

(Japanese Note)

Macao, February 10, 2010

Sir,

I have the honour to refer to the Agreement between Japan and the Macao Special Administrative Region of the People's Republic of China for Air Services signed today (hereinafter referred to as "the Agreement") and to confirm, on behalf of the Government of Japan, the following understandings reached between the representatives of the Government of Japan and the Government of the Macao Special Administrative Region of the People's Republic of China (hereinafter referred to as "the Macao Special Administrative Region") to be implemented by the two Governments within the scope of the laws and regulations in force in the respective areas:

1. The designated airlines of either Contracting Party of the Agreement shall be permitted within the area of the other Contracting Party to establish and maintain their branches and to engage in activities necessary for the operation of the agreed services.

2. The designated airlines of either Contracting Party of the Agreement shall be entitled to bring in and maintain at their branches in the area of the other Contracting Party their own managerial, technical, operational and other specialist staff who are required for the provision of air services.

3. The designated airlines of either Contracting Party of the Agreement shall be permitted to transfer freely, in convertible currencies, at the prevailing rate of exchange in the official market at the time of remittance, the excess of receipts over expenditure earned by those airlines in the area of the other Contracting Party in connection with the operation of the agreed services, and to establish and maintain, for the operation of such agreed services, deposit accounts in foreign currencies and in convertible domestic currency.

Mr. Lau Si Io
Secretary for Transport and Public Works
of the Macao Special Administrative Region
of the People's Republic of China

4. The Government of each Contracting Party of the Agreement shall use its best efforts from January 1, 2011 to ensure that the designated airlines of the other Contracting Party are offered the choice, subject to reasonable limitations which may be imposed by the competent authorities of the former Contracting Party, of providing their own services for ground handling operations; of having such operations performed entirely or in part by other airlines, organizations controlled by other airlines, or servicing agents, as authorized by the competent authorities of the former Contracting Party; or of having such operations performed by such competent authorities.

5. For the purpose of this Note, the terms "area", "designated airline" and "agreed service" have the meanings respectively assigned to them in paragraph 1 of Article 1 of the Agreement.

I have further the honour to propose that this Note and your Note in reply confirming on behalf of the Government of the Macao Special Administrative Region the foregoing understandings shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of entry into force of the Agreement.

I avail myself of this opportunity to extend to you the assurance of my high consideration.

Shigekazu Sato
Consul-general of Japan
in Hong Kong

(Macao Note)

Macao SAR, 10 February 2010

Sir,

I have the honour to acknowledge the receipt of your Note of today's date, which reads as follows:

"(Japanese Note)"

I have further the honour to confirm on behalf of the Government of the Macao Special Administrative Region of the People's Republic of China the understandings contained in your Note and to agree that your Note and this Note shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of entry into force of the Agreement between the Macao Special Administrative Region of the People's Republic of China and Japan for Air Services.

I avail myself of this opportunity to extend to you the assurance of my high consideration.

Lau Si Io
Secretary for Transport
and Public Works of the Macao
Special Administrative Region
of the People's Republic of China

Mr. Shigekazu Sato
Consul-general of Japan
in Hong Kong