

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，原件為張葉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

宙輝有限公司

喬樹輝謹啟

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、香港興業、香港置地、信德集團。

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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.

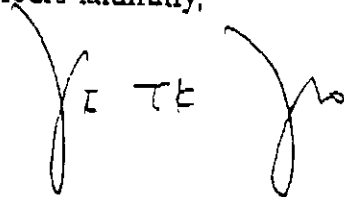
- 2.2 If the Cyberport project proceeds as currently planned, it will set a precedent for many other private sector initiatives which, in the past, would always have been subject to a competitive bidding process but which may now be dealt with by way of private treaty. How does Government intend to judge 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,



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