

立法會資訊科技及廣播事務委員會主席單仲楷議員鈞鑒，敬啟者：

本公司謹代表十家地產公司（註）送上函件副本一份，謹供參考，原件為張蒸司徒陳律師事務所於本年四月廿一日，代表十公司發予財政司司長曾蔭權先生，論述數碼港計劃之函件，煩請代轉送委員會內各委員為荷。此，即頌

時祺

雷輝有限公司

雷樹輝謹啟

一九九九年五月四日

（註）該十家地產公司：包括新鴻基地產、恆基兆業、恆隆有限公司、新世界發展、太古地產、九龍倉、希慎興業、香港通業、香港置地、信德集團。

VINCENT T. K. CHEUNG, YAP & CO.

SOLICITORS & NOTARIES

張業司徒陳律師事務所

HEAD OFFICE

15TH FLOOR, ALEXANDRA HOUSE, 16-20 CHATER ROAD, HONG KONG

TEL: 2523 5022, 2524 8011 FAX: (852) 2561 2944, (852) 2537 1629

DOCUMENT EXCHANGE NO. DK-C09139 CENTRAL 1

E-MAIL: head@vtkcyc.com

總行

香港中環干諾道中十六號亞歷山大廈十五樓 電話: 2523 5022, 2524 8011

北京傳真: (852) 2561 2944, (852) 2527 1629 文件交換號碼: DK-C09139 CENTRAL 1

電子郵件: head@vtkcyc.com

PARTNERS

VINCENT T.K. CHEUNG* LL.B. (HONG KONG) 張業司徒 2532 2212
FRANK K.W. LEE LL.B. (HONG KONG), (CANTON) 李全權 2526 3623
CAROL P.W. CHOW LL.B. (H.K.) 周佩英 2532 2235
GLADYS P.C. LEONG B.A. LL.M. 梁佩珍 2532 2269
AGNES W.Y. RING LL.B. (H.K.) 黃麗英 2532 2235
AUGUSTUS C.K. AU LL.B. (HONG) 區國強 2532 2238
PHILIP Y.L. FU LL.B. (H.K.) 傅國強 2532 2256
SU TIN CHEE LL.B. (HONG) 蘇天琪 2559 3211

THOMAS C.C. CHAN LL.B. (H.K.) 陳子才 2532 2248

SOLICITORS

JOYCE S.H. CHAN LL.B. (SHEFFIELD) 陳美英 2532 2243
ELYN Y.S. CHANG LL.B. 張英新 2532 2234
TONY S.C. CHAU LL.B. 周子強 2532 2259
CHEUNG WAI YEE LL.B. (LL.M. WASHINGTON) 張慧儀 2532 2255
ADELINE M.L. CHIN B.A. LL.M. (CANTON) 陳美賢 2532 2257
LAWRENCE Y.F. CHOI LL.B. (H.K.) 蔡榮強 2532 2258

MATTHEW K.H. LAM LL.B. (HONG) 林建強 2532 2225
MARIE H.Y. TSANG LL.B. (HONG) 甘穎儀 2532 2215
NELSON C.K. YOUNG LL.B. (H.K.) 楊子強 2532 2242

CONSULTANT

ERIC M.H. CHAN LL.B. (HONG KONG) 陳奕英 2532 2200

FOREIGN LAWYER

STELLA SERRAO LL.B. (CHATELAIN AT LAW) 謝麗三 2532 2213

* Notary Public of Hong Kong 香港公證律師
* China-Appointed Attesting Officer 中國委託公證人

OUR REF: VC/CC/am

DIRECT LINE: 2532 2233

YOUR REF:

DATE:

21st April 1999

Strictly Private & Confidential

The Hon. Donald Y.K. Tsang, J.P.
The Financial Secretary
12th Floor, West Wing,
Central Government Offices,
Lower Albert Road,
Central,
Hong Kong.

Dear Sirs,

Re: Proposed Cyberport Development at Pok Fu Lam

We act for a substantial group of publicly listed companies who wish to record their concerns relating to certain aspects of the proposed Cyberport development in Pok Fu Lam, which are listed hereunder :-

1. Whilst the Cyberport project has generally received support, there are several key questions which have been raised by members of the public which currently remain unanswered.

1.1 What does the word "Cyber" actually mean?

The specifications of the IT infrastructure which have been disclosed by the Information Technology Bureau are now the common standard for new commercial buildings. In addition many older buildings have already been up-graded to equivalent standards. The consequence of this is that a supply of buildings suitable for the IT industry already exists at very competitive rents.

Notwithstanding the foregoing comments, our clients have no objection in principle to Government subsidizing industries as this already is an established practice in the Industrial Estates at Tai Po, Yuen Long and Tseung Kwan O.

1.2 Why a "port"?

There is no need to locate an IT facility adjacent to the sea. The IT industry is not location sensitive. A low rise, well landscaped environment similar to Silicon Valley, can readily be created on an inland site.

1.3 Why locate the Cyberport on Hong Kong Island?

Land on the island is a particularly valuable commodity due to its scarcity. This was evidenced in the most recent land auction where the Hong Kong Island site fetched a substantially higher price than the other lots on offer.

The proximity to HK University has been mentioned but this seems rather tenuous in view of the fact that its strengths lie in arts and social sciences. The site would also appear to offer no opportunity for expansion of the clustering of IT companies should the venture be successful. It would appear more sensible for a facility such as this to be located in an area such as Tung Chung new town (proximity to airport with existing MTR link) or Tseung Kwan O (proximity to University of Science & Technology and MTR under construction).

The convenience of commuting to Central District has also been mentioned in support of the location. This is in conflict with the analogy of Silicon Valley which has no such proximity to a major financial centre.

The public have a right to receive answers to these questions through a fully transparent disclosure of all the terms of the Cyberport project with appropriate justifications. The statement made by the Secretary for Information Technology in the Legislative Council on 31st March 1999 fails to address any of these questions.

2. Notwithstanding the anticipated benefits of the Cyberport, our clients believe the arrangements as currently proposed represent a major change of policy by the Administration which, in itself, raises two substantial issues :

2.1 As a matter of principle, a policy shift of this magnitude should surely be proposed by the Administration and considered by Legco and other

relevant bodies so that all stakeholders in the Hong Kong economy are aware of the change and have an equal opportunity to put forward proposals within the new policy guidelines.

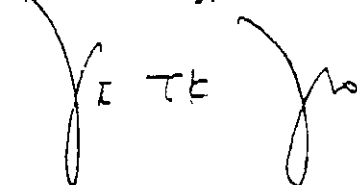
- 2.2 If the Cyberport project proceeds as currently planned, it will set a precedent for many other private sector initiatives which, in the past, would always have been subject to a competitive bidding process but which may now be dealt with by way of private treaty. How does Government intend to judge different proposals and decide which may be acceptable and which may not? Will this be limited to the hi-tech field or include such other areas as the Government may, from time to time, wish to encourage e.g. fund management, new areas of manufacturing, biotechnology, etc.?
3. The proposed allocation of approximately 4.2 million sf of residential accommodation intended for sale to the public without any competitive bidding process represents a fundamental departure from the principles which Government has strictly applied for the disposal of such land for at least the last 25 years, and probably much longer. Furthermore, it is intended to make the allocation to a private company without any history of real estate development. The consequence of such a fundamental change in land policy goes far beyond the immediate issue of Cyberport.
4. Recognising the Government's wish to see the creation of an international multi-media and information services centre to enhance Hong Kong's position as an information and technology hub, our clients have no desire to impede the realisation of the Cyberport but they wish to put forward an alternative proposal by which government can achieve its objectives in relation to the Cyberport in a more transparent manner whilst still working within established land disposal policy :-
 - 4.1 In the public interest and the interests of transparency, the Government puts up for sale by auction or tender the land for residential development intended for sale to the public. The procedures should be consistent with the current reserve list of sites available for disposal by auction or tender and thereby achieving a level playing field. To enable this process to succeed and on the assumption that the residential potential amounts to 4.2 million sf of residential gross floor area, and subject to sight of the detailed conditions of sale, we represent a group of substantial Hong Kong companies which are prepared to underwrite a minimum reserve price of HK\$8,000,000,000.00 and are prepared to sign an undertaking to this effect as well as lodge an appropriate deposit should the idea be acceptable.

- 4.2 On successful sale of the property for at least this minimum reserve price, Government can allocate a portion of the proceeds to fund the development of the proposed Cyberport by the selected implementing company on a cost-plus-profit basis and, in addition, pay for any related Government infrastructure.
- 4.3 The terms and conditions relating to the Cyberport, arrangements as to ownership and operation and other details can then proceed on the same basis as presently envisaged. The scope and specifications for this facility would be matters left entirely to Government and its preferred technology company, subject to Legco approval, etc. as presently anticipated, but with the added incentive of the guaranteed profit to the implementing company.
- 4.4 If eventually another site for the Cyberport were to be selected in a more appropriate location then a similar underwriting arrangement would be available.

In summary, our clients' aim is to ensure that Government receives, and is seen to receive, the full open market value for the grant of the residential development rights whilst at the same time enabling the proposed Cyberport to proceed without delay. This approach will also ensure the integrity of the established land process is maintained and the public interest is full satisfied and Government achieves transparency in its established procedures.

We are available to meet with you at any time to discuss our clients' views and await your positive response.

Yours faithfully,



w04212

資訊科技及廣播局

香港中環花園道
美利大廈一至二樓



INFORMATION TECHNOLOGY
AND BROADCASTING BUREAU

1/F-2/F Murray Building,
Garden Road,
Central, Hong Kong.

本局檔號 OUR REF : ITBB (CR) 6/10/2 (99) (12)
來函檔號 YOUR REF :
電 話 TEL. NO. : 2189 2266
傳 真 FAXLINE : 2827 2424

29 April 1999

Vincent T. K. Cheung, Yap & Co.
Solicitors & Notaries
15th Floor, Alexandra House,
16-20 Chater road,
Hong Kong

Dear Sirs,

Proposed Cyberport Development

Thank you for your letter of 21 April 1999 addressed to the Financial Secretary on the proposed Cyberport development. I have been authorised to reply on his behalf.

We have taken note of your clients' concern and proposal on the Cyberport development. The Cyberport is an information infrastructure project which aims to create a strategic cluster of leading information technology (IT) and service companies in a purpose-built environment and to attract a critical mass of professional talents to Hong Kong in the shortest possible time. The ancillary residential development is only a means to generate the necessary funds to support the project. Given the nature and objective of the project and to ensure the highest chance of success, Government's private sector partner must be itself an anchor tenant well versed in IT, able to attract leading IT companies to the Cyberport and willing to shoulder the construction, completion and financing risks. Your proposal does not meet the foregoing.

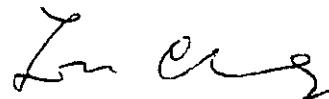
I note that your clients are interested in purchasing the site for the

ancillary residential development of the Cyberport only and have suggested that Government should use the financial resources thus obtained to build the Cyberport. This is a fundamental departure from the whole concept behind the Cyberport project, which is to develop the entire Cyberport project as an integrated development.

As regards your other comments including the location of the site and Government policy on private sector initiatives, the Financial Secretary and the Secretary for Information Technology and Broadcasting have already made public statements on these issues and I will not repeat them here.

Thank you again for your views.

Yours faithfully,



(Eva Cheng)
for Secretary for Information Technology
and Broadcasting