

Invitation for Expressions of Interest:
Suggestions for the
Development of New Cruise Terminal in Hong Kong

Tourism Commission
Economic Development and Labour Bureau

The Government of the
Hong Kong Special Administrative Region

3 November 2005

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1. GLOSSARY OF TERMS

Terms and expressions used in the Invitation Document (as defined below) shall, unless the context requires otherwise, have the meaning ascribed thereto in this Glossary of Terms.

The Cruise Terminal Development	means the development as described in Section 4.1 of this Invitation Document.
Future Successful Bidder	means if the Government decided to go ahead with the cruise terminal project in future, the party selected in the subsequent competitive bidding process to implement the Cruise Terminal Development.
Expression of Interest or EOI	means an expression of interest submitted by a Proponent in response to this Invitation Document.
Government	means the Government of the Hong Kong Special Administrative Region.
Harbour	means the meaning ascribed to 'harbour' in the Interpretation and General Clauses Ordinance (Cap.1).
Invitation Document	means this document inviting expressions of interest, as may be amended from time to time.
Proponent	means any party who has responded to this Invitation Document by submitting an EOI.
Site	means the site to be designated for the Cruise Terminal Development.
Kai Tak	means the land included in the current Kai Tak (South) Outline Zoning Plan and Kai Tak (North) Outline Zoning Plan.

2. INSTRUCTIONS TO PROPONENTS

Purpose of the Invitation for Expressions of Interest exercise

- 2.1 According to the latest consultancy study on the market demand for cruise terminal facilities commissioned by the Tourism Commission¹, Hong Kong would need to start developing an additional berth to meet the market needs as soon as possible, and to further develop one to two additional berths to meet the market needs in the long term.
- 2.2 The Government intends to invite private sector investment for the development and subsequent operation of a new cruise terminal in Hong Kong as soon as possible. While South East Kowloon (Kai Tak) is the Government's preferred location for the development of cruise terminal facilities in view of its expansion capability and technical feasibility, its future development is under a comprehensive Kai Tak Planning Review and the earliest time for the completion of the new cruise terminal at Kai Tak is estimated to be 2011. This timetable will not be able to fully meet the needs of Hong Kong. While the Government will continue to look at the issues concerning developing cruise terminal facilities in Kai Tak and try to accelerate the process, we wish to ascertain whether the private sector can offer a new cruise terminal in locations other than Kai Tak with a completion date as soon as possible and in full compliance with other considerations by Government, in particular, the planning implications and the need to have an open and competitive process (see Section 3.5 below).
- 2.3 The purpose of this Invitation for Expressions of Interest (EOI) exercise is to invite market feedback, on a non-committal basis, on whether there are suitable locations within the Victoria Harbour which better meets the needs of Hong Kong in terms of the timing for completion. The benefits of the EOI exercise are to allow the Government to:
- (i) explore suitable sites from the suggestions received in terms of technical, land and planning aspects such as engineering feasibility, compatibility with other land uses in the vicinity and sufficient infrastructure on the landside; and
 - (ii) follow normal planning procedures by inviting views on suitable sites from the market first, explore the suitability of the sites proposed, and, if a suitable site is identified, set out Government parameters for competitive bidding process at a later stage.

¹ The executive summary of the study is available at the website of Tourism Commission: www.tourism.gov.hk.

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- 2.4 This EOI exercise is not a tender exercise but a structured way to obtain market feedback. The ideas and suggestions received through the EOI exercise may be used by the Government in formulating the way forward for the Cruise Terminal Development in Hong Kong.
- 2.5 The Government will take all reasonable steps not to disclose confidential information provided to it by a Proponent in his submission. All non-public financial and corporate information received and expressly marked and specifically identified as confidential will be treated in confidence. This provision shall not apply:
- (i) to the disclosure of information to any person for the purpose of considering or exploring the feasibility of or developing the Proponent's EOI;
 - (ii) to the disclosure of information to any person in the Government's exercise of the intellectual property rights granted by the Proponent to the Government hereunder;
 - (iii) to the disclosure of information already known to the Government other than as a result of disclosure by the Government;
 - (iv) to the disclosure of information that is or becomes public knowledge;
 - (v) to the disclosure of information that is rightfully in the Government's possession prior to the date of the Proponent's submission of the EOI;
 - (vi) to the disclosure of any information in circumstances where such disclosure is required pursuant to any law or order of a Court of competent jurisdiction; and
 - (vii) to the disclosure of any information with the prior consent of the Proponent.

Disclaimer

- 2.6 Whilst the information in the Invitation Document has been prepared in good faith, it does not claim to be comprehensive or has been independently verified. Neither the Government, nor any of its officers, agents, or advisors, accepts any liability or responsibility, as to, or in relation to the adequacy, accuracy or completeness of the information contained in the Invitation Document or any other written or oral information, which is, has been or will be provided or made available to any Proponent; nor do they make any representation, statement or warranty, express or implied, with respect to such information or to the information on which the Invitation Document is based. Any liability in respect of any such information or inaccuracy in or omission from the Invitation Document is expressly disclaimed. In particular, no representation or warranty

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is given as to the level of utilization of the proposed Cruise Terminal Development, and as to whether any development, facilities, amenities or services will be constructed or provided, or whether any surveys, projections, estimates, prospects or returns contained or referred to in the Invitation Document are reasonable, accurate, correct, complete, valid or can be relied on. Nothing in the Invitation Document nor in any other written or oral information which is, has been or will be provided or made available to any Proponent should be relied on as a representation, statement or warranty as to the intentions, policy or action in future Government, its officers or agents. Proponents are required to independently ascertain and certify the accuracy, correctness, completeness or validity of all information in the Invitation Document and are required to make their own independent assessment of the financial and commercial feasibility of the Cruise Terminal Development. The Government is not obliged to inform Proponents of any update or change of any of the information in the Invitation Document made or that comes to its knowledge after the issue of the Invitation Document.

- 2.7 Each Proponent should make its own independent assessment of the information contained in the Invitation Document after making such investigation and taking such professional and other advice as may be prudent in order to assess the risks and benefits and to prepare the EOI.
- 2.8 The submission of any EOI by a Proponent shall be taken to be an acceptance of the terms of the invitation.
- 2.9 The invitation is not intended to provide the basis of any investment decision and should not be considered as a recommendation by the Government or any of its officers, agents or advisors to any Proponent to submit any EOIs or proposals.
- 2.10 Neither the Invitation Document nor the EOI constitutes an offer nor does it constitute the basis of any contract which may be concluded in relation to the development of the Site or the implementation of the Cruise Terminal Development.
- 2.11 The invitation is not a prequalification exercise to shortlist or prequalify any Proponent. Interested parties who do not submit an EOI will not be barred from taking part, or prejudiced against, in the subsequent competitive bidding for the development of a cruise terminal.
- 2.12 Proponents are not to construe the contents of the Invitation Document, or any other communication by or on behalf of the Government, or any of its officers, agents or advisors, as financial, legal, tax or other advice. Each Proponent should consult its own professional advisors as to financial, legal, tax or other matters concerning the development of the cruise terminal.

- 2.13 Each Proponent shall be solely responsible for the fees, costs and expenses incurred in preparing and submitting the EOI. The Government will under no circumstances be liable to any Proponent for any such fees, costs, expenses, loss or damage whatsoever arising out of or in connection with the EOI process.
- 2.14 The Government reserves the right, without prior consultation or notice, to change the content of the Invitation Document.

Intellectual Property Rights

- 2.15 (i) All works comprised in the EOI either shall be the original works of Proponents or shall not contain any materials infringing any third party intellectual property rights. Proponents shall indemnify and keep the Government fully and effectively indemnified against all costs, claims, demands, expenses and liabilities of whatsoever nature arising from or incurred by reason of any such infringement or alleged infringement.
- (ii) In submitting an EOI, a Proponent shall be deemed to have granted to the Government a freely transferable, royalty-free and irrevocable licence to use, adapt and modify the EOI and all ideas and proposals submitted and all intellectual property rights subsisting in the EOI (including the ideas and proposals) for all purposes in respect of or in connection with the development of the Site and the implementation of the Cruise Terminal Development. Proponents shall, if required by the Government, do all things and execute all instruments or documents for the purpose of conferring the rights and interests on the Government.
- (iii) The Government shall be entitled to disclose or make copies of any or all of the EOIs for the purpose of considering or exploring the feasibility of or developing the EOI and development parameters of the Cruise Terminal Development, and to keep such copies for record purpose.

Guidance for submission

- 2.16 Proponents are required to submit in English their EOIs using the reply form attached at **Annex A** and provide information in the EOI submissions in accordance with the requirements set out in **Annex B** of the Invitation Document. Any submissions not conforming with the requirements stipulated in the Invitation Document will not be considered under any circumstances.
- 2.17 Proponents should include in their EOI submissions their suggested conceptual development parameters.
- 2.18 Other details of submission are set out at **Annex C**.

3. GOVERNMENT'S INTENTION

Results of the EOI Exercise

- 3.1 If a proposed location can meet the Government's requirements, the Government will follow established planning procedures by conducting an in-depth review on the overall suitability of the proposed location and dispose of the Site through an open, competitive bidding process after public consultation. The Kai Tak site will still be reserved for the development of cruise terminal facilities to meet our long term needs.
- 3.2 If no location can fully meet Government's requirements, the Government will no longer consider other sites and proceed with the development of the new cruise terminal facilities at Kai Tak, as well as to expedite the process as far as practicable.

Government's intention on the Cruise Terminal Development

- 3.3 The Government intends to develop cruise terminal facilities in Kai Tak which has the expansion capability to cater for the anticipated growth of the cruise industry. This is being considered separately under the Kai Tak Planning Review. The current exercise only covers non-Kai Tak sites.
- 3.4 This exercise also excludes sites in the West Kowloon Cultural District (WKCD). A cruise terminal is not envisaged in the Invitation for Proposals for Development of the WKCD. There are also technical constraints to building a cruise terminal in the WKCD. Therefore, the Government will not consider any proposal involving sites in the WKCD through this EOI exercise.
- 3.5 Proponents are invited to respond to this invitation with suggestions in accordance with the scope of the Cruise Terminal Development described in Section 4.1 of this Invitation Document. Proponents need to demonstrate that their proposed locations meet the requirements stated below:
- (i) Within the Victoria Harbour
 - Subject to Sections 3.3 and 3.4 above, Government is prepared to consider proposed sites not located in Kai Tak and WKCD but within the boundary of the Victoria Harbour, so as to capitalize on the natural attraction of the Harbour and to provide convenience to tourists.
 - (ii) Timely Completion
 - Each Proponent must demonstrate that the timeframe for developing the cruise terminal facilities in the proposed Site is faster than the estimated completion time of 2011 in Kai Tak.

- (iii) Planning considerations and compatibility with other land uses in the vicinity
 - The design of the Cruise Terminal Development should be compatible with the surrounding areas, and be able to integrate with the adjoining environment or otherwise to ensure a smooth transition between the two. Diversion / relocation of existing facilities should be avoided as far as possible. The design should observe Town Planning Board's vision statement and Harbour-front Enhancement Committee's Harbour Planning Principles on the Harbour in order to contribute to the attractiveness, accessibility and sustainable development of the Harbour area.
 - (iv) Technical Feasibility to accommodate mega cruise ship
 - Each Proponent is required to include in the EOI submission broad technical assessments and solutions to demonstrate the technical feasibility of the Cruise Terminal Development. Due consideration should also be given to the access channels, turnaround and berthing basins, etc, having regard to the types of vessels that will use the cruise terminal.
 - (v) Public acceptability
 - Each Proponent must take into account public aspiration on the existing and future use of the proposed location in considering public acceptability of the proposal.
 - (vi) Sufficient infrastructure on the landside
 - Each Proponent must demonstrate whether the existing infrastructure on the landside of the proposed Site is sufficient to cater for the proposed Cruise Terminal Development (and any enhancement facilities) and whether improvement measures and additional infrastructure are required.
 - (vii) The Site would be on Government land
 - If a proposed Site is eventually considered to be suitable, the Government will dispose of the Site through a competitive bidding process. Therefore, Proponents should only propose land plots owned by the Government. Proposals involving private land will not be considered.
- 3.6 Besides, the Government is committed to protecting and preserving the Harbour, and it is the Government's pledge that there would not be any further reclamation schemes within the Harbour apart from the current Central Reclamation Phase III, the proposals for Wan Chai Development Phase II and the Southeast Kowloon Development. Proponents must take into account the

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application of the statutory presumption against reclamation of the Harbour under the Protection of the Harbour Ordinance if their proposals require any reclamation within the Harbour, and provide cogent and convincing materials to demonstrate that there is an overriding public need for the proposed reclamation so as to rebut the presumption against reclamation. The Government must be satisfied that the “overriding public need” test as stipulated in the judgment of the Court of Final Appeal on 9 January 2004 regarding reclamation within the Harbour has been met, before considering a proposal involving reclamation within the Harbour.

4. THE CRUISE TERMINAL DEVELOPMENT

Should the Government decide to go ahead through a competitive bidding process to select a successful bidder to develop a new cruise terminal, at that stage, the Future Successful Bidder will have to include the following facilities in the Cruise Terminal Development:

- 4.1 Core Facilities shall include the Cruise Terminal as the core component, any structures, plant, equipment and utilities required for its operation, open space and the Government, institution and community (GIC) facilities on the Site and the essential infrastructure necessitated by the Cruise Terminal Development. The cruise terminal shall comprise at least one berthing place, adequate apron areas, appropriate ground handling systems and relevant facilities up to international standard capable of supporting homeport operations of the largest cruise ships known to the market (e.g., Queen Mary II²). The latest trend in cruise ship design should also be taken into consideration. Other basic requirements of the cruise terminal include departure/arrival halls with adequate spaces for Customs, Immigration and Quarantine (CIQ) and Police facilities. The terminal building shall be so designed to include other supporting facilities (e.g. access and servicing corridors, covered passenger concourses, baggage handling facilities and taxi/coach drop-off and holding areas, etc) in order to provide world-class services to support cruise operations.
- 4.2 Apart from designing, constructing the terminal building and berthing provisions, the Future Successful Bidder shall be responsible for capital and maintenance dredging of both the berths and the approach channels leading to the cruise terminal, as well as to plan, design, finance, construct, procure, fit out and complete the Cruise Terminal Development in accordance with user requirements set out by the respective Government departments. The Future Successful Bidder will also be required to operate, maintain and manage the Cruise Terminal Development except for the GIC Facilities (The GIC facilities, if required, are subject to requirements and agreement of Government. The GIC facilities shall be handed over to Government upon completion of construction free of cost). All the improvement measures to the existing infrastructure facilities would need to be funded by the Future Successful Bidder.
- 4.3 Proponents may propose, as part of the Cruise Terminal Development, enhancement facilities to enhance financial viability and attractiveness of the Cruise Terminal Development to overseas and local visitors. Proponents will need to submit an initial business plan including expected capital and operation

² Specifications of Queen Mary II –

Capacity (Max.)	Gross Tonnage	Length Overall	Beam	Draft	Air Draft
2800 passengers	150,000 tonnes	345m	45m	10m	62m

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costs to substantiate its proposal on enhancement facilities. Government may consider including these components as part of the Cruise Terminal Development in formulating the development parameters of the Cruise Terminal Development at a later stage. Consideration on the proposed enhancement facilities would be given against the following principles:

- (i) they contribute to enhancing the viability of the cruise terminal;
- (ii) they are compatible with the cruise terminal and existing / planned developments in the surrounding area in terms of land use, development density, height and built form, etc;
- (iii) they can create synergy with the cruise terminal and generate tourism merits; and
- (iv) no residential development will be considered.

- END -

REPLY FORM

The Tourism Commission
The Government of the Hong Kong Special Administrative Region
Room 256, East Wing, Central Government Offices
Lower Albert Road
Hong Kong

Expression of Interest: Suggestions for the Development of New Cruise Terminal in Hong Kong

We, _____ (company name) have read and fully understood the brochure “Invitation for Expressions of Interest: Suggestions for the Development of New Cruise Terminal in Hong Kong”. We hereby express our interest in undertaking the above Cruise Terminal Development at the Site proposed at the following address : _____
_____.

We submit herewith all the required information.

We understand and agree that the Government reserves the right to change the content of the Invitation Document or terminate the invitation for expressions of interest process at any time.

The information of our company/organization is set out below :

COMPANY NAME : _____

ADDRESS : _____

AUTHORIZED SIGNATURE : _____
(on behalf of the above Company)

NAME AND CAPACITY : _____

TELEPHONE : _____ FACSIMILE : _____

For and on behalf of the Company

Authorized Signature

INFORMATION TO BE INCLUDED IN THE EXPRESSION OF INTEREST

1. This section outlines the information to be submitted by a Proponent in an EOI submission.

Expression of Interest

2. The Reply Form at **Annex A** shall be duly completed and included in the submission to confirm the Proponent's interest in taking forward the Cruise Terminal Development.

Particulars of the Proponent

3. Identification of the Proponent
 - (i) Name, in both Chinese and English, of the Proponent.
 - (ii) Place and date of incorporation if the Proponent is a corporation and the corresponding certified copy of the certificate of incorporation.
 - (iii) Number of business registration certification of the Proponent and the corresponding certified copy of the certificate.
 - (iv) Full details of the Proponent's local contact person who has the delegated power to answer any questions that the Government may have relating to all information required herein.
 - (v) Name of directors, shareholders, ultimate holding company or beneficial owner of the Proponent.
4. Organizational Information
 - (i) Brief description of the history and business of the Proponent, or the group if the Proponent is a subsidiary, including company brochures, details of its Hong Kong business experience and related overseas experience.
 - (ii) Name of directors, shareholders, intermediate and ultimate holding company or beneficial owner, and government or state ownership of the Proponent.
 - (iii) Proponents are also requested to provide the information as required in Item 3(i) above of the intermediate and ultimate holding companies.

Proponent's Submission

5. The Cruise Terminal Development and Concept Design

- (i) Each Proponent should provide an initial technical feasibility study to demonstrate that the Site can accommodate the mega cruise ship as detailed in Section 4.1 of the Invitation Document. The feasibility study should also demonstrate the suitability and adequacy of the Site in terms of engineering, planning, marine, traffic and transport aspects.
- (ii) Each Proponent should provide an initial engineering proposal on the proposed construction method of the berth(s) and the cruise terminal, with mooring supports capable of accommodating cruise vessels of varying sizes. The marine access channel, turnaround and berthing basin arrangements together with the associated dredging requirements should also be set out. The initial engineering proposal should also include proposed arrangements for drainage and sewerage, water supply and other utility services for the cruise terminal (and enhancement facilities, if any).
- (iii) Each Proponent should describe the proposed Cruise Terminal Development (and enhancement facilities, if any) and its concept design, including the preliminary master layout plan of the Site, extent, composition and development parameters of the Cruise Terminal Development, addressing the objectives and requirements set out in Sections 2-4 of the Invitation Document. These include the proposed land uses and the respective Gross Floor Area to enhance the commercial viability and sustainability of the Cruise Terminal Development. Proponent needs to submit an initial business plan including expected capital and operation costs to substantiate its proposal on enhancement facilities, if enhancement facilities are proposed.
- (iv) Each Proponent should specify all the land requirements including that for the Cruise Terminal Development, all essential infrastructure as necessary for the satisfactory operation of the Cruise Terminal Development, seabed dredging requirements as well as diversion / reprovisioning of affected utilities and marine / land facilities arising from the Cruise Terminal Development, enhancement facilities (if any) and any temporary occupation or requirements during construction, and the estimated construction costs involved.

6. Preliminary Implementation Programme

Each Proponent should give a preliminary implementation programme for the Cruise Terminal Development to meet the needs of the cruise industry before 2011, which should include the expected statutory procedures and timetable required for the development of the new cruise terminal as well as provision of essential infrastructure (and enhancement facilities, if any).

DETAILS OF SUBMISSION OF THE EXPRESSION OF INTEREST

1. One original as marked “Original” in the front cover and 10 copies of each EOI must be delivered to and received by the Government, under “Confidential” cover and marked “Invitation for Expressions of Interest: Suggestions for the Development of New Cruise Terminal in Hong Kong” before 12:00 noon (Hong Kong time) on 31 December 2005 (the “Closing Date”) and addressed to:

The Tourism Commission
The Government of the Hong Kong Special Administrative Region
Room 256, East Wing
Central Government Offices
Lower Albert Road
Hong Kong
2. Any inquiries should be made in writing and sent to the Tourism Commission at the above address (Fax. 2801 4458) no later than 21 November 2005. The Government will, to the extent necessary and appropriate, reply to any enquiries of the Proponents regarding the invitation. Proponents are encouraged to follow up their enquiries if a reply is not received from the Government within 6 working days. The Government will not be responsible for any misdirected faxes.
3. In case a black rainstorm warning signal or a typhoon signal No.8 or above is hoisted between 9:00 a.m. and 12:00 noon on the closing Date or an announcement is made by the Hong Kong Observatory that such signal will be hoisted between the above hours and such announcement remains in force up to 9:00 a.m. on the Closing Date, the Closing Date shall be extended to 12:00 noon on the immediate following working day (Saturday excluded) on which no typhoon signal No. 8 or above is hoisted between 9:00 a.m. and 12:00 noon.
4. Late submissions will not be considered under any circumstances.