

**Tender for a Tenancy for Kai Tak Cruise Terminal**  
**(Tender Ref.: TC 1/2025)**  
Response to Tender Enquiries

**Tender Process and Submission**

**Q1 What is the timeline for this Tender?**

A1 Paragraph 15.1 of the Terms of Tender specifies that a Tender must remain valid and open for acceptance on and subject to the terms and conditions set out in the Tender Documents for a period of two hundred and forty (240) days from the Tender Closing Date. The Government aims to complete the selection process within 2026.

**Q2 Is the Tender Deposit required to be a cashier's order?**

A2 Yes. The Tender Deposit shall be paid by a cashier's order (or cashier's cheque as some may refer to) payable to "The Government of the Hong Kong Special Administrative Region" and drawn on a bank within the meaning of the Banking Ordinance (Cap. 155). For details, please refer to Paragraph 9.1 of the Terms of Tender.

**Q3 For a Tenderer that is a newly incorporated joint venture, how will its experience and financial capability be assessed respectively? Will the experience and financial capability of its shareholder(s) also be taken into account?**

A3 Tenderer may refer to Note 1 in the Marking Scheme at Appendix B of the Terms of Tender regarding the essential requirements, Paragraph (b) of which provides how the experience of Subsidiary Companies and/or Related Companies in a Corporate Group could be counted. This applies to all Tenderers, including newly formed incorporated or unincorporated joint venture.

The financial capability of not only the Tenderer but also its proposed Performance Guarantor (which must be a shareholder, parent company or holding company of the Tenderer, or a person having exposure or rights to variable returns from its involvement with the Tenderer) will be considered by the Government. For financial vetting, if the first audited accounts of the Tenderer are not yet available, it may submit

unaudited accounts; however, if the Tenderer is a subsidiary of another company, it is still required to submit the audited consolidated accounts of the group. For details, please refer to the submission requirements for Item 2(b) of the checklist at Appendix A of the Terms of Tender.

**Q4 Can a Tenderer who is a subsidiary of a holding company rely on the experience and financial capacity of its Performance Guarantor or group companies to meet the Tender qualification requirements?**

A4 To comply with the essential requirements in the Marking Scheme, the Tenderer should have at least 3 consecutive years of experience in operating and managing a Cruise Terminal Facility within the past 10 years and such experience shall be counted only if the Tenderer has experience in berthing of cruises with gross tonnage of 160,000 tonnes or above. If the Tenderer is a newly formed Subsidiary Company under a Corporate Group, the experience gained by a particular Subsidiary or Related Company under the same Corporate Group may be counted in assessing the Tenderer's experience. For details, please refer to Section 2 of the Marking Scheme in Appendix B of the Terms of Tender.

A Tenderer and its proposed Performance Guarantor (which must be a shareholder, parent company or holding company of the Tenderer, or a person having exposure or rights to variable returns from its involvement with the Tenderer) must demonstrate their financial capability before the Tenderer can be considered for the award of the Contract. The required amount of Security Deposit is determined by the results of the financial vetting. If the Successful Tenderer (with its proposed Performance Guarantor) passes, the amount shall be the greater of six months' tendered monthly fixed rent or HK\$5 million; while if the Successful Tenderer (with its proposed Performance Guarantor) fails, the amount shall be the greater of 12 months' tendered monthly fixed rent or HK\$10 million. For details, please refer to Paragraph 11.1 and 13.1 of the Terms of Tender.

**Q5 How many Performance Guarantors should be proposed in each Tender?**

A5 There should be one proposed Performance Guarantor for each Tender. But in the case where the Tenderer comprises Joint Tenderers, one guarantor (which must be a shareholder, parent company or holding company of the Tenderer, or a person having exposure or rights to

variable returns from its involvement with the Tenderer) should be proposed for each Joint Tenderer. If such Tender is accepted by the Government, such guarantors will be jointly treated as the proposed Performance Guarantor who shall jointly execute one Performance Guarantee (in the form set out in Appendix G of the Terms of Tender) covering all obligations and liabilities of the Tenderer/all Joint Tenderers under the Agreement. For the avoidance of doubt, the same guarantor may be proposed to act as guarantor for more than one Joint Tenderer. In other words, it is acceptable to have only one guarantor proposed for all Joint Tenderers in the same Tender.

**Q6 What is the expected asset size of the Tenderer's proposed Performance Guarantor in order for such Tenderer to pass the financial vetting?**

A6 Financial vetting will be conducted in a professional and holistic manner. Its objective is to ensure that the Tenderer is, apart from being technically sound, financially capable of fulfilling the contract requirements. There is no particular line drawn on the asset size of the proposed Performance Guarantor that can guarantee a pass in the financial vetting.

**Q7 Are audited financial statements prepared in accordance with International Financial Reporting Standards (IFRS) acceptable for meeting the financial submission requirements?**

A7 The Tenderer may include audited financial statements prepared in accordance with the IFRS in its Tender. The Government may later seek clarification or request further information or document from the Tenderer if needed. For details, please refer to Paragraph 8.1 of the Terms of Tender.

**Q8 What is the extent of financial projections expected from Tenderers regarding the gearing-up period?**

A8 For completion of Appendix I and Appendix J of the Terms of Tender, the gearing up period is assumed to start from 1 December 2026 to 31 May 2028. The Tenderer should use its best knowledge and understanding to project revenue, costs/expenses and cash flows, if any, for such period based on its plans for the operation of the Cruise Terminal.

**Q9 Is it a must for the Successful Tenderer to execute the Tenancy Agreement with the Government? Is it permissible for the Successful Tenderer to form a new company to execute the Tenancy Agreement? Can the Successful Tenderer assume the role of Performance Guarantor and assign a subsidiary company to execute the Tenancy Agreement?**

A9 There are clear definitions of “Tenderer”, “Successful Tenderer” and “Performance Guarantor” in the Tender Documents. They carry different roles in the Tender and Agreement.

In submitting a Tender, the Tenderer “agree(s) to be bound by all terms and conditions set out in the Tender Documents and the Agreement” as specified in the beginning of page 2 in the Form of Tender.

Please also refer to Clause 17.2 of the Terms of Tender which specifies that “Unless and save ..., the Government will enter into the Agreement with the Successful Tenderer.”.

The Successful Tenderer should be the person entering into the Agreement with the Government to become the Tenant. The Government will not accept any other person in lieu of the Successful Tenderer. The Tenant may however involve others such as its contractors, agents and employees under its Tenancy, subject to relevant clauses in the Agreement.

**Q10 Should the required legal opinion under Paragraph 12.5 of the Tender be governed by the law of the jurisdiction in which the Tenderer is incorporated?**

A10 Yes. The legal opinion must be issued by a lawyer or a firm of lawyers duly qualified to practise the laws of the place where the Successful Tenderer is incorporated. For further details, tenderers may refer to Paragraph 12.5 and Appendix H of the Terms of Tender.

**Q11 Can the Tenderer negotiate with the Government on the terms set out in the Tender Documents, including those in the Form of Agreement? Will the Government initiate such negotiation?**

A11 In submitting a Tender, the Tenderer “agree(s) to be bound by all terms and conditions set out in the Tender Documents and the Agreement” as specified in the beginning of page 2 in the Form of Tender. On the other hand, Paragraph 31 in the Terms of Tender specifies that “The Commissioner reserves the right to negotiate with any Tenderer in relation to the Tenderer’s Tender and/or conditions of the Contract (including the Agreement).”

## **Terminal Operation**

**Q12 What are the Tenant’s specific obligations regarding cruise operations, and which services are provided by other parties?**

A12 Please refer to the Tender Documents, which detail the Tenant’s obligations and the required scope of services. Bidders are encouraged to conduct their own due diligence and seek independent legal advice to ensure a full understanding of these requirements.

**Q13 How would the transition from current operator to the Successful Tenderer be arranged and what is the duration of the transition period?**

A13 As specified in the Tender Notice, the Tenancy under the Tender is “for a term of (10) years commencing on 1 June 2028 (or on a date to be specified by the Commissioner for Tourism)”. The Successful Tenderer should make necessary preparation upon execution of the Contract. There are also a number of obligations that the Successful Tenderer should perform before the commencement of the Term, including but not limited to those obligations specified in Clause 10 of the Form of Agreement, proposing a set of guidelines for berth allocation (Clause 12.3(a) of the Form of Agreement), engagement of Management Team (Clause 11.10 of the Form of Agreement), as well as proposals contained in the Successful Tenderer’s Transition Plan submitted as per Appendix K(I) in the Terms of Tender and accepted by the Government to form a Binding Proposal as per Clause 11.3(a)(iv) of the Form of Agreement.

**Q14 What access rights (e.g., for surveys, staff onboarding, fit-out planning) will the successful Tenderer have during the gearing-up period?**

A14 Access to the premises will be allowed to view the condition of the premises.

**Q15 Can we obtain details on immigration or customs procedures of the Kai Tak Cruise Terminal (KTCT) for preparation of tender submission?**

A15 The immigration and customs procedures in Hong Kong are governed by relevant ordinances and regulations of Hong Kong. Tenderers may also refer to the website of the Immigration Department (at <https://www.immd.gov.hk/>) and Customs and Excise Department (at <https://www.customs.gov.hk/>) of the Government for more information.

**Q16 How would the Baggage Service Counter be operated?**

A16 Clause 21.1 of the Form of Agreement specifies that the Baggage Service Counter in Clause 21 is "for providing airport check-in and baggage delivery service.". The provider of such service should be capable of and qualified especially for airport check-in service, and the provider has to meet the requirements of the Airport Authority Hong Kong. Clause 21.5 of the Form of Agreement specifies that "the Tenant shall by itself and shall procure service provider(s) to complete and execute a sub-Tenancy Agreement to effect the underletting...".

**Q17 What is the process for getting Landlord's approval of third-party contractors for stevedoring and check-in services, and what is the Tenant's role in operational oversight?**

A17 Please refer to Clause 12.5 of the Form of Agreement on stevedoring and passenger services. In particular, Clause 12.5(a) of the Form of Agreement specifies, amongst others, the right of providing stevedoring services and check-in counter services within the Premises, that the Tenant does not have the exclusive right and cruise line operators or agents as approved by the Landlord shall have the right to engage their own contractors for providing such services. In managing cruise operation, the Tenant shall co-ordinate with various parties (see Clause 12.1). In case the cruise line operators and agents have to rely on the right as provided in Clause 12.5 before they could carry on their operation, Landlord may consider granting such approval. Regarding Tenant's role and liability on operational oversight, safety and indemnities where third party contractors operate within the Premises when the Tenant is not the provider of the said services, please refer to Clause 12.5(c) and other relevant clauses in the Form of Agreement, and seek your own legal advice if in doubt.

**Q18 Will Onshore Power Supply (OPS) be under the responsibility of the terminal operator? What is the timeline for developing OPS at the KTCT?**

A18 Under Clause 53 of the Form of Agreement, the Landlord reserves the right to develop OPS and select the operator. A study on the installation of OPS at the KTCT is ongoing.

## **Berthing of Vessels**

**Q19 Do ferry vessels or mega yachts utilise the KTCT, and is the Tenant expected to provide services to them?**

A19 For the restrictions on vessel types allowed to berth, please refer to Clause 9.1(b)(ii) of the Form of Agreement, which states that only cruise vessels are allowed to berth except with prior written approval of the Landlord. Consequently, for any other type of vessel to berth, it is considered as non-cruise related event and the Tenant must obtain prior approval from the Landlord in accordance with Clause 19.3.

**Q20 Who is responsible for berth allocation decisions in Hong Kong, and is there a mechanism prioritising berthing at the KTCT over Ocean Terminal?**

A20 KTCT is currently leased to a private operator for management under commercial principles while the Ocean Terminal is a private facility. Cruise lines can choose which terminal to berth based on their needs. For KTCT, as specified in Clause 12.3 of the Form of Agreement, the Tenant shall propose a set of guidelines on the allocation of berths of the KTCT for Landlord's approval, and shall allocate the berths according to the approved guidelines. Clause 12.3 also contains the principles that the Berth-Allocation Guidelines should adhere to.

**Q21 How are the berth bookings by cruise lines handled? Are there any commitments or berth deposit already received by the existing operator?**

A21 The Tenancy Agreement between the existing operator and the Government expires on 31 May 2028. The existing operator has no right to accept booking nor berthing deposits for berthing slots after expiry of the existing Tenancy Agreement. Berth allocation should be performed by the Successful Tenderer according to Clause 12.3 of the Form of Agreement and according to the Berth-Allocation Guidelines for periods during the Term of the Tenancy. If need be, the Government may process berthing application from cruise lines for periods after 31 May 2028 before the Berth-Allocation Guidelines proposed by the Successful Tenderer is approved. In such case, Clause 12.3(e) provides that the Tenant shall accept booking of berthing slots in accordance with the Landlord's allocation.

## **Fees and Charges**

**Q22 Are Landlord approvals required for the Tenant to change fees and charges, and if so, what is the expected approval timeline? May the Tenant apply incentive-based tariff strategies to encourage more ship calls and passengers?**

A22 For fees and charges, please refer to Clause 12.4(a) and 12.4(b) of the Form of Agreement.

**Q23 What is the total parking capacity of the KTCT, and does the Tenant have discretion to adjust parking tariffs during the Term?**

A23 For parking capacity and parking tariffs during the Term, please refer to Annex XVIII and Clause 19.4 of the Form of Agreement for KTCT in Part IV of the Tender Documents.

## **Figures and Data**

**Q24 Can the below information (such as ship and passenger volumes, tariff structures, occupancy rate of Ancillary Commercial Area, security arrangement, parking fees and occupancy) be provided?**

A24 The number of ship calls and cruise passenger throughput in 2024 and 2025 are as follows:

### **2024**

No. of ship calls of cruise at KTCT: 98

No. of ship calls of cruise in Hong Kong: 150

Cruise passenger throughput in Hong Kong: 516,846

### **2025**

No. of ship calls of cruise at KTCT: 99

No. of ship calls of cruise in Hong Kong: 189

Cruise passenger throughput in Hong Kong: approx. 631,000, tentative figure subject to final verification

For other information, please refer to relevant information available in the public domain, such as the website of the KTCT, or via other means.

**Q25 Can historical financial statements of the KTCT, including revenue streams and operating costs, be provided?**

A25 We cannot disclose the financial statements of the KTCT as it is commercially sensitive information of the terminal operator.

**Q26 Can historical utility and maintenance costs of KTCT be provided?**

A26 On utility costs and maintenance costs, as there are various facilities in the terminal building, including the terminal operation area, ancillary commercial areas, transportation area, the rooftop garden and other areas, and the utility and maintenance of different items of the facilities in the terminal building are currently undertaken by either the terminal operator or relevant Government departments. We do not have such collated information.

## **Ancillary Commercial Area and Non-Cruise Related Event**

**Q27 Is the referenced 5 600 m<sup>2</sup> of Ancillary Commercial Area the total net leasable area?**

A27 Please refer to Annex I of the Form of Agreement on the location of the Ancillary Commercial Area. Please refer to Clause 9.1(e) of the Form of Agreement that the Floor Area, with its definition at Clause 1.1(ii), that the Ancillary Commercial Area is 5 600 m<sup>2</sup>. Please refer to Clause 19.3 for licensing of premises (e.g. Podium Gardens, apron) for non-cruise related events.

**Q28 Are the retail units within the Ancillary Commercial Area designated as duty-free or tax-free shops?**

A28 There are no retail units within the Ancillary Commercial Area that are designated as duty-free or tax-free shops. Please refer to Clause 9.1(e) of the Form of Agreement on the permitted uses of Ancillary Commercial Area.

**Q29 Can a list of existing Tenants and their lease terms be provided, and will the Ancillary Commercial Area be handed over to the new Tenant free of existing leases?**

A29 Please refer to relevant information available in the public domain, such as the website of the KTCT, or via other means.

The existing Tenancy Agreement will expire on 31 May 2028 and the term of the sub-tenancies shall not exceed three days prior to the expiry of the Term.

**Q30 Is there a specific format required for subletting or licensing Ancillary Commercial Area?**

A30 There is no specific format for the subtenancies/ licence agreement of the Ancillary Commercial Area, provided that the clauses required under Clause 19.2(b) of the Form of Agreement are incorporated.

Under Clause 19.2(a), the Landlord has the full and unfettered right to decide whether to grant such approval and the terms and conditions of

such approval as the Landlord shall in its sole discretion think fit. All subletting requires prior approval from the Tenant.

**Q31 What is the process and timeline for obtaining Landlord consent to sublet retail units, and is it possible to obtain pre-approval for a leasing strategy or Tenant mix?**

A31 Please refer to Clause 19.2 of the Form of Agreement on the subletting of the Ancillary Commercial Area.

**Q32 How many non-cruise related events were previously held at the KTCT?**

A32 Different non-cruise related events were held at the KTCT, including international financial conference, fashion show, luxury watch event, jewellery brand event, car brand event and filming of advertisements, etc. The number of non-cruise related events held at the KTCT in 2023 was 12, in 2024 was 13, and in 2025 was 12.

## **Key Performance Indicators**

**Q33** What is the methodology for calculating the occupancy rate required under the Key Performance Indicator (KPI) and for the commencement of business respectively?

A33 For the requirement on KPI, please refer to Annex VI(7) of the Form of Agreement on the calculation of occupancy rate under the KPI requirement.

For the requirement on the commencement of business, please refer to Clause 17(a) and 17(b) that not less than 60% of the Floor Area is required to be operated and open for business within two months from the commencement date.

**Q34** Regarding the KPIs, can a non-cruise related event spanning a long number of days be counted as multiple events?

A34 Tenderers may refer to Paragraph 1(c) to 1(e) of Annex VI(7) of the Form of Agreement.

**Q35** In times of unforeseeable events, can the KPI targets be adjusted?

A35 Tenderers may refer to Paragraph 8(b) of Annex VI(7) of the Form of Agreement that "If the event of any Contingency during a Contract Year... , the Tenant may make a written request to the Landlord for appropriate adjustments to the relevant KPIs which are proportionate to the extent of impact caused by such Contingency...". Please also refer to Clause 1.1(w) on the definition of Contingency. The Landlord has the sole discretion to allow or disallow such requests.

## **Insurance**

**Q36 Should the property damage insurance to be maintained by the Tenant as required under the Agreement cover the properties and assets owned by the Tenant? Will the Government provide to the Tenant the replacement value of the Landlord's Provisions?**

A36 The property damage insurance shall cover all loss or damage to all contents in the Premises including, inter alia, the properties and assets listed out in Annex XVII to the Form of Agreement, and equipment, tools, instruments, facilities and material provided from time to time by the Landlord at the Premises. Their full reinstatement and replacement value shall be determined by independent professional insurance valuation(s) to be commissioned by the Tenant. For details, please refer to Clause 24.1 in the Form of Agreement.

(Issued on 4 February 2026)