

Macau International Airport Company Limited (“CAM”)
Request for Proposals – No. PTB201702R
MIA Duty Free Services Subconcession

Macau International Airport Company Limited (“CAM”) invites the submission of proposals by qualified Bidders to provide Duty Free Services for passengers, to set up and operate Duty Free shops and kiosks, including design, lay-out, concept development, and to build the Duty Free Shop, at the Macau International Airport (“MIA”), within the spaces defined.

This request for proposals (“RFP”) provides CAM an opportunity to select a Bidder to renovate and operate a set of shops within the defined space of an approximately 1,130 (one thousand one hundred and thirty) square meters located at the South Departure Level, Airside of the MIA Passenger Terminal Building (“PTB”) (please refer to Section D of this RFP and Annex I) under a subconcession contract of 5 (five) years to be executed with CAM.

CAM expects that Bidders will present excellent proposals that offer both outstanding customer service and a wide range of Duty Free Services & products (as illustrated in Section B. 3 of this RFP) for passengers in MIA while generating good revenues and superior shop and/or kiosk concepts that reflect the unique characteristics of the Macau Special Administrative Region (“Macau”) market. Bidders should be experienced, financially sound and able to create unique spaces and retail concepts. The objectives for this RFP process are the following:

- To provide world-class Duty Free Services to passengers at MIA, offering a wide range of products and high quality facilities and services at MIA within the space defined;
- To provide innovative retail shop concepts and offers at competitive prices;
- To design and furnish the space for operating the Duty Free Shops to a very high standard;
- To increase the friendliness and convenience of MIA, and enhance passengers’ experience through innovative concepts and premium services; and
- To optimize the non-aeronautical revenues of MIA.

To be considered for participation, **1 (one) original and 7 (seven) hard copies of proposals (“Original” or “Copy” to be labelled on the covers as appropriate) plus an electronic copy (in pdf format)** with all information required by the RFP should be sent to the address below, **in a SEALED and OPAQUE envelope or package**, to arrive and be received by CAM **no later than 12:00 noon (Macau local time) on 28 February 2018**. The outside of the packages must clearly indicate the name of the project: **“REQUEST FOR PROPOSAL – NO. PTB201702R – DUTY FREE SERVICES SUBCONCESSION AT MIA”**, with wordings **“TO BE OPENED BY AUTHORIZED PERSONNEL ONLY”**. The name and address of the Bidder must also be clearly printed on the outside of the packages.

Mail/Hand Deliver proposals to:

Attn: Chairman of the Executive Committee
Macau International Airport Company Limited (CAM)
4th Floor, CAM Office Building,
Avenida Wai Long, Taipa, Macau S.A.R.

Late proposals will not be accepted and will be returned to Bidder(s).

Request for Proposal

Table of Contents

The RFP package should have all of the following sections and annexes:

Sections:

- A. Description of Existing Operations
- B. Submission, Selection and Contracting Procedures
- C. Key Business Terms and General Conditions
- D. Business Opportunities
- E. Proposal Requirements
- F. Evaluation Criteria

Annexes:

- I. Floor Plan
- II. Experience and Qualifications Statement
- III. Commission Fee Rates and Minimum Guarantee Per Passenger
- IV. Projected Annual Sales, Commissions and Income Statements
- V. Capital Investment and Start-Up Financing Plan
- VI. Professional References Form
- VII. Executed Proposal Affidavit
- VIII. Pre-Bid Meeting and Site Visit Registration Form

A. Description of Existing Operations

1. Project Background – MIA and CAM

“CAM – SOCIEDADE DO AEROPORTO INTERNACIONAL DE MACAU, S.A.R.L.”, named in Chinese **“澳門國際機場專營股份有限公司”** and, in English, **“MACAU INTERNATIONAL AIRPORT COMPANY, LIMITED”** (“CAM”) is a private company incorporated on 18 January, 1989. Under the terms of the Concession Contract dated 8 March, 1989, the Government of the now Macau Special Administrative Region (“Macau”) awarded a 25-year contract to CAM for the construction and operation of the Macau International Airport (“MIA”). This Concession Contract to build, manage, and operate the MIA was extended by the Macau Government in March 2001 for another 25 years, until 2039. The MIA development, financing, and marketing are the main responsibilities of CAM.

The Macau government is the major shareholder of CAM, with a 55.24% voting stake in the Company. Sociedade de Turismo e Diversões de Macau (“STDM”) has a 34.10% voting share, and the remaining shares are held by a number of shareholders. CAM is governed by a Board of Directors which includes government-appointed and shareholders-nominated members.

CAM vigorously promotes and markets MIA to the worldwide aviation community. Providing world-class service quality is a top corporate priority, and remains the cornerstone of CAM's continuing to improve passenger and cargo services and facilities. CAM subcontracts key airport operations to various specialist service providers in order to ensure efficient running of the airport to international standards.

Passenger and cargo airlines, travel organizations, and the air freight industry can enjoy easy air transport access to Macau’s Tourism and Business Markets 24 hours a day using MIA, which is equipped to receive aircrafts up to Boeing 747 and provides efficient services at the highest international standards within the core principles of Safety, Efficiency and Effectiveness.

The passenger terminal building is capable of serving six million passengers and comprises a total of 45,800 square meters on three levels. The arrival and departure levels have approximate 19,000 square meters and the mezzanine level which is located above the departure level has approximate 7, 000 square meters.

MIA is defined as the true city airport, just a few minutes away from one of the newest, biggest and most spectacular tourism, entertainment and MICE facilities in Asia. It serves as an important gateway for inbound tourism, which is expected to grow rapidly with the expansion of Macau’s gaming and entertainment industries.

CAM has been authorized by the Macau Government to have subconcessions of the “complementary activities” to the MIA in order to ensure high standards of quality, comfort, safety and efficiency.

Hence, with the development of Macau and the goal of fostering competition and enhancing customer service at MIA, CAM wants to develop and enhance the Duty Free Service at MIA to offer the highest quality, efficiency and promote mutual success, being the selected operator necessarily experienced, financially sound and able to create unique concepts.

2. Traffic Statistics of MIA

DISCLAIMER: The historical traffic statistics information and other information presented herein are for reference ONLY. CAM does not in any way assume any responsibility whatsoever for the completeness and accuracy of the statistics and information. All Bidders should conduct their own due diligence and make such investigation and inquiries as they consider necessary for the purpose of submitting a proposal.

Since its inauguration in December 1995, MIA has rapidly established itself as a vital gateway to link Macau with an increasing number of destinations, namely in Mainland China, Taiwan, Malaysia, Thailand, Philippines, Vietnam, Cambodia, Singapore, Japan, South Korea, etc., regularly adjusting to the increasing demand, with systematic renovation and expansion to enhance the passenger experience and to meet future development needs.

In 2016, MIA recorded over 6.6 million passenger traffic volume, with over 56,000 aircraft movements, representing a 14% and 2% increase respectively comparing to the previous year. This made a new high record since its 21 years of operation, a travel peak at MIA during the Seasonal holiday. Demand from Macau to the main holiday destinations in North Asia and Southeast Asia was consistently strong. Passenger traffic to/from China Taiwan and Southeast & North Asia recorded the most significant increases. There are 27 airlines operating from MIA in 2016, MIA provides flight service to 21 cities in Mainland China, 3 cities in China Taiwan and 18 cities in Southeast Asia and other cities attracted more local and international travelers. MIA is taking advantage of surrounding airports' capacities would be saturated in the near future, to attract new airlines to launch new routes or increase flights from Macau. MIA will coordinate with the government policy to build Macau into a World Tourism and Leisure Centre.

Updated flight schedule information is available at MIA website:

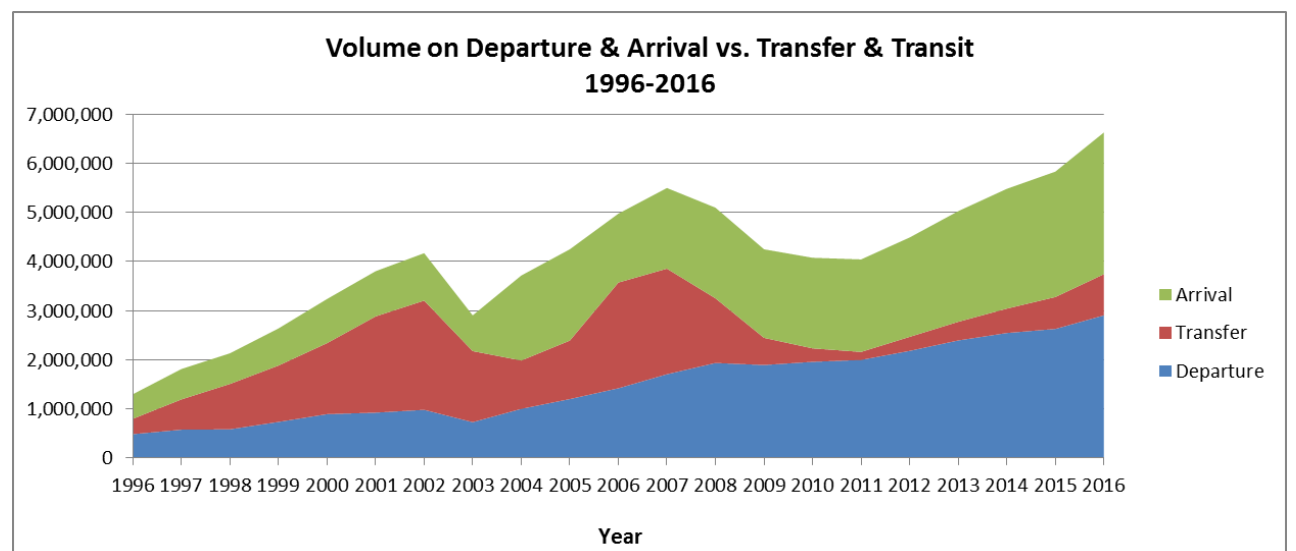
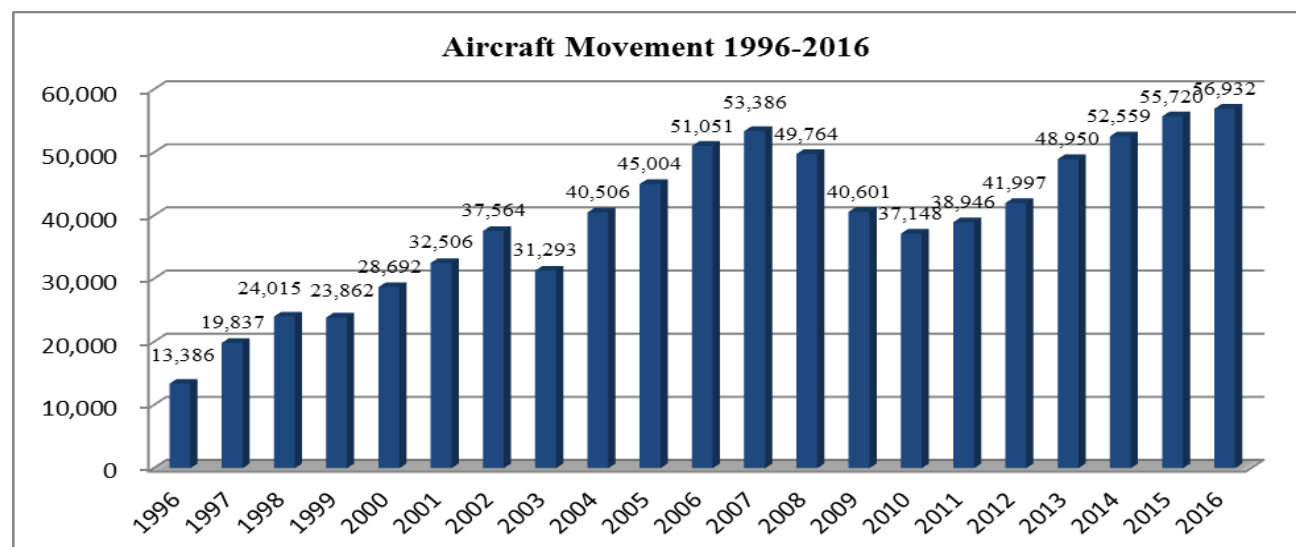
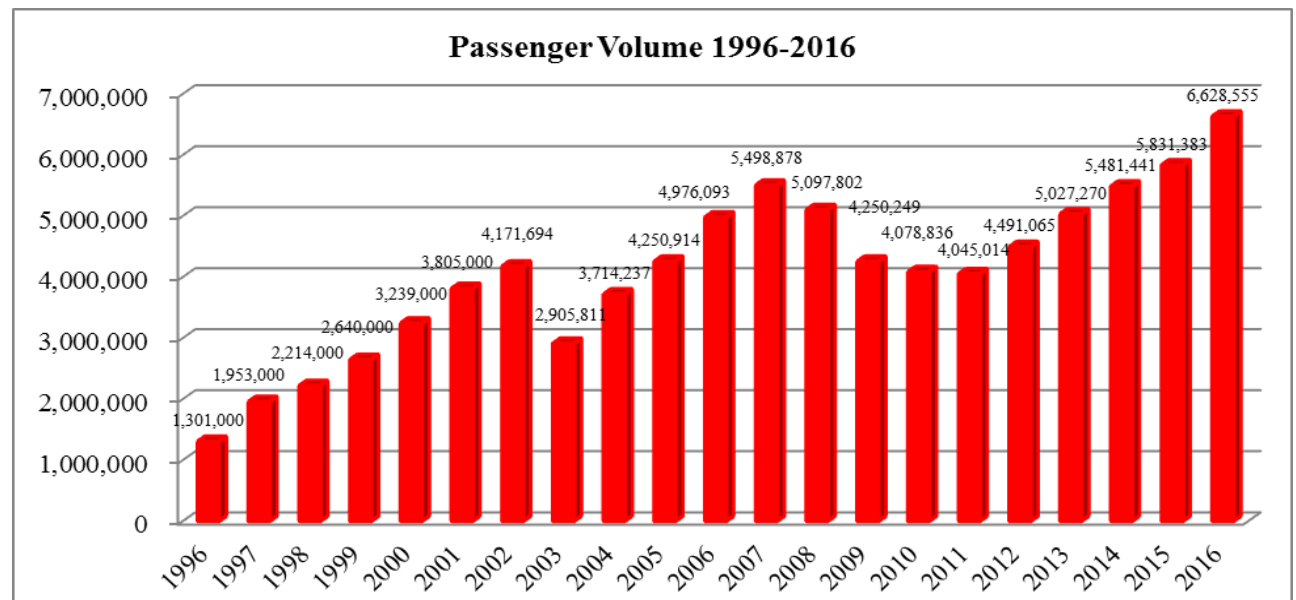
Arrivals:

<http://www.macau-airport.com/en/flight-information/real-time-flight-information/arrival>

Departures:

<http://www.macau-airport.com/en/flight-information/real-time-flight-information/departure>

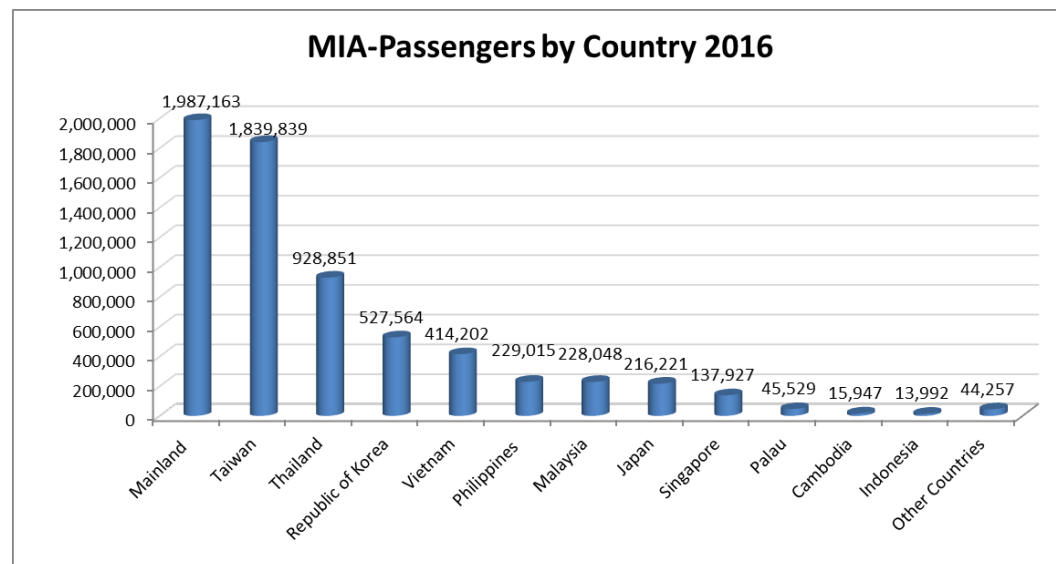
The below charts illustrate the passenger volume and aircraft movement of MIA through the years:



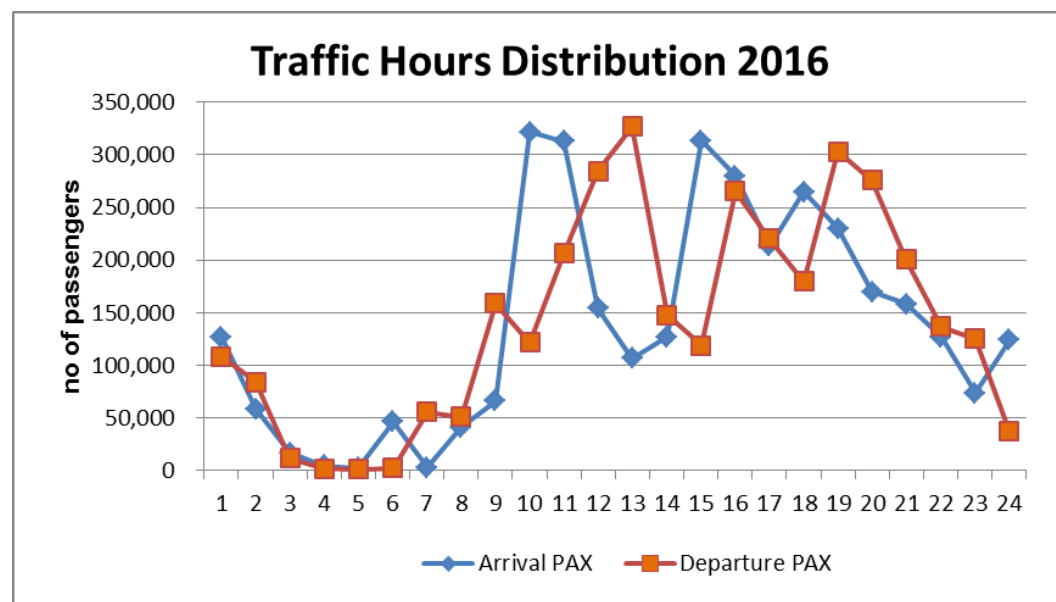
In 2016, MIA marked a new passenger traffic volume record of 6,628,555, grew by 14% in compare to 2015. The transfer/transit passengers represented 12.7% of the total passengers.

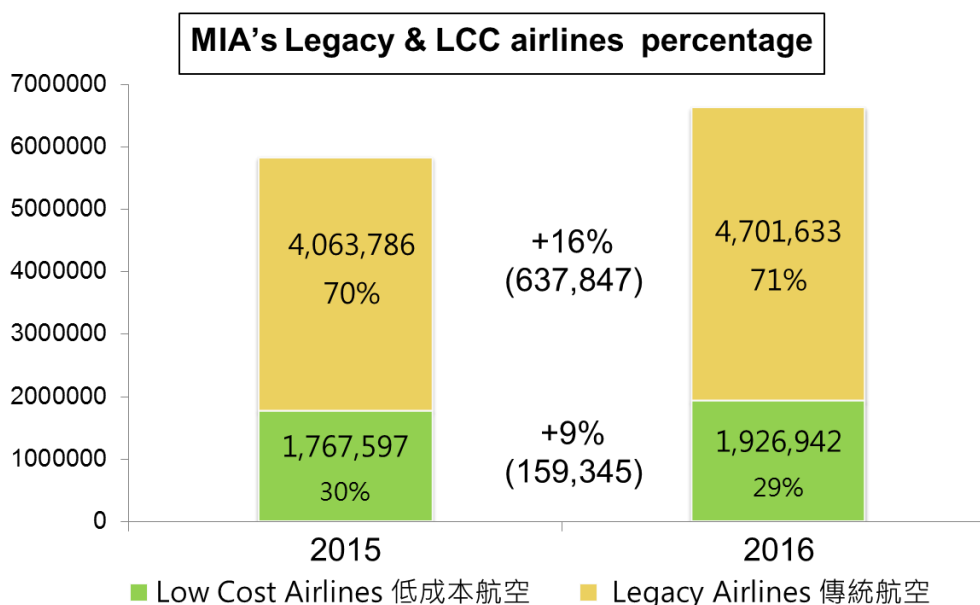
Amongst the 6,628,555 accumulated passengers marked in 2016, 30% of passengers were from the Mainland China whereas Taiwan, China contributed 28%. Thailand as the third largest O/D market reported 14% of the total. Then followed by Republic of Korea and Vietnam, each marked 8% and 6% of the total passengers. Majority of the major cities in 2016 posted growth – Xiamen, Tokyo, Seoul, Hangzhou, Ha Noi and Bangkok.

The following chart shows the volume of passengers at MIA in 2016 categorized by country/region.



The following chart indicates the distribution of traffic hours at MIA in 2016. The traffic distribution along the day records higher concentration of departing passengers during the period of 9:00 am to 1:00 pm and 4:00 pm to 8:00 pm.





In 2016, MIA is pleased to see steady growth across all market sectors with passengers from legacy and low cost carrier recorded steady growth of 16% and 9% respectively.

3. Traffic Forecasts

Traffic forecasts have been developed and are unconstrained in the sense that no capacity controls due to airspace, runway or ramp restrictions have been considered:

DISCLAIMER: The traffic forecasts information presented in this document are for reference ONLY. CAM does not in any way assume any responsibility whatsoever for the completeness and accuracy of such information as they are estimates and for information purposes only subject to deviation, and are not guaranteed or warranted in any way. All Bidders should conduct their own due diligence and make such investigation and inquiries as they consider necessary for the purpose of submitting a proposal.

Passengers Volume Forecast

Year	Annual Passenger Traffic	Annual Aircraft Movement
2016 (Actual)	6,628,555 passengers	56,932
Between 2017 to 2019	reaching 7M passengers	63,000
Between 2026 to 2038	reaching 11M passengers	86,000
Between 2034 to 2041	reaching 15M passengers	107,000

*source: AACM – Airport Master Plan, 2015

4. Information on current Duty Free shops and kiosks

The current Duty Free Services are provided by Sky Shilla Duty Free Limited (“Sky Shilla”) and King Power Duty Free (Macau) Co., Ltd (“King Power”), which have been the dual Duty Free Services operator at MIA since November 2014. Sky Shilla and King Power currently operate Duty Free shops and kiosks at MIA and sell duty free products in the airside departure hall as follows:

	Spaces	Particulars	Approximate Area (m²)
Operator A Sky Shilla (North Side)	Shop 1	Liquor and Tobacco, Candies & Souvenirs, General Merchandising and International Fashion Brand	240
	Shop 2, 3 & 4		643
	Kiosk G2, A, B & C	Perfume & Cosmetic	239
		Total Area	1,122
Operator B King Power (South Side)	Shop 5, 6 & 7	Liquor and Tobacco, Candies & Souvenirs, General Merchandising and International Fashion Brand	643
	Shop 8		248
	Kiosk D, E, F & G3	Perfume & Cosmetic	239
		Total Area	1,130

B. Submission, Selection and Contracting Procedures

1. General

All Bidders are required to study this RFP thoroughly and ensure full compliance with all the requirements and check carefully the prepared submissions for errors and omissions.

2. Schedule

The following is the schedule for this RFP process:

RFP Issued -	3 January 2018
Pre-Bid Meeting & Site Tour -	10:00AM (Macau Local Time) 16 January 2018 *
Deadline for Submission of Proposal(s) -	12:00 Noon (Macau Local Time) 28 February 2018 **
Interview and Presentation -	(tentatively) March 2018
Notification of Selection -	(tentatively) March 2018

* Late pre-registration or late attendance will NOT be accepted.

** Late submission will NOT be accepted.

3. Submission of Proposals for Duty Free Services Opportunity:

This RFP contains an opportunity to provide and operate Duty Free Services at MIA with an area of approximately 1,130 (one thousand one hundred and thirty) square meters (including shops 5, 6, 7 and 8, plus kiosks D, E, F and G3) at the South Departure Airside (please refer to Section D of this RFP and Annex I).

Any additional space required for back office (such as storage, administrative offices, etc.) may be provided to the Subconcessionaire if CAM deems appropriate, subject to the availability. For this purpose, a License for Occupation and Use of Spaces for back office or storage usage would be signed with the Subconcessionaire separately.

The Duty Free subconcession MUST consist of the following Product Categories with the specified percentage of space to be assigned to the categories concerned:

Particulars	Percentage of the Area
Liquor & Tobacco	40%
Perfume & Cosmetics	
General Merchandizing	60%
Packaged Confectionery	
Souvenirs	
Books	
Jewellery & Watches	
Branded Fashion	
Electronics	

The following are expressly excluded from the Duty Free Subconcessions:

- a) Ice cream & Candy Shops;
- b) Juice Bars;

- c) Specialty Food Shops;
- d) Airline lounges/VIP Areas;
- e) Vending Machines;
- f) Private Lounge Areas; and
- g) Wrapped Candies, Chewing Gum, Nuts, Potato Chips and Popcorn Sold by the F&B Subconcession.

In-store advertising is also expressly excluded from the Duty Free Subconcession. If the Subconcessionaire wants to carry out any such activity, it must request CAM for a special written approval in advance and comply with commercial and other conditions set out by CAM for that purpose.

In-store advertising is defined as any advertisement (excluding any trademark standalone logo) placed in a retail store. It includes the placement of a product in visible locations in a store, such as façade, eye level, at the end of aisles, interior and exterior walls of the retail store and near checkout counters (i.e. POP – Point of Purchase display); eye-catching displays promoting a specific product, and advertisements in such places as shopping carts and in-store video displays are also considered in-store advertising.

With the aim of providing a world-class airport retail environment for travellers, CAM is looking for an experienced Duty Free operator who will create a unique sense of place in its shop design that reflects the essence of Macau.

4. Minimum Qualifications

- Each Bidder itself, which if selected by CAM will enter into the Subconcession Contract as the Subconcessionaire, must fulfil the following conditions:
 - 1) must, either in its own right, or along with any direct or indirect shareholder holding at least 25% share capital of the Bidder and/or any other companies of which such shareholder holds at least 25% share capital (whether directly or indirectly), taken as a Group, have experience in the operation of Duty Free shops in at least two international airports (evidence of the parent/subsidiary/associate company relationships of these companies must be provided to the satisfaction of CAM for verification).
 - 2) must provide appropriate details on itself as a legal entity and its parent company relationship and shareholding structure.
 - 3) must be a company duly incorporated and existing under the laws of Macau or any other jurisdiction and, in either case, must have been duly registered with both the Macau Commercial and Moveable Properties Registries and the Macau Finance Department.
 - 4) must be eligible to apply for the relevant licenses and permissions from the relevant Macau Authorities for running a duty free services business in Macau.

Please note that any company which has entered into and maintains a subconcession contract with CAM as a subconcessionaire of any activities/services at the Airport (except for the currently existing contract for the operation of duty free services in the same subconcession areas as the areas for which CAM is conducting the present RFP to seek a new Subconcession Contract) will in no case be selected for the contract negotiation under the present RFP.

- The Bidder shall not have any shareholder (whether direct or indirect) or beneficial owner (whether direct or indirect), member of the corporate administrative body or senior officer who is a shareholder (whether direct or indirect) or beneficial owner (whether direct or indirect), member of the corporate administrative body or senior officer of any other entity which carries out or is seeking to carry out at the Airport an activity or service similar to the activity or service that the Bidder proposes to provide hereunder, which in the sole judgement of CAM may hamper competition; otherwise, CAM may in its sole discretion disqualify and reject the Bidder's Proposal. For example, any entity which submits a proposal to CAM for carrying out the similar activity or service referred to above whether before or after the Bidder submits its Proposal in response to the present RFP may, in the sole judgement of CAM, be considered an "other entity which... is seeking to carry out" the similar activity or service as described above, irrespective of whether CAM and that other entity eventually enter into any contract or not. The "similarity" of activities or services referred to above is subject to the sole judgement of CAM.
- **In addition, please also pay attention to B.10 below.**

Bidders are reminded to provide sufficient information in their Proposal to demonstrate the fulfilment of the Minimum Qualifications stated above, failing which the Proposal may be considered non-responsive and may not be evaluated, at CAM's sole discretion.

Notwithstanding the above, CAM reserves the right to decide at its sole discretion on the eligibility of any Bidders.

5. Pre-Bid Meeting & Site Visit

A pre-bid meeting will be held on 16 January, 2018 at 10:00am (Macau local time), at the CAM Office Building, 4th Floor, Avenida Wai Long, Taipa, Macau SAR ("Pre-Bid Meeting"). All interested parties are invited to attend the meeting. Until 5 (five) working days before the meeting, potential Bidders may raise queries in writing and attach them to the pre-bid meeting and site visit registration form (Annex VIII) to be sent to CAM. Any queries, if deemed relevant and appropriate at the sole discretion of CAM, may be answered at the pre-bid meeting and/or on the webpage devoted to this RFP at <http://www.camacau.com>.

Following the Pre-Bid meeting, a site visit of the available spaces in the MIA PTB will be conducted. The site visit will include the locations being offered in this RFP. No other site visits will be offered or conducted other than the date

stated above.

For security reasons, it is requested that the interested potential Bidders complete and submit the attached Pre-Bid Meeting and site visit registration form (Annex VIII) with a photocopy of the current identification document (e.g. Macau or Hong Kong Identification Card or passport) of its representatives (a maximum of three (3) representatives for each potential Bidder), in order to apply for a temporary airport access permit. Attendees must bring along the originals of their identification documents submitted for registration so as to participate in the airport visit.

The duly completed registration form (Annex VIII) should be sent by mail or hand delivered or via facsimiles (853-2878 5465) to (please clearly label the envelope of the registration form as follows):

Chairman of the Executive Committee
Macau International Airport Company Limited (CAM)
4th Floor, CAM Office Building,
Avenida Wai Long, Taipa, Macau SAR

Subject: Pre-Bid Meeting and Site Visit Registration of PTB201702R

6. Withdrawal of Proposal(s)

Proposals may be withdrawn by written request of the Bidder prior to the Deadline for the Submission of Proposals stated in B.2 above. Such withdrawal does not preclude the submission of another proposal by the Bidder. After the Deadline for Submission of Proposals, no Bidder will be allowed to withdraw its proposal for a period of one hundred and eighty (180) calendar days counted from the Deadline for Submission of Proposals.

7. Execution of Subconcession Contract

Within 90 (ninety) calendar days after the selected Bidder is notified by CAM of the selection for the contract negotiation, the Bidder so selected will execute and enter into a Subconcession Contract with CAM, with the terms and conditions agreed upon by both parties to the Subconcession Contract. The Subconcession Contract will incorporate provisions of this RFP, as well as other terms and conditions to be negotiated between the parties.

The selected Bidder must submit to CAM a security deposit, which is equivalent to 3 months of the Occupancy Fee plus Condominium Fee (i.e. a total of MOP2,847,600.00 [Two million eight hundred forty seven thousand and six hundred Patacas]), in a form of a Cashier Order or Bank Draft or an irrevocable first-demand Bank Guarantee that CAM considers acceptable at its sole discretion, within 30 (thirty) calendar days after the selected Bidder is notified by CAM of the selection for the contract negotiation. The security deposit should be payable to **“CAM – Sociedade do Aeroporto Internacional de Macau, S.A.R.L.”**

The Security Deposit will serve to secure the exact and punctual fulfilment of the successful Bidder's obligations arising from the occupancy of the Subconcession area and/or the Subconcession Contract (without prejudice to paragraph d. of C.9 below), and also to protect CAM against the risk of the selected Bidder's failure

to execute the Subconcession Contract within the period determined above. If the selected Bidder refuses to sign the Subconcession Contract or fails, for any reason whatsoever, to:

- (i) submit the Security Deposit;
- (ii) execute the Subconcession Contract within 90 (ninety) calendar days after the selected Bidder is notified by CAM of the selection for the contract negotiation; or
- (iii) sign and execute the Subconcession Contract document(s) provided by CAM within 30 (thirty) days after being requested by CAM to do so, provided that the selected Bidder's any representative or officer having engaged in the contract negotiation has previously confirmed the substantial terms and conditions of the Subconcession Contract document(s) -

CAM may cancel and annul the notification of selection and reject the Proposal of such Bidder, and the Security Deposit may be forfeited and not be returned to the Bidder in the case of (ii) or (iii) above, at CAM's sole discretion.

8. Failure to Enter into Subconcession Contract

If, for any reason, CAM and the selected Bidder fail to enter into and execute the Subconcession Contract within ninety (90) calendar days after the notification of selection, CAM reserves the right to cancel and annul the notification of selection and reject the Proposal of such Bidder; and the Bidder will have no right to a claim of any kind against CAM, such as any right of recovery of costs or others.

9. CAM's Right to Cancel, Reject or Reissue the RFP

CAM reserves the right to cancel, reject or reissue this RFP and also to invite new Bidders, or take such other course of action as CAM deems appropriate at its sole and absolute discretion. CAM specifically reserves the rights to:

- Waive any non-compliance in any proposals or proposing procedure.
- Reject or cancel any or all proposals.
- Reissue the RFP with or without modifications.
- Specify approximate commercial space in the RFP.
- Approve or modify the locations and sizes of the offered space.
- Negotiate all elements relevant to this RFP.

10. Selection and Rejection

It is CAM's intent to select the best overall proposal submitted by a qualified and responsible Bidder in CAM's sole discretion based on the Evaluation Criteria listed in Section F. CAM is not required to select the Bidder's proposal with the highest proposed commission or the highest projected compensation to CAM. Neither the highest Proposal nor any Proposal will necessarily be accepted. Any implication that the Proposal with the highest financial bid will be accepted or that any Proposal at all will be accepted is hereby expressly negated. CAM reserves the right to accept the Proposal which it deems most advantageous, and reserves the right to reject any or all Proposals for any reason.

Any one or more of the following justifications, among others, may be considered sufficient for the rejection of a Bidder's proposal, regardless of Bidder's qualifications in respect to other Evaluation Criteria (Section F):

- Evidence of collusion among Bidders.
- Non-responsive proposal, as determined by CAM in its sole judgment, as shown by past work, references or other relevant factors.
- Default on any obligation to CAM or any Macau Government entity.
- Submission of a proposal that is incomplete, conditional, ambiguous, obscure, or that contains alterations or irregularities of any kind.
- Submission of a merchandise concept deemed by CAM, in its sole judgment, to be inconsistent with the goals and objectives of the program, including its merchandising plan.
- Evidence of improper lobbying efforts toward members of CAM and/or employees of CAM.

Proposals which contain exceptions to the requirements of this RFP (including Annexes) or otherwise fail to conform to the Instructions in the RFP may be disqualified or rejected. Anything to the contrary herein notwithstanding, CAM may elect to retain for consideration Proposals which are non-conforming, and may waive any non-compliance, irregularity, error, or time stipulation required by the RFP. The stipulations herein are for the sole benefit of CAM and may be waived by CAM unilaterally.

CAM reserves the right to clarify any Proposal or negotiate with any Bidder or with another Bidder or Bidders concurrently. In no event shall CAM be required to offer any modified terms to other Bidders. CAM shall incur no liability to any other Bidders as a result of such clarifications, negotiations or modifications.

Notwithstanding anything to the contrary, CAM reserves the right to add or remove Bidders at its sole discretion. CAM also reserves the right not to accept any Proposal submitted, and may seek additional or further Proposals from any other party or parties.

- Whereas CAM may concurrently conduct various RFP or other contracting processes for various subconcession contracts, CAM reserves the right, at its sole discretion, not to select one same company for contract negotiation of more than one subconcession contract of any activities/services at the Airport.

If a bidder under the present RFP has already been selected for contract negotiation with CAM for any other subconcession contract, and if CAM, at its sole discretion, considers it desirable to give this same bidder a choice of being selected for contract negotiation under the present RFP, then CAM may notify this bidder in writing that this bidder may only be selected for contract negotiation under the present RFP on the condition that it expressly and irrevocably gives up the ongoing negotiation with CAM for entering into any other subconcession contract, forfeits the security deposit submitted to CAM (if any) under that other RFP or contracting process, and/or fulfils any other conditions that CAM considers desirable at its sole discretion.

Nevertheless, CAM does not guarantee the selected bidder will successfully enter into any subconcession contract with CAM, even if the bidder has made the decision of giving up the previously ongoing negotiation as described above. Any decision to be made by the bidder shall be made at its own risk, with CAM having no responsibility for any loss or expenses incurred.

If any selected bidder gives up the contract negotiation for any reason whatsoever, CAM may, at its sole discretion, select what it considers to be the next most advantageous bidder instead for contract negotiation.

- Moreover, CAM also reserves the right, at its sole discretion, not to select any companies within one same “group”* for contract negotiation of more than one subconcession contract of similar** activities/services at the Airport.

* For the present purpose, companies may, in the sole judgement of CAM, be considered within one same “group” if one of the companies has any shareholder (whether direct or indirect) or beneficial owner (whether direct or indirect), member of the corporate administrative body or senior officer who is a shareholder (whether direct or indirect) or beneficial owner (whether direct or indirect), member of the corporate administrative body or senior officer of another of the companies.

** The “similarity” of activities or services referred to above is subject to the sole judgement of CAM.

11. Consent to Investigation

CAM’s determination as to whether a Bidder is qualified and responsible will be based on information provided by the Bidder in its proposal, interviews (if applicable) and other sources deemed to be valid by CAM. The Subconcession Contract will not be entered into until all investigations of the Bidder’s business experience, financial responsibility and character that CAM deems necessary are completed. By submitting its proposal, the Bidder expressly agrees to permit and cooperate with such investigations.

12. Bidder Interview

Bidders may be required to attend one or more interviews with CAM to discuss specific issues and to provide any clarifications related to the proposal. CAM will determine the dates and times of such interviews and Bidders will be given due notice of such at the appropriate time.

13. Bidder’s Cost of Proposal Preparation

All costs incurred by a Bidder in the preparation of a proposal (including costs associated with interviews) will be borne exclusively by the Bidder. CAM is not responsible for any costs associated with any proposal submission.

14. Ownership

Once submitted, all proposals and supplementary materials will become the property of CAM.

15. Selection and Execution of Subconcession Contract Subject to Approval

The selection of a proposal and the execution of and entry into a Subconcession Contract under this RFP are **subject to the approval of CAM and the Macau Government.**

CAM reserves the right to cancel and annul the notification of selection at its sole discretion before the execution of the Subconcession Contract.

16. Representation by Brokers

CAM will not be responsible for any fees, expenses or commissions for brokers or their agents. Communications by or between employees of or consultants to CAM and any potential or actual Bidder broker or agent are not to be construed as an agreement to pay, nor will CAM pay any such fees, expenses or commissions. The Bidder must hold CAM harmless from any claims, demands, actions or judgments in connection with such broker fees, expenses or commissions.

17. Disclaimer

The historical and forecast (if any) statistics and any other information, contained in this RFP and annexes hereto or in any answers to any queries, or otherwise provided, are provided for reference only to assist prospective Bidders in the preparation of a proposal. CAM assumes no responsibility whatsoever for the use of the information by Bidders or any third parties. CAM does not guarantee or assume any responsibility in any way for the completeness and accuracy of the information. All Bidders should conduct their own due diligence and make such investigation and inquiries as they consider necessary for the purpose of submitting a proposal.

This RFP does not constitute an offer. No agreement shall result upon the submission of Proposals. CAM shall not be under any obligation to enter into any agreement with anyone in connection with this RFP and any responses received. CAM may cancel and/or reissue this RFP in whole or in part at any time. CAM will not have any obligation to anyone in connection with this RFP except only the successful Bidder, if any, with whom CAM executes and delivers the Subconcession Contract in writing, approved by CAM's management and the Macau Government.

18. Confidentiality

Each Bidder undertakes to keep any information exchanged in the context of the present RFP strictly confidential, refraining from any use thereof outside this context either to their own benefit or to the benefit of third parties, regardless of the purpose thereof, except where the information in question has been requested by competent public authorities, in which case such information may be provided thereto with prior notification to CAM.

This obligation of the Bidders shall remain in place for 3 (three) years as from the date whereupon the present procedure is opened.

The Bidders are liable for any damages arising from intentional or negligent

non-compliance with those obligations referred to above regarding the use of the information exchanged, as well as for the confidentiality and use of the aforementioned information by any of their employees.”

19. Pre-contractual Position

No pre-contractual position is or may be created by this RFP or its related documents.

20. Interpretation of the RFP and Jurisdiction

The validity, construction, interpretation and enforcement of RFP and any document or agreement contemplated herein and all rights remedies, powers, obligations, and liabilities hereunder shall be governed by the laws of Macau.

CAM reserves the ultimate right to make any final and conclusive decision on all matters in relation to this RFP, including but not limited to its interpretation and implementation and the application of the provisions therein.

All conflicts arising from the RFP shall be brought exclusively to the Courts of Macau.

21. Addenda to RFP Documents

CAM may issue additional information, clarifications or modifications of the RFP documents by written Addendum. All written Addenda issued by CAM before the Deadline for Submission of Proposals shall be published on the webpage devoted to this RFP at the website <http://www.camacau.com>. All Addenda shall be incorporated into and become part of this RFP.

C. Key Business Terms and General Conditions

Without prejudice to any other provisions to be included in the Subconcession Contract to be executed by CAM and the selected Bidder, the terms and conditions specified below shall be applicable:

1. Term of Agreement

The Subconcession Contract should become effective and binding upon its execution/ being signed by both CAM and the selected Bidder (“Effective Date”). The term of the Subconcession Contract will be 5 (five) years, which is targeted to be commenced tentatively on 1 April 2018 and will expire on 31 March 2023. However, the actual commencement date of the Subconcession Contract will be the actual date of the selected Bidder’s occupancy (i.e. the Handover Date of the Premises) and will expire on the fifth anniversary of the date of the occupancy.

2. Consideration to CAM

During the term of the Subconcession Contract, the Subconcessionaire shall pay to CAM the following monthly fee (“Monthly Fee”): **a) Occupancy Fee plus Condominium Fee (indicated in subparagraph a)) AND b) Commission (indicated in subparagraph b))**;

Furthermore, a **Minimum Annual Guarantee shall apply (as indicated in subparagraph c))**:

- a) **Occupancy Fee** – MOP600.00 (Six Hundred Patacas) per square meter per month for an approximately 1,130 (One thousand one hundred and thirty) square meters of space; plus

Condominium Fee – 40% (forty percent) of the Occupancy Fee per month) for the following utilities supplied by CAM: water, electricity, drainage, air conditioning and common areas cleaning, if any (“**Utilities**”).

Please note that during the term of the Subconcession Contract, CAM may on a yearly basis increase the **Occupancy Fee** and **Condominium Fee** in accordance with the inflation reflected by the Macau Official Consumer Price Index. (The Subconcessionaire must, no later than the 8th day of each month during the term of the Subconcession Contract, pay CAM the fees in accordance with the Subconcession Contract.)

- b) **Commission** - a commission fee, which is calculated by multiplying (1) the Commission Fee Rate (to be proposed by Bidder as set out in Annex III) by (2) the “net sales” amount of the Subconcession Activity, with the “net sales” being the gross sales minus sales return from customers and any discounts and allowances offered to customers. (The Subconcessionaire must, no later than the last day of each month, pay CAM the fees for previous month in accordance with the Subconcession Contract.)
- c) **Minimum Annual Guarantee** – which is calculated by multiplying (1) the Minimum Guarantee per Passenger (to be proposed by Bidder as set out in Annex III in an amount not less than MOP34.00 per passenger) by (2) the

total number of Passengers of the MIA, whether Arriving, Departing or in Transit/Transfer, of the calendar year in question.

If, for a given calendar year, the aggregate of the Commission Fees calculated as per sub-paragraph b) above is less than the Minimum Annual Guarantee, the Subconcessionaire shall additionally pay CAM the difference between the aggregate of the Commission Fees and the Minimum Annual Guarantee.

Please note that:

- The *Pataca (MOP)* is the currency established for all the payments to be effected to CAM;
- The Subconcessionaire is solely responsible for the timely payment of all appropriate taxes, licenses and permit fees which may be levied by the Macau Government; and
- The Occupancy Fee and Condominium Fee may be increased yearly by CAM in accordance with the official inflation rate in Macau.

Note:

For the avoidance of doubt, sales made by the Subconcessionaire that will give rise to the Commissions payable to CAM subject to the stipulation above shall include, without limitation:

- i. any deal made at the MIA between the Subconcessionaire and a customer for the retail sale of any product envisaged under the Subconcession Contract (Section B. 3. of this RFP), irrespective of whether the product sold has ever been stored at the MIA, or is delivered to the customer at the MIA, or is paid for at the MIA;
- ii. any retail sale of product by the Subconcessionaire to a customer, provided that the product sold is delivered to the customer at MIA or is taken out of the Subconcessionaire's stock at the MIA for delivery, irrespective of whether the deal is made at the MIA or whether the payment for the sale is made at the MIA.

3. Capital Investment and Improvements

The Bidder should propose a total capital investment in facilities that will be used to establish a minimum cost of improvements to be specified in the Subconcession Contract. "Improvements" include architectural and engineering works, and fixtures, furnishings and equipment installation. The minimum capital investment in shop space shall be no less than MOP 10,000 (Ten Thousand Patacas) per square meter.

The Subconcessionaire shall, at its sole cost and expense, design, erect, construct and install all fixtures, furnishings, carpeting, decorations, finishing, equipment, counters, or other necessary alterations for its operation under the Subconcession. All construction and improvement works shall be in conformity with the airport construction requirements, and in conformity with the plans and specifications submitted by the Subconcessionaire and approved by the Civil Aviation Authority of Macau ("AACM") and CAM, and shall meet all applicable local building codes and ordinances as well as all other Laws.

The Subconcessionaire's design must be reviewed and approved by CAM. CAM reserves the right to review and approve or refuse to approve any improvements or other capital investments. The Subconcession Contract will include a provision that the Subconcessionaire will submit to CAM detailed plans of its proposed facilities in accordance with the schedule outlined in the Tenant Design/Construction Procedures Manual, which will be provided to the Subconcessionaire. Upon written notice by CAM of its approval of the plans, the Subconcessionaire will coordinate with CAM to schedule the construction and installation of its facilities.

The investment effectively made and the accounting procedures for its depreciation should be clearly evidenced and the investment must have been fully depreciated by the expiry date of the Subconcession Contract, which is 31 March 2023. CAM shall in no case reimburse the Subconcessionaire for any of the expenditure of the investment or the "improvements" stated above.

4. Expiration of Subconcession Contract

The Subconcession Contract will include a provision that the Subconcessionaire will, at its own expense, remove all its personal property from the airport at the expiration of the term, and refit the subconcession space to good conditions, normal wear and tear excepted, subject to coordination with CAM during a reasonable period of transition to a successor operator, if any.

5. Utilities and General Maintenance of Facilities

CAM can only provide utility points at certain positions of the shop boundary for the Subconcessionaire and the Subconcessionaire needs to organize its own arrangement within the subconcession area. The Subconcessionaire is responsible for extending the utility branch from the designated point(s) of connection as necessary, including any floor penetrations. In particular, no localized air conditioning will be provided to the shop area, but CAM will coordinate the access to the main MIA air conditioning system for localized installation. Any branch development and additional terminal units that might be considered necessary will be coordinated with CAM, which will not support their cost. Heating will not be provided in MIA. Utilities will be maintained by CAM whereas all facilities inside the subconcession area should be properly kept by the Subconcessionaire and fixed/maintained in accordance with the tenant guideline or airport requirements.

The subconcession areas will be handed over to the Subconcessionaire on an AS-IS condition. The Subconcessionaire is responsible for all build-out within the subconcession area. For the building services, CAM will provide the following Landlord provision to the Subconcessionaire for the Subconcessionaire's onward development and connection within the subconcession area:

Duty Free Shop

- Brick/gypsum board wall around shop boundary;
- One set of roller shutter for front entrance;
- One steel door for back entrance;
- Fire service system for the subconcession area;
- Main chilled pipe work for connection to central air conditioning;

- One connection point for telephone system;
- One connection point for network system; and
- Only Power main for onward power distribution.

Kiosk

- Brick/gypsum board wall around shop boundary;
- One set of roller shutter for front entrance;
- Fire service system for the subconcession area;
- One connection point for telephone system;
- One connection point for network system; and
- Only Power main for onward power distribution.

All construction/renovation works, including interior decoration in MIA performed by Subconcessionaire should be approved by CAM and Government Authority before commencement.

The Subconcessionaire will provide sufficient janitorial services to ensure that the subconcession space is at all times maintained in a clean, attractive and sanitary manner including but not limited to equipment, utensils, fixtures, grease traps, service counters and display units.

The Subconcessionaire is responsible for all the setup, maintenance, and cleaning within the subconcession area, including the seating area, service corridors and passages. High standard of cleanliness and hygiene at the Subconcession spaces shall be maintained at all times with rubbish bins being required to be provided by the Subconcessionaire.

* CAM reserves the right to modify any landlord provision items, at CAM's sole discretion.

6. Accounting Records and Reports

The Subconcessionaire must, no later than the 8th day of each month during the term of the Subconcession Contract, provide to CAM:

- a statement of gross sales and net sales by category and number of transactions for each location for the preceding month both in hard copy and in digital form;
- such other reports as may be required by CAM.

The Subconcessionaire shall rent or purchase MIA point of sales system, which will automatically input all sales transactions into the IT computer system for CAM monitoring or review.

The Subconcessionaire must maintain separate and accurate records of gross sales and net sales and expenses of the Subconcession Contract in accordance with official accounting procedures in Macau.

7. Insurance Requirements

The Subconcessionaire must maintain throughout the term of the Subconcession Contract insurance coverage for general liability, property damage, workers' compensation, product liability, civil liability and such other insurance as required by law and/or the contract, all to the satisfaction of CAM. All insurance policies must include a clause of cross liability jointly covering CAM, its representatives and agents to be specified by CAM and MIA. The kinds and amounts of insurance required must include, but are not limited to, the following:

- labor accident insurance covering its entire staffs in accordance with the terms and conditions prescribed under Macau law;
- civil liability insurance covering all and any personal injuries and property damages caused to third parties including CAM and its representatives and agents to be specified by CAM and MIA and their staff, having per accident and for an unlimited number of occasions during the term of its validity, a minimum coverage of MOP10,000,000 (Ten Million Patacas);
- insurance against all risks, covering materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility, which cover all risks caused by damages or accidental losses with the sum insured corresponding to their replacement values;
- any other insurance considered mandatory in accordance with the laws of Macau.

CAM may from time to time assess and review the requirements for insurances and their limits.

8. Non-transferability and Sub-granting

- a. The Subconcessionaire's contractual status/position is not transferable to any third parties. Nonetheless, if previously authorized by CAM in writing the Subconcessionaire may sub-grant to third parties, whether fully or partially, the rights and obligations conferred to it under the Subconcession Contract. Sub-granting does not exempt the Subconcessionaire of the responsibilities and obligations assumed under the Subconcession Contract, with the Subconcessionaire being wholly responsible for compliance with the obligations of any sub-grantee, its agents or employees;
- b. Without prejudice to the preceding above, the Subconcessionaire shall be responsible for all charges and liabilities incurred from the eventual sub-grant and the Subconcessionaire must ensure that any sub-grantee complies with all legislation and regulations applicable to the activity carried on and that the sub-grantee has and will have all permits, licenses and approvals applicable under the law and regulations necessary to carry on its activity as well as to meet its obligations under the agreement;
- c. The breach of the conditions stated in paragraph a. above by the Subconcessionaire, or by any of its representatives, shall entitle CAM to terminate and cancel the Subconcession Contract, with the Subconcessionaire having no right to any compensation or indemnification whatsoever;
- d. CAM may request the replacement of any sub-grantee with no additional costs for CAM if:
 - In its opinion the said sub-grantee is not qualified to fulfil the obligations; and;

- Any breach by the sub-grantee of any obligations assumed under the agreement or of any legislation or regulations becomes known to CAM.

9. Other Terms and General Conditions

- a. The Subconcessionaire will operate its subconcession locations every day, including public holidays, in a continuous manner and without interruptions other than those resulting from the nature and function of the activities of the Subconcessionaire, save for fortuitous or *force majeure* cases duly justified and accepted as such by CAM. Shops are to be opened at least 1 (one) hour prior to the first departing flight and closed after the actual departure of the last departing flight every day. The Subconcessionaire is to seek prior approval from CAM for any change in the hours of operation;
- b. The passenger terminal building at MIA is a non-smoking environment and, as such, smoking inside the Duty Free Shops is strictly prohibited;
- c. MIA encourages operators to preserve the earth's natural resources by reducing waste from operations to minimize the environmental impact and help create a healthy planet.
- d. The obligations undertaken by the Subconcessionaire shall be secured by a reliable bank guarantee for a total amount of MOP40,000,000 (Forty Million Patacas) and the bank guarantee shall remain valid from the time the Subconcession Contract comes into force through to at least 65 (sixty five) days after the reversion of the premises (subconcession areas). The bank guarantee will be returned without accruing interest to the Subconcessionaire within 65 (sixty five) days after the reversion of the premises (subconcession areas) upon the end of the Subconcession Contract, after the deductions that may be made for any amounts due and payable but not paid.

10. Non-Exclusivity

The Subconcession Contract shall not confer or grant to the Subconcessionaire any exclusive rights. CAM is entitled to operate Duty Free shops and services and relevant activities by itself, and is also entitled to grant the right to operate Duty Free shops and services and relevant activities to any other operators.

11. Fair Competition

The Subconcessionaire shall warrant and undertake that it or its personnel shall not have any agreement or arrangement, whether written or spoken, with any other person or entity or their personnel who carry out at the Airport an activity similar to the Subconcession Activity or services similar to the Subconcession Services hereunder, with the object or effect of preventing, falsifying or restricting competition.

The Subconcessionaire shall not have any shareholder (whether direct or indirect) or beneficial owner (whether direct or indirect), member of the corporate administrative body or senior officer who is a shareholder (whether direct or indirect) or beneficial owner (whether direct or indirect), member of the corporate administrative body or senior officer of any other entity which carry out at the Airport an activity similar to the Subconcession Activity or services similar to the Subconcession Services hereunder, unless with CAM's prior written consent.

Any breach of such provision may entitle CAM to immediately terminate the Subconcession Contract, and the Subconcessionaire shall have no right to any compensation or indemnification whatsoever.

D. Business Opportunities

1. Subconcession Space

This RFP makes available spaces (as-is condition) to be handed over to the Subconcessionaire subject to the Subconcession Contract.

The floor plan (Annex I) shows the general locations of the spaces for this RFP. Please note that spaces size and location are estimates and are subject to change:

Area	Location	Approx. Area (square metres)		Approx. in Total (square metres)	Permitted Usage
B	South Airside of Passenger Terminal Building	Shop 5, 6 & 7 Shop 8	643 248	1,130	Liquor and Tobacco, Candies & Souvenirs, General Merchandising and International Fashion Brand
		Kiosk D, E, F & G3	239		Perfume & Cosmetic

Any additional space required for back office (such as storage, administrative offices, etc.) may be provided to the Subconcessionaire if CAM deems appropriate, subject to the availability. For this purpose, a License for Occupation and Use of Spaces for back office or storage usage would be signed with the Subconcessionaire separately.

2. Hours of Operation

The Subconcessionaire will operate its subconcession locations every day, including public holidays, in a continuous manner and without interruptions other than those resulting from the nature and function of the activities of the Subconcessionaire, save fortuitous or *force majeure* cases duly justified and accepted as such by CAM. Shops and kiosks are to be opened at least 1 (one) hour prior to the first departing flight and closed after the actual departure of the last departing flight every day. The selected Bidder is to seek prior approval from CAM for any change in the hours of operation.

E. Proposal Requirements

The bound proposal and its copies must include all of the following items and documents organized and tabulated in the following order, and **should be written in English language**:

1. Cover/Transmittal Letter
2. Experience and Qualifications Statement
3. Customer Service Statement
4. Commission Fee Rates and Minimum Guarantees Per Passenger
5. Projected Annual Sales, Commissions and Income Statements
6. Capital Investment and Start-Up Financing Plan
7. Methods of Management and Operations
8. Duty Free Shop Concept Development
9. Design of Facilities
10. Professional References
11. Opinion of Legal Counsel
12. Exceptions
13. Other Information
14. Executed Proposal Affidavit
15. Business Information Statement
16. Financial Statements

CAM has established the following page limits (please refer to note) for all proposals submitted in response to this RFP. CAM reserves the right to reject any proposals not following this page limits when CAM deems appropriate:

- a. The cover/transmittal letter, experience and qualifications statement, and methods of management and operations sections cannot, jointly and in total, exceed 70 (seventy) pages.
- b. The Duty Free Shops concept development and design of facilities section cannot, jointly and in total exceed 50 (fifty) pages. Photographs, drawings, plans and renderings of proposed facilities are included in the page count.
- c. The other information section cannot exceed 50 (fifty) pages.

Note:

For the purpose of this page limitation, a “page” shall mean a single-sided A4 paper and a standard font of at least 12 point (with the exception of drawings, plans and renderings, which may be provided on A3 size paper).

1. Cover/Transmittal Letter

This Cover/Transmittal Letter should be signed by the person(s) duly authorized to represent the Bidder (hereafter also the ‘Authorized Person’). Each Bidder’s Cover/Transmittal Letter must indicate a return mailing address, contact person, telephone and fax numbers, and email address as well as any pertinent facts or details of the proposal, which the Bidder desires to emphasize.

2. Experience and Qualifications Statement (Annex II)

The Bidder must clearly illustrate how it meets the minimum experience requirements detailed in Section B.4 of this RFP; and should explain in detail the number of years and extent of Bidder's relevant airport duty free experience, with special emphasis upon prior experience with the operation and management of such facilities at airports, major transportation centres, shopping centres or other high-traffic/high-volume environments. The Bidder should also provide details on the pertinent experience of the person or persons who will be directly involved in the development and management of this facility. Bidders should also demonstrate the overall strength and opportunities in the Macau business environment and provide support licenses and permissions (if any). This section of the proposal should include the following and be presented in the form of **Experience and Qualifications Statement** (Annex II):

- Duty free shops operated by the Bidder (or its Group as stated in Section B. 4) in the past 5 (five) years;
- Sales volume of operations, by individual airport location(s);
- Demonstration of duty free shop management experience/expertise;
- Photographs of the interior and exterior of existing duty free shops (please select no more than 10 (ten) shops to include as reference);
- Each Bidder is required to provide Credit Reference Letter(s) addressing to CAM with a period of not less than 3 (three) years from your landlord and/or Airports;
- Other information that supports Bidder's duty free shop experience as it pertains to and is required by the RFP.

3. Customer Service Statement

The Customer Service Statement must describe the specific plan for customer services that will be provided, including the following:

- a. Customer service standards;
- b. Range of variety for facilities and products and services provided;
- c. Ability to provide add-value services to MIA passengers such as pre-order or internet selling, home delivery service and etc.;
- d. Ability to offer competitive prices on products.

4. Commission Fee Rates and Minimum Guarantee Per Passenger (Annex III)

The Bidder must complete and submit the Commission Fee Rates and Minimum Guarantee Per Passenger form (Annex III).

5. Projected Annual Sales, Net Income and Cash Flows (Annex IV)

The Bidder must provide a good faith estimate of the expected annual gross sales per category, payments to be made to CAM, and income and expenses for each of the 5 (five) years of the term. Major assumptions, including but not limited to inflation and number of passengers, used in developing the sales projections must also be clearly stated. (Annex IV)

6. Capital Investment and Start-Up Financing Plan (Annex V)

The Bidder must provide a detailed cost estimate for the proposed improvements and other start-up costs for the location. The Bidder should use the format provided (Annex V). The estimate should delineate all improvements; equipment, furnishings and fixtures; architectural design and engineering fees; working capital; initial inventory; and other capital investments.

7. Methods of Management and Operations

The Bidder must describe the specific plans for operations and the services that will be provided, including the following:

- a. Takeover accessibility with the revamp renovation program in phases;
- b. Environment protection program;
- c. Operation performance standards and plans;
- d. Facility maintenance plan including the Bidder's policy for maintenance and repairs, expected frequency of cleaning and trash disposal, and general schedule for the replacement of equipment, displays, fixtures and carpeting;
- e. Merchandise logistics, including the expected delivery schedule of inventory and replenishment of on-site stock;
- f. Staffing plan to include the number of management and non-management employees to cover the operating hours;
- g. Staff uniform design;
- h. Proposed marketing/promotion programs; if any;
- i. Description of the service concepts and pricing policy.

8. Duty Free Shop and Kiosk Concept Development

The proposed atmosphere should enhance overall passenger satisfaction, and increase the operational and economic performance of the subconcession, through higher penetration and sales per passenger.

The Bidder should submit the following information in sufficient detail to clearly define the Duty Free Shops and Kiosks, and include the following detailed descriptions: a) concept and design theme; b) proposed facilities and services; c) visual presentation and branding arrangement.

9. Design of Facilities

The Bidder should provide a brief narrative description of the proposed capital improvements to be made to the space, including the amount of capital investment, and the dominant design theme, including innovation, creativity of design, utility requirements, circulation and queuing; graphics and signage and visual interest. The construction works should be completed within 60 (sixty) calendar days after obtaining the work permit at MIA.

The Bidder should identify its architectural design team, specifying prior experience in the design of duty free facilities (including resumes and project experience). As-built documentation should be provided to CAM.

The construction and “Open for Business” schedule should be provided.

10. Professional References (Annex VI)

The Bidder must list at least 2 (two) airport and/or landlord contacts. These references must be the Bidder’s primary contacts for day-to-day issues at the airport. The Duty Free Shops operated by the Bidder (or its Group as stated in Section B. 4) at these locations must be of similar nature as those being proposed for this RFP. The Bidder should use the format shown in Annex VI for each reference. If the Bidder does not have 2 (two) current airport and/or landlord contacts, then financial and/or related business references should be provided, however, 1 (one) reference must always be from a current airport and/or landlord contact.

Furthermore, Bidders are advised to provide Brand reference letters in the Proposals.

11. Opinion of Legal Counsel

The Bidder shall obtain a statement from a legal counsel qualified to practice in the territory where the current operating shop(s) is/are located, indicating whether or not any litigation is pending or contemplated that could affect the Bidder’s ability to execute/fulfil its Proposal.

12. Exceptions

Bidders should include a list of exceptions, if any, to the requirements of this RFP (including Annexes). The Bidder must state all such exceptions on a separate page labelled “Exceptions”. Identify the requirement, nature of the exception and explanation. If no deviations are identified and the Bidder’s proposal is accepted, the Bidder will conform to all of the requirements specified herein.

13. Other Information

The Bidder should provide any other information that is required by this RFP and any other information that it believes would be helpful in evaluating the Bidder’s ability to successfully develop and operate the business.

14. Executed Proposal Affidavit (Annex VII)

The Bidder must include an executed proposal affidavit in the form established in Annex VII to acknowledge that a) it has received all sections, annexes and materials comprising this RFP; b) its Proposal is based upon all of the terms and conditions set forth in this RFP; and c) specifically agrees to operate the business in the manner set forth in the Proposal. Alterations, additions and/or modifications to the form of affidavit will not be accepted and may be cause for rejection of the Proposal.

15. Business Information Statement

Bidder must include a separate business information statement for the Bidder, all of its proposed sub-grantees, and all other related entities and individuals. This information should include:

- The name and contact information of the reporting entity;
- The form and nature of the reporting entity;
- A list of the shareholders and their percentage share; and
- A Macau Commercial Registration Certificate including the updated Articles of Association (Certidão do Registo Comercial com Estatutos atualizados) and the Company's Incorporation Act (Contrato de Constituição de Sociedade)

Statements must be complete and accurate. Information that is incomplete, conditional, ambiguous, obscure, or which contains alterations not called for, or irregularities of any kind, may cause a proposal to be deemed non-responsive. By submission of this proposal, the Bidder acknowledges and agrees that CAM has the right to make any inquiry or investigation that CAM deems appropriate to substantiate or supplement information contained in this statement and hereby authorizes the release to CAM of any and all information sought in such inquiry or investigation.

16. Financial Statements

The Bidder must submit to CAM the following financial statements:

- The Bidder's (and, as stated in Section B. 4 and where applicable, the relevant Group members') complete audited financial statements, including a balance sheet, income statement and statement of cash flows, prepared in accordance with generally accepted accounting principles, for the current fiscal year-to-date, and the most recent 3 (three) complete fiscal years. Footnote disclosures must accompany the submitted year-to-date financial statements. If available, financial statements audited or certified by an independent certified public accountant should be submitted; otherwise, a notarized statement certifying the accuracy of the financial information and signed by an officer of the proposing entity must accompany the financial information;
- If the Bidder is a subsidiary of another entity, then the above referenced financial information of the parent entity must also be submitted;
- The Bidder must submit the above-referenced financial information for proposed sub-grantees, if any.

CAM reserves the right to obtain, at no cost to the Bidder, other credit reports on the Bidder and its partners, affiliates and sub-grantees, if any, to facilitate its financial evaluation of the Proposal.

F. Evaluation Criteria

All proposals will be reviewed and evaluated by an Evaluation Committee formed by CAM, which will recommend to CAM's management and the Macau Government a proposal for award of the subject Subconcession Contract. In addition to any criteria set forth elsewhere in this RFP, weights have been assigned to each criterion based on a 1,000-point scale. *Scoring occurs after interviews (if any) have been completed.*

Evaluation Criteria	1,000 Total Points
EXPERIENCE AND QUALIFICATIONS	200 Points
Demonstrate management experience/expertise in airport duty free shops	100 Points
Years in specified business and reference letters received	100 Points
CUSTOMER SERVICE	200 Points
Ability and willingness to provide high level of customer service standards	50 Points
Range of products, facilities and services offered	50 Points
Ability to provide add-value services to MIA passengers	50 Points
Ability to offer competitive prices & international brands	50 Points
FINANCIAL	280 Points
Weighted Average Percentage Commission Rate*	130 Points
Sales projections and financials	50 Points
Minimum guarantee per passenger*	50 Points
Financial capacity and references	50 Points
MARKETING AND OPERATION PLANS	200 Points
Takeover Accessibility with a detailed revamp renovation plan and environment protection program	30 Points
Operation performance standards and plans and facility maintenance plan	80 Points
Management organization staffing plan in Macau	50 Points
Marketing program, service concepts and pricing policy	40 Points
DESIGN AND PROPOSED CAPITAL INVESTMENT	120 Points
Design concepts development and integration into MIA	60 Points
Expected quality and creativity of Duty Free Shop design	60 Points

* Please refer to Annex III.

Annex I

Floor Plan-PTB201702R

The floor plans shown serve the purpose of defining the approximate location of the Duty Free Shops under this RFP and their approximate total area (**Area B**).

Area A
North Airside
Approx. 1,122 m²

Area B
South Airside
Approx. 1,130 m²



For indicative purpose only

Annex II

Experience and Qualifications Statement-PTB201702R

Please provide the following items:

1. List the airport duty free shops owned and/or operated by the Bidder (or its Group as stated in Section B. 4) in the past 5 (five) years, including opening/closing dates, description of shops, and annual gross sales using the format below. Please list no more than 10 (ten) airports.

Airport and description of shops	Opening date	Closing date (if applicable)	Calendar Year Gross Sales (in US\$)				
			2012	2013	2014	2015	2016

2. Provide demonstration of airport retail shop management experience and environmental protection programs;
3. Attach photographs of the interiors and exteriors of relevant shops;
4. Attach key personnel résumés with a brief description of their planned roles at the MIA Duty Free Shops and an organisation chart for the MIA operation;
5. Provide other information that supports Bidder's duty free shop experience as it pertains to and is required by this RFP.
6. Provide Credit Reference Letter(s) addressing to CAM with a period of not less than 3 (three) years from your landlord and/or Airports.

Annex III

Commission Fee Rates and Minimum Guarantee Per Passenger -PTB201702R

Please complete this form by providing a Commission Fee Rate for each of the Product Categories, as well as the Minimum Guarantee Per Passenger.

Commission Fee Rates (% of Net Sales)

Product Category	Commission Fee Rates (% of Net Sales)	Weighting for the purpose of proposal evaluation *
Liquor & Tobacco	XX%	40%
Perfume & Cosmetics	XX%	30%
Watch & Jewellery	XX%	10%
General Merchandizing	XX%	20%

* Such Weightings are set out above for working out a Weighted Average Percentage Commission Rate, which is ONLY for the purpose of proposal evaluation under this RFP.

The Weighted Average Percentage Commission Rate is calculated based on the Commission Fee Rates proposed by the Bidder for the respective Product Categories and the corresponding Weightings set out above.

Nevertheless, please note that such Weightings and the Weighted Average Percentage Commission Rate are for the purpose of proposal evaluation ONLY, and will not have any relevance to or effect on the calculation of the Commission Fees payable under the Subconcession Contract that may subsequently be entered into.

Minimum Guarantee per Passenger-PTB201702R

Minimum Guarantee per Passenger in MOP:_____

Name of the Bidder: _____

Signature of the Authorized Person (for and on behalf of the Bidder):

Name of the Authorized Person: _____

Title: _____

Date: _____

The Minimum Guarantee per Passenger, cannot be less than MOP34.00 per passenger; otherwise the Proposal may be disqualified/rejected

Annex IV

Projected Annual Sales, Commissions and Income Statements-PTB201702R

Please provide as shown in the tables that follow, (1) a projection of MIA passengers assumed, and the annual sales and commissions for each shop; (2) a summary of these items for all shops; and (3) expenses, net income and cash flow, using the table structures shown below.

1. SALES AND COMMISSIONS FOR EACH SHOP

Shop Number: XX	Year 1		Year 2		Year 3		Year 4		Year 5		Total	
Airport Passengers	X		X		X		X		X		X	
Product Category	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)
Liquor & Tobacco	X	X	X	X	X	X	X	X	X	X	X	X
Perfume & Cosmetics	X	X	X	X	X	X	X	X	X	X	X	X
Watch & Jewellery	X	X	X	X	X	X	X	X	X	X	X	X
General Merchandizing (including in-store advertising)	X	X	X	X	X	X	X	X	X	X	X	X
Total	X	X	X	X	X	X	X	X	X	X	X	X

Please provide a table that summarises the sales and commissions at all shops, for each year, as shown below.

2. SUMMARY OF SALES AND COMMISSIONS FOR ALL SHOPS

Shops: All	Year 1		Year 2		Year 3		Year 4		Year 5		Total	
Airport Passengers	X		X		X		X		X		X	
Product Category	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)	Sales (MOP)	Commission (MOP)
Liquor & Tobacco	X	X	X	X	X	X	X	X	X	X	X	X
Perfume & Cosmetics	X	X	X	X	X	X	X	X	X	X	X	X
Watch & Jewellery	X	X	X	X	X	X	X	X	X	X	X	X
General Merchandizing (including in-store advertising)	X	X	X	X	X	X	X	X	X	X	X	X
Total	X	X	X	X	X	X	X	X	X	X	X	X

Please provide a table that details the sales, expenses and net income, for each year, as shown below.

3. INCOME STATEMENTS-PTB201702R

Shops: All	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Sales						
Sales	X	X	X	X	X	X
Expenses						
Cost of goods sold	X	X	X	X	X	X
Occupancy costs						
Freight and storage	X	X	X	X	X	X
Staff and benefits	X	X	X	X	X	X
Marketing/Advertising	X	X	X	X	X	X
Utilities/Telecoms	X	X	X	X	X	X
Insurance	X	X	X	X	X	X
Franchise Royalties	X	X	X	X	X	X
General Admin	X	X	X	X	X	X
Interest	X	X	X	X	X	X
Depreciation and Amortization	X	X	X	X	X	X
Other	X	X	X	X	X	X
Net Income						
Net Income	X	X	X	X	X	X

Annex V

Capital Investment and Start-Up Financing Plan-PTB201702R

Please provide the estimated capital investment for each shop and financing sources.

	Estimated capital investment (MOP)	Shop					
		XX	XX	XX	XX	XX	XX
1	Architectural & engineering fees	X	X	X	X	X	X
2	Furnishing, fixtures and equipment	X	X	X	X	X	X
3	Improvements	X	X	X	X	X	X
4	Working capital	X	X	X	X	X	X
5	Initial inventory	X	X	X	X	X	X
6	Others (if applicable)	X	X	X	X	X	X
7	Total Investment	X	X	X	X	X	X
	Financing Sources (MOP)						
1	Debt (by source)	X	X	X	X	X	X
2	Equity	X	X	X	X	X	X
3	Total Investment	X	X	X	X	X	X

Annex VI

Professional References Form-PTB201702R

Please use the following format for each of the 2 (two) required references:

Reference No. _____

Name: _____

Title: _____

Company: _____

Address: _____

Telephone: _____

Nature and magnitude of association (including years):

Annex VII – Executed Proposal Affidavit-PTB201702R

I, the undersigned, being the authorized signatory of the Bidder, hereby submit to CAM the enclosed proposal to operate as a Subconcessionaire at Macau International Airport (“MIA”) under the terms and conditions set forth in the Request for Proposal (“RFP”) for the Duty Free Services Subconcession at MIA. Furthermore, for and on behalf of the Bidder, I hereby declare that a) the Bidder has received all sections, annexes and materials comprising the RFP; b) the Bidder’s proposal is based upon all of the terms and conditions set forth in the RFP; and c) the Bidder further specifically agrees to operate the business and provide goods and services in the manner set forth in this proposal.

The Bidder further acknowledges and confirms as follows:

1. that the Bidder has the capability to successfully undertake and complete the responsibilities and obligations contained in the proposal and in the Subconcession Contract to be executed with CAM;
2. that CAM has the right to make any further inquiry it deems appropriate to substantiate or supplement information supplied by the Bidder; and the Bidder agrees to permit and cooperate with CAM’s investigation on business experience, financial responsibility and characteristics of the Bidder;
3. that the Bidder has read and fully understands all the provisions and conditions set forth in the RFP and considers the project feasible;
4. that CAM is obligated to comply with the Macau International Airport Concession Contract which was granted by the Macau Government and compliance with the Concession Contract will become an obligation of the Bidder if awarded with the subconcession;
5. that the Bidder’s proposal may be withdrawn by requesting such withdrawal in writing at any time prior to the Deadline for Submission of Proposals in response to this RFP as set forth in the RFP documents;
6. that CAM reserves the right to reject any proposals or all proposals, to withdraw the RFP, to cancel the RFP, to reissue the RFP, to enter into negotiations with any bidders or all bidders, and to accept any proposal which in CAM’s sole discretion will provide the best level of service to the airport users.

Finally, by the present statement, the Bidder undertakes that it will bear sole responsibility for all costs incurred by the Bidder in connection with the preparation and submission of this Proposal and with Bidder’s costs associated with any negotiation or interview with CAM. Under no circumstances shall CAM be responsible for any costs associated with Bidder’s submittal or negotiation of any agreement with CAM.

Name of the Bidder: _____

Signature of the Authorized Person: _____ (for and on behalf of the Bidder)

Name of the Authorized Person: _____ Title: _____

Business Address: _____

Notary Signature: _____ Date: _____

Annex VIII

Pre-Bid Meeting and Site Visit Registration Form-PTB201702R

Date : 16 January 2018, Tuesday
Time : 10:00am (Macau local time)
Venue : 4/F, CAM Office Building

Company's Name : _____

Attendee's Name & Title:

1. _____

2. _____

3. _____

Please provide a contact person's name and title:

Contact no and email address of contact person:

Bidders must sign in the form in CAPITAL LETTERS for each attendee (a maximum of 3 (three) persons) and submit this form at least 5 (five) business days in advance of the meeting date to the following address (please clearly label the envelope of the registration form as follows) in order to participate in the site visit.

Please enclose a clear photocopy of all the proposed attendees' current identification document (e.g. Hong Kong or Macau identification card or passport) with this form and send it to the following address (please clearly label the envelope of the registration form as follows):

Chairman of the Executive Committee
Macau International Airport Company Limited (CAM)
4th Floor, CAM Office Building,
Avenida Wai Long, Taipa, Macau SAR
Subject: Pre-Bid Meeting and Site Visit Registration-PTB201702R

CAM will confirm each attendee by email or by call in advance prior to the meeting and reserves the right to reject any attendees that CAM deems unqualified or inappropriate at its sole discretion.