

July 1, 2013

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Inc.
1226 Alvaro V. Larrañaga Avenue,
1226 Makati City, Philippines

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

RE: Annual Corporate Governance

Report for 2012

SECURITIES AND EXCHANGE COMMISSION

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	7
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Actual number of Directors for the year	7
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Directors' Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual/Special Meeting)	No. of years served as director
Michael Cosiquien	ED	N/A	Suyen Corporation	July 28, 2004	June 26, 2012	Annual Meeting	8
Edgar B. Saavedra	ED	N/A	Suyen Corporation	July 28, 2004	June 26, 2012	Annual Meeting	8

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Elizabeth Anne C. Uychaco		

Name of Director	Number of Direct shares	Number of indirect shares / Through (name of record owner)
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The Board is still formulating a policy on the matter.

		<p>order to promote the corporation's competitiveness; and</p> <ul style="list-style-type: none"> • Observe confidentiality.
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Provide the company's definition of "independence" and describe the company's compliance to the definition.

The company adheres to the definition of "independent director" provided under Section 38 of the Securities Regulation Code, namely:

"xxx 'independent director' shall mean a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director."

It also complies with the definition of the term provided under Part I item c of the Code of Corporate Governance:

"c. Independent Director - refers to a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. This means that apart from the directors' fees and shareholdings, he should be independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgment."

Does the company have a term limit of five consecutive years for independent directors?

Yes. The company shall comply with SEC Memorandum Circular No. 9 on Term Limits of Independent Directors.

If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Pursuant to the SEC Memorandum, an independent director who had served for five years can be re-elected after a 2-year cooling-off period and can serve for another five years provided that the independent director has not engaged in any activity that under existing rules disqualifies a person from being elected as independent director.

- 5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period: **There were no changes in the composition of the Board of Directors.**

Name	Position	Date of Cessation	Reason
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as defined in the
Securities

		<p>mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Securities and Exchange Commission (SEC) or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.</p> <p>Any person convicted by final judgment or order by a court or competent administrative body</p>
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of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts.

Any person who has been adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or any of its rule, regulation or order.

Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation.

Any person judicially declared as insolvent.

Any person found guilty by final

		<p>paragraphs (i) to (v) of Article 3, Part E (1) of the Revised Code of Corporate Governance.</p> <p>Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p> <p>A stockholder may not be nominated or elected to the Board of Directors if he/she represents an interest adverse to or in conflict with those of the Corporation or if he/she is an officer or stockholder of a corporation engaged in the same business as that of the Corporation.</p> <p>Temporary Disqualification</p> <ul style="list-style-type: none"> • Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists. • Absence in more than fifty (50) percent of all regular and special meetings of the Board during his
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		<p>incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <ul style="list-style-type: none"> • Dismissal or termination for cause as director of any corporation covered by the Revised Code of Corporate Governance. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. • If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. • If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to</p>
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		remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.
(iii) Independent Directors		<p>Please refer to item (a) (i) and (ii) under "Criteria."</p> <p>Pursuant to Section 38 of the Securities Regulation Code and the SEC Code of Corporate Governance, an "independent director" shall mean a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Under the SEC Code of Corporate Governance, this means that apart from the directors' fees and shareholdings, he should be independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgment.</p>
b. Re-appointment		
(i) Executive Directors	Please refer to item (a) under "Process Adopted."	<p>Please refer to item (a) (i) and (ii) under "Criteria."</p> <p>For independent directors, please refer also to item (a) (iii) under "Criteria."</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	The Nomination Committee pre-screens and evaluates the qualifications and disqualifications of nominees.	<p>Please refer to item (a) (i) and (ii) under "Criteria."</p> <p>For independent</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		

		<p>directors, please refer also to item (a) (iii) under "Criteria." Under SEC Memorandum Circular 9, s. 2011, after serving as independent director for 10 years, an independent director is perpetually barred from being elected as such in the same company, without prejudice to being elected as independent director in other companies outside of the business conglomerate.</p>
<p>d. Temporary Disqualification (i) Executive Directors</p>	<p>The Nomination Committee pre-screens and evaluates the qualifications and disqualifications of nominees. The Compliance Officer will determine the violation through notice and hearing and recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.</p>	<p>Please refer to item (a) (i) and (ii) under e3.1.1Circular 9, s.</p>

g. Suspension

		resources efficiently, responsibly, and only for legitimate business purposes only. They should safeguard company assets from loss, damage, misuse or theft.
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In its October 1, 2012 meeting, the Audit and Risk Management Committee approved that the company should adopt a Code of Conduct for Management. Formulation of a Code of Conduct for Directors and Management is on-going.

A copy of the Employee Code of Conduct/Discipline has been distributed to all employees of the company.

- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

In its October 1, 2012 meeting, the Audit and Risk Management Committee approved that the company should adopt a Code of Conduct for Management. Formulation of a Code of Conduct for Directors and Management is on-going.

A copy of the Employee Code of Conduct/Discipline was distributed to all employees for strict compliance. It is the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures can be instituted.

Generally, the Human Resources Department is responsible for the company-wide implementation and monitoring of compliance with the Employee Code of Conduct/Discipline.

- 4) Related Party Transactions

- (a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

The review, approval or ratification, monitoring and recording of transactions between above parties shall be in accordance with the provisions of the Corporation Code, Securities Regulation Code, and SEC rules and regulations.

Related Party Transaction	Policies and Procedures
(1) Parent Company	The company complies with the requirements of Corporation Code, Securities Regulation Code, SEC rules and regulations, and other relevant rules and regulations.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of	

p l2FBT/P 4MCID C omp l2FBT/P 4MCID CMCID C omp l2- 0. /P 4M

Board of Directors	
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(b) Conflict of interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved:

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	
Elizabeth Anne C. Uychaco	Ms. Uychaco is the nominee of the company's principal stockholder, Sybase. Sybase is under the SM Group. One of the companies under the SM Group is SM Development Corporation (SMDC), which is also a major customer of the company.
Name of Officer/s	
Name of Significant Shareholders	
Citicore	Citicore is the controlling stockholder of the company. Forty percent (40%) and 44.69% of the issued and outstanding capital stock of Citicore are owned by Michael Cosiquien and Edgar Saavedra, respectively.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	<p>The Board discusses and resolves issues on major transactions of the company. This ensures that independent views from all directors are obtained.</p> <p>The company complies with the requirements of Section 32 of the Corporation Code on "Dealings of directors, trustees or officers with the corporation."</p>

the year? **Board meetings are scheduled before the beginning of the year.**

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Michael C. Cosiquien	July 28, 2004	6	6	100
Member	Edgar B. Saavedra	July 28, 2004	6	4	66.66
Member	Yerik C. Cosiquien	July 28, 2004	6	5	83.33
Member	Elizabeth Anne C. Uychaco	March 16, 2011	6	6	100
Member	Florentino A. Tuason, Jr.	April 8, 2011	6	6	100
Independent	Leonilo G. Coronel	July 19, 2010	6	6	100
Independent	Leonor M. Briones	July 19, 2010	6	6	100

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? **No.**

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No. Under Article III, Section 6 of the company's By-Laws, a majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business. Every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all members of the Board.

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

Board papers are provided to members of the Board of Directors between 2-5 days before the date of the Board meeting.

(b) Do board members have independent access to Management and the Corporate Secretary? **Yes.**

(c) State the policy of the role of the company secretary. Does such role include

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board,

assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

Article IV, Section 5 of the company's By-Laws provides that the Corporate Secretary shall have the following specific powers and duties:

- **To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;**
- **To keep record books showing the details required by law with**

stockholders.

Have appropriate administrative and interpersonal skills.

If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.

Have a working knowledge of the operations of the corporation.

Inform the members of the Board, in accordance with the By-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so.

Ensure that all Board procedures, rules and regulations are strictly followed by the members.

If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Code.

Yes, the Corporate Secretary's role includes assisting the Chairman in preparing the board agenda, and other board papers.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes, he is trained in legal practice.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes

No

	Committee	Details of the procedures
Executive		

	Reimbursable expenses cover receipts for food, beverage, gasoline and travel expenses.
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Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Total	
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4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

There are no stock rights, options or warrants over the company's shares.

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A	N/A	N/A	N/A	N/A

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

There are no amendments or discontinuation of any incentive programs introduced, including the criteria used in the creation of the program.

Incentive Program	Amendments	Date of Stockholders' Approval
N/A	N/A	N/A

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Louie Ferrer / VP for Marketing	Php 9.6 million
Oliver Y. Tan / Chief Financial Officer, Chief Investment and Strategy Officer / Corporate Information Officer	
Ronald Paulo/ VP Operations	
Engr. Carlos Leitao / Asst. Vice President for Operation	

Engr. Masashi Watanabe / Assistant Vice President for Precast	
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E.

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Michael C. Cosiquien	November 4, 2011	1	1	100	1 year
Member (ED)	Edgar B. Saavedra	November 4, 2011	1	1	100	1 year
Member (NED)	Elizabeth Anne C. Uychaco	November 4, 2011	1	1	100	1 year
Member (NED)	Florentino A. Tuason, Jr.	November 4, 2011	1	1	100	1 year
Member (ID)	Leonilo G. Coronel	November 4, 2011	1	0	Nil	1 year
Member (ID)	Leonor M. Briones	November 4, 2011	1	0	Nil	1 year
Member	Oliver Y. Tan	November 4, 2011	1	1	100	1 year

(b) Audit and Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Leonilo G. Coronel	July 19, 2010	4	4	100	2 years
Member (ED)	Michael C. Cosiquien	March 16, 2011	4	4	100	1 year
Member (NED)	Elizabeth Anne C.					

Provide the same information on all other committees constituted by the Board of Directors: **N/A**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	N/A	N/A	N/A	N/A	N/A	N/A
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes: **N/A**

Name of Committee	Name	Reason
Executive	N/A	N/A
Audit		
Nomination		
Remuneration		
Others (Specify)		

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year:

Name of Committee	Work Done	Issues Addressed
Executive	Discussed various construction matters	Discussed issues and corresponding action plan re: (a) schedule/delays; (b) customer's impression on the company; (c) augmentation amount; (d) reconciliation of 98.5raonciliation of 06

	<p>Formally adopted "Audit and Risk Management Committee" as its designation/name</p> <p>Adopted an Audit and Risk Management Committee Charter</p> <p>Appointed Ms. Ava Alsol as the Chief Risk Officer</p> <p>Agreed to adopt an Enterprise Risk Management Policy Statement</p> <p>Created an Enterprise Risk Management Committee and designated its members</p> <p>Assessed the committee's fulfillment of its responsibilities under the Revised Code of Corporate Governance</p>	None
	Discussed and approved the Interim Financial Statements as of September 30, 2012	None
Nomination	Reviewed the nominations and gave the list of nominees to the Corporate Secretary	None
Compensation	None	None
Others (Specify)	N/A	N/A

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues to the improvement or enforcement of effective governance for the coming year.

Name of Committee

		with clients
Poor cash flow management	Review causes of weak control points; Improve collection and monitor payments	Better cash flow management

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk: **N/A**

Risk Exposure	Risk Management Policy	Objective
N/A	N/A	N/A

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
The risk to minority shareholders is in relation to their right to be represented in the Board. However, the shareholder has the right to cumulate his votes in order to assure proper representation in the Board. In terms of approval of corporate actions, the company has two independent directors and it complies with the requirements of the Corporation Code, Securities Regulation Code, and Manual of Corporate Governance in ensuring and protecting the rights of the stockholders.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure

**Risk Assessment
(Monitoring and
Measurement Process)**

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
N/A	N/A	N/A

(c) Committee

Identify the committee or any other body of corporate governance in charge of

accounting transactions; External Auditors may not provide the following services to the company: 1.Management responsibilities; 2.Preparing accounting records; 3.Financial information systems design and implementation.	
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(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance. **Compliance Officer**

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare		
Supplier/contractor selection practice	The company has a supplier accreditation policy in place.	At least three suppliers are required to submit their bid proposals for review and evaluation, and a recommendation is submitted for consideration.
Environmentally friendly value-chain	ISO 14001:2004 Environmental Management System Standards LEED Certification	The company is ISO 14001 compliant.
Community interaction	Megawide Corporate Foundation, Inc.	Initiatives undertaken by the company includes the renovation of the Philippine Children's Medical Center and vehicle assistance for GMA Kapuso Foundation, Inc.
Anti-corruption programmes and procedures?	The company does not condone any dishonest, unethical or	Violations or suspected violation of company policies can be escalated

evaluated every June and December.

- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

The company's Code of Ethics and Business Conduct and other relevant rules and regulations shall serve as a guide in determining the penalties and sanctions to be imposed by the Human Resources Department where violations are proven and validated.

Before enforcing any disciplinary sanction, due process shall be observed in the handling of all cases.

Upon complainant's request, the company shall use its best efforts to protect the identity of the complainant for any report made in good faith.

Reports of violations or suspected violations shall be kept confidential, consistent with the need to conduct an adequate investigation.

I. DISCLOSURE AND TRANSPARENCY

- 1) Ownership Structure

- (a) Holding 5% shareholding or more (as of December 31, 2012)

Shareholder	Number of Shares	Percent	Beneficial Owner
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	will still have to adopt a whistle-blowing policy as stated in its SEC Form 17-C filed on October 5, 2012.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	No. This information was not required to be included in the Annual Report.
Number of board of directors/commissioners meetings held during the year	No. This was disclosed in a Certificate of Attendance filed with the SEC on January 30, 2013.
Attendance details of each director/commissioner in respect of meetings held	No. This was disclosed in a Certificate of Attendance filed with the SEC on January 30, 2013.
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit fee
Punongbayan & Araullo	Php1,050,000	N/A. The external auditor did not render non-audit services.

4) Medium of communication

List down the mode/s of communication that the company is using for disseminating information.

- (a) Company Website;**
- (b) Philippine Stock Exchange (PSE) Disclosures;**
- (c) Press releases.**

5) Date of release of audited financial report: **April 15, 2013**

6) Company Website

Does the company have a website disclosing up-to-date information about the following? **Yes.**

Business operations	Yes
Financial statements/reports (current and prior years)	Yes.
Materials provided in briefings to analysts and media	No.
Shareholding structure	Yes
Group corporate structure	A General Information Sheet is filed with the

	SEC annually and is accessible via SEC i-view and is part of the corporate disclosures filed with the PSE.
Downloadable annual report	Yes
Notice of AGM and/or EGM	The Notice is filed together with the Definitive Information Statement which is part of the corporate disclosures filed with the PSE.
Company's constitution (company's by-laws, memorandum and articles of association)	Yes.

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value
Advances to officers and employees	Officers and employees	Advances to officers and employees	

		prevailing market price in construction industry. There is no ongoing contractual arrangement between parties as result of the relationship between owners.	
Rental of land and building	<p>Megapolitan Realty and Development Corporation (Megapolitan) and Philwide Construction and Development Corporation (Philwide) are owned by the family of Michael Cosiquien.</p> <p>SMDC is one of the company's major customers. It is also related to Sybase of the SM Group.</p> <p>Altria is a subsidiary of the company.</p>	<p>The lot where the company's corporate office was constructed is leased from Megapolitan.</p> <p>In addition to the foregoing office spaces, the company also leases properties needed for its operations such as the lease agreement with SMDC, Megapolitan, Philwide and Altria.</p> <p>Rental rates are based on the current rates used by lessors depending on the location of property being rented.</p>	Php 2.0 Million
Short-term placement	BDO Private Bank, Inc. is a related party of SMDC, a major customer of the company.	<p>The company has placed its excess cash in a short-term investment with BDO Private Bank, Inc., a related party of SMDC.</p> <p>Rates on these investments are based on prevailing rate in the market.</p>	Php 2 Billion as of December 31, 2012
Bank loans and finance lease	BDO Unibank, Inc. and BDO Leasing & Finance Corporation are related parties of SMDC, a major customer of the company.	<p>The company availed of loans from BDO Unibank Inc. and entered into leaseback agreement with BDO Leasing & Finance Corporation.</p> <p>Interest rates provided by BDO Unibank, Inc. and BDO Leasing & Finance Corporation are based on prevailing rates in the market.</p>	Outstanding bank loan with BDO Unibank is Php812 Million and outstanding lease liability with BDO Leasing is Php414 Million as of December 31, 2012.
Block sale of shares	Ninety-nine and 50/100 (99.50%) of the total and issued	In July 2012, Michael Cosiquien and his family and Edgar	Php 2.4 Billion

	outstanding shares of stock of Citicore are owned by the Michael Cosiquien and his family and Edgar Saavedra and his family	Saavedra and his family collectively holding a total of 688,500,000 shares or 61.8% of the total issued and outstanding capital stock of the company transferred their shares to CHI.	
Formation of consortium	Citicore is a majority stockholder of the company.	In October 2012, the company entered into a joint venture with CHI and formed Citicore-Megawide Consortium, Inc. (CMCI). The first project booked by CMCI was the Department of Education's PPP for school buildings. In 2012, the Department of Education awarded to CMCI the school buildings in Regions 3 and 4. CMCI commissioned the company to construct all the school buildings in both regions.	Php 145 Million
Acquisition of shares of stock	Michael Cosiquien and Edgar Saavedra are directors of Altria.	In December 2012, the company acquired 100% of the issued and outstanding shares of Altria, the owner of the property in Taytay, Rizal where the precast plant of the company is located.	Php 53 Million

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders? **Please see above discussion.**

J. RIGHTS OF STOCKHOLDERS

- 1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

- (a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	A majority of the outstanding capital stock
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Viva voce and/or by ballot.
Description	The presiding officer of the stockholders' meeting presents the proposal to approve the corporate act to the stockholders. A stockholder moves for the approval of the corporate act. The presiding officer asks the stockholders for objections. If no objection is raised, the corporate act is approved.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Right to receive Notice of Regular meeting at least two (2) weeks prior to the meeting	Right to receive Notice of Special Meeting

communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

2. Measures Adopted	3. Communication Procedure
<p>4. During the stockholders' meeting, the presiding officer opens the floor for questions. The questions are addressed by the relevant officers of the company.</p> <p>6. Even after the meeting has been adjourned, the directors and officers</p>	<p>5.</p>

a total value of Php12.9 Billion. As of April 2012, remaining contracts with SMDC amount to Php18 Billion. The percentage decreased because the company diversified into construction projects with other customers.

c. Q: Does the Php18 Billion worth of projects include infrastructure projects?

A: It includes residences and office buildings in Metro Manila and Cebu. It does not include infrastructure projects.

d. Q: How does the company see the future of the construction industry and what are the prospects for the company?

A: The company sees a lot of projects coming in the next few years.

e. Q: Will the company do projects outside the Philippines?

A: There are no plans yet but the company can do such projects.

f. Q: What is the income of the company for the first half of 2012 compared to the same period last year?

A: The company's income amounted to Php2.2 Billion

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification: **None**

Modifications	Reason for Modification

(f) Stockholders' Attendance

(g) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members/Officers present	Date of Meeting	Voting Procedure (by poll, show of
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	meeting, the proxy becomes invalid.
Validation of Proxy	At least 5 working days before any meeting
Violation of Proxy	Proxy will not be accepted.

(i)

shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes."	
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Corporation Code of the Philippines.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

N/A. The company does not have any transaction of this nature.

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Annual
Financial Report
2015

pursoant to the requirement of *Code Secours* and *Exchange Control*,
I hereby certify that the following information is true and correct:
The amount of the contribution is *€ 100,000,000*

SIGN: *CHAI C. COB*

CHAI C. COB
CHAI C. COB

CHAI C. COB



JUN 26 2013

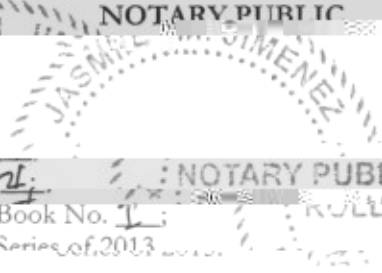
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Manila

Passport No. EB0735275

NOTARY PUBLIC



Jasmine M. Jimenez
JASMINE M. JIMENEZ
Commission No. M-2391

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NOTARY PUBLIC

Book No. 1
Series of 2013

ROLL No. 36

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Roll No. 36
PTR No. 3676807/Jan. 08, 2013/Makati City
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