



Mendoza Querido & Co.

16th Floor, The Salcedo Towers
169 H.V. de la Costa St., Salcedo Village
Makati City 1227 Philippines

T +63 2 8 887 1888

www.mqc.com.ph

PRC/BOA Accreditation No. 0966

September 22, 2020, valid until
August 22, 2023

SEC Accreditation No. 0966-SEC (Group A)

Issued November 24, 2020

Valid for Financial Periods 2020 to 2024

April 28, 2023

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

Rm. 4 Ground floor, MC Metroplex Bldg.
BS Aquino Drive, Bacolod City
Negros Occidental

Attention of: **Dr. Leila Magbanua**
President

Gentlemen:

We are pleased to submit this proposal to confirm our understanding for the services to be rendered for the quarterly review of SEC Form 17-Q of **ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.** (the Company).

Based on our understanding, the proposed scope of work to be undertaken by us follows:

1. Review of quarterly accounts balances and transactions as support for the SEC Form 17-Q.
2. Review of the information supplied in the SEC Form 17-Q.

We estimate that above scope of work would require about 5 working days per quarter, provided that all financial information needed are available

We proposed that our quarterly professional fee will be ₱62,500.00 plus VAT, based on the level of staff and estimated time we will incur in the work we will perform.

If you wish to renew or extend the contract period, please inform us at least ten (10) days prior to the intended date of extension.

Mendoza Querido & Co.'s (**M&Q**) maximum liability relating to services rendered under this proposal (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to charges paid to **M&Q** for the portion of its services of work product giving rise to liability. In the event shall **M&Q** be liable to consequential, special, incidental, or punitive loss, damage or expense (including without limitation, loss or profits, opportunity costs, etc.) even if it has been advised of their possible existence.

If the above terms meet your approval, we will appreciate your signing the duplicate copy of this letter in the space below and returning it to us.

We are pleased to have this opportunity to be of continued service to you and assure you that this engagement will be given our close attention.

Very truly yours,

MENDOZA QUERIDO & CO.

By: **RICHARD S. QUERIDO**
Partner

Agreed and acknowledged:

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

By: _____ Date: **May 8, 2023**



Mendoza Querido & Co.

16th Floor, The Salcedo Towers
169 H.V. de la Costa St., Salcedo Village
Makati City 1227 Philippines

T +63 2 8 887 1888

www.mqc.com.ph

PRC/BOA Accreditation No. 0966
September 22, 2020, valid until
August 22, 2023
SEC Accreditation No. 0966-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024

May 18, 2023

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

Rm. 4 Ground floor, MC Metroplex Bldg.
BS Aquino Drive, Bacolod City
Negros Occidental

Attention of: **Dr. Leila Magbanua**
President

Gentlemen:

We are pleased to submit this proposal letter to confirm our understanding of the arrangements for our audit of the financial statements of **ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.** (the Company) for the period ending June 30, 2023. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

Audit Responsibilities and Limitations

We will conduct our audit in accordance with Philippine Standards on Auditing (PSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We intend to assess the Company's existing internal control structure, solely for the purpose of determining the nature, timing and extent of our audit procedures. While an effective internal control structure reduces the likelihood that errors and irregularities (including misappropriation of assets) may occur and remain undetected, it does not eliminate the possibility. For that reason, and because of the test of nature and other inherent limitations of an audit, we cannot guarantee that material errors or irregularities, if present, will be discovered. However, we will bring to your attention any material misstatements and any fraudulent or illegal acts of which we become aware during our audit. In the unusual event that we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement.

As required by the SEC Memorandum Circular No. 13 (Series of 2003), we as your external auditor is required to and shall report to the Commission any of the following cases which may have been discovered based of PSAs, if the Company fails to disclose the same to the Commission under its current reports:

- a. Any material findings involving fraud or error, as defined under Section 3.2 and 3.3 of the circular;
- b. Losses or potential losses the aggregate of which amounts to at least ten percent (10%) of the consolidated total assets of the Company;
- c. Any findings to the effect that the consolidated assets of the Company, on a going concern basis are no longer adequate to cover the total claims of creditors.

The working papers prepared in conjunction with our work are the property of our Firm, constitute confidential and proprietary information and will be retained by us in accordance with our policies and procedures.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- For the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards;
- For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that we may request from management for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

Fees and Other Arrangements

We estimate that our fees for the services referred to above to be ₱125,000 exclusive of value added tax. This estimate assumes we will receive appropriate assistance from your staff in the preparation of the schedules and other matters. We shall bill you as follows:

- 30% upon acceptance
- 40% as the work progresses
- 30% at the end of our fieldwork

As our usual practice, travelling, meal and other out-of-pocket expenses incurred, in connection with this audit will be billed to you in addition to the audit fees. Billings are payable upon receipt.

In the event that you decide to discontinue with the engagement during the course of our audit, you agree to pay Mendoza Querido & Co. (M&Q) for the actual time charges of M&Q's partners and staff at our billing rates plus VAT, incurred from the engagement commencement date until the date M&Q has been informed in writing of such decision, less any payments made.

Reporting

At the completion of our work, we shall submit to you the following:

- a. Audited financial statements as of and for the period ending June 30, 2023 and our report thereon, as an independent public accountant;
- b. Summary of significant findings and comments, if any, as a result of our review of existing internal control and recommendations.

The form and content of our report may need to be amended in the light of our audit findings.

Other Provisions

M&Q's maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to M&Q for the portion of its services or work products giving rise to such liability. In no event shall M&Q be liable for consequential special, incidental or punitive loss, damage, or expense (including without limitation, lost profits, opportunity costs, etc.) even if it has been advised of their possible existence.

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC. shall indemnify and hold harmless M&Q and its personnel from and against any claims, liabilities, costs, and expenses (including, without limitation, attorney's fees and the time of M&Q personnel involved) brought against, paid, or incurred by M&Q at any time and in any way arising out of or relating to M&Q services under this letter, except to the extent finally determined to have resulted from the gross negligence or willful misconduct of M&Q personnel. This provision shall survive the termination of this agreement for any reason.

This proposal is strictly confidential. It is made available to **ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.** management on the strict understanding that it will not be shown, read or passed to any other person who is not a current employee of your organization.

Acknowledgment

If these arrangements are in accordance with your understanding, please sign and return to us the enclosed copy of this letter. We appreciate this opportunity to be of service to you and assure that this engagement will be given our close attention.

Very truly yours,

MENDOZA QUERIDO & CO.

By: **RICHARD S. QUERIDO**
Partner

Agreed and acknowledged:

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

By: _____

Date: May 19, 2023



Mendoza Querido & Co.

16th Floor, The Salcedo Towers
169 H.V. de la Costa St., Salcedo Village
Makati City 1227 Philippines

T +63 2 8 887 1888

www.mqc.com.ph

PRC/BOA Accreditation No. 0966
September 22, 2020, valid until
August 22, 2023
SEC Accreditation No. 0966-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024

May 18, 2023

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

Rm. 4 Ground floor, MC Metroplex Bldg.
BS Aquino Drive, Bacolod City
Negros Occidental

Attention of: **Dr. Leila Magbanua**
President

Gentlemen:

We are pleased to submit this proposal letter to confirm our understanding of the arrangements for our audit of the financial statements of **ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.** (the Company) for the year ended December 31, 2023. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

Audit Responsibilities and Limitations

We will conduct our audit in accordance with Philippine Standards on Auditing (PSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We intend to assess the Company's existing internal control structure, solely for the purpose of determining the nature, timing and extent of our audit procedures. While an effective internal control structure reduces the likelihood that errors and irregularities (including misappropriation of assets) may occur and remain undetected, it does not eliminate the possibility. For that reason, and because of the test of nature and other inherent limitations of an audit, we cannot guarantee that material errors or irregularities, if present, will be discovered. However, we will bring to your attention any material misstatements and any fraudulent or illegal acts of which we become aware during our audit. In the unusual event that we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement.

As required by the SEC Memorandum Circular No. 13 (Series of 2003), we as your external auditor is required to and shall report to the Commission any of the following cases which may have been discovered based of PSAs, if the Company fails to disclose the same to the Commission under its current reports:

- a. Any material findings involving fraud or error, as defined under Section 3.2 and 3.3 of the circular;
- b. Losses or potential losses the aggregate of which amounts to at least ten percent (10%) of the consolidated total assets of the Company;
- c. Any findings to the effect that the consolidated assets of the Company, on a going concern basis are no longer adequate to cover the total claims of creditors.

The working papers prepared in conjunction with our work are the property of our Firm, constitute confidential and proprietary information and will be retained by us in accordance with our policies and procedures.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- For the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards;
- For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that we may request from management for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

Very truly yours,

MENDOZA QUERIDO & CO.

By: **RICHARD S. QUERIDO**
Partner

Agreed and acknowledged:

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

By: _____

Date: May 19, 2023