash Flow	2014 (unaudited)	2013 (unaudited)
Net cash provided (used) by operating activities	(1,247)	934
Net cash used in investing activities	(14,558)	(6,726)
Net cash provided by financing activities	14,281	6,292

Indebtedness

As of September 30, 2014, 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 V H F X U L Q J 0 H J-D-Z HGUH•tVrmVcaskRUlWs 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 P446,609 as of September 30, 2014.

As at September 30, 2014, Megawide is exposed to changes in market rates through its short-term investments which are subject to 30 to 90 days repricing intervals. All other financial assets and liabilities have fixed rates.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to Megawide. Megawide is exposed to this risk for various financial instruments, such as the granting loans and receivables to customers and placing deposits with local banks and investment in bonds.

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 on its investment in financial assets at FVPTL.

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

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.

7KH &RPSDQ\•V ILQDQFLDO DVVHWV FXUUHQWO\ LQFOXGH described in more detail as follows:

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 FVTPL) may be reclassified out of FVTPL 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 deb04C0051>-2<0046004F>-3<0fasTf 4 the receivables. They are included in current assets, except for maturities greater

assets.

7KH &RPSDQ\•V ILQDQFLDO DVVHWV LQFOXGH FDVK DQG FDVK HTXLYDOHQWV DQG WUDGH DQG RWKHU UHFHLYDEOHV DQG as Cash and Cash Equivalents, Trade and Other Receivables and available security deposits (presented under Other Current Assets) in the statement of financial position. Cash and cash equivalents includes cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

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.

carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate. All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Income or Finance Costs in the statement of comprehensive income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on 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 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 the 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

Financial Liabilities

Financial liabilities, which include interest-bearing loans and borrowings and trade and other payables [except output value-added tax (VAT) and other taxes payable] are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss as part of Finance Costs in the statement of comprehensive income.

Interest-bearing loans and borrowings are raised for support of funding of operations. Finance charges, including direct costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Trade and other payables are initially recognized at their fair value and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

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

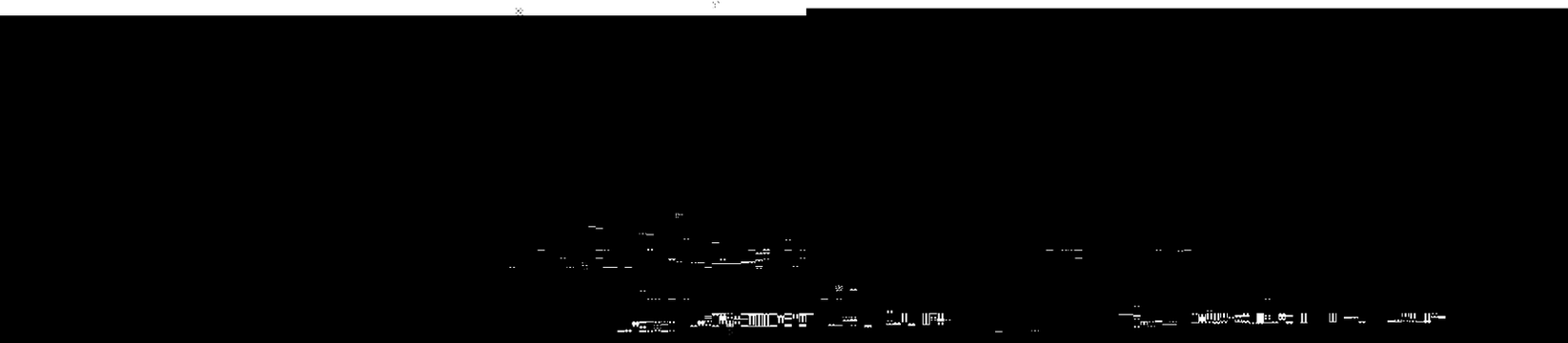
4. Book Value per Share (Equity/Shares Outstanding)
   Measures the amount of net assets available to stockholders of a given type of stock
5. Interest-Bearing Debt Ratio (Interest-Bearing Debt/ Equity + Interest-Bearing Debt)
   Measures the extent to which the assets having explicit cost are financed by interest bearing debt
6.

PART II †OTHER INFORMATION

There is no information not previously report in a report on SEC Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities [redacted]



	Capital Stock	Additional Paid-in Capital	Revaluation Reserves	Retained Earnings	Total	Non-controlling Interest	Total

MEGAWIDE CONSTRUCTION CORPORATION
AGING OF RECEIVABLES
SEPTEMBER 30, 2014

	AGING OF RECEIVABLES							
CLIENT	Current	0-30 days	31-60 days	61-90 days	91-120 days	121-360 days	Over 360 days	TOTAL
CITICORE-MEGAWIDE CONSORTIUM								
SM DEVELOPMENT CORP.								
NATIONAL HOUSING AUTHORITY								
FILINVEST LAND, INC.								
ROCKWELL								
BELLE CORP.								
OTHERS								
Grand Total	1,333,156,933	88,850,985	111,071,175	13,710,502	8,512,150	4,299,541	57,758,070	1,617,359,356

3. SIGNIFICANT ACCOUNTING POLICIES

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5. CASH AND CASH EQUIVALENTS

	September 30, 2014 (Consolidated - see Note 2)
	P 7,908,132
	743,768,734
	-
	P 751,676,866

8. CONSTRUCTION MATERIALS

	September 30, 2014

	September 30, 2014 (Consolidated - see Note 2)	
	P2,965,407,082	
	(734,270,993)	
	P 2,231,136,089	

10. INVESTMENTS IN ASSOCIATES AND ACQUISITION OF ASSETS

10.1 Investments in Associates

	September 30, 2014 (Consolidated - see Note 2)	
	P 575,924,892	
	200,000,000	
	775,924,892	
	(3,731,436)	
	5,293,387	

	September 30, 2014 (Consolidated - see Note 2)	
	P 196,268,564	
	580,890,000	
	328,279	
	P 777,486,843	

10.2 Acquisition of Assets of Altria

11.1 Input VAT

In 2014, GMCAC paid input VAT amounting to P1,728.5 million pertaining to the bid premium (see Note 12).

11.2 Advances to Suppliers

Advances to suppliers pertain to down payments made by the Group to the suppliers based on a certain percentage of the contract price. The initial payment will eventually be recouped or deducted from the amount payable of the Group either in a prorated basis or in full once billed by the supplier.

11.3 Deferred Input VAT

Deferred input VAT pertains to the unamortized input VAT on purchases of capital goods exceeding P1.0 million. Deferred input VAT is to be amortized and credited against output tax evenly over five years or the life of the asset, whichever is shorter

11.4 Deposits for Condominium Units

Deposits for condominium units represent payments made for the purchase of condominium units from the clients of the Group.

11.5 Prepaid Taxes

Prepaid taxes pertain to the excess of quarterly income tax payments over the current tax due during the year.

11.6 Intangible Asse-4(nts)] TJ ET BT 1Ou7 BT /F1 12 T Tfe7(e A)-4 211.7>> BDC BT 1

24.5 Credit Lines

24.6 Legal Claims

24.7 Others

25. EARNINGS PER SHARE

	2014