



Republic of the Philippines
Tourism Infrastructure & Enterprise Zone Authority

18 May, 2021

MEMORANDUM

FOR : **ATTY. NINO RUPERTO F. AQUINO**
Manager, Legal Department

SUBJECT : **UPDATES ON AGENCY ACTION PLAN and STATUS of IMPLEMENTATION (AAPSI) on AUDIT OBSERVATIONS and RECOMMENDATIONS on MANILA OCEAN PARK**

The Commission on Audit forwarded to us a summary of their AAPSI as of April 30, 2021. This includes their AOM on Manila Ocean Park as follows:

AAPSI - No. 4, Page 82

The two percent (2%) variable component on the hotel operations on top of the lease rental rate under the Contract of Lease (CoL) which China Oceanis PTE, LTD. (COPL) was not recorded and collected resulting in understatement and under-collection of rental income and undisclosed share in hotel operation.

COA is reiterating their prior years' recommendation that Management:

- a. Assert its entitlement from hotel revenues from 2010 to present through an amendment on the <MOA ratifying the payment of the two percent share on revenues of the hotel built on the platform and collect the same; and
- b. Explain why the recommendation was not acted upon after more than a year had lapsed.

The COA AOM was referred to your office in March 2019 after our meeting with key officers of China Oceanis Philippines Inc. It was agreed then that consultations with the GOCC shall be made on legal alternatives that may be undertaken by your office. In this regard we are respectfully requesting that we have a MS Teams Meeting on Monday May 24, 2021 at 10:00 A.M. so we may discuss the status of your actions taken concerning the COA AOM on Manila Ocean Park.

Thank you for your prompt and favorable response.

JETRO NICOLAS F. LOZADA

Assistant Chief Operating Officer Assets

Management Sector