

March 22, 2018

**Mr. Leonilo Coronel**  
Chairman of Audit Committee  
Megawide Construction Corp.

Dear Mr. Coronel,

We conducted a risk-based assessment of the Company in developing our audit plan, which was presented to and approved by the Audit Committee on May 15, 2017.

We reviewed the processed identified below, including the risk and controls within the processes, covering the period January 1 to December 31, 2017:

- Risk and Compliance
- Equipment Management and Utilization
- Project Management (including Quality & Safety)
- Inventory Management
- Financial consolidation and reporting

The results of our reviews were presented to and acted upon by the management.

Based on our review of the identified processes, we conclude that material risk were identified and assessed, and that the related controls to mitigate those risks were designed adequately and operating effectively during the period of reliance. We believe that a sound governance, risk management, control and compliance system is in place and operating effectively.

Sincerely yours,



**Edgar Saavedra**  
President and CEO



**Mia Cortez**  
Internal Audit Head