

Information Technology and Broadcasting Panel

Progress of the Cyberport Project

Purpose

This paper updates Members on the progress in the Cyberport project. A chart showing the position of the key activities of the project as at 5 December 2000 is at **Annex A** and a set of project photos is at **Annex B**. Highlights of the more important developments are set out in the ensuing paragraphs.

Infrastructural Works (Item 4 to 11 of the chart)

2. The infrastructural works mainly comprise advance ground treatment works, construction of a public transport interchange, a sewage treatment plant and roadworks including a southern access road connecting the southern end of the site with Victoria Road. These works are entrusted to Carlyle International Limited, a company within Pacific Century Group (PCG), and are monitored by the Territory Development Department (TDD). They are critical to the first two phases of the Cyberport development and will need to be completed by end 2002 progressively. Works have commenced in phases starting in September 1999, and are progressing on schedule.

3. A northern access road will also need to be built to connect the northern end of the Cyberport site with Sha Wan Drive by end 2003 to coincide with the target completion date of the third phase of the Cyberport development. To meet this timetable, TDD awarded a separate contract to China Harbour Engineering Co. in October 2000. Works have already commenced and are progressing well.

Superstructure Construction (Item 12 to 20 of the chart)

4. Pacific Century CyberWorks Limited (PCCW) has set up a wholly-owned subsidiary, which is named “Cyber-Port Limited”, to design, construct, develop and market the Cyberport Portion and the Residential Portion as an integrated development in accordance with the Project Agreement they entered with us in May this year. The overall design has largely been finalised. The Cyberport Portion itself will be completed in

three phases, from end 2001/early 2002 to end 2003, ahead of the Residential Portion which is scheduled for completion in five phases between mid 2004 to mid 2007.

5. Construction of the Cyberport Portion is in progress, in order to provide for a comprehensive development comprising:

- a) offices and accommodation of world class standards (plus a state-of-the-art telecommunications infrastructure) to meet the requirements of international information services companies;
- b) a range of facilities such as cyberlibrary, studios, teleconferencing rooms, multimedia laboratory, etc. for common use by small to medium sized companies; and
- c) a cybercentre providing cyber-related educational, entertainment and retail facilities to serve as a public interface.

Piling for the office tower in the first phase has been completed and pile cap for the building has been laid. The preliminary design of the telecommunication infrastructure and the common facilities has been completed. Cyber-Port Limited has recently completed a round of consultations with those companies which have expressed interest in becoming tenants to check whether the proposed design will meet their requirements. The Company has also issued (in November 2000) an open invitation for proposals on the design, construction and operation of the Cyberport internal private network system.

Master Layout Plan (Item 21 to 22 of the chart)

6. The Master Layout Plan for the Cyberport project, which was approved by the Town Planning Board in June 2000, provides for:

- a) offices of a total gross floor area of 92,600 m² in three phases: 23,000m² by end 2001/early 2002 (C1), 29,200m² by end 2002 (C2) and 40,400m² by end 2003 (C3) to accommodate altogether about 130 companies of different sizes;

- b) a small retail area of 1,400m² by end 2001/early 2002 (C1) and a cybercentre of 27,600m² providing retail, entertainment and exhibition facilities by end 2002 (C2);
- c) residential accommodation in the form of 148 residential flats in two phases by end 2001/early 2002 (C1) and end 2002 (C2), 27 houses by end 2002 (C2) and a hotel of 125 rooms and 50 serviced apartments by end 2003 (C3); and
- d) a Residential Portion to be completed between mid 2004 and mid 2007, the units of which will be put on sale in the market.

7. At the meeting held on 12 June this year, Members enquired whether the number of residential flats in the Cyberport Portion could be reduced to increase the office space therein to meet the strong demand. We agreed to actively examine whether the 148 residential flats to be provided in the first two phases (C1 and C2) could be converted into offices. Members noted that if this conversion was to be pursued, the Master Layout Plan would need to be revised and to be resubmitted to the Town Planning Board (TPB) for consideration. The additional office space could not be completed as part of the C1 development.

8. A revised Master Layout Plan to provide mainly for the conversion of the planned 148 residential flats into offices was put to TPB in October 2000, followed by the submissions of supplementary information in November 2000. Consideration of the revised Master Layout Plan by TPB is now scheduled for late December 2000/early January 2001. If the proposed conversion is approved, an additional 19,500m² of office space (C1a) will be provided by end 2002, to coincide with the completion of C2 to accommodate some 25 extra companies. The total office space to be provided at the Cyberport Portion upon its full completion will be 112,100m² and we expect it to be able to accommodate more than 150 companies.

Office Tenants (Item 23 to 30 of the chart)

9. As at 5 December 2000, we have over 200 companies (“interested companies”) registering interest in becoming tenants at the Cyberport. Fifteen of them, namely Cisco, CMGI, Hewlett-Packard, Hikari Tsushin, Hua Wei, IBM, Legend, Microsoft, Oracle, Pacific Convergence Corporation, Portal, Silicon Graphics, Softbank, Sybase, and Yahoo! have signed letters of intent to become anchor tenants. We have been maintaining liaison with these interested companies. They have been informed of the latest developments of the Cyberport project through our newsletters (issued on a quarterly basis) and our website (updated on a monthly basis). We have so far organised three discussion forums to listen to their views on the project.

10. Through informal meetings and questionnaires, we have been collecting information from the interested companies about their business plans at the Cyberport. About one third of the interested companies have indicated to us some preliminary space requirements. Their total indicative space requirements slightly exceed the 112,100m² we are planning to provide at the Cyberport (paragraph 8 above).

11. We are working hard to make sure that there will be a strategic cluster of companies at the Cyberport. We aim to accommodate over 150 companies of a full spectrum, ranging from multinational corporations, large overseas and local companies to medium and small sized local and overseas companies. These companies would specialise in applications of information technology and in the development of services and multimedia content to support our many other businesses and industries in Hong Kong.

12. We have announced some preliminary admission guidelines, as follows:

- The focus will be on the information technology and information services sectors. Companies which use or introduce new, leading-edge applications of information technology will be given most favourable consideration.

- Priority will also be given to companies which –
 - provide services to enhance traditional services delivery (e.g. distant learning, securities trading and multimedia film production);
 - provide essential services in support of global or regional business (e.g. software development);
 - utilise the Cyberport as a hub of the global information infrastructure (e.g. corporate information network or customer service network).

We plan to set up a committee to advise us on the admission criteria and the profile of the tenants. The Committee will be appointed in early 2001, about a year prior to the admission of tenants for C1 offices (of 23,000m²) which are due for completion by end 2001/early 2002.

Management, Marketing and Promotion (Item 31 to 33 of the chart)

13. We are in the process of discussing with PCCW on the Management Agreement. Marketing activities will be launched by Cyber-Port Limited in accordance with terms of the Project Agreement. We will continue to promote this flagship project in Hong Kong and elsewhere in the world.

**Information Technology and Broadcasting Bureau
December 2000**

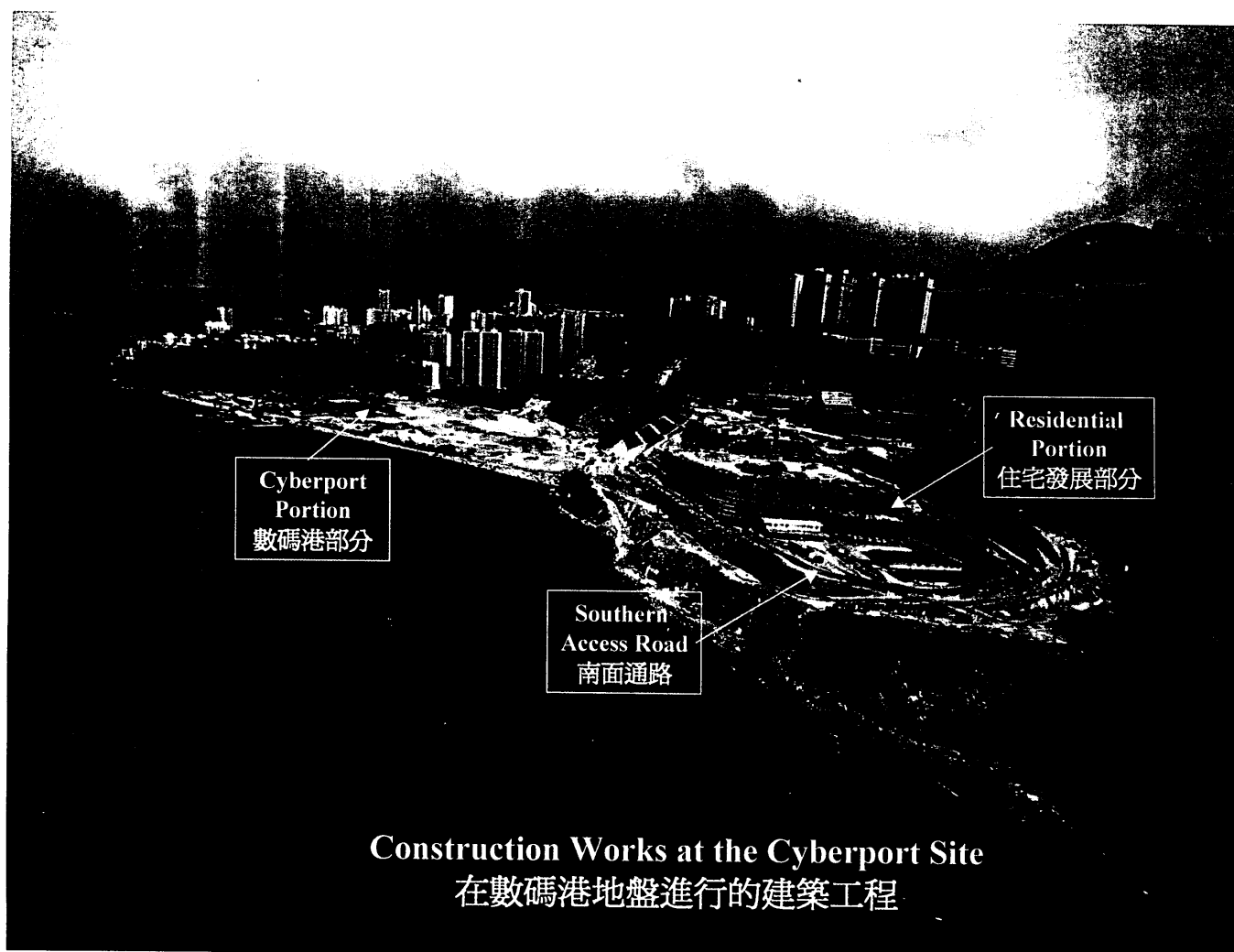
Cyberport Development Programme
(as at 5.12.2000)

Annex A

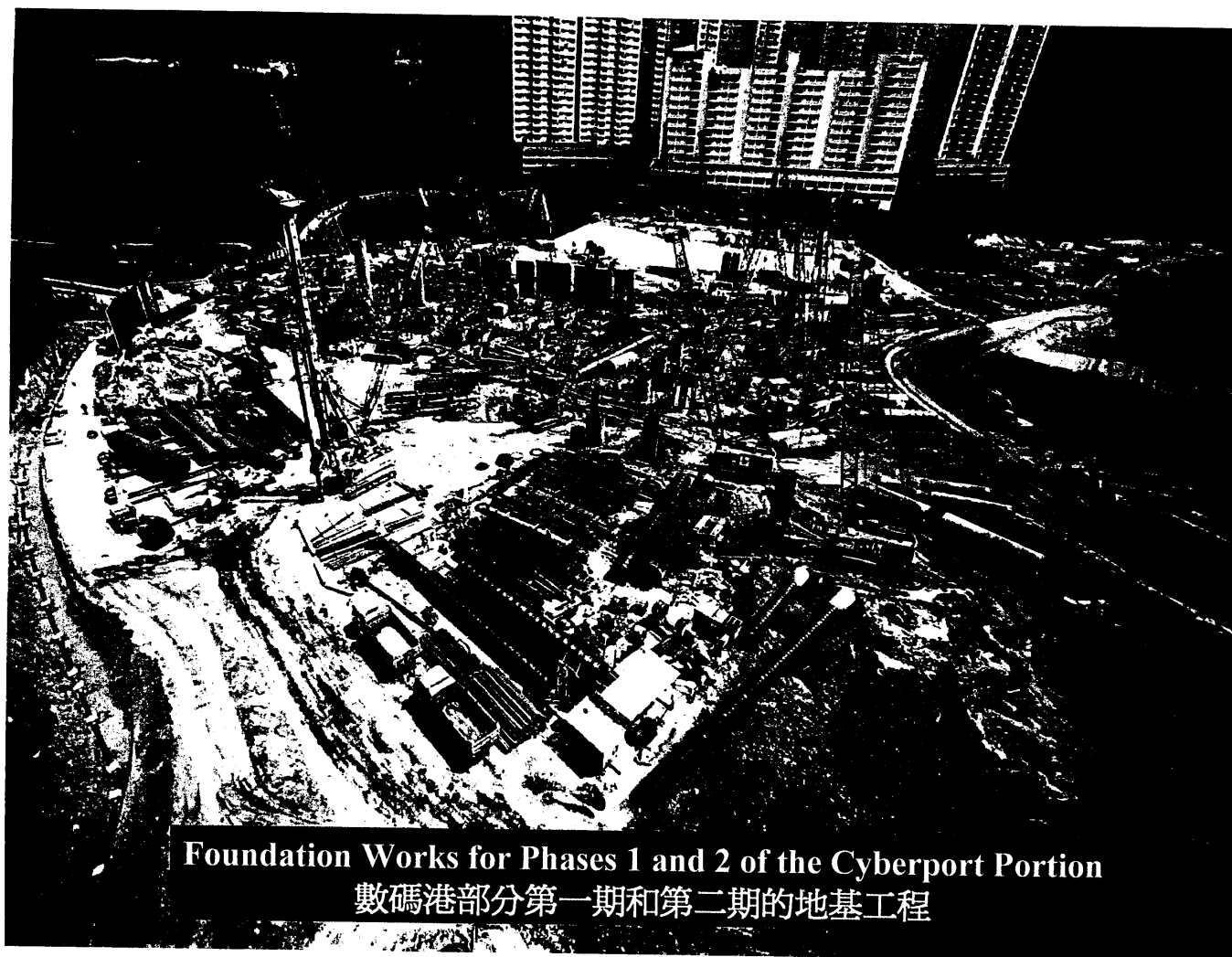
				1999	2000	2001	2002	2003	2004	2005	2006	2007															
Item	Activity	Start	End	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Legal Basis																										
1	Negotiate/sign Project Agreement with Cyber-Port Ltd, wholly owned subsidiary of PCCW	3Q99	2Q00					(completed)																			
2	Grant of Development Right to Cyber-Port Ltd and Agreement on Residential Portion Land Value	2Q00	3Q00					(completed)																			
	Financing Arrangements																										
3	Monitoring of financial information (accounts and cashflow guarantee, etc) and securing six-monthly cashflow guarantees	2Q99	4Q07																								
	Infrastructural Works																										
4	Advance ground treatment - detailed design	2Q99	3Q99					(completed)																			
5	Advance ground treatment - construction	3Q99	3Q01																								
6	Road works (Southern Access Road and internal roads) - detailed design	2Q99	4Q99					(completed)																			
7	Road works (Southern Access Road and internal roads) - construction	4Q99	4Q01																								
8	Sewage treatment plant - detailed design	3Q99	2Q00					(completed)																			
9	Sewage treatment plant - construction	3Q00	3Q02																								
10	Northern Access Road - detailed design	3Q99	3Q00					(completed)																			
11	Northern Access Road - construction	4Q00	2Q03																								

Note : 1Q = January - March
2Q = April - June
3Q = July - September
4Q = October - December

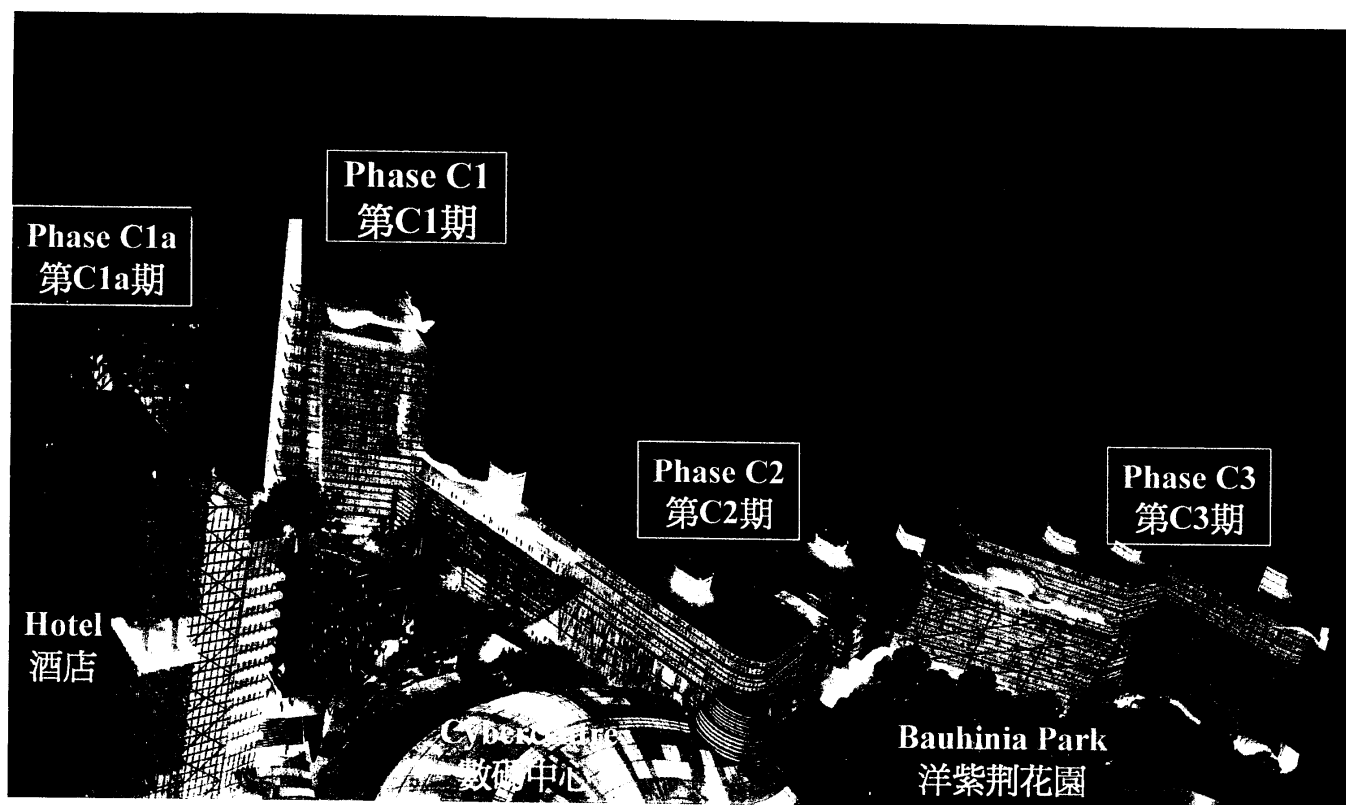
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Item	Activity	Start	End	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Superstructure Construction																										
12	Overall design of buildings	3Q99	4Q00																								
13	Vet and approve design of IT facilities	2Q00	3Q01																								
14	Cyberport Phase I - detailed design	4Q99	3Q00																								
15	Cyberport Phase I - construction	3Q00	1Q02																								
16	Cyberport Phase II - detailed design	1Q00	1Q01																								
17	Cyberport Phase II - construction	1Q01	4Q02																								
18	Cyberport Phase III - detailed design	4Q00	4Q01																								
19	Cyberport Phase III - construction	1Q02	4Q03																								
20	Residential portion - detailed design and construction	2Q00	2Q07																								
	Master Layout Plan (MLP)																										
21	MLP approved by Town Planning Board	1Q00	2Q00																								
22	Revised MLP to Town Planning Board for approval	3Q00	4Q00																								
	Office Tenants																										
23	Setting up of Tenant Selection Committee	4Q00	1Q01																								
24	Establish admission criteria/publish application procedures	4Q00	2Q01																								
25	Consider applications for Phase I	2Q01	1Q02																								
26	Occupation of Phase I	1Q02	4Q02																								
27	Consider applications for Phase II	1Q02	4Q02																								
28	Occupation of Phase II	1Q03	4Q03																								
29	Consider applications for Phase III	1Q03	4Q03																								
30	Occupation of Phase III	1Q04	4Q04																								
	Management, Marketing and Promotion																										
31	Management Agreement with PCCW	3Q00	2Q01																								
32	Marketing activities	1Q01	4Q07																								
33	Ongoing promotion	3Q99	4Q07																								



Construction Works at the Cyberport Site
在數碼港地盤進行的建築工程



Foundation Works for Phases 1 and 2 of the Cyberport Portion
數碼港部分第一期和第二期的地基工程

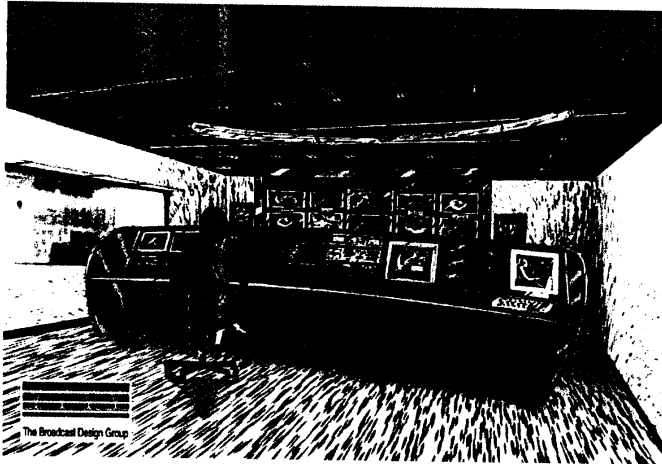
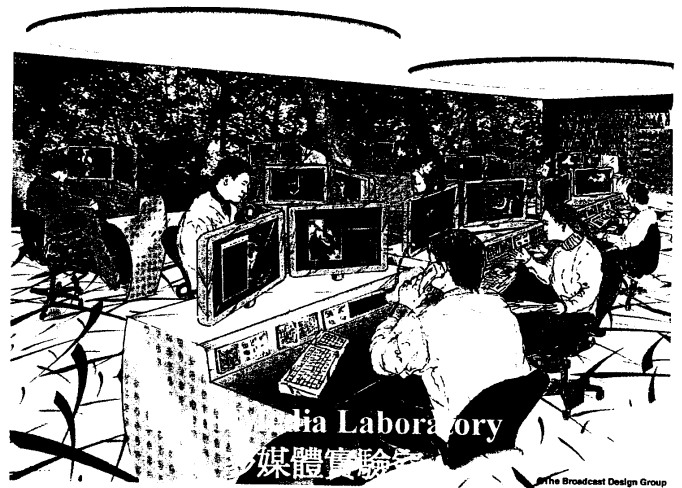


Phasing of Office Blocks - proposed conversion of Apartments to Phase C1a office is being considered by Town Planning Board

各期辦公室樓宇 – 城市規劃委員會正對有關把住宅單位改建為第C1a期辦公室的建議加以考慮

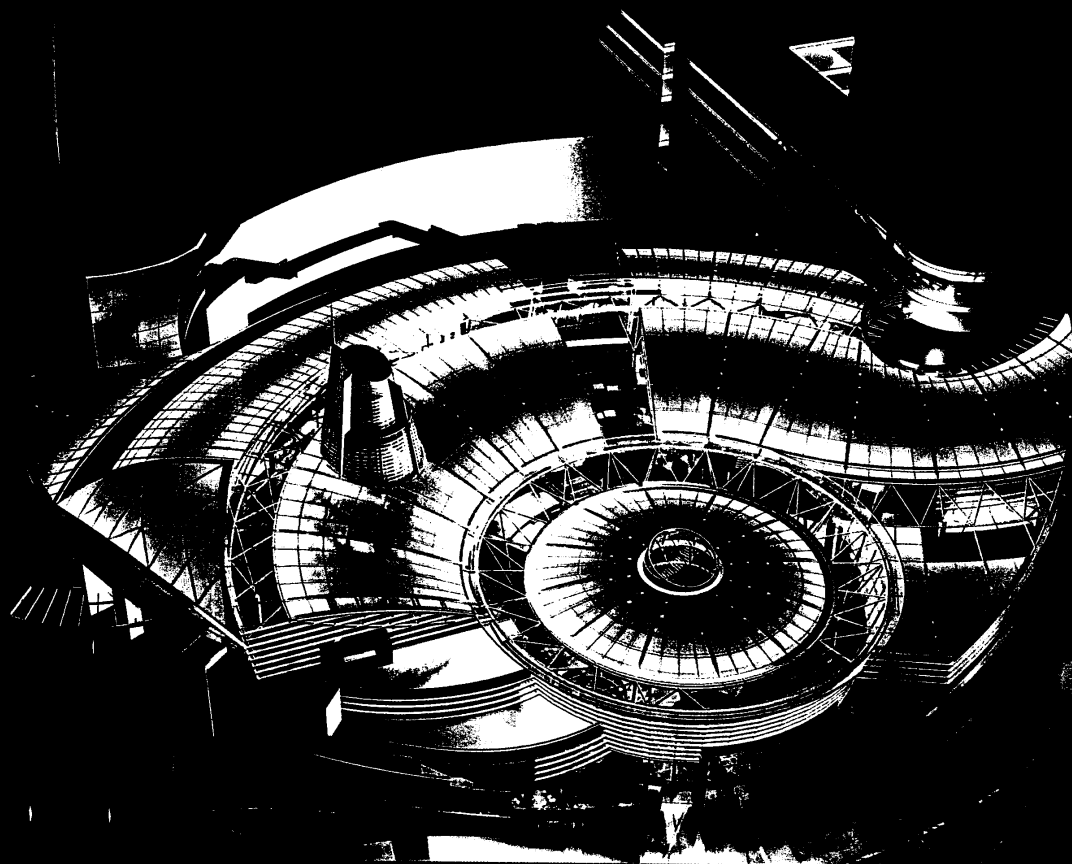


Cyberlibrary
數碼圖書館

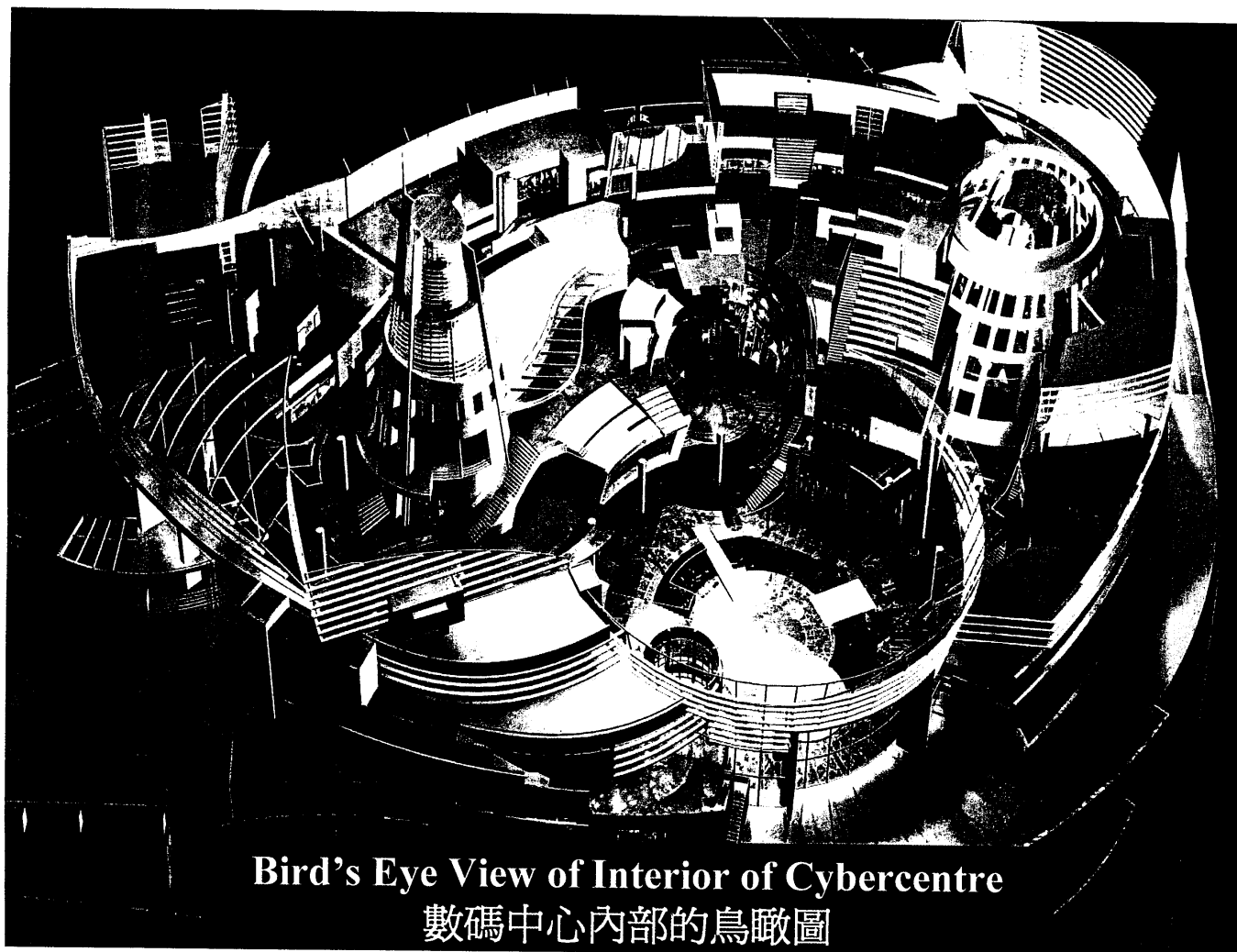




Cyber Café along IT Street
沿「資訊科技街」開設的咖啡店



Bird's Eye View of Cybercentre
數碼中心的鳥瞰圖

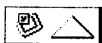


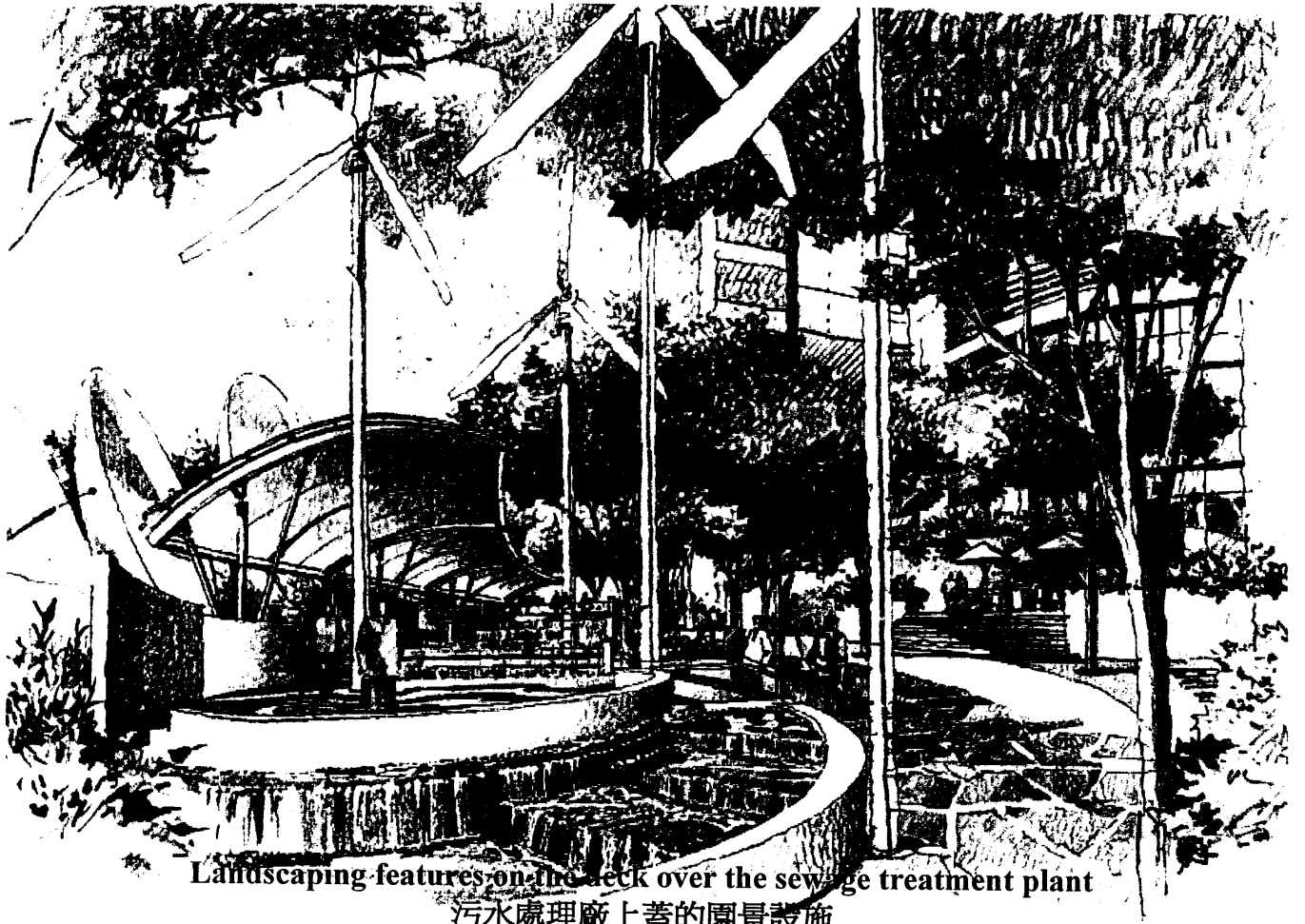
Bird's Eye View of Interior of Cybercentre
數碼中心內部的鳥瞰圖



Aerial View of Cyberport Portion upon Completion in December 2003

俯瞰於二零零三年十二月落成的數碼港部分





Landscaping features on the deck over the sewage treatment plant
污水處理廠上蓋的園景設施



Naturalistic Environmental in Bauhinia Park

- Place for IT Workers to relax and interact

洋紫荊花園的自然環境

- 資訊科技從業員鬆弛神經和結交志同道合之士的地方



Bauhinia Park