



市區重建局
URBAN RENEWAL
AUTHORITY

*Towards a New Horizon of
Sustainable Urban Renewal*






Towards a New Horizon of Sustainable Urban Renewal

The mechanism and solutions we rely on to tackle Hong Kong's pressing urban decay problems were mainly built at a time when the world was different.

They have done their best in the face of daunting challenges. But the fit between the existing mechanism and emergent new problems is increasingly strained, even as part of the old problems continues.

In order to ensure the sustainability of urban renewal, we have to find ways to transform the mechanisms to deal with today's realities.

The success of this process will depend on how we can combine the collective capacities and innovations of our stakeholders in joint problem-solving initiatives.



The Urban Renewal Authority (URA) was established under the Urban Renewal Authority Ordinance (URAO) in May 2001 to replace the Land Development Corporation as the statutory body to undertake, encourage, promote and facilitate the regeneration of the older urban areas of Hong Kong.

The URA is committed to:

- Addressing Hong Kong's acute **urban decay** problem and improving the living conditions of residents in dilapidated urban areas
- Adopting a “**people first, district-based, public participatory**” approach in its work
- Adopting ‘**Redevelopment and Rehabilitation**’ as its **core activities**, preserving buildings with heritage value, and revitalising areas which are within URA's project sites
- Implementing best-practices with regard to **sustainable development; and building a quality city** through appropriate development density, land use planning, urban design, greening, heritage preservation and revitalisation

Heads Up: In Search of the Way Forward of Urban Renewal

In order to ensure the sustainability of urban renewal, brainstorming sessions were organised in the first half of 2014. Board Members and the management explored how the URA could deal with today's realities. Here are some of their ideas and views that contributed to our exploration in new directions:



“Should the URA set up a research and development team to review and find out more on what our neighbouring cities are doing in terms of urban renewal?”

“Should the URA consider providing even more community facilities in its urban redevelopment projects so that it can consolidate more public support for such projects?”

“The URA’s facilitating services scheme was well received by the community and has little financial implication to the public purse. Should we expand and enhance this service to cover more old buildings, be they residential or non-residential?”

“URA’s major challenges have been made more challenging. The escalating acquisition cost, the down-turning market, the rapidly rising construction cost, and the decreasing plot ratio gain of projects will have negative impact on the sustainability of our urban renewal programme. We need major breakthrough in the face of new realities and challenges.”



“Given URA’s social mission and the political and historical circumstances involved, although demand-led projects may not be financially sustainable, the scheme should continue. The URA may perhaps consider implementing the demand-led projects more prudently say by including financial consideration as a criterion in selection of projects.”

“Should the URA explore the feasibility of combining demand-led project(s) with self-initiated project(s) with a view to maximising the planning gains through larger-scale redevelopment projects?”

“Riding on the CE’s Policy Address that opened up the possibility of increasing development intensity, should the URA explore with the Government whether additional plot ratio could be granted on project-by-project basis, if social benefit is obvious?”

“Can we consider divesting non-core activities which were basically loss-making, so that we can effectively improve the financial situation of the URA and focus on our core business?”

Contents

- 6 Chairman's Statement
- 10 Managing Director's Statement
- 16 Redevelopment
- 26 Rehabilitation
- 32 Preservation and Revitalisation
- 38 Corporate Sustainability
- 44 Reaching Out
- 50 Building Our Team
- 54 Highlights of the Year
- 58 Project Highlights

- 70 Corporate Governance
- 74 Members of the Board and Profiles
- 86 Members of Committees
- 90 Organisation Structure and Senior Management
- 94 Members of District Advisory Committees

- 97 Financial Review
- 101 Financial Highlights
- 102 Report of the Members of the Board
- 104 Independent Auditor's Report
- 106 Consolidated Statement of Comprehensive Income
- 107 Consolidated Statement of Financial Position
- 108 Statement of Financial Position of Urban Renewal Authority
- 109 Consolidated Statement of Cash Flows
- 110 Consolidated Statement of Changes in Equity
- 111 Notes to the Financial Statements

Chairman's Statement



Mr Victor SO Hing-woh, JP



“The challenges facing us must be viewed in the context of the Urban Renewal Strategy which requires us to ensure its financial self-sufficiency over the long haul.”

When I took up the Chairmanship of the Urban Renewal Authority in June last year, we were already facing several worrying new challenges. For one thing, construction cost was escalating. For another, the property market, after enjoying an unprecedented boom over the past decade, seems to have reached its peak. More ominously, interest rates were threatening to resume its upward trend. Except for the fact that interest rates are thankfully remaining at a low level, the other aforementioned adverse scenarios have materialised, making our task in tackling urban decay much more daunting and challenging than ever before. Doubts are being voiced as to whether the Authority could still be able to operate “within a framework that is fair, sustainable and yet effective”, as mentioned in the Authority’s Annual Report for 2012/2013. The challenges facing us must be viewed in the context of the Urban Renewal Strategy which requires us to ensure its financial self-sufficiency over the long haul.



Mr Victor So is briefed on the project progress.

On the operation side, while there is a good consensus within our society that urban renewal should proceed at a faster pace and cover larger areas, there is almost always resistance, and in some cases, very strong resistance, in one form or another, against our work. As a result of such militant resistance, several of our major projects such as ones at Hai Tan Street/Kweilin Street/Pei Ho Street in Sham Shui Po and the Kwun Tong Town Centre, unfortunately suffered delays. These two projects were begun as far back as 2006 and 2007 respectively, but have been unduly delayed due to clearance problems, leaving us with a huge backlog, even as we aim at commencing more renewal projects on a year by year basis.

Under the new Urban Renewal Strategy promulgated in 2011, the Authority took on demand-led projects on a pilot scheme basis, in which we invited owners of old and dilapidated blocks to collectively come forward so that the Authority could assemble the property interests and accelerate the pace of redevelopment. This scheme has resulted in the submission of 110 applications, only 25 of which have met the pre-determined criteria, with only nine projects commenced. Our experience has shown that among the applications received, many sites have existing plot ratios already very close to, and sometimes even exceeding, the maximum permitted domestic plot ratio of 7.5 times in Kowloon. On top of the high acquisition cost for domestic owner-occupiers, at approximately two times the market value for the old domestic units under the compensation policy approved in 2001 by the Finance Committee of Legislative Council, and the extremely high compensations to shop owners and operators, the Authority faces criticism



Mr Victor So and Mr Paul Chan, Secretary for Development at the ceremony of Quality Building Award 2014. URA's Larch Street / Fir Street project wins the Grand Award.

from the public that the demand-led projects for the smaller sites in particular have only resulted in the redevelopment of pencil blocks, with limited planning gains to the neighbourhood.

In April 2014 the Authority set up an Ad-hoc Committee to review these and other related issues and to come up with directions on how to handle demand-led vis-a-vis our self-initiated projects for the benefit of our community. More importantly, due to the volatile market environment, we observe that developers are becoming more and more conservative in bidding either for government sites or for our joint-venture projects. We are also witnessing something very new to Hong Kong in that the unit construction cost is at a higher level than the average land cost per permissible square foot of floor area.

On our balance sheet for 2013/14, we have on hand a stock of properties valued at over \$20 billion acquired for redevelopment but not yet tendered. The auditor has certified that for the first time in five years, the 2013/14

financial report is showing a deficit of \$2.3 billion. At the present moment, the Authority's finances are still on a secure footing. We must, however, tread carefully in running our operations in a way that is consistent with mandated long-term financial soundness. One way to approach the urgent issues could be to fast-track the clearance of the heavy backlog of projects.

On a longer term basis, we may need to rethink how redevelopment and rehabilitation, the two core businesses of the URA, should proceed. I have heard suggestions from stakeholders that stronger owners' participation should be considered. Some have even suggested that rehabilitation should perhaps play an even bigger role in urban renewal. Community views and suggestions will be taken seriously by our Ad-hoc Committee.

I am very grateful to our Board Members who have put in so much time and effort over the past years, not only in dealing with routine business at the Board or Committee levels, but in actively participating in our brainstorming sessions in the first half of 2014. Last but not least, for the organisation to function more effectively, we rely heavily on the hard work and total commitment of our staff to tackling the highly complicated and thorny tasks of acquisition, relocation and other aspects that are part and parcel of our operation. To them all, we owe a vote of heartfelt thanks.

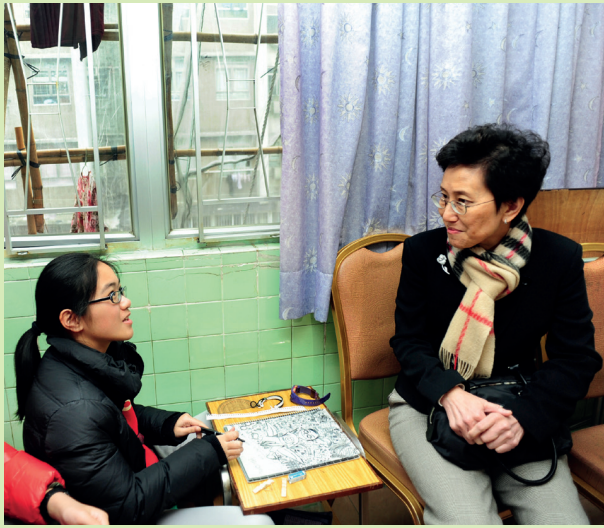
Victor SO Hing-woh
Chairman

31 July 2014

Managing Director's Statement



Ms Iris TAM Siu-ying, JP



Ms Iris Tam visits residents of the Castle Peak Road/Un Chau Street redevelopment project during freezing survey.

It has always been my firm belief that an organisation is defined as much by its mission as by its people. Existing in a symbiotic relationship, the mission sets out the general directions and goals, while planning and execution fall on management and staff.

Being a statutory body, the URA is necessarily bound by its legislative framework and established policies, but that has not prevented us from pushing the proverbial envelope whenever possible and reasonable. Indeed, the thinking process involved in the formulation of new policies and initiatives is a highly informed one with our frontline staff playing a crucial role in reflecting the sentiments and aspirations of our stakeholders on the one hand, and often making practical suggestions on how to address them on the other. Such unique insights and pragmatism not only constitute the fundamental building blocks for many of our urban renewal schemes, but also expertly inform our decision-making process.

Like previous years, 2013/14 has been an eventful and challenging year. Working in concert, Management and staff have tackled various challenges with ingenuity and dedication.

The clearance of Development Areas (DAs) 2, 3 and 4 at our Kwun Tong Town Centre redevelopment site (5 DAs in total) had been accorded top priority during the year. It was a formidable task due to the number of remaining occupiers (legal and illegal) and the complex logistics involved. Much effort has been dedicated to the clearance of illegal structures in Yan Shun Lane and the relocation of the fixed stall operators at the Mut Wah Street and Hip Wo Street hawker bazaar. The relocation of the long-standing bus and mini-bus termini was also fraught with challenges. All these entailed lengthy negotiations with the people concerned, and the adoption of some special measures by the URA. In order to encourage the operators to vacate their stalls before the end of February 2014 but after the business peak during the Chinese New Year, an early bird incentive amounting to 50% of the special removal allowance was offered to those operators who were willing to vacate their stalls on the fifth day of the Chinese New Year (4th February 2014). This practical approach was very much welcomed by the operators, resulting in 114 out of 119 taking advantage of the early bird arrangement.

In addition, the design of the new interim hawker bazaar is based on many rounds of consultation, and has the approval of the Food and Environmental Hygiene Department. A particular feature that is highly appreciated by the operators but not usually found in hawker bazaars is the provision of toilets in the new interim bazaar. But for the revelation by our staff of the plight of the operators who previously had to limit their water intake at the old bazaar to avoid making long trips to public toilets, the critical need for such basic amenities would not have surfaced, let alone dealt with.

In 2013/14, rehabilitation in Hong Kong has received an extra boost with the introduction of the “New Tendering Arrangement” aimed at curbing tender-rigging that has been rife in recent years. The idea relating to this new arrangement originated from our staff after much reflection. Independent consultants have been engaged to handle the invitation and receipt of expression of interests and tenders, thereby ensuring a fair and transparent process. Results so far have been very encouraging. Usually, a tender would attract around 20 to 30 bids with most of them returning a fee quote higher than the independent building surveyor's estimates. For the nine cases with tenders that were opened in June and July 2014, some 50 to 60 bids had been received with around 15% of the quotations similar or lower than the estimates of the independent surveyors. A fair tender process is without doubt highly conducive to the fair pricing of rehabilitation.

In the area of revitalisation, our “crown jewel”, the much lauded and multiple award-winning “Comix Home Base” at Mallory Street/Burrows Street has become a standard-bearer of sorts not just locally but on the international level. Since opening in July 2013, it has attracted a monthly average of over 45,000 visitors. The project has given new meaning to, as well as fresh impetus for revitalisation efforts in our city and its success speaks volumes for our colleagues' innovative thinking, attention to details and overall boldness in doing something that is rarely seen but obviously much welcomed in Hong Kong.



Ms Iris Tam and the little artists at the opening ceremony of Comix Home Base.

While much has been reported about the new zest of life that the project has given to the preserved building, something also needs to be said about its impact on the



Home visit by Ms Iris Tam to a resident of the Kai Ming Street Demand-led project.

immediate neighbourhood. For instance, the choice of the Ho Wah restaurant as one of the building's ground floor tenants was not incidental but has been carefully considered. With its long association with Mallory Street that could be traced back to 1952, the original restaurant has been operating at the shop lot adjacent to the preserved building since the 1980s. Although the new shop space could only obtain a refreshment licence due to the constraints of the preserved building, it is well supported by the adjacent restaurant. The extended shop space puts an end to the usage of part of the pavement to serve customers as was the case in the past and the restaurant no longer needs do their dish-washing at the back lane, bringing significant improvement to the street environment. It is an altogether win-win situation.

In going about our daily work, the URA has to adapt to changes on a continuous basis. Gradual changes are naturally preferred but more often than not, circumstances do not afford such luxury. In these situations, our colleagues have proven themselves to be highly adaptable and resourceful. A recent example is the enactment of the Residential Properties (First-hand Sales) Ordinance which imposes very stringent provisions relating to sales brochure details, advertisement, show flats, flat sale procedures and so on. Being the land grantee, the URA has to balance the commercial interest of our joint venture partners to launch the sale of units as soon as possible, while ensuring the legal compliance of the proposed sale through due diligence checking, long hours of co-ordination with the partners concerned, and provision of timely advice and support. To date, five of our projects including Park Metropolitan at DA 1 of our Kwun Tong Town Centre redevelopment project, and The Avenue



The appreciation ceremony of Community Service Partnership Scheme, a tripartite effort of URA, NGOs and tertiary institutions.

at the Lee Tung Street redevelopment project had been successfully launched under the Ordinance. This is no small feat and our colleagues from different divisions have acquitted themselves very well under the aegis of the new statutory regime.

Since the coining of the term “people-centred” approach, it has been used exclusively to describe the URA’s commitment to serving our stakeholders. However, I would posit that it is an equally apt depiction of the URA as an organisation. We are not a faceless entity that mechanically applies established policies. The URA is made up of a dedicated body of staff whose talents and hard work are the driving force behind our urban renewal efforts. With empathy, integrity and commitment, our own people are at the centre of our operation – a completely fitting and logical “people-centred” setup to serving a “people-centred” cause.

Iris TAM Siu-ying

Managing Director

31 July 2014



Redevelopment

Unleashing the Potential

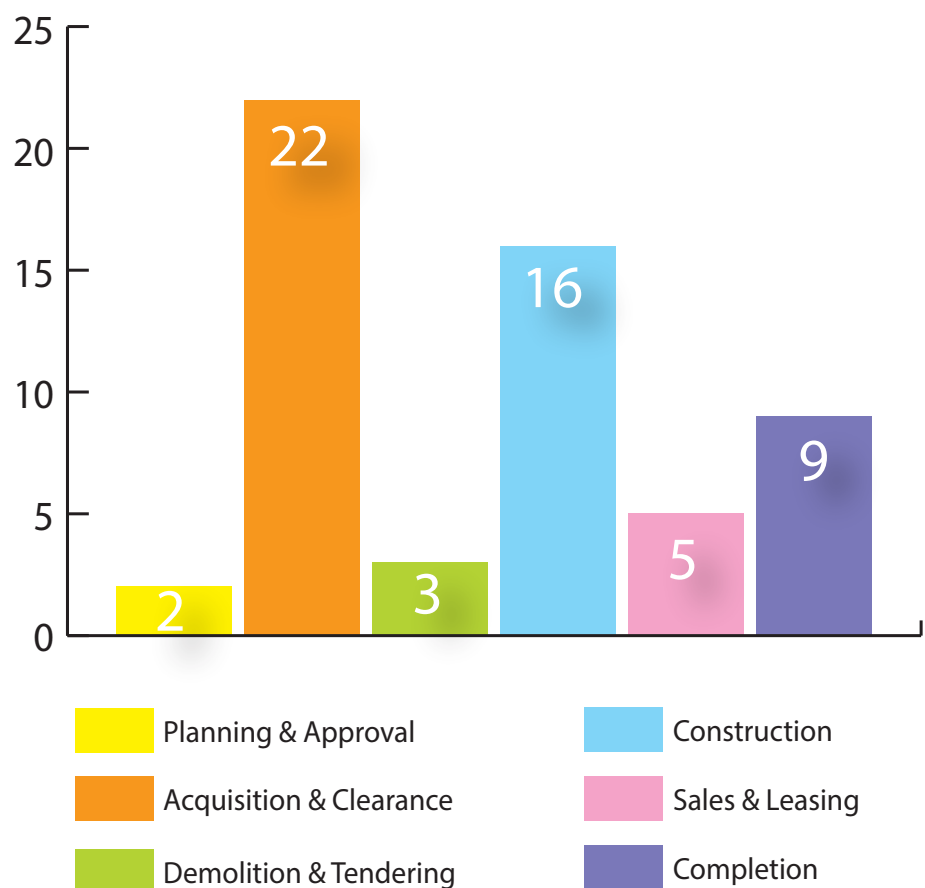
Six new redevelopment projects were launched by the URA in 2013/14, matching the number of 2012/13.

The six projects include five launched under the URA's Demand-led Redevelopment Project Pilot Scheme (Demand-led Scheme).

Four of these Demand-led projects were selected from the second round of applications for the Demand-led Scheme held in 2012 and one from the third round held in 2013. The sixth project was a URA-initiated project.

Up until 31st March 2014, a total of 54 redevelopment projects, two preservation projects and one revitalisation project had been commenced by the URA. Excluding two redevelopment projects which have been terminated, these projects provide around 14,200 new flats, 278,800 square metres of commercial space, 53,300 square metres of Government, Institutional or Community (GIC) Facilities, 100,300 square metres for other uses including offices and hotels, and 26,000 square metres of open space.

Implementation of 54 Redevelopment Projects



- 3 projects are undergoing more than one stage of development
- Individual details of all 54 projects are given in the "Project Highlights" on page 58 to 69

Demand-led Projects (Pilot Scheme)

It is a prerequisite of the Demand-led Scheme that once commenced, the actual implementation of Demand-led projects depends on the satisfaction of two conditions precedent, namely the acceptance by the owners of not less than 80% of the undivided shares of each lot within a project site of the relevant conditional acquisition offers and the authorisation of the Secretary for Development for the project to proceed.

Second Round Demand-led Projects

Three of the four Demand-led projects selected from the second round of applications and launched during the year managed to meet the conditions precedent within 2013/14 and are being actively implemented. The remaining Wong Chuk Street project failed to meet the 80% threshold and was terminated.

Kowloon Road / Kiu Yam Street, Sham Shui Po

This is a single eight storey building dating back to 1959 with a project site area of 599 square metres populated by 115 households. The project is expected to produce around 80 flats and 815 square metres of commercial space.

Tung Chau Street / Kweilin Street, Sham Shui Po

This building fronts directly onto the elevated West Kowloon Corridor and consequently suffers directly from traffic noise. It occupies a project site area of 1,640 square metres and was built in 1964 to a height of nine storeys. It contains 244 households. The project is capable of providing 190 flats and about 2,100 square metres of commercial space.



URA staff conducts freezing survey.

Fuk Chak Street / Li Tak Street, Tai Kok Tsui

This narrow site with a project area of 716 square metres comprises one building of eight storeys built in 1964. 75 households reside in the building. The project can produce 92 flats and 643 square metres of commercial space.

Third Round Demand-led Projects

The third round of Demand-led projects yielded four projects for selection. One was commenced in December 2013 and another in April 2014.

Kai Ming Street, Ma Tau Kok

In August 2013, the Buildings' Department (BD) applied for a closure order at No.51 Kai Ming Street to pave the way for demolition of the cantilevered slab balconies which were deemed unsafe by BD. With the assistance of the URA, the owners of No.51 and the adjoining five buildings initiated a Demand-led application for redevelopment, which was selected under the third-round pilot scheme. The URA has advanced the implementation of this project in December 2013, following the issue of demolition orders by BD.

This corner site comprises altogether six buildings built in 1957 on a project site area of 553 square metres, accommodating 57 households. 72 flats may be developed together with 308 square metres of

commercial space and 450 square metres of community facilities.



Existing site condition of Kai Ming Street Demand-led project.

To Kwa Wan Road, Ma Tau Kok

This project comprises a single nine-storey building, (albeit occupying seven street numbers) erected in 1960 on a project site area of 1,224 square metres and occupied by around 190 households. The project is expected to produce around 150 flats and around 153 square metres of commercial space. In addition, 830 square metres of space will be earmarked for community facilities.



"I was so excited to know that URA would redevelop my building, which had no lift. My dream of moving to a better living environment came true. I'm very happy that I have moved to this new public estate. Even though I am paying more or less the same rent as before, the living area the family enjoys has doubled in size with a much better environment. With just 20-minute walking distance from my old flat, it's very convenient for my wife to go to the market, for me to go to work and my son to go to school. I can also keep in touch with some of my old neighbours who also moved to this estate."

Mr WONG Yuk-kwong and his family

Mr Wong and his family used to live in a 200-square-feet subdivided flat at URA's Fuk Wing Street project in Sham Shui Po. They were re-housed to a public housing unit in Shek Kip Mei Estate and offered ex-gratia removal allowance.

URA-initiated Redevelopment Projects

Castle Peak Road / Un Chau Street, Sham Shui Po

This project covers a site area of 1,900 square metres and comprises eight pairs of six-storey buildings built in 1955 and 1956. There are 217 households living in the site. The project is relatively large and can produce around 232 flats and 2,474 square metres of commercial floorspace.



Existing view of the project.

Redevelopment of Industrial Buildings (Pilot Scheme)

Two projects have been commenced under this scheme. The first of these at Smithfield has been terminated in July 2013 since the Secretary for Development declined to authorise it due to 100% objection from the owners.

Yu Chau West Street, Sham Shui Po

The second project at Yu Chau West Street comprises a 10-storey industrial building built in 1962 and occupying a site area of 1,393 square metres. The site can be redeveloped to provide about 16,700 square metres of office and retail floor space in conformity with the zoning plan. The Secretary for Development authorised the project to proceed in August 2013 and acquisition offers have been made.

Other Projects of Note

Ma Tau Wai Road/Chun Tin Street project, To Kwa Wan

Following the tragic collapse of a building on Ma Tau Wai Road in January 2010, the URA stepped in and commenced this project which comprises two rows of over 50-year-old tenement buildings and which affects about 213 households.

The site was reverted to Government in April 2013 and clearance is expected to be completed within 2014.

Sai Yee Street project, Mong Kok

A joint venture tender was awarded in September 2012 for this sports-themed redevelopment where under a special local sports shop arrangement, former sports shop operators will be offered priority to lease space within the retail portion of the future development. Foundation works are nearing completion.

Larch Street/Fir Street project, Tai Kok Tsui

This project was completed in 2011 and includes the 1,000 square metres Urban Renewal Resource Centre. The project has obtained the highest grade of HK-BEAM 'Platinum' rating and recently received the top Grand Award of the Hong Kong Residential (Single Building) Category of the Quality Building Award 2014 (QBA). The QBA is co-organised by nine professional organisations in Hong Kong and recognises buildings that demonstrate both outstanding quality and teamwork.

Kwun Tong Town Centre project, Kwun Tong

URA's largest project to date, the Kwun Tong Town Centre project covers a total site area of 5.35 hectares and affects around 1,800 households. The project is expected to produce around 2,000 new flats, 112,000 square metres of commercial space, 31,000 square metres of GIC facilities and 13,400 square metres of public open space.

This complex project is being implemented in three phases, with the site divided into five Development Areas. Clearance of Development Areas 2, 3 and 4 was completed in December 2013. The URA has invited property developers to tender for the development of Development Areas 2 and 3. Meanwhile the occupation permit for Development Area 1 was issued in June 2014 and flat sales are underway. The phased development approach will enable the early reprovision of the existing Kwun Tong Jockey Club Health Centre to Development Area 1, and the Methadone Clinic to the Hoi Yuen Road



Clearance of Development Areas 2, 3 and 4 of the Kwun Tong Town Centre project is completed.

Roundabout. In addition, this approach has required the temporary reprovision of existing Government offices in Development Area 4 to private office buildings nearby, vacating the site for interim reprovisioning of the hawker bazaars, Public Light Bus termini and refuse collection point/public toilet from Development Areas 2 and 3. These facilities are now in use.



"The Kwun Tong Town Centre Redevelopment Project is most memorable in my some 10 years of acquisition and clearance work. The scale is huge, time span is long and challenges are unprecedented, including handling acquisition of more than 1,600 property interests as well as the compensation and relocation of over 700 tenants and 100 licensed hawkers. We handled all cases according to the policies, while giving due consideration to the situations of different stakeholders. For example, in addition to offering reasonable compensation to the hawkers, we proactively collaborated with different government departments and established an interim hawker bazaar with a view to finding ways to help them continue with their businesses during the redevelopment period. It is my hope that the acquisition and clearance work of the remaining Development Area 5 can be completed smoothly and as scheduled to pave the way for the new Kwun Tong Town Centre."

Mr Kelvin CHUNG
General Manager, Acquisition and Clearance



"The site particulars of Peel Street/Graham Street project poses difficulties for the construction works. In order to mitigate the nuisance to nearby hawkers, shop operators and residents caused by the construction activities, we will adopt various remedial measures, including provision of noise and dust barriers around the site, adopting hydraulically-installed steel sheet piling and pre-boring the upper parts of steel H-piles. We will continue to consult nearby hawkers and shop operators on the schedule for carrying out the works to ensure normal operation of the market as far as possible."

Mr SZETO Kin-keung
Senior Manager, Works & Contracts

Peel Street/Graham Street project, Sheung Wan

This project has helped improve the living conditions of some 300 households. A phased development approach is adopted in implementing the project to cater for the preservation of a century old wet market which falls outside the project boundary. This approach also allows the fresh-food operators currently operating in the first phase, and who wish to continue their businesses, to be moved to temporary shop premises within the project site. Upon completion of the market block in the first phase in Site B, the fresh-food operators will be able to operate there if they have registered their interest.

Preparations are progressing to commence the Site B foundation works. Sites A and C were reverted to the Government in March 2014 and preparations for the Land Grants for these sites are in hand.



Existing view of the century-old wet market.

Lee Tung Street/McGregor Street project, Wan Chai

This residential and commercial redevelopment project in Wan Chai will –

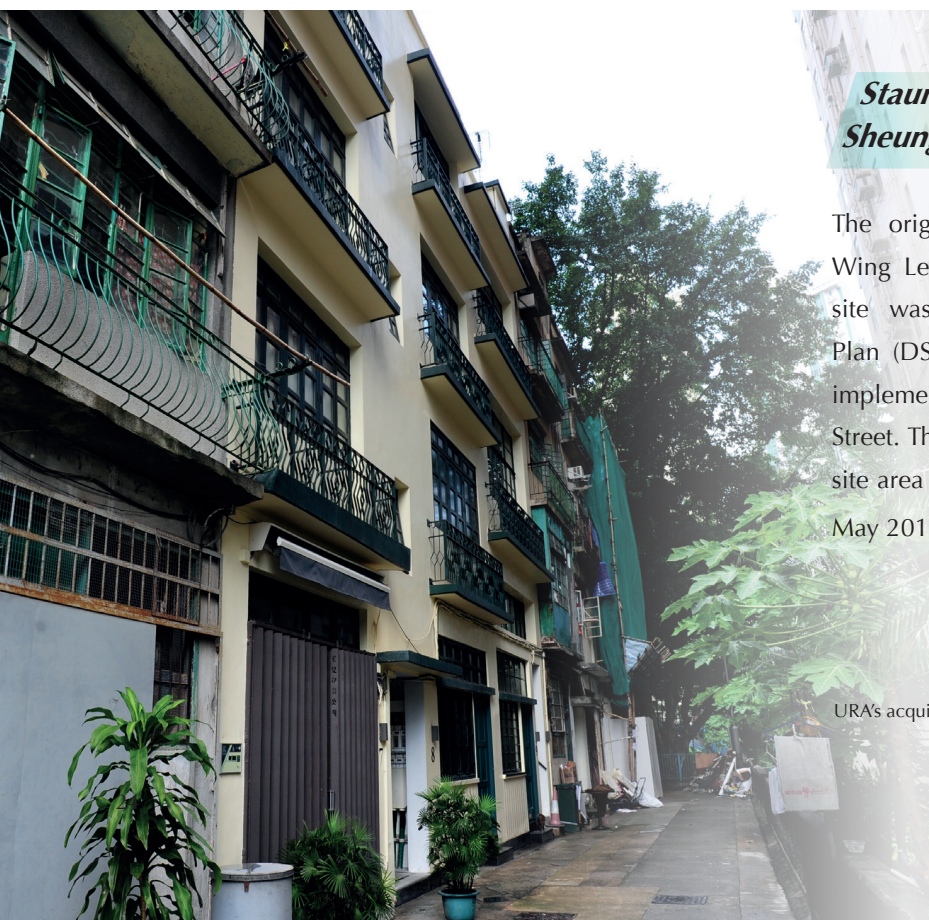
- reflect a wedding theme, a culture gallery that features Hong Kong's early wedding traditions and a retail area for wedding-related trades such as wedding gowns, flowers, decorations, cakes, hair salons, jewellery, photo studios and wedding planners;
- offer space for social enterprises;
- preserve three pre-war shophouses;
- provide a pedestrianised green link between Johnston Road and Queens Road East; and
- provide a new east-west pedestrian link with open spaces.

This is also the first URA project that comes with a formalised comprehensive environmentally friendly policy. It has been planned to significantly reduce carbon emissions from the project.



The Lee Tung Street/McGregor Street project, URA's first project to adopt environmental provisions in a comprehensive way.

Building works is nearing completion and around 90% of the flats have been sold.



Staunton Street/Wing Lee Street project, Sheung Wan

The original Site A of the project comprising the Wing Lee Street area and the Bridges Street Market site was excised from the Development Scheme Plan (DSP) following the URA's proposed alternative implementation concept for conserving Wing Lee Street. The URA's Master Layout Plan for the amended site area was approved by the Town Planning Board in May 2013. The acquisition of interests is continuing.

URA's acquired buildings on Wing Lee Street are renovated.

Facilitating Services (Pilot Scheme)

Under its ‘facilitator’ role, the URA has so far provided services to four facilitation projects during 2013/14. On 7 November 2013, the joint sale for public auction of a facilitation project of around 328 square metres at 67-71 Lion Rock Road in Kowloon City was successfully completed with 100% owners’ participation. This marked a major milestone for the Facilitating Services Scheme.



The facilitation project at Lion Rock Road in Kowloon City is successfully sold out through public auction.

Kai Tak Flat-for-Flat Development

Construction of the URA’s first ever self-developed housing estate for the site designated for provision of Flat-for-Flat units at Kai Tak, commenced in July 2012. Good progress has been achieved with piling, basement, ground floor slabs and transfer plates completed. The URA has adopted modest and quality design features for the development which has obtained a provisional BEAM Plus ‘Platinum’ rating. The development is called “ 煥然壹居 ” in Chinese, a name chosen in a territory-wide naming competition. The English name “De Novo” is used for the development.



Artist impression of the Kai Tak Flat-for-Flat development.





Rehabilitation

Arresting the Pace of Decay

Rehabilitation is one of the URA's two core businesses.

During 2013/14, the URA has continued its rehabilitation efforts through Operation Building Bright (OBB) and the Integrated Building Maintenance Assistance Scheme (IBMAS). In addition, technical and financial assistance to building owners have also been offered under the Mandatory Building Inspection Subsidy Scheme (MBISS). The financial assistance, technical advice and coordination services provided by the URA to Owner's Corporations are welcomed judging by the enthusiastic response.

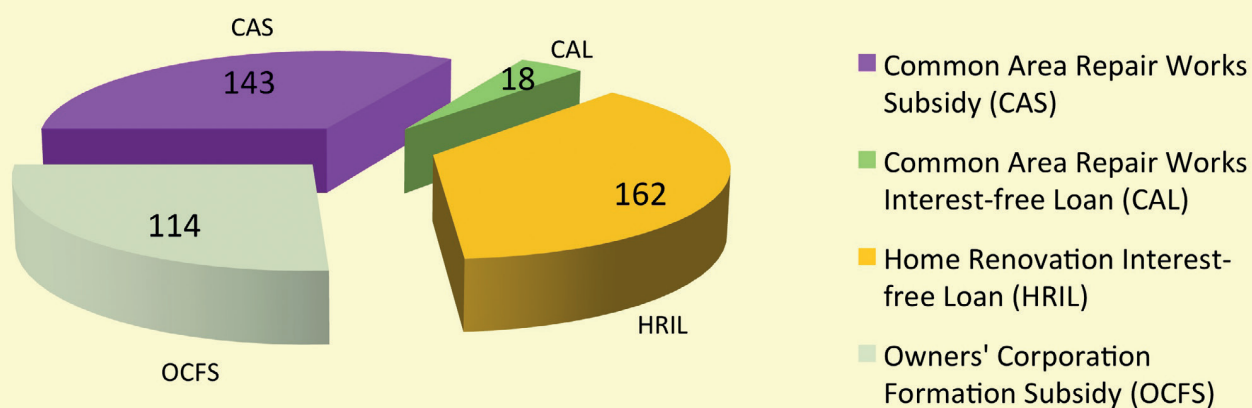


Integrated Building Maintenance Assistance Scheme

From 1 April 2011, the assistance schemes previously operated by the URA and the Hong Kong Housing Society (HKHS) to promote and facilitate better building maintenance have been amalgamated into a single Integrated Building Maintenance Assistance Scheme (IBMAS), adopting the same set of application criteria and providing the same subsidies and assistance to all eligible multiple-owned private domestic and composite buildings in Hong Kong. Through a single application form, owners can also apply for two Government funded assistance schemes i.e. the Building Maintenance Grant Scheme for Elderly Owners operated by the HKHS and the Comprehensive Building Safety Improvement Loan Scheme operated by the BD. Regular IBMAS coordination meetings are held between the URA and the HKHS.

The URA's Materials Incentive Scheme (MIS) and Loan Scheme (LS) are now replaced by the Common Area Repair Works Subsidy (CAS) and the Common Area Repair Works Interest-free Loan (CAL) under IBMAS. From the commencement of the MIS and LS in 2004 up to the end of 2013/14, about 338 buildings (around 680 blocks) comprising around 26,000 units have been rehabilitated under the MIS and the CAS under IBMAS, of which 13 buildings (13 blocks) comprising around 850 units have been rehabilitated within 2013/14. About 230 buildings (around 350 blocks) comprising around 19,160 units have been rehabilitated under the LS and the CAL under IBMAS. In addition, about 130 owners' corporations have been formed under the Owners' Corporation Formation Subsidy (OCFS) of IBMAS. Currently, there are a total of 313 IBMAS cases in progress (226 cases for common area repair works and 87 cases for owners' corporation formation).

Number of applications received in 2013/14 under Integrated Building Maintenance Assistance Scheme



A total of 437 application forms for CAS, CAL, HRIL and OCFS within URA's scheme areas is received in 2013/14 financial year.

"The new tendering arrangement introduced last year and the RenoSafe scheme have been devised to address the problem of bid-rigging in the building rehabilitation industry. Since the launch of the new tendering arrangement, we have noted that the tender returns have doubled in numbers and the tender prices have become more reasonable. This is encouraging. We are more than happy to provide assistance and advice to owners who do not have any clues of how to get a good start. The happy faces of the owners and the improved living environment are the motivation for me to do my job even better."



Mr Daniel LEE
Senior Manager, Building Rehabilitation

Operation Building Bright

The Government's OBB programme is a one-off special operation to create more employment opportunities for the construction sector and to promote building safety which at the same time has raised owners' awareness of the need for rehabilitation.

The URA has given full support to the Government's OBB programme since it began in 2009. At the end of 2013/14, 1,070 buildings (around 1,820 blocks) comprising around 40,300 units out of the 1,460 target buildings (around 2,530 blocks) within the URA's Rehabilitation Scheme Areas (RSAs) had either been rehabilitated or had rehabilitation works substantially complete. Out of these 1,070 buildings, 240 buildings (around 400 blocks) comprising around 8,500 units had either been rehabilitated or rehabilitation works were substantially completed within the year 2013/14. Through conscientious efforts and collaboration with the Independent Commission Against Corruption (ICAC) and the HKHS, guidelines and procedures have also been published and implemented to tighten requirements on service providers in the building renovation industry aimed at mitigating malpractices and promoting public education. The Supplementary Note 3 – "New Tendering Arrangement" (NTA) was introduced in September 2013 which specifically tackles the latest tendering malpractices, with an aim to promote a healthier industry environment by providing a fair, interference-free bidding platform. Initial results have been encouraging with returned expressions of interest and tenders averaging around three times the responses received prior to the introduction of the NTA. Regular OBB Steering Committee meetings attended by the Buildings

Department (BD), HKHS and the URA to deliberate on significant issues and to monitor and update progress continue.

Mandatory Building Inspection Subsidy Scheme

The Buildings Department (BD) has commenced the full implementation of the Mandatory Building Inspection Scheme (MBIS) in June 2012. The URA duly launched the Mandatory Building Inspection Subsidy Scheme (MBISS) in conjunction with the HKHS on 7 August 2012. Under this Scheme, the URA will assist building owners to arrange the first inspections of buildings within its RSAs which are subject to inspection notices issued by BD. Since August 2012, the URA staff have been attending district briefing sessions organised by BD to brief and attend to the questions of owners of target buildings on the subsidy and assistance available under the MBISS. Owners of buildings which, on inspection, are found to require rehabilitation may apply for rehabilitation works assistance under IBMAS, with the URA providing a one-stop continual building care service. Up to the end of 2013/14, out of the 861 MBIS target buildings (around 1,260 blocks) located in the URA target areas, 492 buildings (around 720 blocks) have been contacted. From these 492 buildings, 155 buildings (around 220 blocks) applications have been received and approvals-in-principle were granted to 140 buildings (around 200 blocks).

“Building rehabilitation involves much professional knowledge and many owners do not know how to get started. It is crucial to commission a professional consultancy firm to coordinate the project at a reasonable fee. In the beginning, we did not know what to do. Thanks to URA’s staff for their professional and useful advice which helped reduce the risk of bid-rigging. Their presence and participation at meetings on related works have greatly put our hearts at ease. Despite the complication of the tendering process, the final costs of the works have been reduced by 10% as compared with the first tender price and that eased the burden of our owners.”



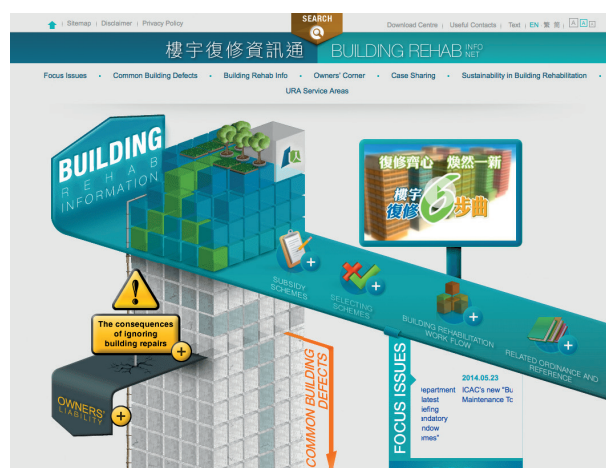
The Hon **SIU Yuen-sheung**, BBS, JP
Chairlady of Shung Tze House Owners' Corporation

Shung Tze House in Hung Hom consists of nine buildings aged over 40 years and joined the “Operation Building Bright” in 2011. With the assistance provided by the URA, the rehabilitation work for the first phase of four buildings is close to completion and the Owners' Corporation has commenced the second phase of rehabilitation work for five buildings.

Building Rehab Info Net

A building rehabilitation website (called the “Building Rehab Info Net” - www.buildingrehab.org.hk) was soft-launched in January 2014 to serve as a one-stop e-platform for building owners as well as building professionals and contractors to access comprehensive building rehabilitation-related information. The website includes details of and application forms for various assistance schemes, an experience-sharing corner and tender information to enhance awareness of their roles, rights and obligations as owners in rehabilitation projects. The URA has promoted the website widely to its stakeholders, government departments, district councils, NGOs, owners' corporations, and industry and professional bodies. Overall, in 2013/14, the

promotion of rehabilitation was in full swing across all platforms including day-to-day assistance provided to eligible owners, the URA's NGO partners, and the holding of regular seminars and briefings.



The “Building Rehab Info Net” provides property owners with comprehensive information related to building maintenance and repairs.



Preservation and Revitalisation

Efforts continue.....

There have been notable achievements for the URA's revitalisation and preservation work during 2013/14. The Mallory Street/Burrows Street project has received awards commending its innovation, heritage reuse, design and revitalisation benefits.

Mallory Street/Burrows Street project, Wan Chai

The Hong Kong Arts Centre is now operating the “Comix Home Base” at the Mallory Street/Burrows Street revitalisation project which provides a platform for local and international art exchange. Since the completion of the project and its official opening in July 2013, the “Comix Home Base” has become a very popular attraction with the number of visitors approaching 250,000 by the end of March 2014. The URA has retained ownership of the project and will continue to oversee its operation. In the past year, the project has received awards from different professional institutes commending the innovation, heritage conservation, adaptive reuse, design and revitalisation benefits of the project.



Comix Home Base has become popular among comic fans, local and overseas alike.



The Mallory Street/Burrows Street project and its awards:

- Hong Kong Institute of Architects Annual Awards 2013: Medal of the Year of Hong Kong and Special Architectural Award (Heritage and Adaptive Re-use)
- Quality Building Award 2014: Merit Award - Hong Kong Building (Renovation/Revitalisation) Category
- Hong Kong Institute of Engineers Structural Excellence Award 2014
- Hong Kong Institute of Planners Annual Awards 2013: Silver Award

“One of our big challenges in preserving historic buildings is the balance between originality and modern building requirements. Taking the Mallory Street/Burrows Street project as an example, we inserted steel into the original wood structure of tiled roof to subtly reinforce the support and tactfully integrate the old and new elements without changing the original look of the special architecture. Our team has been greatly encouraged by the recognition and accolades awarded to this project. We hope this art community will gradually become a landmark of Wan Chai and further promote the local culture while revitalising this old district.”

Mr Lawrence MAK
General Manager, Planning and Design





"The new 'Ho Wah' in this historic building has attracted a new group of young customers, most of them are visitors of Comix Home Base. They are impressed by the ambience here and sometimes talk with me about the architectural features of this building. I also take the opportunity to share with them the history of this district as if I were the tour guide. This new 'Ho Wah', which enjoys a more favourable rent, has expanded our customer base and has a rippling effect on the adjacent old shop. This helps promote the Hong Kong-style teahouse."

Mr HO Cheuk-man
Owner of Ho Wah Restaurant

The Hong Kong style teahouse "Ho Wah" with a history of 60 years in Wan Chai is an icon of local character. URA's revitalisation project at Mallory Street/Burrows Street has turned pre-war historic buildings into the Art Community: "Comix Home Base", where operator Mr Ho has rented a ground floor shop for his new shop. Both the old and new shops of Ho Wah further promote the local food culture.

Central Oasis

The URA has continued to steer the international design consultancy to prepare the conceptual design for Central Oasis. Major character defining elements including the facade, the atrium, the structural grid and the main staircases of the market building are being preserved. Major modifications of the building include the addition of an 'Urban Floating Oasis' on top of the existing building and a new basement. A section 16 planning application for minor height relaxation was approved by the Town Planning Board (TPB) in July 2013. In late 2013, an application for judicial review was filed against the TPB's decision. The Court refused to grant leave for the judicial review in April 2014. Based on the approved section 16 notional scheme, the URA's consultant has prepared the General Building Plan (GBP) which is now pending approval by the Building Authority. The URA is also working with



Existing view of Central Oasis.

relevant Government departments towards the grant of the site to URA to facilitate the necessary works upon the approval of the GBP.

Pak Tsz Lane

Phase 2 of the Pak Tsz Lane revitalisation project involved the refurbishment and interior beautification works for the Gage Street Refuse Collection Point (RCP). The project had been completed and the RCP handed over to the Food and Environmental Hygiene Department in December 2012.

This project was awarded the Hong Kong Institute of Architects Annual Awards 2013: Merit Award of Hong Kong - Community Building, and a Silver Award by the Hong Kong Institute of Landscape Architects in 2012.

Mong Kok

The URA is enhancing the local characteristics of five themed streets, namely Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street involving streetscape improvement to enhance their unique characteristics and ambience. The improvement works at Flower Market Road have been completed whereas the improvement works at Tung Choi Street still requires the completion of gazettal procedures.



Streetscape improvement works in Mong Kok.

The URA will initiate the improvements for Sai Yee Street and Fa Yuen Street upon the completion of URA's Sai Yee Street redevelopment project now under construction. Meanwhile, the URA will liaise with Government departments on the design approach for the Nelson Street improvements.

Tai Kok Tsui

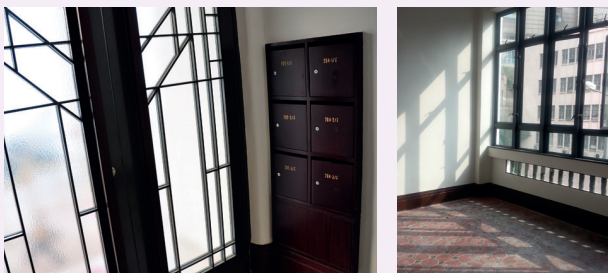
Following the completion of the Phase 1 and Phase 2 improvement works along Beech Street and the Cherry Street roundabout, the Phase 3 streetscape improvement works which covers several streets in Tai Kok Tsui is progressing well. Works for package 1 of the Phase 3 works which involves improvement and greening of parts of Fuk Tsun Street and Tai Kok Tsui Road is now complete. The works contract for implementation of package 2 of Phase 3, which includes parts of Fuk Tsun Street, Fir Street and Larch Street, was awarded in February of 2014 and is scheduled to complete around the end of 2015.



Street beautification works in Tai Kok Tsui.

Shophouse Preservation Projects

The acquisition of interests is continuing for the Prince Edward Road West project where renovation works is completed on Nos. 202 and 204. For the other acquired units in the project, removal of their unauthorised building works has commenced. Nos. 202 and 204 have already been rented out through an open tender process.



Renovation work for two acquired blocks of the Prince Edward Road West project is completed.

Following reversion, clearance action is ongoing for the Shanghai Street project. A design consultancy has been commissioned to prepare a section 16 planning application for the project for TPB approval. Ground and structural investigations have been completed.

Western Market

The URA is discussing with the Government on the way forward for the market, attaching importance to handling the existing tenants, in particular the cloth traders. The URA proposes to extend the current holding-over period of the Western Market for two more years to 2017 following its expiry in February 2015 to allow more time to work out a better future plan for the Western Market.



Corporate Sustainability

Contributing to a Greener Future

URA's sustainability vision is to meet our community's aspirations for quality living and benefit the next generation through environmentally friendly urban renewal. Striving for this goal, our work attends to people needs, respects the natural environment, and contributes to the sustainable development of the city through the optimal use of our resources. As a statutory organisation charged with the mission to tackle urban dilapidation, we are guided by the intrinsic relationship between the three dimensions of sustainability: environmental, social, and economic.

“Greening” the Operation

URA has undertaken annual carbon audit for our own operations and managed properties since we started the first one in 2012. Besides systematically assessing our environmental performance, the carbon audit also serves to raise awareness and encourage behavioural change among our colleagues to combat climate change. Through our concerted efforts, we have successfully put in place the action plan resulted from the first carbon audit and achieved a like-for-like carbon reduction of 7% in 2013/14 as compared with our baseline level in 2011/12 (the new properties that came into operation after the baseline carbon audit are excluded from this comparison). With an expanding team and a growing portfolio of offices to take on more urban renewal work, it is important for us to manage our carbon footprint responsibly.

To assert our on-going commitment to control and manage our carbon emissions, the URA headquarters has further gone through an independent verification of the carbon audit under the Hong Kong Awards for Environmental Excellence’s (HKAEE) Carbon Reduction Certificate Scheme in 2013/14, which requires us to continually monitor and report our emissions level for

the next 3 years in order to maintain the certification.

The carbon audit exercise has offered us valuable experience in walking the talk, as we recognize that the influence of our policies and practices does not cease at our own operations and properties, but extends to buildings covered by our redevelopment and rehabilitation works. Coordinated through our joint venture partners, the commercial portions of our redevelopment projects have duly completed the energy audits stipulated by the Building Energy Efficiency Ordinance. As more and more of our projects will come to completion in the next few years, we expect to see the carbon reduction effect to propagate and make a bigger impact.

Project planning and design

Quality living is not confined only to the residential buildings but also the surrounding built environment that serves the community. Over the years, the URA has adopted a combination of measures to uplift the old urban areas in Hong Kong. In the planning and design of moderate to large scale projects, we have endeavoured to include open space and community/



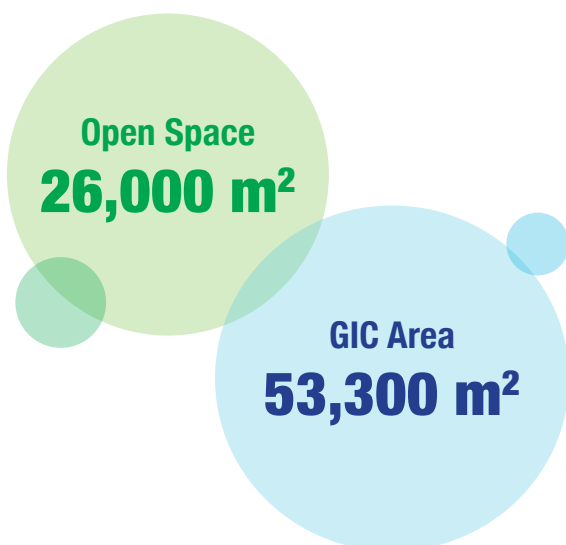
The URA is awarded the Carbon Reduction 5% Certificate of the Hong Kong Awards for Environmental Excellence in 2014, which is a recognition of our achievement in reducing our carbon footprint.



Green features in URA's project.

institutional areas as far as practicable, as in the cases of Tsuen Wan Town Centre, Lee Tung Street, Kwun Tong Town Centre, and Peel Street/Graham Street. The latitude to incorporate such provisions within the site, in comparison, will be limited for small scale projects.

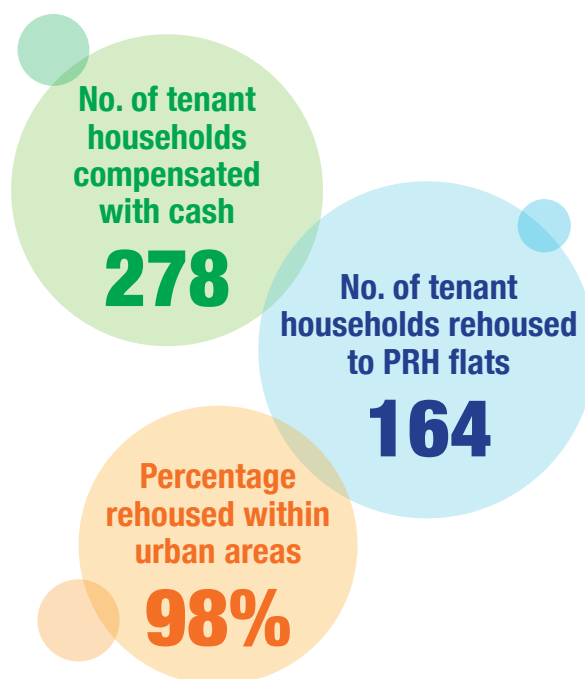
On the other hand, to enrich the cultural characteristics and enhance the environmental quality at the district level, the URA has delivered a number of community projects including the Pak Tsz Lane Park in Central (completion in 2012), Mallory Street/Burrows Street Revitalization Project in Wan Chai (completion in 2013), as well as street landscape improvement works in Tai Kok Tsui (commencement of phase 3 in 2013/14).



(Based on 54 redevelopment projects commenced by the URA up to March 2014)

Acquisition and Rehousing

The URA's acquisition policy comprises cash compensation, flat-for-flat option for owner occupiers, or rehousing, which can improve the living standards of affected households. During 2013/14, acquisition offers were made to owners of 612 property interests (the figure does not include those for the industrial building redevelopment project pilot scheme). In particular, we have advanced the commencement of the demand-led redevelopment project at Kai Ming Street after the residents received demolition orders from the Buildings Department in December 2013.



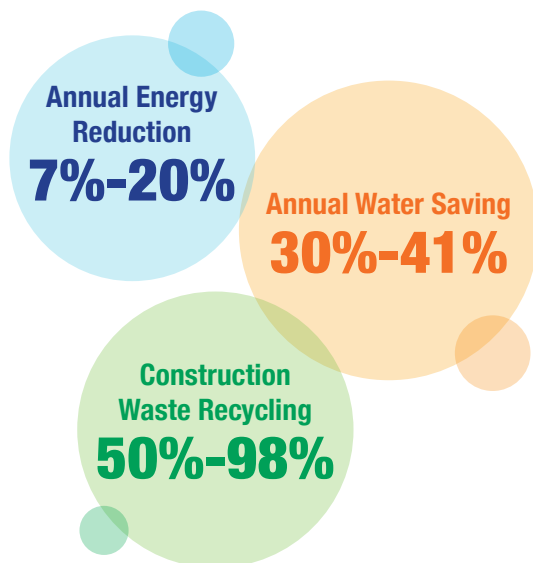
(For projects in progress during 2013/14 financial year)



Lime Stardom is one of the URA projects accredited with the Platinum rating by Hong Kong BEAM.

Works and Contract Management

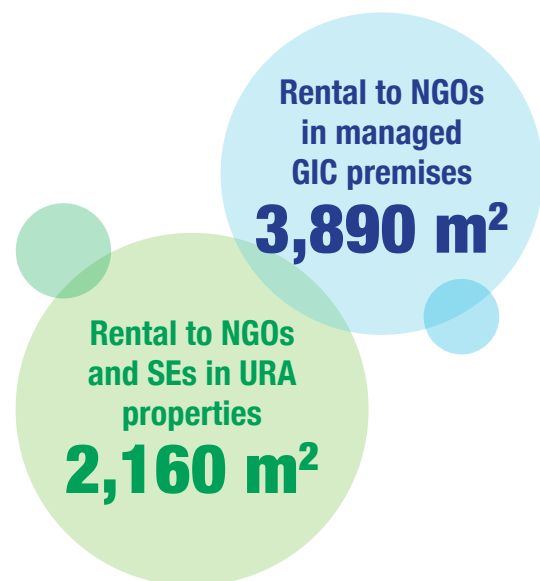
URA recognises that it is in a position to be an advocate of green building design as part of urban renewal, and high environmental standards are therefore imposed on both our self-developed projects and projects that are implemented through joint ventures. Eight redevelopment projects have achieved the Hong Kong BEAM Platinum (final) rating as of March 2014. Setting a high green building standard for these eight projects has motivated the respective designs to optimise use of resources through various measures. It also propagates an important supply chain effect on the downstream consumers as the residential flats were installed with energy-efficient and water-efficient appliances.



(Based on 8 Projects attaining BEAM Platinum (Final) Rating as of March 2014)

Property Management

To embrace more diversified uses of the urban space, the URA has offered concessionary tenancy to non-governmental organizations (NGOs) and social enterprises (SEs) both in our acquired properties and dedicated preserved historical buildings, e.g. Hong Chi Association, Hong Kong Federation of Youth Groups and New Life Psychiatric Rehabilitation Association. In addition, the meeting rooms at the Urban Renewal Resource Centre that are available to the public for uses relating to building rehabilitation and urban renewal purpose have seen a substantial increase in usage during 2013/14.



(For 2013/14 financial year)

URA also provides space for various Government Departments and organisations to carry out a wide range of activities, training, displays and exhibitions, including the arts, youth activities, education, tourism,



The Oasis Gallery at the Central Oasis is a popular venue for community events.



A public activity at the Urban Renewal Resource Centre.

hobbies and so on. More than 50 community events/programmes with URA's assistance/sponsorship had been staged at URA's venues such as Central Oasis, G7 Centre at Wing Lee Street, Urban Renewal Exploration Centre, Urban Renewal Resource Centre and commercial premises operated by URA with its joint-venture partners.

Building Rehabilitation

Being a means to delay urban dilapidation and to provide timely relief to people living in dilapidated buildings, building rehabilitation is a vital part of urban renewal. The rehabilitation schemes operated by the URA assist owners of old buildings to discharge their responsibilities in building maintenance by providing financial and technical assistance. Recognizing that the old buildings typically have poor energy performance due to obsolete design and aging equipment, suggestions on cost-effective measures to reduce electricity consumption from the building's central electrical services have been made on the dedicated rehabilitation website launched by the URA in early 2014.


**Loan and Subsidies
Released over
\$112 million**

(For 2013/14 financial year)



Reaching Out

Connecting and Serving the Community



The work of the URA is in close ties with the community at large. To enhance the public understanding of urban renewal issues, in particular among the youngsters, we have implemented various programmes and partnered with different organisations to reach out to the local community while bringing hearty services to the residents in old urban districts.

In touch with the young people

During the year, a wide range of activities was organised for students, including guided visits to the Urban Renewal Exploration Centre (UREC), docent tours of old urban areas, talks, roving workshops for primary schools and inter-school drama competition. The launch of UR Web Academy and UR City Fun mobile app has facilitated young people's experiential learning through online platforms.



The real mock-up of old buildings at the Urban Renewal Exploration Centre is most welcome by the young people.



Docent tours in old districts help promote experiential learning.



Primary school kids thrill the audience in a drama performance on urban renewal.



"Our school is in Sham Shui Po and many of our students used to live or are now living in old buildings. In the past two years, our students have participated in various educational activities of the URA. These help them consolidate their learning and learn to be empathetic and understanding of others, which are beneficial to their development. I appreciate that the URA as a public body strives to promote the public understanding of urban decay problem and care for the community, making the development of urban renewal sustainable."

Miss KO Shun-yee

HKSYCIA Wong Tai Shan Memorial College

Teachers and students from the HKSYCIA Wong Tai Shan Memorial College participated in the guided tour to the UREC, docent tours of old urban districts and inter-school drama competition.

“To arouse the interest of the young people in urban renewal and related issues, we have to interact with them in an innovative way, making good use of new media. It is encouraging to see the participation of more teachers and students in our activities year after year. I take pride in the Community Service Partnership Scheme of the URA in which we partner with tertiary institutions and NGOs to inject positive energy into the community. Our efforts are well paid off with appreciation written on every smiling face we see.”

Miss Christy AU
Senior Officer, External Relations



“The interactive drama workshop series supported by the URA is an interesting and multi-dimensional programme to inspire the primary school students to understand redevelopment and rehabilitation from different perspectives,” said Mike Chow, Deputy Head (Outreach and Education) of the Hong Kong Repertory Theater.

“The docent tour of old urban districts is a very good experience for us to see in real life the other side of the bustling metropolitan Hong Kong,” said Jacques Ng, a Youth Ambassador of the Hong Kong Federation of Youth Groups.



Group photo of the competing teams at the finale of Secondary School Drama Competition.



An educational workshop at the Urban Renewal Exploration Centre.

Caring for the residents in old districts

The Community Service Partnership Scheme (CSPS) is a tripartite collaboration of tertiary students, community organisations and URA staff volunteers to serve the residents of old districts, and at the same time promote service learning among the young people, enabling them to better understand the society. More than 300 volunteers have joined the CSPS, achieving approximately 2,600 service hours. During the year, community services have been arranged for senior citizens, disadvantaged families, people living in subdivided units and the mentally-challenged people in old districts.

“CSPS has helped me to enhance my communication skills and teamwork that are invaluable for my career in future,” said K L Chan, a student of the Hong Kong Polytechnic University.

“The home visit programme of CSPS is meaningful by providing an opportunity for the grass-roots families to share with the volunteers while allowing the students to get acquaintance with the social issues,” said Kenny Ng, a social worker of HKSKH Lady MacLehose Centre (Kwai Tsing Area).



Caring for the Single-parent families.



Visiting the “Energy Poverty” households.



Caring for the Mentally-Challenged people.



The URA supports arts and cultural programmes for the benefits of the local community in old districts.

Integrating Community Arts and culture in urban renewal

The “Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme” (ACPP) launched in 2011 brings arts and culture to the local community with an aim to enhance the quality of living of residents in old urban areas. As of March 2014, ACPP has supported 25 arts and cultural programmes in old districts, benefiting more than 550,000 people. The URA also provides venues in Central Oasis (former Central Market Building), Wing Lee Street and Comix Home Base at Mallory Street in Wanchai for community arts activities. The property at No.5 Wing Lee Street is used by the Hong Kong Arts Centre for its artist-in-residence programme with 83 artists participating.

“With the support of ACPP, we aim to arouse the people’s awareness and appreciation of the local character in the community in addition to the photo taking techniques through a series of photography workshops,” said Dick Chan, a veteran photojournalist.

“This activity helps us know more about our neighbourhood and learn how our feeling of the community can be captured through the camera lens for sharing with the next generation,” said Dora, a participant of the Lumenvisum [18x24 starter opt to shoot the whole city] Programme.

“Thanks for the opportunity to learn about the signature dancing style of my idol, Michael Jackson, and the dancing skills. I hope the URA can continue to allocate resources to promote community arts,” said Lee, a participating student of the ‘Continue...’ a dance programme organised by the Hong Kong MJ Michael Chan.



Building Our Team

Training, Developing and Motivating



With the increasing demand from the community for higher efficiency and effectiveness at a time when the URA is striving to meet diverse expectation, the URA is challenged to equip itself with a quality workforce and a pool of talents for sustainable development. To this end, the human resources strategies and initiatives to attract, retain, train, develop and motivate its people have to be regularly reviewed and enhanced.

Shaping up the team

The headcount of URA has nearly doubled to 567 over the past 6 years. The significant growth in organisation size poses new challenges from the human resources management and organisation effectiveness perspectives. We recognise the importance of communication with all staff to improve workflow and overall productivity. The existence of cohesiveness and mutual understanding contributes to the maintenance of

morale, instillation of a sense of belonging and, thereby, optimizing both performance and job satisfaction. This is crucial especially at a time when the organisation is growing while cost control is of equal importance. Communication with our people at all levels in different formats such as small group feedback sessions, regular briefings on operation updates and consultation on specific topics form the regular internal communication mechanism.

In order to equip our people with the skillset and mindset to face the challenges and to keep them abreast of the prevailing environment, we have also rolled out training and development series for frontline staff, managers and selected groups. Initiatives and activities to upkeep the well-being of our people in the form of recreational activities, voluntary services as well as events and activities to exemplify corporate social responsibilities are organised. As a caring and inclusive organisation,



Various staff training and activities are organised to equip our staff for the challenges.

we continue to run an Employee Assistance Program which offers counseling and other services to staff through a professional external services provider to help employees deal with personal problems that might adversely impact their job performance, health, and well-being.

Organisational Restructuring

Since formation of the URA in 2001, its organisation structure has evolved continually to support the fulfillment of corporate objectives and operational requirements, taking into account government policies, community needs and aspiration at different times.

Effective from 1 January 2014, the portfolios of the two Executive Directors have been re-organized to cover two main functional groups, i.e. Planning & Works, and Commercial & Operations. The aim is to enhance synergies, and to facilitate more comprehensive considerations and effective decision making within the two functional groups.

In response to the growing complexity of our operations, the finance and human resources functions are now separately headed by two Directors who report directly to the Managing Director, similar to the other corporate functions. As Kwun Tong Redvelopment Project is the largest in scale and complexity, the Project Director also reports directly to the Managing Director.



The Staff Club organises various programmes to promote work-life balance and recreational activities for the well-being of our staff.

Members of the URA Staff Club 2014/2015

FROM LEFT

Front row : Christopher WONG, Moon MAK, Joe CHAN, Quincy HUI, Eric LAU, Peter WONG

Back row : Raymond KEE, Gary LAM, Annie NG, Jason FUNG, Iris TO, Judy LO, Tango LAW, Michael LI

Highlights of the Year

2013

4 Apr

- Announce the URA's extended rehabilitation service boundary for the Integrated Building Maintenance Assistance Scheme (IBMAS) to cover all districts in Kowloon, Kwai Tsing and Tsuen Wan.
- Commence two redevelopment projects in the second round of demand-led pilot scheme in Sham Shui Po.
- Government announces the new appointments and re-appointments to the URA Board.

5 May



- Submit planning application for the Central Oasis revitalisation project to the Town Planning Board and stage a public exhibition to showcase the conceptual design.
- Land resumption for Pak Tai Street/San Shan Road Project in Ma Tau Kok gazetted.
- Organise an award presentation ceremony for the Community Service Partnership Scheme to commend the participating tertiary students, Non-government organisations and URA staff.

6 Jun

- Commence the 6th and 7th demand-led redevelopment projects in Tai Kok Tsui and Sham Shui Po.
- Government announces the appointment of Mr Victor So Hing-woh as the Chairman of the URA Board, effective 15 June 2013.
- Report to Legislative Council's Panel on Development on URA's work during 2012/13 and disclose financial results of one completed development project.
- Issue conditional acquisition offers to owners of two redevelopment projects of the second round demand-led pilot scheme in Sham Shui Po.
- Issue revised general offers to owners in Development Area 5 of the Kwun Tong Town Centre Project.

7 Jul



- Opening ceremony of Comix Home Base, a revitalisation project at Mallory Street.
- Invite applications for the third round of demand-led redevelopment projects (pilot scheme).
- Issue acquisition offers to owners of Reclamation Street/Shantung Street redevelopment Project in Mong Kok.
- Land Resumption for Fuk Wing Street redevelopment project and the first demand-led project at Hai Tan Street in Sham Shui Po gazetted.
- Notification of withdrawal of the industrial building redevelopment pilot scheme project at Smithfield in Kennedy Town gazetted.

2013

- Government authorises the URA to proceed with the industrial building redevelopment pilot scheme project at Yu Chau West Street in Cheung Sha Wan.



- URA and Hong Kong Housing Society jointly announce the introduction of a new tendering arrangement for building contractors under the Operation Building Bright.
- Two redevelopment projects of the second round demand-led pilot scheme in Sham Shui Po attain the stipulated 80 percent threshold for acceptance of conditional offers within the offer period.
- Issue conditional acquisition offers to owners of two demand-led projects at Fuk Chak Street/Li Tak Street in Tai Kok Tsui and Wong Chuk Street in Sham Shui Po respectively.

- Mallory Street/Burrows Street revitalisation project wins the Silver Award of the Hong Kong Institute of Planners Awards 2013.



- Announce the successful joint sale by public auction for URA's first project under Facilitating Services (pilot scheme) in Kowloon City.
- Government authorises the URA to proceed with a redevelopment project at Tonkin Street/Fuk Wing Street and a demand-led project at Kowloon Road/Kiu Yam Road in Sham Shui Po.
- The Fuk Chak Street/Li Tak Street demand-led project in Tai Kok Tsui attains the stipulated 80 percent threshold for acceptance of conditional acquisition offers within the offer period.

- Announce the advanced commencement of Kai Ming Street demand-led project in To Kwa Wan, the first project under the third-round demand-led pilot scheme.
- Invite Expression of Interest (EOI) for the development of a residential-cum-commercial project at Shun Ning Road in Sham Shui Po.
- Issue acquisition offers to owners of an industrial building redevelopment project at Yu Chau West Street in Cheung Sha Wan.
- Government authorises the URA to proceed with a demand-led redevelopment project at Fuk Chak Street/Li Tak Street in Tai Kok Tsui.
- Land resumption for the implementation of the second phase of the development scheme at Peel Street/Graham Street in Sheung Wan gazetted.
- Government announces the appointment of Mr Pius Cheng Kai-wah as URA's Executive Director, effective 1 January 2014.

Aug 8

Sep 9

Oct 10

Nov 11

Dec 12

Highlights of the Year

2014

1 Jan



- Invite tender for the development of Shun Ning Road Project in Sham Shui Po.
- Launch “Building Rehab Info Net”, a designated resource website on building rehabilitation for owners.

2 Feb

- Commence the 16th URA-initiated redevelopment project in Sham Shui Po.
- Invite EOI for the development of San Shan Road/Pau Chung Street Project in Ma Tau Kok.
- Invite EOI for the development of Development Areas 2 and 3 of Kwun Tong Town Centre Project.



3 Mar



- Issue conditional acquisition offers to owners of Kai Ming Street demand-led redevelopment project in To Kwa Wan.
- Invite tender for the development of San Shan Road/Pau Chung Street Project in Ma Tau Kok.
- Award contract for joint development of Shun Ning Road Project in Sham Shui Po to a consortium consisted of Paliburg Holdings Limited and Regal Hotels International Holdings Limited.

4 Apr

- Commence the second redevelopment project of the third-round demand-led pilot scheme at To Kwa Wan Road.
- Organise a ceremony of appreciation for the Community Service Partnership Scheme to commend the participating tertiary students, non-government organisations and URA staff.
- Land resumption for Kowloon City Road/Sheung Heung Road redevelopment project in Ma Tau Kok gazetted.
- Award contract for joint development of San Shan Road/Pau Chung Street Project in Ma Tau Kok to a wholly-owned subsidiary of Lai Sun Development Company Limited.

2014

May 5

- Mallory Street/Burrows Street revitalisation project is awarded the Structural Excellence Award 2014 by the Hong Kong Institution of Engineers.
- Land resumption for the Hai Tan Street demand-led redevelopment project in Sham Shui Po gazetted.
- Invite tender for the development of Development Areas 2 & 3 of Kwun Tong Town Centre Project.



Jun 6



- Lime Stardom of the Larch Street/Fir Street project wins the Grand Award under the Hong Kong Residential (Single Building) Category of Quality Building Award 2014.
- Pak Tsz Lane revitalisation project wins the HKIA Merit Award of Hong Kong – Community Building.
- Mallory Street/Burrows Street revitalisation project wins the Medal of the Year of Hong Kong 2013 and the Special Architectural Award (Heritage & Adaptive Re-use) 2013 of the Hong Kong Institute of Architects and a Merit Award for the Hong Kong Building (Renovation/Revitalization) of Quality Building Award 2014.
- Citywalk of the Tsuen Wan Town Centre redevelopment project is awarded the Gold Award (non-domestic property) of the Best Landscape Award 2014 – Private Property Development by the Leisure and Cultural Services Department.
- Issue conditional acquisition offers to owners of To Kwa Wan Road demand-led redevelopment project.
- Report to Legislative Council's Panel on Development on URA's work during 2013/14.
- Sign a Memorandum of Understanding with the Joint Mediation Helpline Office to provide meeting facilities at URA's Urban Renewal Resource Centre under the Pilot Scheme for Community Venue for Mediation (Pilot Scheme).



Project Highlights

						Site Information before Redevelopment				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings Blocks	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
1 to 42 - 42 still ongoing URA projects commenced by URA												
1 ^(3, 4)	DL-9: KC	To Kwa Wan Road, Ma Tau Kok	2014-15	April		1,224	6,569	14	387	150	8,859	7,875
2 ⁽⁴⁾	SSP-016	Castle Peak Road / Un Chau Street, Sham Shui Po	2013-14	February		1,900	7,335	16	497	232	14,841	12,367
3 ^(3, 4)	DL-8: KC	Kai Ming Street, Ma Tau Kok	2013-14	December		553	2,467	6	146	72	4,546	3,788
4 ^(3, 4)	DL-6: YTM	Fuk Chak Street / Li Tak Street, Tai Kok Tsui	2013-14	June		716	3,689	2	182	96	5,788	5,145
5 ^(3, 4)	DL-4: SSP	Kowloon Road / Kiu Yam Street, Sham Shui Po	2013-14	April		599	3,817	1	265	80	4,887	4,072
6 ^(3, 4)	DL-5: SSP	Tung Chau Street / Kweilin Street, Sham Shui Po	2013-14	April		1,640	10,313	1	531	190	12,582	10,485
7 ⁽⁴⁾	SSP-015	Tonkin Street / Fuk Wing Street, Sham Shui Po	2012-13	March		1,268	4,964	13	330	175	8,955	7,462
8 ^(2, 4)	IB-2: SSP	Yu Chau West Street, Cheung Sha Wan	2012-13	January		1,393	12,145	1	0	0	16,700	0
9 ^(3, 4)	DL-1: SSP	229A-G, Hai Tan Street, Sham Shui Po	2012-13	April		483	2,547	1	172	69	3,672	3,192
10 ^(3, 4)	DL-2: SSP	205-211A, Hai Tan Street, Sham Shui Po	2012-13	April		470	3,335	1	233	69	3,571	3,171
11 ^(3, 4)	DL-3: YTM	Pine Street / Oak Street, Tai Kok Tsui	2012-13	April		865	5,105	11	311	115	6,465	5,745
12 ⁽⁴⁾	YTM-010	Reclamation Street / Shantung Street, Mong Kok	2011-12	February		1,640	9,406	20	682	189	12,380	10,432
13 ⁽⁴⁾	KC-007	Kowloon City Road / Sheung Heung Road, Ma Tau Kok	2011-12	November		1,622	7,258	16	412	184	12,456	10,380
14 ⁽⁴⁾	SSP-014	Fuk Wing Street, Sham Shui Po	2010-11	March		649	2,456	12	195	92	5,038	4,478

Project Development Information					
Commercial GFA (m²)	Other Uses GFA (m²)	G/IC GFA (m²)	Public Open Space ⁽¹⁾ GFA (m²)	Remarks	Status
153	0	831	0	Third round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 11/04/14 Initial acquisition offers issued on 25/06/14
2,474	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 21/02/14
308	0	450	0	Third round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 19/12/13 Initial acquisition offers issued on 04/03/14 80% threshold for ASP reached on 11/09/13 SDEV authorised URA to proceed on 24/05/14 Land Grant application submitted on 20/06/14
643	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 28/06/13 Initial acquisition offers issued on 11/09/13 80% threshold for ASP reached on 25/11/13 SDEV authorised URA to proceed on 10/12/13
815	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/4/13 Initial acquisition offers issued on 27/06/13 80% threshold for ASP reached on 10/09/13 SDEV authorised URA to proceed on 14/11/13
2,097	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/04/13 Initial acquisition offers issued on 27/06/13 80% threshold for ASP reached on 10/09/13 SDEV authorised URA to proceed on 26/09/13
1,493	0	0	0	Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 08/3/13 SDEV authorised project to proceed on 13/11/13 Decision of Appeal Board on SDEV's authorisation awaited
16,700	0	0	0	Pilot project under redevelopment of Industrial Building	Project commencement gazetted on 18/1/13 SDEV authorised URA to proceed on 08/08/13 Initial acquisition offer issued on 17/12/13
480	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offers issued on 04/07/12 80% threshold for ASP reached on 03/09/12 SDEV authorised URA to proceed on 13/09/12 Resumption gazetted on 12/07/13 Site reverted to Government on 12/10/13 Site clearance completed on 07/04/14 Provisional basic terms offer accepted by URA on 04/06/14
400	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/4/12 Initial acquisition offer issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 19/02/13 Land Grant application submitted on 18/10/13 Resumption application submitted on 02/12/13
720	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offer issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 12/03/13 Land Grant application submitted on 01/11/13 Resumption application submitted on 02/12/13
1,948	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 10/02/12 SDEV authorised URA to proceed on 30/10/12 Decision of Appeal Board to uphold authorisation gazetted on 14/06/13 Initial acquisition offer issued on 04/07/13 Resumption application submitted on 29/10/13 Land Grant application submitted on 18/11/13
2,076	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 25/11/11 SDEV authorised URA to proceed on 26/06/12 Initial acquisition offers issued on 29/10/12 Resumption application submitted on 24/06/13 Land Grant application submitted on 26/06/13 Resumption gazetted on 25/04/14
560	0	0	0	Small sized flats of 40 to 60 square metres Eligible domestic owner-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25/03/11 SDEV authorised URA to proceed on 09/03/12 Initial acquisition offers issued on 04/05/12 Land Grant application submitted on 03/10/12 Resumption gazetted on 12/07/13 Site reverted to Government on 12/10/13 Clearance in progress

						Site Information before Redevelopment				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings Blocks	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
15 ⁽⁴⁾	KC-006	Pak Tai Street / San Shan Road, Ma Tau Kok	2010-11	March		1,277	6,389	12	348	161	9,782	8,152
16 ⁽⁴⁾	TKW/1/002	Ma Tau Wai Road / Chun Tin Street, Ma Tau Kok	2009-10	February		3,377	10,393	33	645	435	24,127	20,330
17 ⁽⁴⁾	SSP/3/001	Shun Ning Road, Sham Shui Po	2009-10	June		836	3,820	8	130	110	6,961	6,188
18 ⁽⁴⁾	MTK/1/002	San Shan Road / Pau Chung Street, Ma Tau Kok	2009-10	May		1,170	6,046	14	290	144	10,534	8,778
19 ^(4, 5)	MK/01	Shanghai Street / Argyle Street, Mong Kok	2008-09	September		1,128	3,944	14	170	0	3,944	0
20 ^(4, 5)	MK/02	Prince Edward Road West / Yuen Ngai Street, Mong Kok	2008-09	September		1,440	4,334	10	31	0	6,126	0
21 ⁽⁴⁾	TKT/2/002	Anchor Street / Fuk Tsun Street, Tai Kok Tsui	2007-08	March		726	3,348	11	257	0	6,529	0
22	TKW/1/001	Chi Kiang Street / Ha Heung Road, Ma Tau Kok	2007-08	February		931	5,226	10	302	175	8,378	6,980
23	MTK/1/001	Pak Tai Street / Mok Cheong Street, Ma Tau Kok	2007-08	February		772	3,772	9	229	168	6,945	5,787
24	K28	Sai Yee Street, Mong Kok	2007-08	December		2,478	14,434	25	431	438	22,301	17,346
25 ^(4, 5)	K1	Nga Tsin Wai Village, Wong Tai Sin	2007-08	October		4,637	2,051	36	118	750	37,097	34,778

Project Development Information					
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)	Remarks	Status
1,630	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25/03/11 SDEV authorised URA to proceed on 05/01/12 Initial acquisition offers issued on 27/02/12 Land Grant application submitted on 11/12/12 Resumption gazetted on 10/05/13 Site reverted to Government on 10/08/13 Clearance in progress
2,800	0	1,000	500	Project commenced at request of Government following collapse of one building and demolition of damaged adjacent one	SDEV authorised URA to proceed on 10/12/10 Decision of Appeal Board to uphold authorization gazetted on 29/04/11 Initial acquisition offers issued on 30/05/11 Resumption gazetted on 11/01/13 Land Grant application submitted on 22/11/12 Site reverted to Government on 11/04/13 Clearance in progress Provisional Basic Terms offer of Land Grant accepted on 30/12/13
773	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption gazetted on 22/02/13 Site reverted to the Government on 22/05/13 Joint venture development tender awarded on 25/03/14 Demolition completed on 17/04/14 Land Grant executed on 16/06/14 Site handed over to developer on 18/06/14
1,756	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption gazetted on 15/06/12 Site reverted to the Government on 15/09/12 Binding basic terms offer of Land Grant issued accepted by URA on 02/05/14 Joint venture development tender awarded on 29/04/14 Demolition in progress
3,944	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption gazetted on 03/08/12 Site reverted to the Government on 03/11/12 Clearance in progress Land Grant application submitted on 05/12/12 Ground investigation and structural survey completed in May 2014
6,126	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption application submitted on 27/01/11 Renovation works at Phase 1 (202-204 PERW) completed Renovation works for Phase 2 commenced in May 2014
6,529	0	0	0	Commercial space is for hotel with about 184 rooms	Site reverted to Government on 12/11/11 Clearance in progress Provisional basic terms offer of Land Grant accepted by URA on 12/11/12
1,395	0	0	0		Joint venture development tender awarded on 27/02/12 Land Grant executed on 18/05/12 Foundation work in progress
1,158	0	0	0		Joint Venture development tender awarded on 18/06/12 Land Grant executed on 17/10/12 Foundation work in progress
4,955	0	0	0		Joint venture development tender awarded on 24/09/12 Land Grant executed on 21/12/12 Foundation work in progress
2,319	0	0	0	At-grade conservation park accessible to public will be provided. Commercial space includes preserved buildings / elements, temple office, village committee's office, reprovisioning of public toilet and other covered areas but actual area still subject to detailed design	Demolition of vacated properties in progress Land grant application submitted on 07/01/10 Resumption gazetted on 15/07/11 Site reverted to Government on 15/10/11 Clearance in progress In principle approval for draft Land Grant conditions for K1 obtained at DLC on 26/07/12

						Site Information before Redevelopment				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings Blocks	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
26 ^(4, 5)	H18	Peel Street / Graham Street, Sheung Wan	2007-08	July		5,267	20,219	47	840	293	67,528	22,818
27 ⁽⁴⁾	K7	Kwun Tong Town Centre, Kwun Tong	2006-07	March	Park Metropolitan (YWS site)	53,500	96,104	66	4,443	1,999	401,250	160,610
28 ⁽⁴⁾	H14	Sai Wan Ho Street, Shau Kei Wan	2005-06	September		712	3,796	2	21	120	5,990	5,360
29	K9	MacPherson Stadium, Mong Kok	2005-06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705
30 ⁽⁴⁾ 31 ⁽⁴⁾ 32 ⁽⁴⁾	SSP/1/003-005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005-06	February		7,515	25,344	70	1,270	845	57,400	50,100

Project Development Information					
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)	Remarks	Status
43,450	0	1,260	2,060	G/IC is a 1,260m ² multi-purpose activity hall Commercial space includes retail space for relocating wet trade market shops, office space and 9,280m ² for a 182 room-hotel; 180m ² non-domestic GFA is used for the covered POS at Site A	Site B: Joint venture development tender awarded on 30/04/12 Land Grant executed on 24/07/12 Site B handed over to developer on 10/10/12 Sites A & C: Class A amendments at MLP parameters approved by Plan D on 07/03/13 Land Grant application and land/road closure application being processed Resumption gazetted on 06/12/13 Site reverted to Government on 06/03/14 Clearance in progress In principle approval for Land Grant for Sites A and C obtained at DLC on 13/03/14 C&W DC consulted on proposed road closure and road works on 20/03/14
111,780	97,860	31,000	13,400	Other uses include 65,860m ² for offices and 32,000m ² for hotel G/IC includes 6,200m ² for Kwun Tong Jockey Club Health Centre in Yuet Wah Street Site (YWS) and 8,100m ² for Government uses in Main Site and 16,700m ² for Public Transport Interchange in Main Site Commercial Space includes some space for social enterprises Actual residential flat production is 1,979 units, but the approved MLP stated not more than 2,000 units to allow flexibility Public space includes min 8,700m ² at-grade public open space and min 4,700m ² streetscape area/ pedestrian deck	YWS Site: Construction on YWS site in progress Sale of residential units in progress Main Site: Resumption and phased reversion application for Main Site submitted on 13/07/09 LandsD consulted District Council about resumption of DAs 2, 3 and 4 on 03/05/11 Resumption for DAs 2, 3 and 4 gazetted on 02/03/12 and reverted to the Government on 02/06/12 General revised offers for DA5 issued on 27/06/13 Site clearance of DAs 2, 3 and 4 completed on 31/12/13 Property acquisition for DA5 in progress Road closure for DAs 2 and 3 gazetted on 27/04/12 and authorised on 03/08/12 Class B amendments to fulfill SBD Guidelines approved by Plan D on 24/10/12 GBP for interim bus terminus at Mido Mansion Site approved on 10/10/13 STT for Mido Mansion site executed on 22/01/14 Demolition of Mido Mansion completed in Jan 2014, construction of interim bus terminus in progress Demolition of Wah Yee Building and Kiu Cheong Mansion, Silver Theatre Building, Chung Hing House, Hing Shun Mansion, Hong Ning Mansion and Roomy Mansion completed OP for Methadone Clinic issued by BD on 13/03/14 GBP for DAs 2 and 3 approved on 20/03/14 Binding Basic Terms Offer for DAs 2&3 issued by LandsD on 02/05/14 OP for interim G/IC facilities at Kwun Tong District Branch Office Building issued on 28/03/14, interim minibus terminus and interim hawker bazaar started operation in May 2014 Tender invitation for DA2 & 3 issued on 20/05/14
630	0	0	0		Project returned by HKHS to URA with effect from 23/11/11 Property acquisition in progress Land Grant application submitted on 29/04/13 Resumption application submitted on 03/05/13
2,443	0	5,619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	Construction substantially completed Occupation permit issued on 31/12/12 Certificate of Compliance issued on 28/01/14
5,249	0	2,051	1,500	Three projects taken forward as one G/IC includes 1,900m ² for Special Child Care Centre cum Early Education Centre, Day Care Centre for Elderly and Sub-base for a Neighbourhood Elderly Centre; 150m ² for either social enterprise or non-domestic use	Resumption gazetted on 19/11/10 Site reverted to Government on 19/02/11 Clearance in progress Road Closure/Road Works Scheme authorisation gazetted on 16/12/11 Provisional basic terms offer accepted by URA on 03/07/13 Demolition in progress

						Site Information before Redevelopment				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings Blocks	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
33	TKT/2/001	Fuk Tsun Street / Pine Street, Tai Kok Tsui	2005-06	December	Park Ivy	560	4,071	4	273	113	4,843	4,003
34 ⁽⁵⁾	SYP/1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005-06	December	The Nova	2,150	4,140	32	213	255	16,463	16,212
35 ⁽⁶⁾	WC/001	Mallory Street / Burrows Street, Wan Chai	2004-05	March		780	2,687	10	122	0	2,435	0
36 37	SSP/1/001-002	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	2004-05	March	Trinity Towers	3,339	13,197	22	551	402	29,720	24,780
38	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004-05	December	Park Summit	2,328	11,802	30	518	462	20,952	17,460
39	K31	Larch Street / Fir Street, Tai Kok Tsui	2004-05	December	Lime Stardom	2,195	10,332	29	594	377	19,735	16,425
40 ⁽⁵⁾	H15	Lee Tung Street / McGregor Street, Wan Chai	2003-04	October	The Avenue	8,236	36,534	88	1,613	1,275	79,933	67,940
41 ^(4, 5)	H19	Staunton Street / Wing Lee Street, Sheung Wan	2002-03	March		2,175	3,049	35	98	154	6,117	5,247
42	K3	Cherry Street, Tai Kok Tsui	2001-02	January	Floriant Rise	4,510	14,416	64	1,020	522	43,231	36,466
1 to 42 Launched Sub-Total (A)						129,461	393,642	797	18,870	11,204	1,043,828	641,057
43 to 48 - 6 Projects commenced by HKHS												
43	K20	Castle Peak Road / Cheung Wah Street, Sham Shui Po	2004-05	April	Heya Delight	1,003	5,935	10	158	130	9,030	7,525
44	K21	Castle Peak Road / Un Chau Street, Sham Shui Po	2004-05	April	Heya Crystal	2,614	14,193	24	496	350	23,520	19,575
45	K22	Un Chau Street / Fuk Wing Street, Sham Shui Po	2004-05	April	Heya Aqua	2,134	10,114	22	362	275	19,200	15,975
46	K23	Castle Peak Road / Hing Wah Street, Sham Shui Po	2004-05	April	Heya Star	1,399	8,286	12	344	175	12,586	10,488
47	H21	Shau Kei Wan Road, Shau Kei Wan	2003-04	November	Harmony Place	1,871	9,834	17	400	274	19,540	16,323
48	K25	Po On Street / Wai Wai Road, Sham Shui Po	2003-04	July	Heya Green	2,592	9,923	19	528	327	21,266	17,680
43 to 48 Commenced Sub-Total (B)						11,613	58,285	104	2,288	1,531	105,142	87,566

Project Development Information					
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)	Remarks	Status
840	0	0	0		Joint-venture development tender awarded on 22/11/10 Land grant executed on 25/01/11 GBP approved on 18/01/13 Construction in progress Modified consent issued on 19/04/13 Sale of flats in progress
245	0	0	1,307	Commercial space includes 24.9m ² for shop and 84.4m ² other covered areas and 135.5m ² like preserved buildings and covered public open space	Joint-venture development tender awarded on 27/09/10 Land Grant executed on 07/01/11 Construction in progress
0	2,435	0	300	Zoned 'Other specified uses' annotated 'Open space and historical buildings preserved for cultural and commercial uses' GFA includes retained façade at Burrows Street and two elevated walkways	Tender for Main Operator awarded on 15/04/11 Land Grant executed on 13/10/11 Occupation Permit issued on 20/05/13 Official opening event held on 18/07/13
4,940	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Joint-venture development tender awarded on 22/01/10 Land Grant executed on 16/03/10 Construction in progress Pre-sale consent issued on 24/12/13
3,492	0	0	450	Public open space not required under lease	Flat sale launched on 20/04/12 Occupation Permit issued on 20/09/12 Certificate of Compliance issued on 27/12/12 Sale of remaining flats in progress
3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Occupation Permit issued on 29/08/2011 Certificate of Compliance issued on 24/11/11 Sales of remaining shops in progress
9,405	0	2,588	3,967	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for Elderly / Community Service Support Centre, Refuse Collection Point and Public Toilet	Land grant executed on 25/02/10 Construction works in progress Modification letter for additional commercial GFA executed on 29/08/11 Modification Letter for receiving Hopewell's proposed subway executed by LandsD on 03/07/13 Authorisation of the MTR Johnston Rd Pedestrian Subway works gazetted on 07/03/14 Occupation permit for Site B issued on 31/03/14 Sale of residential units in Site A and Site B in progress
870	0	0	474	As allowed in the planning brief: (i) The development of Site B will align with Shing Wong Street to maintain its existing streetscape (ii) Site B will not comply with the SBD guidelines. The GFA for green / amenity features and plant rooms that are accountable under the Building (Planning) Regulations as a result will be disregarded	Amendments to approved DSP to excise Site A published on 08/07/11 TPB decided not to uphold representations received; excising of Site A and zoning as separate CDA retained The revised DSP with Wing Lee Street area and the Bridges Street Market site excised was gazetted on 18/05/12 following approval by CE in C. Draft revised Planning Brief (excluding Site A) endorsed by TPB on 26/09/12. MLP for Sites B and C approved on 24/05/13. General revised offers for Sites B and C issued on 17/12/13
4,916	0	1,849	0	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Sales of remaining parking spaces in progress
255,822	100,295	46,648	24,538		
1,505	0	0	0		Construction in progress
3,958	0	0	150		Foundation construction in progress
459	0	2,741	150	G/IC is for Residential Care Home for the Elderly	Foundation construction in progress
2,098	0	0	0		Construction in progress
3,217	0	0	0		Construction in progress
957	0	2,577	0	G/IC is for Residential Care Home for the Elderly	Construction in progress Presale conducted in June 2012 Occupation Permit issued on 15/10/13
12,194	0	5,318	300		

						Site Information before Redevelopment				Project Development Information		
Project Code	Project Name		Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings Blocks	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
49 to 50 - 2 Ongoing projects taken over from ex-LDC												
49	K11	Hanoi Road, Tsim Sha Tsui	(8)		The Masterpiece	8,299	27,309	35	220	345	102,625	45,600
50 ⁽⁵⁾	H9	Tai Yuen Street / Wan Chai Road, Wan Chai	(8)		The Zenith (Site A & B) One Wanchai (Site C)	6,793	12,555	46	975	889	62,310	52,539
49 to 50 Commenced Sub-Total (C)						15,092	39,864	81	1,195	1,234	164,935	98,139
Commenced Total (A) + (B) + (C)						156,166	491,791	982	22,353	13,969	1,313,905	826,762
51 to 58 - 8 Completed projects commenced by URA ⁽⁷⁾												
51	K19	Po On Road / Shun Ning Road, Sham Shui Po	2002-03	July	Beacon Lodge	1,394	4,898	14	327	166	12,534	10,451
52	K30	Bedford Road / Larch Street, Tai Kok Tsui	2003-04	July	i-home	1,229	6,313	13	280	182	10,363	9,215
53	K26	Fuk Wing Street / Fuk Wa Street, Sham Shui Po	2001-02	January	Vista	1,384	5,129	13	246	173	12,453	10,378
54	K27	Reclamation Street, Mong Kok	2002-03	October	MOD 595	535	2,411	7	122	85	4,921	4,119
55 ⁽⁵⁾	H16	Johnston Road, Wan Chai	2001-02	January	J Residence	1,970	7,640	28	333	381	20,567	17,967
56	H17	Queen's Road East, Wan Chai	2002-03	March	Queen's Cube	378	1,806	6	25	96	3,984	3,543
57	K33	Baker Court, Hung Hom	2003-04	July	Baker Residences	277	834	2	9	68	2,338	2,077
58	H20	First Street / Second Street, Sai Ying Pun	2002-03	November	Island Crest	3,536	15,690	41	777	488	38,178	34,259
51 to 58 Completed Sub-Total ⁽⁷⁾ (D)						10,703	44,721	124	2,119	1,639	105,338	92,009
0 Completed project commenced by HKHS ⁽⁷⁾ All projects still underway												
Nil Completed Sub-Total ⁽⁷⁾ (E)						0	0	0	0	0	0	0
59 to 66 - 8 Completed projects commenced by ex-LDC ⁽⁷⁾												
59	K17	Yeung Uk Road, Tsuen Wan	(8)		The Dynasty	7,230	NA	0	0	256	44,404	27,031
60	K13	Tsuen Wan Town Centre, Tsuen Wan	(8)		Vision City	20,300	56,851	95	7,119	1,466	134,185	107,884
61	H12	Kennedy Town New Praya, Kennedy Town	(8)		The Merton	6,075	24,808	65	1,683	1,182	62,904	62,794
62	H13	Ka Wai Man Road, Kennedy Town	(8)		Mount Davis 33	728	4,000	1	0	89	7,280	7,280
63	K10	Waterloo Road / Yunnan Lane, Yau Ma Tei	(8)		8 Waterloo Road	3,869	6,610	25	444	576	32,012	32,010

Project Development Information					
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)	Remarks	Status
31,209	25,816	0	1,219	Other use is for 381 room hotel	Leasing of commercial space in progress Hotel in operation Sales of remaining flats in progress
3,453	0	6,318	0	G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Sales of residential units of Sites A and B completed; leasing of vacant shops in progress Occupation Permit (Site C) issued on 10/09/12 Certificate of Compliance(Site C) issued on 10/01/13 Sale of residential units (Site C) in progress
34,662	25,816	6,318	1,219		
302,678	126,111	58,284	26,057		
2,083	0	0	251		Project completed in 2010/11 Sales of parking spaces in progress
1,148	0	0	0		Project completed in 2010/11 Sales of shops and parking spaces in progress
2,075	0	0	255		Project completed in 2010/11 Leasing of shops in progress
802	0	0	0		Project completed in 2009/10
2,600	0	0	0		Project completed in 2008/09
441	0	0	0		Occupation Permit obtained in 04/2010 Certificate of Compliance obtained in 07/2010 Project completed in 2011/12 Assignment for unsold units completed on 26/08/11
261	0	0	0		Occupation Permit issued on 29/07/11 Certificate of Compliance issued on 28/10/11 Project completed in 2011/12 Sale of residential units completed
1,722	0	2,197	700	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Certificate of Compliance obtained in 06/2010 Project completed in 2012/13 All residential units, commercial accommodation and residential and commercial car parking spaces sold out
11,132	0	2,197	1,206		
0	0	0	0		
17,373	0	0	0		Project completed in 2010/11 Leasing of commercial space in progress
23,221	0	3,080	3,700	G/IC is for transport and community facilities	Project completed in 2010/11 Sales of parking spaces in progress Leasing of commercial space in progress
0	0	110	2,300	G/IC is for public toilet	Project completed in 2007/08
0	0	0	0		Project completed in 2007/08
0	0	0	1,650		Project completed in 2007/08

						Site Information before Redevelopment				Project Development Information		
Project Code		Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings Blocks	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
64	H1	Queen Street, Sheung Wan	(8)		Queen's Terrace	7,964	25,792	86	648	1,148	66,233	60,579
65	K2	Argyle Street / Shanghai Street, Mong Kok	(8)		Langham Place	11,976	40,810	110	2,603	0	167,414	0
66	K8	Kwong Yung Street, Mong Kok	(8)		Paradise Square	1,607	4,190	19	178	272	15,160	12,746
59 to 66 Completed Sub-Total ⁽⁷⁾ (F)						59,749	163,061	401	12,675	4,989	529,592	310,324
Completed Total ⁽⁷⁾ (D) + (E) + (F)						70,452	207,782	525	14,794	6,628	634,930	402,333
Commenced + Completed						226,618	699,573	1,507	37,147	20,597	1,948,835	1,229,095
Note (1) This table includes only Public Open Space and not any private open space. (2) Industrial Building Redevelopment project (3) Demand-led project (4) The details of projects 1 to 21, 25 to 28 and 30 to 32 and 41 have yet to be finalised and are still subject to change during the statutory planning and land grant approval processes. (5) Projects 19 and 20 are purely preservation projects. All other projects are redevelopment projects, with redevelopment projects 25, 26, 34, 40, 41, 50 and 55 containing some preservation elements. (6) Revitalisation project (7) In this table, a project is deemed to be fully completed once all residential units have been sold and all commercial and other accommodation, apart from car and motor cycle parking spaces, have been sold or substantially leased out. (8) The project was commenced by ex-Land Development Corporation.												
<u>Glossary of Terms</u>												
ASP = Agreement for Sale and Purchase			GFA = Gross Floor Area			SDEV = Secretary for Development						
CE in C = Chief Executive in Council			G/IC = Government / Institution and Community			THB = Transport and Housing Bureau						
CDA = Comprehensive Development Area			HKHS = Hong Kong Housing Society			TPB = Town Planning Board						
DA = Development Area			LandsD = Lands Department			URA = Urban Renewal Authority						
DLC = District Lands Conference			LDC = Land Development Corporation			YWS = Yuet Wah Street						
DSP = Development Scheme Plan			MLP = Master Layout Plan									
GBP = General Building Plan			SBD = Sustainable Building Design									

Project Development Information					
Commercial GFA (m²)	Other Uses GFA (m²)	G/IC GFA (m²)	Public Open Space ⁽¹⁾ GFA (m²)	Remarks	Status
400	0	5,254	1,200	G/IC includes Single-person Hostel, Care & Attention Home, Day Nursery, Social Centre for the Elderly, Hostel for Moderately Mentally Handicapped and Cooked Food Centre	Project completed in 2007/08
160,866	0	6,548	1,100	Commercial space includes 41,933m² for 686-room hotel, 65,793m² for offices and 53,140m² for retail G/IC includes Cooked Food Centre and transport and community facilities	Project completed in 2005/06
2,414	0	0	0		Project completed in 2005/06
204,274	0	14,992	9,950		
215,406	0	17,189	11,156		
518,084	126,111	75,473	37,213		
				Planning & Approval	
				Acquisition & Clearance	
				Demolition & Tendering	
				Construction	
				Sales & Leasing	
				Completion	

Introduction

The URA places high priority on the standard of Corporate Governance to ensure accountability, openness and transparency in the work of its Board and Committees.

Board and Committees

The URA is governed by a Board appointed by the Chief Executive under Section 4 of the URAO, currently comprising a Chairman and 26 other members. There are three executive Board members who are not public officers, namely the Managing Director, who is by law also the Deputy Chairman, and the two Executive Directors. The Director of Lands, the Director of Planning, the Director of Buildings and the Director of Home Affairs are Board members who are non-executive directors and public officers. In addition, the current Board includes four legislative councilors plus professionals and academics from various fields, including legal, accounting, finance, property, planning, surveying, architecture and social work who are non-executive directors and not public officers. The Board met on ten occasions between April 2013 and March 2014.

For the better carrying out of the purposes and powers of the URA, the Board has established seven committees, each chaired by a Board member and comprising other Board members and co-opted members with the relevant expertise and experience. The committees and their function areas are listed as follows:-

Committees	Function Areas
Audit Committee	<ul style="list-style-type: none"> • Internal control and risk management • Reliability, integrity, timeliness and conformity of financial and operational information • Compliance of business operations and management practices • Economy, efficiency and effectiveness in the employment of URA's resources • Special projects and investigations • Accounting policies • External audit reviews and internal audit charter • Annual financial reporting and auditing
Development Project Objection Consideration Committee	<ul style="list-style-type: none"> • To consider and deliberate on objections lodged under Section 24(1) of the URA ordinance • To prepare URA's deliberations on the objections, which will be submitted to SDEV in accordance with Section 24(3)(b) of the URA ordinance.
Land, Rehousing & Compensation Committee	<ul style="list-style-type: none"> • Policies and matters relating to land grants, property acquisition, compensation and rehousing • Acquisition strategies, approaches and offers for individual projects • Policy and criteria for loans under Section 12 of the URA Ordinance
Finance Committee	<ul style="list-style-type: none"> • URA's funding requirements • Financial and treasury policies • Investment of surplus funds • Financial aspects of the Annual Business Plan and Five-year Corporate Plan • Annual budgets • Market selling prices and target rents of development projects
Planning, Development and Conservation Committee	<ul style="list-style-type: none"> • Selection of projects in the Five-year Corporate Plan and Annual Business Plan • Submission of Development Scheme Plan to the Town Planning Board • Planning and development parameters and design issues • Conservation proposals • Revitalisation proposals
Review Committee	<ul style="list-style-type: none"> • Review of the Management's decisions on application of relevant URA's policies as requested by affected owners or occupiers
Human Resources and Remuneration Committee	<ul style="list-style-type: none"> • Remuneration policies (level and mix) of senior and general staff • Proposals for adjustments to salary and variable pay • Organisation effectiveness and human resources management

Decision Making System

By virtue of the URA Ordinance, the Board is vested with the powers and duties as are conferred and imposed on it. Over the years, some of these decision-making powers have been delegated to Committees established under the Board. The Managing Director is the administrative head of the URA. As authorized and directed by the Board, the Managing Director, in consultation with the two Executive Directors, decides on the appropriate levels of approval authorities for all matters and affairs and activities of the URA except for those matters that require approval of the Board as stipulated in the URA Ordinance and those matters for which the Board stipulates a different approval authority from time to time. Such levels of approval authorities are documented in a corporate operational and authorization manual which must be followed. These arrangements provide proper checks and balances on the one hand and enhance operational efficiency on the other.

Internal Audit

Reporting directly to the Managing Director and to the Board's Audit Committee, the Internal Audit Department conducts regular independent reviews of activities undertaken by all other functional units within the URA. The main purposes of the operational and value-for-money audits are to ensure compliance with all of the various statutory requirements, Board directions and prevailing internal policies and procedures, as well as cost-effective use of the URA's resources. Before the start of each fiscal year, the Department presents an internal audit plan setting out the audit assignments to be carried out in the year to the Audit Committee for its approval.

The Department also advises on the adequacy and effectiveness of the URA's annual internal control and risk management review. This annual organization-wide review exercise includes reviews of risks at the corporate level by all in-house directors and reviews of operational risks and the effectiveness of the systems of internal controls in managing identified significant risks by all functional units. Treatment plans are then implemented wherever appropriate to mitigate the identified significant risks in key business processes to the extents possible. The overall results of the annual review are reported to the Audit Committee. In addition, the Department coordinates with other assurance functions, such as the URA's External Auditors and the Independent Commission Against Corruption's Corruption Prevention Department, to achieve optimal audit coverage of the URA.

Measures to Promote Transparency of Work

In line with the spirit of the Urban Renewal Strategy, the URA holds a large variety of public engagement activities such as exhibitions, surveys, public forums and workshops from time to time to gather community stakeholders' views on the planning and design of urban regeneration projects. Open briefing sessions are held for owners, tenants and other stakeholder groups both upon the commencement of urban redevelopment and preservation projects and after the respective acquisition offers have been made. To enhance the wider community's understanding of the work of the URA, we also speak at relevant seminars, conferences and meetings of professional and other organizations and give briefing sessions to secondary schools.

We value our partnerships with local communities in undertaking renewal work in old urban areas. We regularly brief the relevant District Councils on the progress of URA projects. We have established seven District Advisory Committees comprising representatives of the local communities including district councillors, affected owners/tenants and district organizations to advise on community needs and aspirations with respect to urban renewal and to enhance community understanding of the URA's work in the districts concerned.

The Chairman of the Board of the URA briefs the media from time to time on the relevant decisions reached and issues discussed by the Board. These interactive media sessions, together with other media interviews with management representatives throughout the year, seek to promote better understanding of the mission and role of the URA and the rationale and objectives of its work.

The URA's website serves as a primary electronic platform to communicate to the public about any salient corporate development and the status of various projects and activities undertaken by URA in a timely manner. Bilingual press statements issued on important occasions or after major events and e-newsletters published quarterly are both accessible from the URA's website.

As a further measure to publicize our work and decisions, the Board has since February 2009 adopted the practice of uploading bilingual summaries of confirmed minutes of Board meetings to the URA's website. These summaries cover the numbers of Board Members and management representatives in attendance, the agenda items discussed and the Board's resolutions.

To increase the transparency of our redevelopment work, URA has, with effect from June 2010, begun the practice of disclosing annually to the Legislative Council's Panel on Development the financial results of the redevelopment projects completed in previous years.

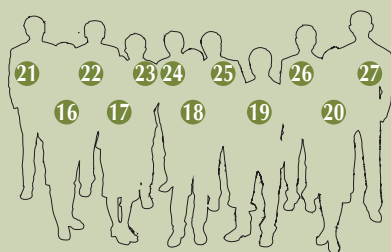
Members of the Board and Profiles



MEMBERS OF THE BOARD (Photo taken in June 2014)

Front row : **1.** Mr Daniel LAM Chun **2.** Mr Philip KAN Siu-lun **3.** Dr Billy MAK Sui-choi
4. Mr Victor SO Hing-woh (Chairman) **5.** Ms Iris TAM Siu-ying (Managing Director)
6. Professor Desmond HUI Cheuk-kuen **7.** Dr John WONG Yee-him

Back row : **8.** Mr Pius CHENG Kai-wah (Executive Director) **9.** Mr Laurence HO Hoi-ming
10. Professor Eddie HUI Chi-man **11.** Mr Timothy MA Kam-wah
12. Mr Edward CHOW Kwong-fai **13.** Mr Laurence LI Lu-jen
14. Mr Nelson LAM Chi-yuen **15.** Ir Calvin LAM Che-leung (Executive Director)



Front row : **16.** Dr the Honourable Ann CHIANG Lai-wan **17.** Ms Bernadette LINN Hon-ho
18. Mr Stanley WONG Yuen-fai **19.** Mr HUI Siu-wai **20.** Mrs Pamela TAN Kam Mi-wah

Back row : **21.** Mr David TANG Chi-fai **22.** Mr Lester Garson HUANG **23.** The Honourable James TO Kun-sun
24. The Honourable WONG Kwok-kin **25.** Mr LING Kar-kan **26.** The Honourable Dennis KWOK
27. Mr Philip LIAO Yi-kang

Chairman : Mr Victor SO Hing-woh, JP

Managing Director : Ms Iris TAM Siu-ying, JP

Executive Directors : Mr Pius CHENG Kai-wah (from 1 January 2014)
Ir Calvin LAM Che-leung

Non-Executive Directors : Dr the Honourable Ann CHIANG Lai-wan, JP
(non-official) Mr Edward CHOW Kwong-fai, JP
Mr Andrew FUNG Wai-kwong (up to 14 December 2013)
Mr Laurence HO Hoi-ming
Mr Lester Garson HUANG, JP
Professor Desmond HUI Cheuk-kuen
Professor Eddie HUI Chi-man
Mr Philip KAN Siu-lun
The Honourable Dennis KWOK
Mr Nelson LAM Chi-yuen
Mr Daniel LAM Chun, BBS, JP
Mr Laurence LI Lu-jen, JP
Mr Philip LIAO Yi-kang
Mr Timothy MA Kam-wah, JP
Dr Billy MAK Sui-choi
Mr David TANG Chi-fai
The Honourable James TO Kun-sun
The Honourable WONG Kwok-kin, SBS
Dr John WONG Yee-him
Mr Stanley WONG Yuen-fai, SBS, JP

Non-Executive Directors : Mr AU Choi-kai, JP Director of Buildings (up to 28 March 2014)
(official) Mr Hui Siu-wai, JP Director of Buildings (from 29 March 2014)
Mrs Pamela TAN Kam Mi-wah, JP Director of Home Affairs
Ms Bernadette LINN Hon-ho, JP Director of Lands
Mr LING Kar-kan, JP Director of Planning

Chairman

Mr Victor SO Hing-woh, JP

Mr Victor So has been appointed Chairman of the Board of the Urban Renewal Authority since 15 June 2013. Mr So has extensive experience in the development and management of commercial and residential portfolios. He was the executive director of Kerry Properties Limited from 2008 to 2010, executive director and chief executive officer of the Link Management Limited from 2004 to 2007, executive director of Sun Hung Kai Properties Limited from 2002 to 2004, executive director of the Hong Kong Housing Society from 1990 to 2002 and property director of Mass Transit Railways Corporation from 1981 to 1990. Mr So holds a Master's degree in Business Administration from the Chinese University of Hong Kong. He is a Fellow Member of the Royal Institution of Chartered Surveyors, Hong Kong Institute of Surveyors and Hong Kong Institute of Housing. Mr So had been member of a number of statutory bodies including the Town Planning Board, the Hong Kong Housing Authority, the Land and Buildings Advisory Committee, the Long Term Housing Strategy Advisory Committee (1999 - 2003), the Kowloon-Canton Railway Corporation Managing Board, the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption and the Supervisory Board of the Hong Kong Housing Society. Currently, he is a council member of Mental Health Foundation and a member of the Hong Kong Housing Society.

Managing Director

Ms Iris TAM Siu-ying, JP

Ms Tam has been the Managing Director of the Urban Renewal Authority since 1 March 2013. She is also the Deputy Chairman of the Board. She served as an Executive Director of the Authority from September 2006 to February 2013. She started her town planning career in the government and left the civil service after seven years in 1990. She then set up a planning consultant firm and was actively involved in both private and public sector planning projects and studies in Hong Kong and in Mainland China for sixteen years. She was the President of the Hong Kong Institute of Planners (1995-97) and served as Chairperson or Member of various Statutory and Advisory Tribunals / Committees. She is currently a member of the Council for Sustainable Development and the Hong Kong Housing Authority. She is also a Director of the Board of Urban Renewal Fund.

Non-Executive Directors (non-official)

Dr the Honourable Ann CHIANG Lai-wan, JP

Dr Chiang Lai-wan is a member of the Legislative Council (Kowloon West), Vice-Chair of the LegCo Panel on Commerce and Industry and Vice-chair of Democratic Alliance for the Betterment and Progress of Hong Kong. She held a Master of Arts degree from the Chinese University of Hong Kong and a Doctoral degree from the Chinese Academy of Social Sciences, and was awarded Honorary Fellow by the City University of Hong Kong.

She was previously Member of the Hong Kong Regional Council, Member of the Town Planning Board, Member of Operations Review Committee of the ICAC, Member of Sports Commission, Member of Administrative Appeals Board, and Council Members of Lingnan University, City University of Hong Kong and University of Hong Kong.

Mr Edward CHOW Kwong-fai, JP

Mr Edward Chow, JP is the founder of China Infrastructure Group and a chartered accountant. He is a core member of the OECD/World Bank Asian Corporate Governance Roundtable, a council member of the Institute of Chartered Accountants in England and Wales and chairman of its Commercial Board and Hong Kong Chapter, and a vice chairman of the Business and Professionals Federation of Hong Kong. He is also a member of the Chinese People's Political Consultative Conference of Zhejiang Province and an Election Committee member of Hong Kong SAR. Mr Chow was a past president of the Hong Kong Institute of Certified Public Accountants, a past chairman of the Professional Accountants in Business Committee of the International Federation of Accountants, a past deputy chairman of the Hong Kong Institute of Directors and a former expert advisor of the Accounting Standards Committee of the Ministry of Finance, the PRC. In business, Mr Chow serves as an independent non-executive director of Wing Lung Bank and served as an independent non-executive director of COSCO Pacific Limited from 2005

to 2013 and China Merchants Bank from 2006 to 2012 respectively. In 2010, Mr Chow was the awardee of Directors of the Year Award 2010 in the non-executive director of listed companies (SEHK – Hang Seng Index Constituents) category, awarded by the Hong Kong Institute of Directors.

Mr Laurence HO Hoi-ming

Mr Ho holds a Master of City Planning degree from the University of California, Berkeley. He worked in the Centre for Housing, Building and Planning of the United Nations in New York for one year before joining the Government of Hong Kong in 1978.

Between 1978 and 2003, Mr Ho held various senior posts in the Hong Kong Government, including Assistant Director of Housing, Principal Assistant Secretary for Home Affairs, Deputy Secretary for Health and Welfare, and Deputy Director for Leisure and Cultural Services.

He worked as Chief Executive at the Hong Kong Policy Research Institute between 2003 and 2005. He has since been writing commentaries on public policy issues in newspapers, and is often invited by TV and radio stations to comment on current issues. He played host to a current affairs program of Now TV between 2010 and 2011.

Since 2003, Mr Ho has been teaching part time at HKU Space, Chinese University of Hong Kong, Hong Kong Polytechnic University, and other educational institutes for training programs for visiting mainland officials and senior executives. Since summer 2013, Mr Ho has served as Managing Director of Kingsford Far East Limited.

He has been serving the community through sitting on boards of NGOs, social organizations and secondary school.

Mr Lester Garson HUANG, JP

Mr Lester Huang is a practising solicitor with over 25 years of post qualification experience. He is a Managing Partner of P. C. Woo & Co. and overseas three of P. C. Woo & Co's Practice Groups, for Estate Planning, Charities and Education respectively. He holds a Bachelor of Laws degree from the University of Hong Kong and a Master of Education degree from the Chinese University of Hong Kong.

Mr Huang served as President of the Law Society of Hong Kong from 2007 to 2009 and as President of Lawasia which is the federation of all pinnacle bar and law associations in the Asia Pacific Region from 2009 to 2011. Mr Huang sits on the Monetary Authority's Exchange Fund Advisory Committee and serves as a director of the Hong Kong Mortgage Corporation. He is also a member of the Hospital Authority. He chairs the Board of Advisors of Radio Television Hong Kong. In the education sector, Mr Huang is a manager of several secondary schools and serves as a director of HKU SPACE and also a Council Member of the University of Hong Kong.

Professor Desmond HUI Cheuk-kuen

Professor Desmond Hui is Managing Director of Culture and Development Consultancy Ltd and holds visiting and adjunct professorship in Mainland China, Hong Kong and Taiwan. Formerly he was Associate Dean of Arts and Professor at Chinese University of HK and Director of the Centre for Cultural Policy Research at University of HK. He was Guest Scholar at the Canadian Centre for Architecture, Montreal and Research Fellow at St Edmund's College, Cambridge. He obtained Bachelor of Architecture from Cornell University and Master cum Doctor of Philosophy from University of Cambridge.

Professor Hui was formerly member of the Antiquities Advisory Board and Commission on Strategic Development and is at present Museum Expert Advisor of the HK Government. He is member of the International Committee of Architectural Critics and editorial board of *The Creative Industries Journal* (UK) and *The International Journal of Cultural and Creative Industries* (Taiwan).

Professor Eddie HUI Chi-man

Professor Hui is Professor of Real Estate at the Department of Building and Real Estate, the Hong Kong Polytechnic University. He graduated from Hong Kong University with first class honours, scholarly prizes and scholarships. With full Commonwealth scholarships, he obtained his MPhil and Ph.D. at the Department of Land Economy, University of Cambridge, UK, where he is now a fellow of the Cambridge Commonwealth Trust. He is visiting and/or adjunct professor at various universities and research centres, both locally and overseas. His expertise is in real estate, urban land and housing and his research papers were published in international academic journals.

Professor Hui is currently a member of Long Term Housing Strategy Steering Committee; Town Planning Board and its Rural and New Town Planning Committee; Expert Panel for Hung Shui Kiu New Development Area Planning and Engineering Study; Vocational Training Council Real Estate Services Training Board; and Appeal Tribunal Panel Building Ordinance (Cap. 123).

Mr Philip KAN Siu-lun

Mr Kan, Partner and CEO of a private equity fund, also serves as Member of the Disciplinary Panel of the Hong Kong (HK) Institute of Certified Public Accountants, Council Member of the Hong Kong Institute of Marketing and Director of the Board of Urban Renewal Fund. He served as Member of Antiquities Advisory Board, Member of the Board of Trustees of Lord Wilson Heritage Trust, Member of Chinese Temples Committee, Director of Dragon Foundation, Member of Board of Review (Inland Revenue), and Member of Court of HK Baptist University.

In 2000, the company which Mr Kan co-founded was listed on the HK Stock Exchange and he served there as Executive Director until 2004; he also served as Executive Director and Independent Non-Executive Director of two other public companies in HK. In recent years, he has been involved in corporate finance and private equity businesses. Prior to that, he has served the local banking industry for over 20 years.

Mr Kan holds a Diploma in Business Management (Dist) from HK Baptist University, a MBA degree from Henley Management College, UK and Fellow Membership of Chartered Management Institute (FCMI), UK. He is also a Registered Investment Advisor of the Securities and Futures Commission in HK.

The Honourable Dennis KWOK

Graduated from King's College London, United Kingdom in 1999, the Hon Dennis Kwok holds a law degree and was admitted as a solicitor in the High Court of Hong Kong in 2002 and to the Roll of Solicitors of England and Wales in 2003. Subsequently, he was called to the Hong Kong Bar in 2006.

He is a Member of the Legislative Council representing the Legal Functional Constituency. He is a founding member of both the Civic Party and The Professional Commons, a think-tank on public policies. In 2006, he was elected as a CE Election Committee Member for the Legal Sector.

Mr Nelson LAM Chi-yuen

Mr Lam is a Certified Public Accountant practising in Hong Kong and has his own professional accountancy and consulting firms. He is currently Chairman of Accounting Development Foundation Limited, Council Member and Past President of the Society of Chinese Accountants and Auditors, and Council Member of the Hong Kong Institute of Certified Public Accountants.

Mr Lam has a MSc degree in finance from the Chinese University of Hong Kong, a MBA degree from the Hong Kong University of Science and Technology, and BBA degree from the Hong Kong Baptist University. He has several local and overseas accounting and finance qualifications, including being a CFA charter holder, a fellow member of ACCA, a fellow member of CPA Australia, a member of the American Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of England and Wales. He has extensive experience in professional accountancy in Hong Kong and has also co-authored and adapted several accounting and auditing books with professors from Hong Kong and the United States.

Mr Daniel LAM Chun, BBS, JP

Mr Lam is the Honorary Advisor of DCL Consultants Limited. He is a Chartered Building Surveyor and an Authorized Person under the Buildings Ordinance of Hong Kong. He is a Fellow of the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors. Mr Lam was the President of the Hong Kong Institute of Surveyors (1986-1987).

Mr Lam has been elected as a Chartered Arbitrator and listed on the London Panel of Arbitrators of the Chartered Institute of Arbitrators. He is also listed on similar panels in Hong Kong and Vancouver, and is appointed as Arbitrator to the China International Economic Trade Arbitration Commission. He is a council member of the Hong Kong International Arbitration Centre and Fellow and Past Chairman of the Hong Kong Institute of Arbitrators (1997-2000).

Since 2006, Mr Lam has been appointed as Honorary Professor to the Real Estate and Construction Department of the University of Hong Kong.

Mr Laurence LI Lu-jen, JP

Mr Laurence Li is a practicing barrister focusing on financial and financial services law. He is a member of the Financial Services Development Council and convener of its research committee. He serves as a judge on the Regulatory Tribunal of the Qatar Financial Centre in Doha, Qatar, and is an Honourary Fellow of the Asian Institute of International Financial Law at the University of Hong Kong. He is also a member of the Town Planning Board and the Council of the Hong Kong Polytechnic University.

Mr Philip LIAO Yi-kang

Mr Philip Liao graduated from Cornell University (USA) and Eton College (UK) and has more than 25 years of experience in the field of architecture, planning and interiors design. Mr Liao has participated in award winning commercial, residential, hotel, heritage and community projects and has practiced in North America, Europe and Asia. Mr Liao worked with SOM, Moffat Kinoshita (where he was Vice President) and Wong Tung International (where he was Associate Director - Design) prior to establishing Philip Liao and Partners in 2002.

Mr Liao regularly lectures at international events/tertiary institutions. He serves as Alumni Interviewer for Cornell University's School of Architecture, and has served as guest critic and external examiner for the CUHK's Department of Architecture, and the University of Hong Kong's Department of Architecture.

Mr Liao has served as the architectural expert for the South China Morning Post and often serves as expert, as Juror and as professional advisor for architectural and planning competitions, including the Tsim Sha Tsui Piazza Competition, the Hong Kong Institute of Architects' Annual Awards, and other competitions in Hong Kong and the PRC.

Mr Liao is currently a member of the Antiquities Advisory Board, and an honorary trustee of Nanjing University. He also serves on the Buildings Committee of the Hong Kong Golf Club.

Mr Timothy MA Kam-wah, JP

Timothy Ma is a registered social worker and a Fellow of Certified Risk Planner. He was appointed JP in 2012. He is now the Executive Director of Project Flame at the City University of Hong Kong. Prior to this, he was the Executive Director of Senior Citizen Home Safety Association from 1996 to 2012.

Timothy currently serves as member of Elderly Commission, Social Workers Registration Board, Social Innovation and Entrepreneurship Development Fund Task Force of Commission on Poverty, Lottery Fund Advisory Committee, Hong Kong Housing Society and Special Committee on Elderly Housing of the Hong Kong Housing Society. He was an ex-member of Social Welfare Advisory Committee, Guardianship Board, Town Planning Board (TPB) and Kowloon City District Urban Renewal Forum. He also served as the only overseas Director at the Board of Centre for Enabled Living, Singapore from 2011 to 2013.

Dr Billy MAK Sui-choi

Dr Billy Mak is currently Associate Professor of Department of Finance & Decision Sciences, Director of Development of Master of Business Administration Program of Hong Kong Baptist University, and Member of the Hong Kong Securities & Investment Institute. His research topics focus on equity market, financial planning and Hong Kong property market. He has authored numerous publications and papers on securities markets and investment. Dr Mak is frequently interviewed by the media on economic and property market issues and he is the guest host of "Corporate Expo" program of Metro Finance Radio. He is also the special contributor of various newspapers.

On professional and community services, Dr Mak is currently member of Energy Advisory Committee, member of Business Facilitation Advisory Committee, member of Investor Education Centre Advisory Committee, member of the Academic and Accreditation Advisory Committee of Securities and Futures Commission and member of the Licensing Committee of Hong Kong Gold & Silver Exchange Society.

Mr David TANG Chi-fai

Mr Tang has been the Property Director and a Member of the Executive Directorate of MTR Corporation since 1 October 2011. He is responsible for all of the property development projects of the Company from layout planning, scheme design through to project construction completion. Mr Tang graduated from the University of the West of England (formerly Bristol Polytechnic) in the United Kingdom and holds a Bachelor of Science (Honours) degree in Quantity Surveying. He also completed the International Executive Programme at INSEAD (an executive business school), France in 2006. Mr Tang is a Chartered Surveyor and a member of the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors.

The Honourable James TO Kun-sun

The Hon To is a Solicitor, and currently a Legislative Councillor, Vice-Chairman of the Panel on Security of the Legislative Council, a Member of the Yau Tsim Mong District Council, the Review Committee on the Building Management Ordinance and the Advisory Group on Eliminating Discrimination against Sexual Minorities. He received a Bachelor of Law degree from the University of Hong Kong.

The Hon To is a Court Member of the University of Hong Kong and was a Member of the Managing Board of the then Land Development Corporation (1996-2001). He was Member of the Sham Shui Po District Council and Yau Tsim Mong District Council in 1991-1994 and 1999-2007 respectively.

The Honourable WONG Kwok-kin, SBS

Wong Kwok-kin is a member of the Legislative Council (Kowloon East), vice president of Hong Kong Federation of Trade Unions, convenor of its Logistics and Transport Industry Committee. Mr Wong is also non-executive director of Mandatory Provident Fund Schemes Authority, member of the Hong Kong Housing Authority and its Subsidised Housing Committee and member of the Security and Guarding Services Industry Authority.

Mr Wong was previously the employee representative of Labour Advisory Board and a panelist of Economic Summit on “China’s 11th Five-Year Plan and the Development of Hong Kong”. He was a member of the Panel on Social Cohesion of Central Policy Unit and a Committee member of the Maritime Services Training Board of Vocational Training Council, a deputy of the 11th National People’s Congress of the People’s Republic of China for HKSAR and a member of Commission on Strategic Development.

Dr John WONG Yee-him

Dr Wong Yee Him is a psychiatrist by profession and is currently in private practice. Dr Wong has a MBBS from the University of New South Wales and is a member of the Royal College of Psychiatrists and a Fellow of the Hong Kong Academy of Medicine (Psychiatry).

Dr Wong has been actively engaging in community affairs since 2000. He is currently an elected Kowloon City District Councillor and council member of the Hong Kong Medical Association. He was previously member of the Election Committee (Medical subsector), member of the Elderly Commission, member of the Town Planning Appeal Board, Chairman of the Hong Kong Society of Psychiatrists as well as member of the Consumer Council (and was Chairman of Research and Testing Committee), the Home Purchase Allowance Appeal Board and the Advisory Board on Quality of Water Supply.

Mr Stanley WONG Yuen-fai, SBS, JP

Mr Stanley Wong holds a Master's Degree in Applied Finance from the Macquarie University, Australia, and is a fellow member of the Hong Kong Institute of Bankers. Mr Wong is currently Vice-Chairman of the Hong Kong Town Planning Board, member of the Hong Kong Housing Authority and Chairman of its Subsidised Housing Committee, member of the Long Term Housing Strategy Steering Committee, Member of the Hong Kong Housing Society, Chairman of the Hong Kong Dance Company, member of the Standing Committee on Directorate Salaries and Conditions of Service and member of the Science Museum Advisory Panel. On the environmental front, Mr Wong is an appointed member of the Energy Advisory Committee and a governor of the Friends of the Earth, Hong Kong.

Mr Wong started his banking career, which spans over 37 years, in 1974 with Standard Chartered Bank. He became the treasurer of Standard Chartered Bank in 1991 and was further promoted in 1995 to the position of Regional Treasurer of North East Asia and eventually the Chief Executive Officer of Standard Chartered Bank's China operations from 2001 to 2003. He joined Industrial and Commercial Bank of China (Asia) Limited as Executive Director and Deputy General Manager with effect from July 2004 until retirement in August 2011.

Non-Executive Directors (official)

Mr HUI Siu-wai, JP

Director of Buildings

Mr Hui is a professional building surveyor with extensive experience in building control and the administration of the Buildings Ordinance. He joined the then Buildings Ordinance Office (now the Buildings Department) in 1978.

Mr Hui has been the Director of Buildings since March 2014.

He is a member of the Hong Kong Institute of Surveyors.

Mrs Pamela TAN Kam Mi-wah, JP

Director of Home Affairs

Pamela Tan is currently the Director of Home Affairs. Prior to this, Mrs Tan has been in various directorate positions in a number of policy and resource bureaux and frontline departments, including the Commissioner for Labour. She has also served as the Deputy Head of the Central Policy Unit which advised the Government's top policy-making level on all major issues affecting Hong Kong.

Ms Bernadette LINN Hon-ho, JP

Director of Lands

Ms Bernadette Linn joined the civil service as an Administrative Officer in 1989. She was Deputy Secretary for Education from 2005 to 2008, Deputy Secretary for Financial Services and the Treasury from 2008 to 2010, and Private Secretary to the Chief Executive from 2010 to 2012. She has been Director of Lands since 31 July 2012.

Ms Linn holds a Bachelor of Arts Degree from the University of Hong Kong and a Master Degree in Communication Studies from the University of Michigan, Ann Arbor.

Ms Linn currently sits on the Hong Kong Housing Authority, the Hong Kong Housing Society and the Town Planning Board as member.

Mr LING Kar-kan, JP

Director of Planning

Mr K K Ling is a professional town planner with extensive experience including planning for the new airport and the Tung Chung New Town, review of the Town Planning Ordinance, harbor-front planning and development, planning enforcement and prosecution, cross-boundary planning, and planning for new development areas.

Mr Ling is the Director of Planning, heading the Planning Department of the Hong Kong Special Administrative Region Government. He is also the chairman of the Metro Planning Committee and Rural & New Town Planning Committee of the Town Planning Board.

Mr Ling was the President of the Hong Kong Institute of Planners from 2007 to 2009.

Executive Directors

Mr Pius CHENG Kai-wah

Mr Cheng is a qualified solicitor in Hong Kong. He served as Director of Corporate and Legal Services of the Urban Renewal Authority from October 2007 to December 2013. He studied law in England and was qualified as solicitor in Hong Kong in 1985. He worked in private practice for 17 years before joining Urban Renewal Authority as General Counsel in 2002. After 3 years with Urban Renewal Authority, he joined Estate Agent Authority in 2005 responsible for legal and disciplinary matters. He rejoined Urban Renewal Authority in 2007. He has profound knowledge and extensive experience in urban renewal work during his nearly 10 years with Urban Renewal Authority.

Ir Calvin LAM Che-leung

Mr Lam was appointed as an Executive Director of URA in November 2008. He is a Registered Professional Engineer (RPE), a Registered Structural (RSE) and Geotechnical Engineer (RGE) in Hong Kong. Mr Lam is also a Fellow of the Hong Kong Institution of Engineers. From 2005 to 2008, he had served as a council member of the Association of Consulting Engineers, Hong Kong.

Mr Lam completed his engineering training with a top ranking international engineering consultant and became a chartered engineer in 1978. He has worked with consultants and government departments in Hong Kong, UK and Australia.

Mr Lam's experience includes overseeing different projects and stages operation and people management covering study, design, execution and implementation, operation and quality assurance, strategic, business and resources planning. The projects span across infrastructure, new town, properties and structure.

Members of Committees

Audit Committee

Chairperson

Mr Philip KAN Siu-lun

Members

Mr Nelson LAM Chi-yuen

Mr Timothy MA Kam-wah, JP

Co-opted Member

Ms Rosanna CHOI

Finance Committee

Chairperson

Mr Victor SO Hing-woh, JP

Members

Mr Edward CHOW Kwong-fai, JP

Professor Eddie HUI Chi-man

Mr Philip KAN Siu-lun

Dr Billy MAK Sui-choi

Mr Stanley WONG Yuen-fai, SBS, JP

Ms Iris TAM Siu-ying, JP

Co-opted Members

Albert IP

(up to 25 July 2013)

Mr KUNG Kuo-chuan

Mr Alexander LAM

Land, Rehousing & Compensation Committee

Chairperson

Dr Billy MAK Sui-choi
(from 1 May 2013)

Members

Mr Laurence HO Hoi-ming
Mr Lester Garson HUANG, JP
Professor Eddie HUI Chi-man
Mr Daniel LAM Chun, BBS, JP
(up to 6 August 2013)
Mr Laurence LI Lu-jen, JP
Mr Timothy MA Kam-wah, JP
Mr David TANG Chi-fai
The Honourable James TO Kun-sun
Dr John WONG Yee-him
Mr Pius CHENG
(from 18 February 2014)
Ir Calvin LAM Che-leung
Ms Iris TAM Siu-ying, JP

Co-opted Members

Ms Crystal CHENG
Mr Albert IP
(up to 25 July 2013)
Mr Patrick LAU, SBS
Assistant Director, Lands Department
(Mr LAW Hin-wing, JP)

Development Project Objection Consideration Committee

Chairperson

Mr Daniel LAM Chun, BBS, JP

Vice Chairperson

Mr Philip KAN Siu-lun

Members

Mr Edward CHOW Kwong-fai, JP
Mr Andrew FUNG Wai-kwong
(up to 14 December 2013)
The Honourable Dennis KWOK
Mr Nelson LAM Chi-yuen
The Honourable James TO Kun-sun

Co-opted Members

Ms Crystal CHENG Lai-ling
Mr Albert IP
(up to 25 July 2013)
Mr Alexander LAM
Mr Patrick LAU, SBS
Mr Andy LEUNG

Planning, Development and Conservation Committee

Chairperson

Professor Desmond HUI Cheuk-kuen

Members

Mr Andrew FUNG Wai-kwong
(up to 14 December 2013)

Mr Laurence HO Hoi-ming

The Honourable Dennis KWOK

Mr Laurence LI Lu-jen, JP

Mr Philip LIAO Yi-kang

The Honourable James TO Kun-sun

The Honourable WONG Kwok-kin, SBS

Mr Stanley WONG Yuen-fai, SBS, JP

Director of Lands*
(Ms Bernadette LINN Hon-ho, JP)

Director of Planning*
(Mr LING Kar-kan, JP)

Ir Calvin LAM Che-leung

Ms Iris TAM Siu-ying, JP

Co-opted Members

Mr Andy LEUNG

Assistant Director / New Buildings 1 ,
Buildings Department
(Mr YU Tak-cheung)

*Director of Lands / Director of Planning as members
of the committee can be represented by their
representatives at Assistant Director rank or above

Human Resources and Remuneration Committee

Chairperson

Mr Victor SO Hing-woh, JP

Members

Mr Andrew FUNG Wai-kwong
(from 26 September 2013 up to 14 December 2013)

Professor Desmond HUI Cheuk-kuen

Mr Philip KAN Siu-lun

Dr Billy MAK Sui-choi

Mr David TANG Chi-fai
(from 26 September 2013)

The Honourable WONG Kwok-kin, SBS
(from 26 September 2013)

Dr John WONG Yee-him

Mr Stanley WONG Yuen-fai, SBS, JP
(from 26 September 2013)

Ms Iris TAM Siu-ying, JP

Review Committee

Chairperson

Dr John WONG Yee-him

Members

Dr The Honourable Ann CHIANG Lai-wan, JP

Mr Daniel LAM Chun, BBS, JP

Mr Philip LIAO Yi-kang

Mr Timothy MA Kam-wah, JP

The Honourable James TO Kun-sun

Co-opted Members

Mr Andrew CHAN Ping-chiu

Mr Henry CHAN Kai-wing

Mr CHUA Hoi-wai

Dr Ernest CHUI Wing-tak

Dr Amy HO Po-ying

Ms LAM Tze-yan

Dr LAU Kwok-yu, JP

Ir Kenneth T K LAU

Dr LEE Yok-shiu

Mr Tony LUK Ka-luen

Mr MOK Hing-luen

Mr Dickson PANG Kam-fai

Mr Eddie SO

Mr TAI Hay-yu

Mr YUNG Ching-tat, BBS, JP

Ad-hoc Committee on New Strategies

Chairperson

Mr Daniel LAM Chun, BBS, JP

Vice Chairperson

Mr Laurence HO Hoi-ming

Members

Dr The Honourable Ann CHIANG Lai-wan, JP

Professor Desmond HUI Cheuk-kuen

Mr Philip KAN Siu-lun

Mr Nelson LAM Chi-yuen

Mr Laurence LI Lu-jen, JP

Mr Timothy MA Kam-wah, JP

Dr Billy MAK Sui-choi

Mr Victor SO Hing-woh, JP

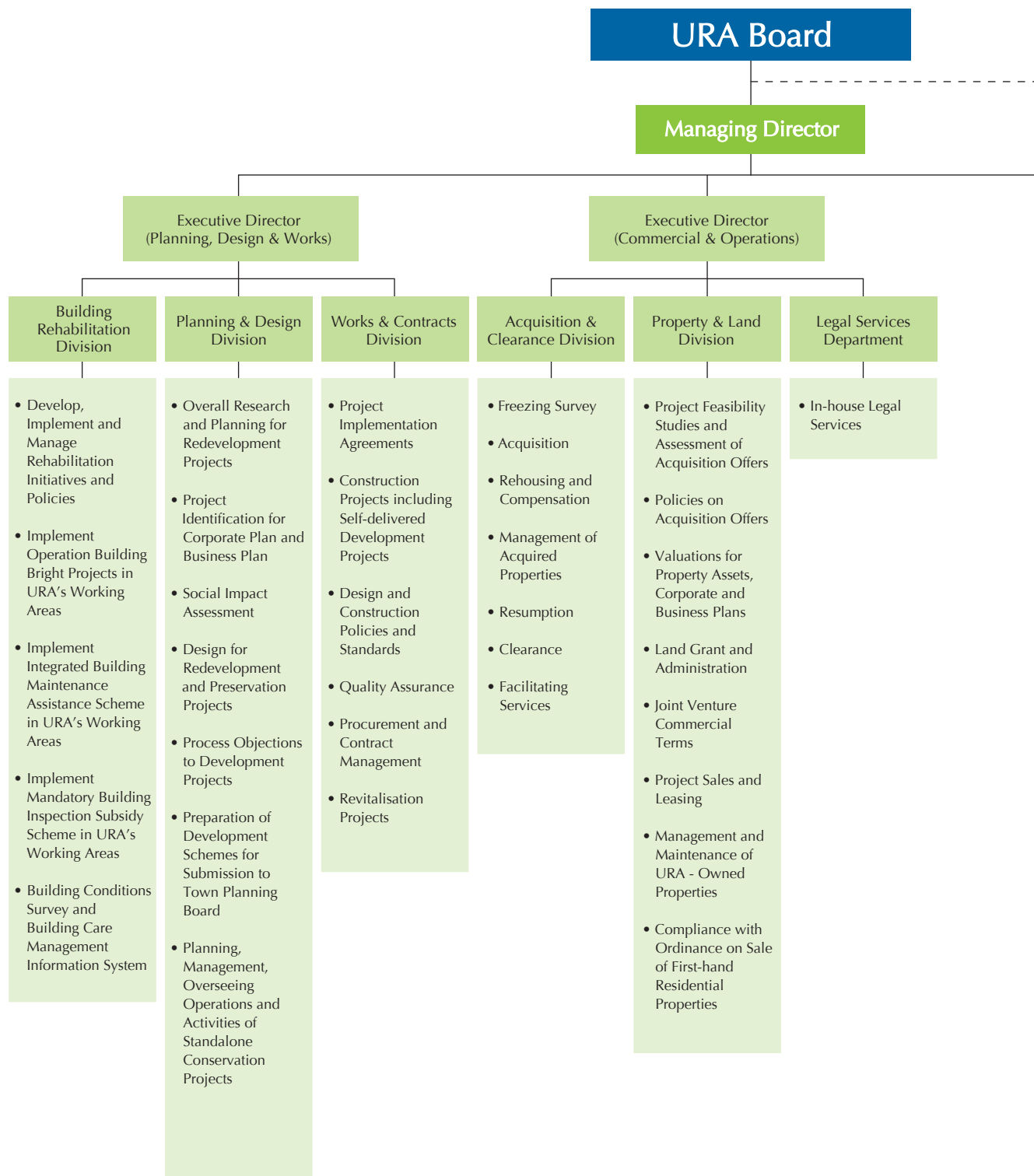
The Honourable James TO Kun-sun

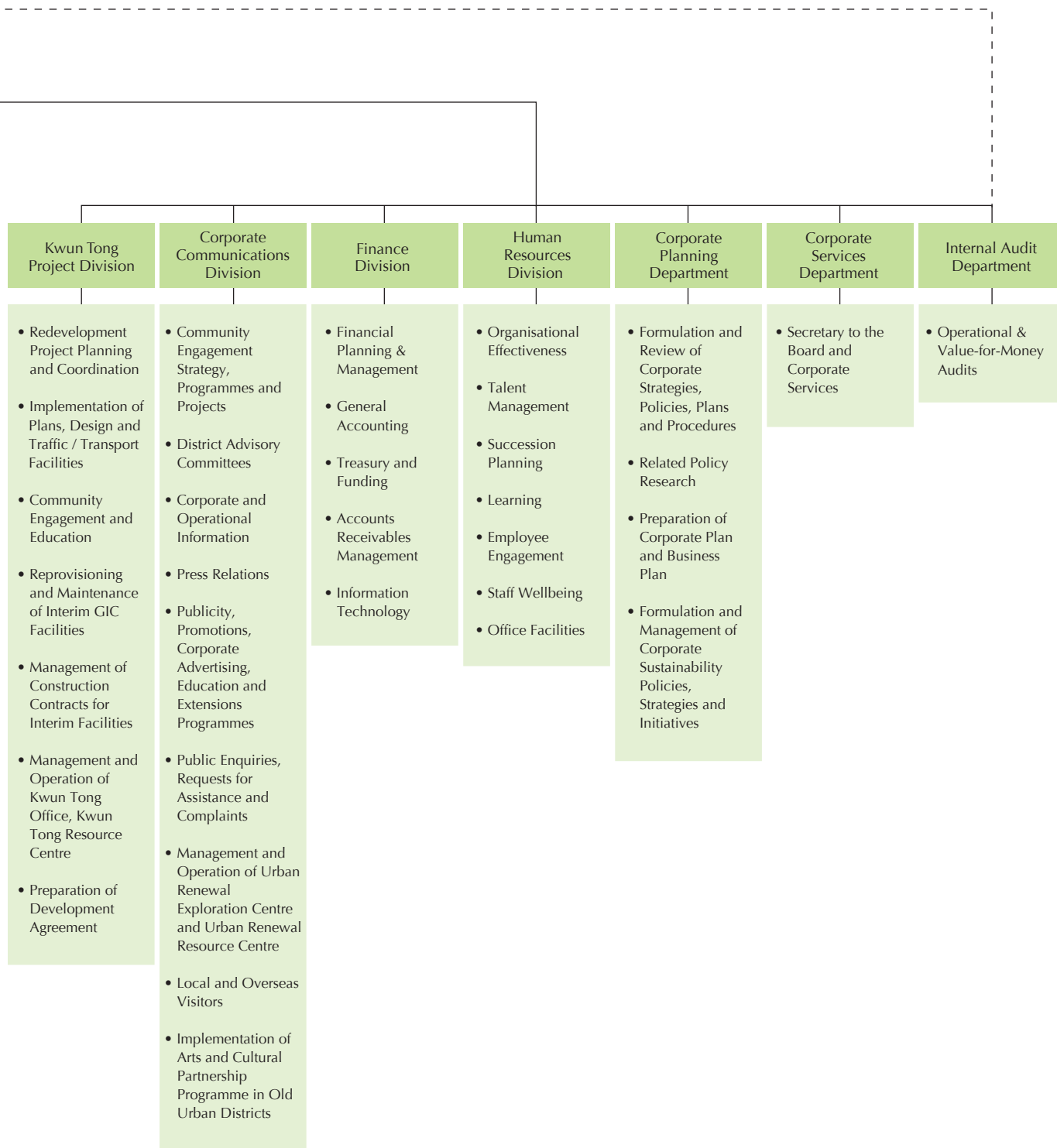
Mr Stanley WONG Yuen-fai, SBS, JP

Ms Iris TAM Siu-ying, JP

Mr Pius CHENG Kai-wah

Organisation Structure







- | | |
|---|--|
| 1. Michael MA (Director, Planning & Design) | 2. Calvin LAM Che-leung (Executive Director, Planning, Design & Works) |
| 3. Stephen LAM Wai-nang (Director, Works & Contracts) | 4. Felicia WAI Sik-yin (Director, Finance) |
| 5. Ernest LEE Shu-wing (Director, Kwun Tong Project) | 6. Iris TAM Siu-ying (Managing Director) |
| 7. Francis MOK Gar-lon (Director, Human Resources) | 8. Lawrence YAU Chung-hok (Director, Corporate Communications) |
| 9. William WAN Shiu-wah (Director, Property & Land) | 10. Pius CHENG Kai-wah (Executive Director, Commercial & Operations) |
| 11. Ian WONG Wai-kuen (Director, Acquisition & Clearance) | |

Other Members of Management Team

Ghulam Rasul BUTT
General Manager,
Corporate Planning

Kelvin CHUNG Kin-keung
General Manager,
Acquisition and Clearance

Jeannie FONG Ching-yee
General Manager,
Human Resources & Administration

Paul FUNG Po-kwong
General Manager,
Building Rehabilitation

Herman FUNG Wan-yeung
General Manager,
Conservation Portfolio

Daniel HO Chi-wai
General Manager,
Works and Contracts

Julia HO Yuk-lan
General Manager,
Property and Land

Hiroshi IKEGAYA
General Manager,
Planning and Design

Winnie KOO Wai-yee
General Manager,
Property and Land

Anthony LAM Ngok-sum
General Manager,
Financial Planning and Accounting

Edward LAW Kwok-wah
General Manager,
Corporate Services

Lawrence MAK Chung-kit
General Manager,
Planning and Design

Bruchi NAM Chi-kwong
General Manager,
Property and Land

Eric POON Shun-wing
General Manager,
Works and Contracts

Lawrence TANG Kwan-lam
General Manager,
Building Rehabilitation

Roger TANG Man-hung
General Manager,
Kwun Tong Project

Angela TANG Sin-yu
General Manager,
External Relations

Francis WONG Iu-ming
General Manager,
Internal Audit

Ellen WONG Lai-kuen
General Manager,
Acquisition and Clearance

Simon WONG Wing-tai
General Manager,
Community Development

Members of District Advisory Committees

Central & Western District Advisory Committee

Chairperson

Mr Edward CHOW Kwong-fai, JP
(from 1 May 2014)

Professor Desmond HUI Cheuk-kuen
(up to 31 March 2014)

Members

Dr Roger CHAN Chun-kwong

Mr CHAN Hok-fung, MH

Ms CHENG Lai-king
(from 1 May 2014)

Mr CHENG Po-hung
(up to 31 March 2014)

Mr Jackie CHEUNG Yick-hung

Mr Paul CHU Hoi-shan
(from 1 May 2014)

Mr HUI Chi-fung
(up to 31 March 2014)

Mr LAM Yiu-man

Mr Sidney LEE Chi-hang

Mr Kenneth LEE Fung-nin

Ir LEE Ping-kuen, JP

Mr Tommy LI Ying-sang, BBS, MH, JP

Mr LIU King-tong
(up to 31 March 2014)

Mr MAN Chi-wah, MH

Mr Thomas NG Siu-keung, MH, JP

Mr Nelson WONG Kin-shing

Central & Western District Officer

Wan Chai District Advisory Committee

Chairperson

Mr Laurence HO Hoi-ming
(from 1 May 2014)

Mr Daniel LAM Chun, BBS, JP
(up to 31 March 2014)

Members

Mr CHEUNG Tat-tong

Mr CHUA Hoi-wai

Ms Annie HO Cheuk-man
(up to 31 March 2014)

Mr Albert LAM Kwok-ming
(up to 31 March 2014)

Mr LAM Sek-kong, MH

Ms Kenny LEE Kwun-yee

Ms Peggy LEE Pik-yee

Mr Stephen NG Kam-chun, MH, JP

Mr Kent SHUM Kin

Dr Paul SIU Che-hung
(up to 31 March 2014)

Mr SUEN Yat-hau

Dr Anna TANG King-yung, BBS, MH
(up to 31 March 2014)

Ms WONG Mei-ling

Mr Ivan WONG Wang-tai, MH

Mr Stephen YAU How-boa, SBS, JP

Wan Chai District Officer

Yau Tsim Mong District Advisory Committee

Chairperson

Dr Billy MAK Sui-choi

Members

Mr CHAN Siu-tong, MH

Mr CHENG Po-hung
(from 1 May 2014)

Mr Benjamin CHOI Siu-fung

Mr CHOW Chun-fai, BBS, JP

Mr HUI Tak-leung

Mr Chris IP Ngo-tung

Ms KWAN Sau-ling
(up to 31 March 2014)

Mr LAU Pak-kei

Mr Eric LEE Chung-ming
(from 1 May 2014)

Mr SUEN Leung-kwong

Mr John WONG Chung
(from 1 May 2014)

Mr WONG Kin-san

Ms WONG Shu-ming

Yau Tsim Mong District Officer

Kowloon City District Advisory Committee

Chairperson

Professor Eddie HUI Chi-man

Members

Mr CHAN Lo-kin
(up to 31 March 2014)

Ms CHEUNG Ling

Ir KAM Kwai-ki

Ms Rosanda MOK Ka-han

Mr NG Po-keung

Mr NGAN Siu-lun

Mr SHUM Wai-chuen

Dr SIU Miu-man

Ms SIU Yuen-sheung, BBS, JP

Dr TANG Bo-sin
(up to 31 March 2014)

Mr WONG Yun-cheong

Mr Pius YUM Kwok-tung

Kowloon City District Officer

Sham Shui Po District Advisory Committee

Chairperson

Mr Nelson LAM Chi-yuen
(from 1 May 2014)

Dr John WONG Yee-him
(up to 31 March 2014)

Members

Mr CHAN Wai-ming, MH

Mr Vincent CHENG Wing-shun

Mr CHUM Tak-shing

Ms Winnie LAI Yuk-ling

Mr Aaron LAM Ka-fai, JP

Mr Zstephen LAU Kin-shing

Ms LAU Pui-yuk

Mr LEE Wing-man

Dr LEUNG Kai-chi

Ms Daphne LUI Yat-ching

Mr WAI Woon-nam

Sham Shui Po District Officer

Kwun Tong District Advisory Committee

Chairperson

Mr Timothy MA Kam-wah, JP

Members

Mr Nelson CHAN Wah-yu, MH
Mr Jimmy CHAN Yiu-hung
Mr CHONG Yam-ming
Mr HSU Hoi-shan
Mr Kin HUNG Kam-in
Mr KAN Ming-tung
Mr KWOK Lit-tung, JP
Dr LAM Kin-wah, BBS, MH
Mr LAU Ting-on
Mrs LEUNG Chan Siu-hing
Ms LEUNG Fu-wing, BBS, MH
Mr LI Hung
Mr LING Chi-keung
Mr LIU Chung-ming
Mr Wilson OR Chong-shing, MH
Ms SO Lai-chun, MH, JP
Mr WONG Kai-ming

Kwun Tong District Officer

Tsuen Wan District Advisory Committee

Chairperson

Mr Philip KAN Siu-lun
(up to 31 March 2014)

Mr Laurence LI Lu-jen, JP
(from 1 May 2014)

Members

The Honourable Ben CHAN Han-pan, JP
Mr Richard CHAN Kam-lam, MH, JP
Mr CHAN Wai-ming, MH, JP
Mr CHOW Ping-tim
Mr Paul CHU Hoi-shan
(up to 31 March 2014)
Mr CHUNG Wai-ping, SBS, MH
Mr Eric LEE Chung-ming
(up to 31 March 2014)
Mr Peter LO Siu-kit
Ms TO Kwai-ying, JP
Ms Minia WAH Mei-ling
Mr WONG Ka-wa
Mr Louis WONG Yui-tak, MH
Mrs Helina YUK Fung Yin-king

Tsuen Wan District Officer

Financial Review

(I) Review of 2013/14 Results

(a) Revenues

The revenue for the year ended 31 March 2014 was \$1,169 million and comprised of URA's share of sales proceeds from jointly controlled development projects. The amount represents a decrease of \$4,172 million compared to the revenue of \$5,341 million in 2012/13. Two redevelopment projects which were originally planned for tender in 2013/14 were delayed due to site clearance difficulties, and only one redevelopment project, Shun Ning Road, with total area of 836 m² was tendered out during the year but the revenue is to be accounted for in 2014/15. The revenue in 2012/13 was higher as it included both upfront payments from tendered projects plus URA's share of sales proceeds from jointly controlled development projects. Three redevelopment project sites with 4,940 m² in total area were tendered in 2012/13 with upfront payment totalling \$4,709 million.

The share of sales proceeds of \$1,169 million in 2013/14 (2012/13: \$632 million) were revenues from jointly controlled development projects where the sales proceeds exceeded the thresholds stipulated in the development agreements. The projects contributed to the surplus during the year included Vision City in Tsuen Wan with the development agreement executed in 2002, Florient Rise in Tai Kok Tsui with the development agreement executed in 2004, The Zenith / One Wanchai in Wan Chai with the development agreements executed in 1996, and the sale of J Senses in Wan Chai.

(b) Other net income

Of the \$127 million (2012/13: \$183 million) in other net income for the year, \$117 million (2012/13: \$144 million) was interest income from the investment portfolio managed in-house, which included bank deposits and fixed income products, with an average yield of 1.55% p.a. (2012/13: 1.72% p.a.) Other net income included rental income from certain properties retained by the URA.

(c) Administrative expenses

Administrative expenses mainly covered staff costs, accommodation costs and depreciation charges. Administrative expenses before depreciation for the year 2013/14 was \$367 million (2012/13: \$316 million), with the increase largely due to the headcount growth. The depreciation charge for office capital expenditure was \$34 million (2012/13: \$21 million) for the year.

The staffing level was increased by 66 from 498 as of 31 March 2013 to 564 as of 31 March 2014. Of the 564 staff, 55 (31 March 2013: 82) were employed on contracts of less than three years. The headcount growth was a result of the expansion in both redevelopment and rehabilitation activities. On the redevelopment side, the increase in work volume and the complexity of the redevelopment projects have resulted in the need for additional staff. On the rehabilitation side, the increase was necessary to commensurate with the expansion of the building rehabilitation works as the URA has taken

up the responsibilities from the Hong Kong Housing Society for Kowloon, Tsuen Wan and Kwai Tsing since April 2013, and is scheduled to expand the coverage for the whole territory by 2015.

(d) Provision for / write back of impairment on properties and committed projects

The URA's properties and committed projects are valued by in-house professionals at the end of each financial year. Based on the accounting policy detailed in Notes 2(g) and 2(n) to the financial statements, provision for loss for a project, if necessary, is made during the year. Provision for loss of \$3,010 million was made in 2013/14, the amount of which included new provision of \$2,283 million on five redevelopment projects plus \$727 million on the other previously provided projects. Of the five redevelopment projects, three are located in Sham Shui Po and two are located in Yau Tsim Mong. Three are demand-led projects which started acquisition during the year. The provisions were necessary mainly due to the high acquisition costs, and the limited plot ratio gain together with the increase in construction costs have resulted in lower estimated upfront payments from tenderers.

(e) Operating deficit for the year

The revenue in 2013/14 included only surplus from jointly controlled development projects while a loss provision of \$3,010 million was made, resulting in an operating deficit of \$2,270 million. In comparison, the 2012/13 revenue included both upfront payments from tendered projects and surplus from jointly controlled development projects with a write back in provision of \$1,727 million for the year. Before the provision for impairment on properties and committed projects, the

surplus in 2013/14 was \$740 million in comparison with \$2,710 million reported in 2012/13.

(II) Financial Position at 31 March 2014

(a) Properties under development

Properties under development as at 31 March 2014 was at \$27.7 billion (31 March 2013: \$22.4 billion), representing the acquisition and related costs for redevelopment or preservation projects. This sum comprised of five projects under acquisition; six projects pending completion of resumption process; ten projects with ownership reverted to the Government pending final clearance; and two projects with site cleared and pending tender. The aforesaid value was off-set against the cumulative provision for loss totalling \$6.2 billion (31 March 2013: \$3.3 billion), resulting in a net value of \$21.4 billion (31 March 2013: \$19.1 billion). The increase in the net value reflected mainly the higher number of projects now being implemented and the higher acquisition costs of the projects.

In accordance with the Urban Renewal Strategy (URS), the URA launched the Flat-for-Flat (FFF) scheme for redevelopment projects commenced after 24 February 2011, to provide domestic owner-occupiers affected by the URA's development projects an additional option after cash compensation. The Government has provided URA with a site at Kai Tak to develop about 500 small to medium sized flats under the FFF scheme. As at 31 March 2014, land premium and construction cost totalling \$1.7 billion for Kai Tak development were also recorded as "Properties under development".

(b) Cash and bank balances

As at 31 March 2014, the URA's cash and bank balances and the fair value of the funds managed by the investment manager and in-house totaled \$8.0 billion (31 March 2013: \$9.4 billion).

The URA placed the surplus cash on short-term deposits with a number of financial institutions. The URA also invested in HK\$ and RMB bonds meeting the required credit rating in accordance with the investment guidelines approved by the Financial Secretary with capital preservation as the priority. The investment manager who manages a portion of the surplus funds also adhered to the same guidelines.

The cash position, off-set by the borrowings of \$4.8 billion (31 March 2013: \$3.3 billion) mentioned in paragraph II (c) below, resulted in the net cash position including the fair value of the financial assets at 31 March 2014 of \$3.2 billion (31 March 2013: \$6.1 billion).

(c) Debt securities issued

The URA is rated AAA by Standard & Poor's (S&P). This rating was reaffirmed after an annual review in March 2014. As at 31 March 2014, the outstanding debt securities issued by the URA was \$4.8 billion with \$1.5 billion issued during the year under the US\$1 billion Medium Term Note (MTN) Programme.

(d) Net assets value

The URA's net assets value as at 31 March 2014 was \$23.9 billion (31 March 2013: \$26.2 billion), representing the Government's capital injection of \$10 billion (31 March 2013: \$10 billion) and an accumulated surplus

from operations of \$13.9 billion (31 March 2013: \$16.2 billion).

The financial highlights of the past ten years are summarized on page 101 of this Annual Report.

(III) Capital Injection, and Tax Exemption

Following approval by the Finance Committee of the Legislative Council on 21 June 2002, the Government injected \$10 billion of equity capital into the URA in five tranches of \$2 billion each over a five-year period from 2002/03 to 2006/07. The Government has exempted the URA from taxation.

(IV) Waiver of Land Premia by the Government

The Government waives the land premia for redevelopment sites granted to the URA. Since May 2001, a total of 21 land grants have been waived in respect of all the tendered projects with aggregate land premia totalling \$6.5 billion.

Without this waiver, the URA's accumulated surplus as at 31 March 2014 would have been lowered by \$6.5 billion to \$7.4 billion; and its net assets value as at 31 March 2014 would have been decreased to \$17.4 billion.

(V) Financial Resources, Liquidity and Commitments

As at 31 March 2014, the URA's net cash position, including the fair value of the funds managed by both the investment manager and in-house totaled \$3.2 billion. At the same date, the URA's accruals and estimated outstanding commitments to the commenced projects, together with the construction cost for Kai Tak Site based on the valuation carried out by the URA's in-house professionals, stood at \$13.4 billion.

In addition to the US\$1 billion MTN Programme mentioned in paragraph II (c) above, the URA maintained \$1.0 billion and \$0.7 billion in committed and uncommitted bank facilities as at 31 March 2014. Securing the external funding and the credit facilities ensured the URA will have sufficient financial resources to carry out its urban renewal programme as planned.

When implementing its urban renewal programme, the URA is necessarily exposed to financial risks arising from property market fluctuations. Individual projects, with various development potentials, are tendered out at different times during property cycles after the site clearance. Subject to the market conditions prevailing at the time of tender submission, the upfront payments may be higher or lower than the URA's acquisition costs. As at 31 March 2014, the total costs of properties under development was \$27.7 billion.

The URA estimates, in its latest Corporate Plan that from 1 April 2014, a total cash outlay of about \$33.0 billion, excluding operational overheads, will be required in the next five years to meet the costs of both its outstanding

commitments and its forthcoming expenditure for the implementation of the projects in the Plan. This expenditure covers the URA's work in redevelopment, rehabilitation, preservation and revitalisation. It should be noted that the expenditure may vary subject to the level of interest shown in the various initiatives, including the demand-led redevelopments, the FFF initiatives, the expanded programme of building rehabilitation and other additional initiatives which may be added subsequent to the preparation of the Plan.

The URA is undergoing a review of its operating programme with the goal to maintain a highly prudent financial position and have due regard for commercial principles in its operations such that the urban renewal programme may be sustainable in the long term.

FINANCIAL HIGHLIGHTS

The financial results of the Authority for the past ten years are summarised in the table below.

	In HK\$'million									
Year ended 31 March	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues for the year	4,936	2,766	536	5,266	1,413	9,663	3,647	3,690	5,341	1,169
Surplus / (deficit) for the year (before interest income)	2,992	1,397	423	1,718	(4,685)	6,993	2,159	2,431	4,292	(2,387)
Surplus / (deficit) for the year	3,004	1,579	766	2,095	(4,459)	7,018	2,209	2,584	4,437	(2,270)
Accumulated surplus / (deficit)	(22)	1,557	2,323	4,418	(41)	6,977	9,186	11,770	16,207	13,937
Capital	6,000	8,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net assets	5,978	9,557	12,323	14,418	9,959	16,977	19,186	21,770	26,207	23,937
Debt securities issued less unamortised finance charges	-	-	-	-	-	1,497	1,498	1,699	3,288	4,777
Properties under development (Note 1)	2,565	3,674	4,602	4,779	8,289	14,114	15,956	19,066	22,431	28,113
Land premia waived by the Government during the year	(414)	(605)	-	(90)	(216)	(3,177)	(922)	(64)	(1,018)	-
Surplus / (deficit) for the year if no land premium waiver	2,590	974	766	2,005	(4,675)	3,841	1,287	2,520	3,419	(2,270)
Accumulated surplus / (deficit) if no land premium waiver	(436)	538	1,304	3,309	(1,366)	2,475	3,762	6,282	9,701	7,431

Note:

1. Properties under development include properties under development before provision for impairment, jointly controlled development projects and properties acquired pending redevelopment.

REPORT OF THE MEMBERS OF THE BOARD

The members of the Board submit their report together with the audited financial statements for the year ended 31 March 2014.

Board members

Members of the Board for the year and up to the date of this report are set out on page 76.

Principal activities

The principal activities of the Urban Renewal Authority (the “Authority”) and its subsidiaries (together, the “Group”) have been to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, revitalisation and heritage preservation. As a result of the Urban Renewal Strategy promulgated on 24 February 2011, the Group is to focus on redevelopment and rehabilitation as its core business.

Financial statements

The results of the Group for the year ended 31 March 2014 and the state of affairs of the Group and of the Authority at that date are set out in the financial statements on pages 106 to 147.

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 9 to the financial statements.

Working capital

At 31 March 2014, the working capital of the Group was mainly financed by the Government’s equity injection, accumulated surplus and debt securities issued.

Board members’ interests in contracts and rights of acquisition of shares

No contract of significance, to which the Authority or any of its subsidiaries was a party and in which a member of the Board had a material interest, subsisted at the end of the year or at any time during the year.

At no time during the year was the Authority or any of its subsidiaries a party to any arrangement to enable the members of the Board to acquire benefits by means of the acquisition of shares in or debentures of any body corporate.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

Iris Tam Siu-ying

Managing Director

Hong Kong, 17 June 2014

INDEPENDENT AUDITOR'S REPORT



To the Members of the Board of the Urban Renewal Authority

We have audited the consolidated financial statements of the Urban Renewal Authority (the "Authority") and its subsidiaries (together, the "Group") set out on pages 106 to 147, which comprise the statements of financial position of the Group and the Authority as at 31 March 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Authority's responsibility for the financial statements

The Authority is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 18 of the Urban Renewal Authority Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Authority and of the Group as at 31 March 2014 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 17 June 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2014
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2014</u> \$'000	<u>2013</u> \$'000
Revenues	5(a)	1,168,639	5,341,059
Direct costs		<u>(46,746)</u>	<u>(2,393,811)</u>
Gross surplus		1,121,893	2,947,248
Other income, net	5(b)	126,827	183,232
Administrative expenses		(400,581)	(337,682)
Other operating expenses		(107,461)	(83,386)
(Provision for) / write back of impairment on properties and committed projects		<u>(3,010,458)</u>	<u>1,727,182</u>
Operating (deficit) / surplus before income tax	6	(2,269,780)	4,436,594
Income tax expenses	7(a)	<u>-</u>	<u>-</u>
(Deficit) / surplus and total comprehensive (loss) / income for the year	8	<u>(2,269,780)</u>	<u>4,436,594</u>

The notes on pages 111 to 147 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2014

(expressed in Hong Kong Dollars)

	Note	2014 \$'000	2013 \$'000
Non-current assets			
Property, plant and equipment	9	872,033	497,407
Properties acquired pending redevelopment	10	7,933	7,733
Properties under development	11	21,430,462	19,145,555
Building rehabilitation loans	13	34,344	43,098
Prepayments		241,675	296,783
Other receivables	14	387,319	56,719
		<u>22,973,766</u>	<u>20,047,295</u>
Current assets			
Properties held for sale	15	15,270	15,420
Receivables from property developers	16	-	2,240,340
Jointly controlled development projects	17	627,747	201,733
Building rehabilitation loans	13	16,124	21,993
Trade and other receivables	14	59,008	50,160
Financial assets at fair value through profit or loss	18	1,862,713	1,981,005
Cash and bank balances	19	<u>6,145,018</u>	<u>7,435,756</u>
		<u>8,725,880</u>	<u>11,946,407</u>
Total assets		<u>31,699,646</u>	<u>31,993,702</u>
Capital and reserves			
Capital	20	10,000,000	10,000,000
Accumulated surplus and reserve		<u>13,937,176</u>	<u>16,206,956</u>
		<u>23,937,176</u>	<u>26,206,956</u>
Non-current liabilities			
Debt securities issued	21	<u>4,577,232</u>	<u>3,287,587</u>
Current liabilities			
Jointly controlled development projects	17	191,629	191,676
Trade and other payables		2,388,616	1,860,483
Debt securities issued	21	199,993	-
Provision for committed projects	22	<u>405,000</u>	<u>447,000</u>
		<u>3,185,238</u>	<u>2,499,159</u>
Total capital, reserves and liabilities		<u>31,699,646</u>	<u>31,993,702</u>

Approved by the Board
on 17 June 2014



Victor SO Hing-woh
Chairman



Iris TAM Siu-ying
Managing Director

The notes on pages 111 to 147 form part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION OF URBAN RENEWAL AUTHORITY

at 31 March 2014

(expressed in Hong Kong Dollars)

	Note	2014 \$'000	2013 \$'000
Non-current assets			
Property, plant and equipment	9	870,643	494,308
Properties acquired pending redevelopment	10	7,933	7,733
Properties under development	11	21,430,462	19,145,555
Subsidiaries	12	1,038	2,740
Building rehabilitation loans	13	34,344	43,098
Prepayments		241,675	296,783
Other receivables	14	387,319	56,719
		<u>22,973,414</u>	<u>20,046,936</u>
Current assets			
Properties held for sale	15	15,270	15,420
Receivables from property developers	16	-	2,240,340
Jointly controlled development projects	17	627,747	201,733
Building rehabilitation loans	13	16,124	21,993
Trade and other receivables	14	58,352	50,041
Financial assets at fair value through profit or loss	18	1,862,713	1,981,005
Cash and bank balances	19	6,140,549	7,435,616
		<u>8,720,755</u>	<u>11,946,148</u>
Total assets		<u>31,694,169</u>	<u>31,993,084</u>
Capital and reserves			
Capital	20	10,000,000	10,000,000
Accumulated surplus		13,933,000	16,206,956
		<u>23,933,000</u>	<u>26,206,956</u>
Non-current liabilities			
Debt securities issued	21	4,577,232	3,287,587
Current liabilities			
Jointly controlled development projects	17	191,629	191,676
Trade and other payables		2,387,315	1,859,865
Debt securities issued	21	199,993	-
Provision for committed projects	22	405,000	447,000
		<u>3,183,937</u>	<u>2,498,541</u>
Total capital, reserves and liabilities		<u>31,694,169</u>	<u>31,993,084</u>

Approved by the Board
on 17 June 2014



Victor SO Hing-woh
Chairman



Iris TAM Siu-ying
Managing Director

The notes on pages 111 to 147 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2014

(expressed in Hong Kong Dollars)

	Note	2014		2013	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Operating (deficit) / surplus before income tax		(2,269,780)		4,436,594	
Adjustments for:					
Share of surplus / upfront premium from property developer in the form of assets		-		(228,523)	
Interest income		(117,058)		(144,432)	
Depreciation and amortisation		32,372		20,711	
Loss / (gain) on disposal of property, plant and equipment		16		(18)	
Net foreign exchange losses / (gains)		8,607		(9,190)	
Loss / (gain) on financial assets at fair value through profit or loss		1,579		(19,920)	
Provision for / (write back of) impairment on properties and committed projects		3,010,458		(1,727,182)	
Operating surplus before working capital changes		666,194		2,328,040	
Decrease / (increase) in receivables from property developers		2,240,340		(2,014,390)	
Changes in balances with jointly controlled development projects		(625,061)		(155,742)	
Increase in properties under development		(5,455,375)		(3,800,696)	
Increase in properties acquired pending redevelopment		(200)		-	
Decrease in building rehabilitation loans		14,623		21,409	
Decrease in prepayments		55,108		152,059	
Increase in other receivables		(330,600)		(56,719)	
Decrease in trade and other receivables		159		499	
Decrease in properties held for sale		150		-	
Increase in trade and other payables		510,770		527,962	
Decrease / (increase) in financial assets at fair value through profit or loss		116,713		(344,282)	
Cash used in operations		(2,807,179)		(3,341,860)	
Interest received		108,051		221,412	
Interest paid		(57,467)		(38,022)	
Net cash used in operating activities			(2,756,595)		(3,158,470)
Cash flows from investing activities					
Decrease in bank deposits with maturities more than 3 months		2,034,300		1,255,168	
Purchase of property, plant and equipment		(25,541)		(18,686)	
Proceeds from sale of property, plant and equipment		5		18	
Net cash generated from investing activities			2,008,764		1,236,500
Cash flows from financing activity					
Redemption of debt securities		-		(1,500,000)	
Proceeds from issuance of debt securities		1,500,000		3,100,000	
Net cash generated from financing activity			1,500,000		1,600,000
Net increase / (decrease) in cash and cash equivalents			752,169		(321,970)
Cash and cash equivalents at 1 April			4,031,756		4,344,536
Exchange (loss) / gain on cash and cash equivalents			(8,607)		9,190
Cash and cash equivalents at 31 March			<u>4,775,318</u>		<u>4,031,756</u>
Analysis of cash and bank balances					
Cash and cash equivalents			4,775,318		4,031,756
Other bank deposits with maturities more than 3 months			1,369,700		3,404,000
Cash and bank balances at 31 March	19		<u>6,145,018</u>		<u>7,435,756</u>

The notes on pages 111 to 147 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>Capital</u> \$'000	<u>Accumulated</u> <u>Surplus</u> \$'000	<u>Reserve for</u> <u>Facilitation</u> <u>Service</u> \$'000	<u>Total</u> \$'000
Balance at 1 April 2012		10,000,000	11,770,362	-	21,770,362
Total comprehensive income for the year		-	4,436,594	-	4,436,594
Balance at 31 March 2013		<u>10,000,000</u>	<u>16,206,956</u>	<u>-</u>	<u>26,206,956</u>
Balance at 1 April 2013		10,000,000	16,206,956	-	26,206,956
Total comprehensive loss for the year		-	(2,269,780)	-	(2,269,780)
Transfer from Accumulated Surplus to Reserve for Facilitation Service for the year	23	-	(4,781)	4,781	-
Balance at 31 March 2014		<u>10,000,000</u>	<u>13,932,395</u>	<u>4,781</u>	<u>23,937,176</u>

The notes on pages 111 to 147 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

1. General information

The Urban Renewal Authority (the “Authority”) is a statutory body established by the Hong Kong SAR Government under the Urban Renewal Authority Ordinance (Chapter 563). The principal activities of the Authority and its subsidiaries (the “Group”) have been to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, revitalisation and heritage preservation. As a result of the Urban Renewal Strategy promulgated on 24 February 2011, the Group is to focus on redevelopment and rehabilitation as its core business.

The address of the Authority is 26/F, COSCO Tower, 183 Queen’s Road Central, Hong Kong.

As part of the financial support for the Authority, the Government has agreed that all urban renewal sites for new projects set out in the Corporate Plans and Business Plans of the Authority, approved by the Financial Secretary (“FS”) from time to time, may in principle be granted to the Authority at nominal premium, subject to satisfying FS of the need therefor.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with accounting principles generally accepted in Hong Kong and comply with all applicable Hong Kong Financial Reporting Standards (which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (“HKFRSs”)) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(b) Standards, amendments to standards and interpretations effective in current year

In current year, the Group has adopted the following new standards, amendments and interpretations which are relevant to the Group's operations and are mandatory for the financial year ended 31 March 2014:

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
Annual Improvements Project	Annual Improvements 2009-2011 Cycle

Except as described below, the adoption of the above new standards and amendments have no material effect on the results and financial position of the Group.

As a result of the adoption of HKFRS 10, the accounting policy for subsidiaries has been revised as detailed in Note 2(d). The Group assessed that the adoption of HKFRS 10 did not result in any change in the determination of control over its subsidiaries.

The Group also adopted HKFRS 11. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangements. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. The application of HKFRS 11 has no material impact on the Group's accounting treatment for joint arrangements.

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(c) Standards, amendments to standards and interpretations that are not yet effective

The HKICPA has issued certain new standards, amendments to standards and interpretations which are not yet effective as at 31 March 2014. Those which are relevant to the Group's operation are as follows:

		Effective for accounting periods beginning on or after
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	1 January 2014
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures - Mandatory Effective Date of HKFRS 9 and Transition Disclosures	No mandatory effective date
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investments Entities	1 January 2014
Annual Improvements Project	Annual Improvements 2010-2012 and 2011-13 Cycle	1 January 2015
HKFRS 9 (2013)	Financial Instruments	No mandatory effective date

The Group has not early adopted the above standards, amendments to standards and interpretations in the financial statement for the year ended 31 March 2014. The Group will apply the above standards, amendments and interpretations from 1 April 2014, and has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Authority and all its subsidiaries made up to 31 March.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(d) Basis of consolidation (Continued)

All material intercompany transactions and balances within the Group are eliminated on consolidation.

In the Authority's statement of financial position, investments in subsidiaries are stated at cost less any provision for impairment losses. Any such provisions are recognised as an expense in the profit or loss.

(e) Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Provided it is probable that the economic benefit will flow to the Group and the revenue can be measured reliably, revenue is recognised in the profit or loss as follows:

- (i) Income from sale of properties is recognised upon the risks and rewards of ownership have been passed.
- (ii) Where the Authority receives its share of surplus from property development projects undertaken as jointly controlled development projects, sharing of such surplus is recognised in accordance with the terms of the joint development agreements.
- (iii) Where the Authority receives a distribution of the assets of a joint venture, surplus is recognised based on the fair value of such assets at the time when agreement to distribute the assets has been reached.
- (iv) When the developer is obligated to settle the upfront premium to the Authority at the inception of joint development agreement, surpluses arising from such upfront premium are recognised when the Authority has no further substantial acts to complete. Generally, such surpluses are recognised as soon as the Group has performed its obligations in respect of the upfront premium, the events leading to the possible cancellation of the joint development agreements have lapsed, and the upfront premium have become non-refundable / non-cancellable.
- (v) Interest income is recognised on a time-proportion basis using the effective interest method.
- (vi) Rental income net of any incentives given to the lessee is recognised on a straight line basis over the periods of the respective leases.
- (vii) Income from Urban Redevelopment Facilitating Services Company Limited ("Facilitating Services") is recognised upon completion of the sale of the properties by the owners in accordance with the terms of the sale agreement.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(f) Property, plant and equipment

Building comprise rehousing blocks, preservation properties and commercial premises held for self-use. Rehousing blocks represent properties held by the Authority for the intended purpose of providing interim accommodation for affected tenants of development projects who are normally charged a rent which is substantially below the market value, with a view to assisting the dispossessed tenants who are yet to obtain public housing units. Preservation properties are properties that are of historical or architectural interest to be preserved by the Authority.

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit or loss during the financial period in which they are incurred.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use.

Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated to write off their costs less residual values over their anticipated useful lives on a straight line basis as follows:

Leasehold land classified as finance lease	- Over the period of the unexpired lease
Buildings	- 2% per annum or over the period of the unexpired lease if less than 50 years
Leasehold improvements	- Office : Over 10 years or the life of the respective lease, whichever is the shorter Non-office : Over the period of the unexpired terms of the leases if less than 50 years
Plant and machinery	- 10% per annum
Motor vehicles	- 25% per annum
Furniture and office equipment	- 20% to 33 1/3% per annum

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(f) Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

(g) Impairment of investments in subsidiaries and non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Financial assets and liabilities

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determine the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated at fair value through profit or loss on initial recognition or held for trading. Assets in this category are classified as current assets. Financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within 'other income, net', in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of 'other income, net' when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(h) Financial assets and liabilities (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit or loss.

Purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

(i) Leases

Leases are classified as finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease except for those incurred for accommodation in project sites which have been capitalised in property under development.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(j) Properties acquired pending redevelopment

Properties acquired pending redevelopment are stated at cost less provision for impairment losses until a decision is reached as to whether the redevelopment is to be undertaken by the Group or through joint ventures.

When a property is to be redeveloped, the cost of the property is reclassified as properties under development or jointly controlled development projects for projects undertaken in joint ventures.

(k) Properties under development

Properties under development represent all costs incurred by the Authority in connection with property redevelopment, and include acquisition costs, the cost of properties being reclassified from properties acquired pending redevelopment, borrowing costs, costs of rehousing units (see Note 2(m)) and other costs incurred in connection with the development, less any provisions for impairment losses.

Upon disposal of the development properties, the relevant cost of the properties will be apportioned between the part to be retained and the part to be sold on an appropriate basis.

The relevant cost for the part to be sold will be charged as 'direct costs' to the profit or loss at the inception of joint development agreement.

(l) Properties held for sale

Property to be sold at the end of the reporting period will be stated at the lower of cost and net realisable value.

(m) Costs of rehousing units provided by the Hong Kong Housing Authority and the Hong Kong Housing Society

The Hong Kong Housing Authority and the Hong Kong Housing Society have agreed to provide certain rehousing units to the Authority. In return, the Authority will pay for the reservation fees until a tenant is moved into the unit and the development costs of the rehousing unit. These costs are recognised as part of the cost of properties under development referred to in Note 2(k), or jointly controlled development projects for projects undertaken in joint ventures (Note 2(r)).

(n) Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses, except for those cases where the Group has a present obligation as a result of committed events.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(n) Provisions and contingencies (Continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow economic benefits is probable. When inflow is virtually certain, an asset is recognised.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(o) Current and deferred income tax

Income tax expenses represent the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expenses that are taxable or deductible in other years and it further exclude profit or loss items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(p) Borrowing costs (Continued)

Other borrowing costs are charged to the profit or loss in the period in which they are incurred.

(q) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Authority's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(r) Jointly controlled development projects

The arrangements entered into by the Group with property developers for redevelopment projects are considered to be joint operations pursuant to HKFRS 11 "Joint Arrangements" and are accounted for in accordance with the terms of the development agreements. The Group's share of income earned from such operations is recognised in the profit or loss in accordance with the bases set out in Notes 2(e) (ii), (iii) and (iv).

Where property is received by the Authority as its share of distribution of assets from jointly controlled development projects, such property is recorded within non-current assets at its fair value at the time when agreement is reached or, if a decision is taken for it to be disposed of, at the lower of this value and net realisable value within current assets.

(s) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and deposits held at call with banks with maturities of three months or less.

(t) Employee benefits

Salaries and annual leave are accrued and recognised as an expense in the year in which the associated services are rendered by the employees of the Group.

The Group operates defined contribution schemes and pays contributions to scheme administrators on a mandatory or voluntary basis. The contributions are recognised as an expense when they are due.

(expressed in Hong Kong Dollars)

3. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: cash flow interest rate risk, credit risk, liquidity risk, price risk and foreign exchange risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

(i) Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits. Nevertheless, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

As at 31 March 2014, if interest rates had been increased/decreased by 0.5% and all other variables were held constant, the deficit of the Group would decrease/increase by approximately \$30,725,000 (2012/13: the surplus of the Group would increase/decrease by approximately \$37,179,000) resulting from the change in the interest income generated from the cash and bank balances (exclude cash and bank balances held under investment at fair value through profit or loss).

The Group's interest rate risk for "financial assets at fair value through profit or loss" is set out in Note 3(a)(iv).

(ii) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and bank balances, building rehabilitation loans, receivables from property developers, and trade and other receivables.

The credit risk on cash and bank balances is limited because most of the funds are placed in banks with credit ratings, ranging from Aa1 to A3 and there is no concentration in any particular bank.

The credit risk on building rehabilitation loans is limited as the Authority has monitoring procedures to ensure that follow-up action is taken to recover overdue debts and place charges on the properties.

The credit risk on receivables from property developers is limited as all due performance of the property developers are guaranteed by their respective holding companies or joint venturers.

The credit risk on trade receivables is limited as rental deposit in the form of cash are usually received from tenants.

The credit risk on other receivables is limited as the Authority is entitled to refund and has monitoring procedures to claim for refund of Buyer's Stamp Duty and Ad Valorem Double Stamp Duty from the Government upon the happening of the refund event in accordance with Chapter 117 Stamp Duty Ordinance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities.

Management monitors rolling forecasts of the Group's cash and bank balances (Note 19) on the basis of expected cash flow.

The table below analyses the Group's and the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances (except for debt securities issued which include interest element), as the impact of discounting is insignificant.

	<u>Group</u>		<u>Authority</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	\$'000	\$'000	\$'000	\$'000
Less than 1 year				
Trade and other payables	2,388,616	1,860,483	2,387,315	1,859,865
Amounts due to jointly controlled development projects	191,629	-	191,629	-
Debt securities issued	<u>289,136</u>	<u>-</u>	<u>289,136</u>	<u>-</u>
Between 1 to 3 years				
Debt securities issued	<u>1,450,363</u>	<u>1,537,152</u>	<u>1,450,363</u>	<u>1,537,152</u>
Between 3 to 5 years				
Debt securities issued	<u>635,563</u>	<u>533,719</u>	<u>635,563</u>	<u>533,719</u>
Over 5 years				
Debt securities issued	<u>3,030,388</u>	<u>1,480,023</u>	<u>3,030,388</u>	<u>1,480,023</u>

(expressed in Hong Kong Dollars)

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iv) Price risk

Price risk arising from uncertainties about future prices of the underlying investments held at fair value through profit or loss.

Price risk sensitivity

As at 31 March 2014, if the respective market price of the quoted investments had been increased/decreased by 1% and all other variables held constant, the deficit of the Group would decrease/increase by approximately \$17,924,000 (2012/13: the surplus of the Group would increase/decrease by approximately \$16,821,000) resulting from the change in fair value of the financial assets at fair value through profit or loss.

(v) Foreign exchange risk

The Group has certain cash and bank balances denominated in Renminbi, which are exposed to foreign currency translation risk. When the exchange rates of Renminbi against the Hong Kong dollar fluctuate, the value of the Renminbi-denominated cash and bank balances translated into Hong Kong dollar will vary accordingly.

Foreign exchange risk sensitivity

At 31 March 2014, if Hong Kong dollar had weakened/strengthened by 1% against the Renminbi with all other variables held constant, the deficit of the Group would decrease/increase by approximately \$4,753,000 (2012/13: the surplus of the Group would increase/decrease by approximately \$635,000) resulting from the foreign exchange gains/losses on translation of Renminbi-denominated cash and bank balances.

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, revitalisation and heritage preservation.

The Group's working capital is mainly financed by the Government's equity injection, accumulated surplus and debt securities issued. The Group also maintains committed credit facilities to ensure the availability of funding when needed.

(c) Fair value estimation

The carrying amounts of the Group's financial assets including receivables from property developers, amount due from jointly controlled development projects, cash and bank balances and trade and other receivables; and financial liabilities including amount due to jointly controlled development projects and trade and other payables, approximate their fair values due to their short maturities.

The carrying amounts of the Group's building rehabilitation loans and debt securities issued approximate their fair value as the impact of discounting is insignificant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of properties under development and provision for committed projects

Properties under development are tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired in accordance with the accounting policy stated in Note 2(g).

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past and committed events in accordance with the accounting policy stated in Note 2(n). When the estimated valuation of the committed project is lower than the present legal or constructive obligation, a provision would be recognised.

The valuation of properties under development and provision for committed projects are made on the basis of the "Market Value" adopted by the Hong Kong Institute of Surveyors ("HKIS"). The valuation is performed annually by internal valuers who are qualified members of the HKIS. The Group's management review the assumptions used by the internal valuers by considering the information from a variety of sources including (i) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences; (ii) recent prices of comparable properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; (iii) expected arrangement with property developers on tender awarded; (iv) estimated development and related cost and allocation thereof; and (v) discount rate used in land value assessment, which is made with reference to the Prime Rate.

Estimated impairment of properties under development and provision for committed projects sensitivity

As at 31 March 2014, if the respective estimated upfront premium to be received on the projects had been increased/decreased by 5% and all other variables held constant, the deficit of the Group would decrease by approximately \$482,000,000 (2012/13: the surplus of the Group would increase by approximately \$342,000,000)/increase by approximately \$511,000,000 (2012/13: the surplus of the Group would decrease by approximately \$394,000,000) resulting from the change in provision written back/charge for impairment on properties under development and provision for committed projects.

The final impairment amount for properties under development and the ultimate losses arise from the committed projects would be affected by the actual realised value and development and related cost and the final arrangements with the property developers.

(expressed in Hong Kong Dollars)

5. Revenues and other income

(a) Revenues

Turnover recognised during the year represents:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Upfront premium from property developers	-	4,709,203
Share of property development surplus on jointly controlled development projects	1,168,489	631,856
Sale of properties	<u>150</u>	<u>-</u>
	<u>1,168,639</u>	<u>5,341,059</u>

(b) Other income, net

Other income, net recognised during the year represents:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Interest income	117,058	144,432
Rental income	15,181	9,672
Facilitating Services income	4,790	-
(Loss) / gain on financial assets at fair value through profit or loss	(1,579)	19,920
(Loss) / gain on disposal of property, plant and equipment	(16)	18
Net foreign exchange (losses) / gains	<u>(8,607)</u>	<u>9,190</u>
	<u>126,827</u>	<u>183,232</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

6. Operating (deficit) / surplus before income tax

Operating (deficit) / surplus before income tax is arrived at after charging / (crediting) the following items:

(a) Other items

	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
Cost of properties under jointly controlled development projects charged	-	2,347,639
Depreciation	32,372	20,711
Provision for impairment on property, plant and equipment	259	14,756
Provision for / (write back of) impairment on properties under development	2,605,200	(2,186,738)
Provision for committed projects	405,000	444,800
Operating lease charges in respect of rental of office premises	17,332	13,727
Outgoings in respect of properties	28,941	15,951
Staff costs (excluding directors' remuneration)	306,214	258,667
Auditor's remuneration	<u>588</u>	<u>550</u>

(expressed in Hong Kong Dollars)

6. Operating (deficit) / surplus before income tax (Continued)

(b) Board and directors' remuneration during the year

	2014				
	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director					
- Iris Tam Siu-ying	3,527	15	3,542	1,058	4,600
Executive Director (Planning, Design & Works)					
- Calvin Lam Che-leung	2,895	15	2,910	724	3,634
Executive Director (Commercial & Operations) [#]					
- Pius Cheng Kai-wah	747	4	751	187	938
7 Directors & 1 Ex-Director	<u>22,174</u>	<u>438</u>	<u>22,612</u>	<u>5,751</u>	<u>28,363</u>
Total*	<u>29,343</u>	<u>472</u>	<u>29,815</u>	<u>7,720</u>	<u>37,535</u>
	2013				
	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director					
- Quinn Law Yee-kwan	3,593	13	3,606	1,078	4,684
- Iris Tam Siu-ying ^{**}	294	1	295	88	383
Executive Director (Planning & Project Control)					
- Iris Tam Siu-ying ^{**}	2,629	13	2,642	657	3,299
Executive Director (Operations & Project Control)					
- Calvin Lam Che-leung	2,895	15	2,910	724	3,634
9 Directors	<u>21,196</u>	<u>266</u>	<u>21,462</u>	<u>5,526</u>	<u>26,988</u>
Total*	<u>30,607</u>	<u>308</u>	<u>30,915</u>	<u>8,073</u>	<u>38,988</u>

[#] The Executive Director (Commercial & Operations) assumed his role with effect from 1 January 2014.

^{**} The Executive Director (Planning & Project Control) ceased to be an Executive Director with effect from 1 March 2013, but continued to serve the Authority as Managing Director.

* Excluding compensation in lieu of leave in the aggregate sum of \$530,000 (2012/13: \$974,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

6. Operating (deficit) / surplus before income tax (Continued)

(b) Board and directors' remuneration during the year (Continued)

Their remuneration fell within the following bands:	2014	2013
	No. of individuals	No. of individuals
\$1,000,001 to \$1,500,000	1	-
\$1,500,001 to \$2,000,000	-	1
\$2,500,001 to \$3,000,000	-	4
\$3,000,001 to \$3,500,000	4	2
\$3,500,001 to \$4,000,000	5	4
\$4,500,001 to \$5,000,000	1	1
Total	<u>11</u>	<u>12</u>

Fees for non-executive members of the Board (excluding the government public officers who are not entitled to receive any fees) are as follows:

	2014	2013
	\$'000	\$'000
Chairman		
Mr Barry Cheung Chun-yuen, GBS, JP (<i>up to 24 May 2013</i>)	14	100
Mr Victor So Hing-woh, JP (<i>from 15 June 2013</i>)	79	-
Non-Executive Directors (non-public officers)		
Mr Victor Chan Hin-fu (<i>up to 30 April 2013</i>)	5	65
Mr Walter Chan Kar-lok, SBS, JP (<i>up to 30 April 2013</i>)	5	65
Ms Tanya Chan (<i>up to 30 November 2012</i>)	-	43
Dr Hon. Ann Chiang Lai-wan, JP (<i>from 1 May 2013</i>)	60	-
Mr Edward Chow Kwong-fai, JP (<i>from 1 May 2013</i>)	60	-
Mr Andrew Fung Wai-kwong (<i>from 1 May 2013 to 14 Dec 2013</i>)	40	-
Mr Lester Garson Huang, JP (<i>from 1 May 2013</i>)	60	-
Mr Laurence Ho Hoi-ming (<i>from 1 May 2013</i>)	60	-
Professor Ho Pui-yin (<i>up to 30 April 2013</i>)	5	65
Professor Desmond Hui Cheuk-kuen	65	65
Professor Eddie Hui Chi-man (<i>from 1 May 2013</i>)	60	-
The Honourable Ip Kwok-him, GBS, JP (<i>up to 30 April 2013</i>)	5	65
Mr Philip Kan Siu-lun	65	65
The Honourable Dennis Kwok (<i>from 1 December 2012</i>)	65	22
Mr Nelson Lam Chi-yuen (<i>from 1 May 2013</i>)	60	-
Mr Daniel Lam Chun, BBS, JP	65	65
Mr Philip Liao Yi-kang	65	65
Mr Laurence Li Lu-jen (<i>from 1 May 2013</i>)	60	-
Mr Timothy Ma Kam-wah, JP (<i>from 1 May 2013</i>)	60	-
Dr Billy Mak Sui-choi	65	65
Dr Isaac Ng Ka-chui (<i>up to 30 April 2013</i>)	5	65
Mr Ng Shui-lai, BBS, MBE, JP (<i>up to 30 April 2013</i>)	5	65
Mr David Tang Chi-fai (<i>from 1 May 2013</i>)	60	-
The Honourable James To Kun-sun	65	65
Mr Peter To (<i>up to 30 April 2013</i>)	5	65
The Honourable Wong Kwok-kin, BBS	65	65
Dr John Wong Yee-him	65	65
Mr Stanley Wong Yuen-fai, SBS, JP (<i>from 1 May 2013</i>)	60	-
Mr Douglas Young Chi-chiu (<i>up to 30 April 2013</i>)	5	65
	<u>1,358</u>	<u>1,205</u>

(expressed in Hong Kong Dollars)

6. Operating (deficit) / surplus before income tax (Continued)

(c) Five highest paid individuals

	<u>2014</u> <u>\$'000</u>	<u>2013</u> <u>\$'000</u>
The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2014 include the Managing Director and four Directors.		
The total emoluments earned by the five highest paid individuals during the year are as follow:		
Fixed - Salaries	15,052	15,136
- Provident fund scheme contributions	<u>397</u>	<u>71</u>
Sub-total	15,449	15,207
Variable pay	<u>4,081</u>	<u>4,032</u>
Total**	<u>19,530</u>	<u>19,239</u>

Their remuneration fell within the following bands:

	<u>No. of individuals</u>	<u>No. of individuals</u>
\$3,500,001 to \$4,000,000	4	4
\$4,500,001 to \$5,000,000	<u>1</u>	<u>1</u>
Total	<u>5</u>	<u>5</u>

** For the year ended 31 March 2014, compensation in lieu of leave and other benefit of \$59,000 (2012/13: \$921,000) were excluded from the aggregate sum.

7. Income tax expenses

- (a) In accordance with Section 19 of the Urban Renewal Authority Ordinance, the Authority is exempted from taxation under the Inland Revenue Ordinance (Chapter 112).

No provision for Hong Kong profits tax has been made for the Group's subsidiaries as there are no assessable income for the year (2012/13: Nil).

- (b) As at 31 March 2014, the subsidiaries of the Group have unrecognised deductible temporary differences arising from capital allowance and tax losses of \$9,590,000 and \$6,677,000 respectively (31 March 2013: \$10,396,000 and \$8,361,000 respectively) to carry forward against future taxable income. These tax losses have no expiry date.

8. (Deficit) / surplus for the year

The consolidated deficit for the year includes a deficit of \$2,273,956,000 (2012/13: surplus of \$4,436,594,000) which has been dealt with in the financial statements of the Authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

9. Property, plant and equipment

Group

	Other properties, plant and equipment					
	Preservation properties	Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipments and motor vehicle	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2012						
Cost	75,162	622,204	52,228	43,559	21,591	814,744
Accumulated depreciation	(63,394)	(265,157)	(22,533)	(33,512)	(14,104)	(398,700)
Impairment	(6,978)	-	-	-	-	(6,978)
Net book amount	4,790	357,047	29,695	10,047	7,487	409,066
Year ended 31 March 2013						
Opening net book amount	4,790	357,047	29,695	10,047	7,487	409,066
Additions	-	-	13,390	2,604	2,692	18,686
Transfer from properties under development	105,122	-	-	-	-	105,122
Depreciation	(3,085)	(9,284)	(3,616)	(1,448)	(3,278)	(20,711)
Impairment	(14,756)	-	-	-	-	(14,756)
Closing net book amount	92,071	347,763	39,469	11,203	6,901	497,407
At 31 March 2013						
Cost	180,284	622,204	65,189	46,049	23,446	937,172
Accumulated depreciation	(66,479)	(274,441)	(25,720)	(34,846)	(16,545)	(418,031)
Impairment	(21,734)	-	-	-	-	(21,734)
Net book amount	92,071	347,763	39,469	11,203	6,901	497,407
Year ended 31 March 2014						
Opening net book amount	92,071	347,763	39,469	11,203	6,901	497,407
Additions	201,675	-	9,184	9,004	4,678	224,541
Transfer from properties under development	182,737	-	-	-	-	182,737
Disposals	-	-	-	-	(21)	(21)
Depreciation	(8,782)	(9,284)	(7,597)	(3,349)	(3,360)	(32,372)
Impairment	(259)	-	-	-	-	(259)
Closing net book amount	467,442	338,479	41,056	16,858	8,198	872,033
At 31 March 2014						
Cost	564,696	622,204	68,895	52,753	26,662	1,335,210
Accumulated depreciation	(75,261)	(283,725)	(27,839)	(35,895)	(18,464)	(441,184)
Impairment	(21,993)	-	-	-	-	(21,993)
Net book amount	467,442	338,479	41,056	16,858	8,198	872,033

(expressed in Hong Kong Dollars)

9. Property, plant and equipment (Continued)

Authority

	Other properties, plant and equipment					
	Preservation properties	Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipments and motor vehicle	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2012						
Cost	-	622,204	52,228	43,559	21,591	739,582
Accumulated depreciation	-	(265,157)	(22,533)	(33,512)	(14,104)	(335,306)
Net book amount	-	357,047	29,695	10,047	7,487	404,276
Year ended 31 March 2013						
Opening net book amount	-	357,047	29,695	10,047	7,487	404,276
Additions	-	-	13,390	2,604	2,692	18,686
Transfer from properties under development	105,122	-	-	-	-	105,122
Depreciation	(1,394)	(9,284)	(3,616)	(1,448)	(3,278)	(19,020)
Impairment	(14,756)	-	-	-	-	(14,756)
Closing net book amount	88,972	347,763	39,469	11,203	6,901	494,308
At 31 March 2013						
Cost	105,122	622,204	65,189	46,049	23,446	862,010
Accumulated depreciation	(1,394)	(274,441)	(25,720)	(34,846)	(16,545)	(352,946)
Impairment	(14,756)	-	-	-	-	(14,756)
Net book amount	88,972	347,763	39,469	11,203	6,901	494,308
Year ended 31 March 2014						
Opening net book amount	88,972	347,763	39,469	11,203	6,901	494,308
Additions	201,675	-	9,184	9,004	4,678	224,541
Transfer from properties under development	182,737	-	-	-	-	182,737
Disposals	-	-	-	-	(21)	(21)
Depreciation	(7,092)	(9,284)	(7,597)	(3,349)	(3,360)	(30,682)
Impairment	(240)	-	-	-	-	(240)
Closing net book amount	466,052	338,479	41,056	16,858	8,198	870,643
At 31 March 2014						
Cost	489,534	622,204	68,895	52,753	26,662	1,260,048
Accumulated depreciation	(8,486)	(283,725)	(27,839)	(35,895)	(18,464)	(374,409)
Impairment	(14,996)	-	-	-	-	(14,996)
Net book amount	466,052	338,479	41,056	16,858	8,198	870,643

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

9. Property, plant and equipment (Continued)

An analysis of net book value of properties, which are located in Hong Kong, is as follows :

	<u>Group</u>		<u>Authority</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Leases of over 50 years	127,491	124,868	127,491	124,868
Leases of between 10 to 50 years	674,559	311,867	674,559	311,867
Leases of less than 10 years	<u>1,390</u>	<u>3,099</u>	<u>-</u>	<u>-</u>
	<u>803,440</u>	<u>439,834</u>	<u>802,050</u>	<u>436,735</u>

The Group's and the Authority's land and buildings comprise mainly rehousing blocks held for the purpose of rehousing affected tenants of development projects, preservation properties and commercial premises held for self-use.

10. Properties acquired pending redevelopment

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
At 1 April	7,733	7,733
Add: Additions during the year	<u>200</u>	<u>-</u>
At 31 March	<u>7,933</u>	<u>7,733</u>

(expressed in Hong Kong Dollars)

11. Properties under development

	<u>Group and Authority</u>	
	<u>2014</u> \$'000	<u>2013</u> \$'000
Cost of properties acquired, including Home Purchase Allowance ("HPA") (Note)	25,657,133	20,680,575
Development expenditure	<u>2,011,591</u>	<u>1,733,042</u>
Total cost (includes accumulated interest and other borrowing costs capitalised of \$187,224,000 (31 March 2013: \$116,634,000))	27,668,724	22,413,617
Provision for impairment	<u>(6,238,262)</u>	<u>(3,268,062)</u>
Balances as at 31 March	<u>21,430,462</u>	<u>19,145,555</u>

At 31 March 2014, the properties under development are analysed as follows:

	<u>Group and Authority</u>	
	<u>2014</u> \$'000	<u>2013</u> \$'000
Redevelopment projects	16,314,861	14,478,411
Kai Tak development	1,668,125	1,508,579
Self-developed projects	1,389,338	1,164,567
Preservation projects	913,752	849,613
The Authority's retention properties	<u>1,144,386</u>	<u>1,144,385</u>
	<u>21,430,462</u>	<u>19,145,555</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

11. Properties under development (Continued)

Note:

In March 2001, the Finance Committee of the Legislative Council approved, inter alia, the revised basis for calculating the HPA payable to owners of domestic properties and ex-gratia allowances payable to owners and owner-occupiers affected by land resumption. The relevant policies governing the Authority's payment of HPA and ex-gratia allowances for properties acquired/resumed and the clearance of occupiers are based on the above framework which have resulted in a high cost base for the Authority's redevelopment projects.

In respect of domestic properties, the assessment of HPA is based on a notional replacement flat of 7 years old which is assumed to be in a comparable quality building, situated in a similar locality in terms of characteristics and accessibility, being at the middle floor with average orientation not facing south or west, and without seaview. The HPA paid to the owner-occupiers represents the difference between the assessed value of the notional 7-year-old flat and estimated market value of the acquired property at the offer date. The owner will also receive the estimated market value of his flat in addition to the HPA.

As at 31 March 2014, the Authority's estimated cash outflow in respect of project under acquisition and resumption as well as construction cost for Kai Tak Site stood at \$13.4 billion (31 March 2013: \$14.3 billion), without accounting for any future inflow for the projects.

The Authority launched the Flat-for-Flat (FFF) Scheme to provide domestic owner-occupiers affected by the Authority's redevelopment projects commenced after 24 February 2011 with an alternative option to cash compensation. The owner-occupier taking the option of FFF will have to top up if the price of the new flat is higher than the cash compensation for his old flat. The domestic owner-occupiers could have a choice of 'in-situ' flats on the lower floors of the new development or flats in an FFF Scheme being developed by the Authority on a site at Kai Tak, which will provide about 500 small to medium sized flats. The Authority has paid a land premium to obtain a land grant for the site at Kai Tak earmarked for the FFF Scheme in 2012/13.

(expressed in Hong Kong Dollars)

12. Subsidiaries

	<u>Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	35,822	34,131
Less: Provision	<u>(34,785)</u>	<u>(31,392)</u>
	<u>1,038</u>	<u>2,740</u>

Note:

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

The names of the principal subsidiaries, all of which are wholly and directly owned by the Authority and are incorporated in Hong Kong, are as follows:

<u>Name</u>	<u>Issued share capital</u>	
	<u>Number</u>	<u>Value per share</u>
Opalman Limited	2	\$1
Sunfield Investments Limited	2	\$1
Western Market Company Limited	2	\$1
Urban Redevelopment Facilitating Services Company Limited	1	\$10

Western Market Company Limited is engaged in the operation of the Western Market. Urban Redevelopment Facilitating Services Company Limited is engaged in the provision of facilitating services to interested owners in amalgamating their property interests for joint sale in the market or for disposal under the prevailing market mechanism and other relevant legislation. The other subsidiaries are acting as mere trustees for holding properties under certain jointly controlled development projects.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

13. Building rehabilitation loans

At 31 March 2014, the building rehabilitation loans are analysed as follows:

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Non-current portion	34,344	43,098
Current portion	<u>16,124</u>	<u>21,993</u>
	<u>50,468</u>	<u>65,091</u>

The building rehabilitation loans are interest-free, except for default, in which case interest will be charged on the overdue amount at the Prime Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited. The Authority reserves the right to impose legal charges over the properties for loans of amounts between \$25,001 and \$100,000. All non-current portion of building rehabilitation loans are due within five years from the end of the reporting period.

As of 31 March 2014, instalments of building rehabilitation loans of \$93,000 (31 March 2013: \$101,000) were past due but not impaired. These relate to a number of borrowers for whom there are no recent history of bad debt. The aging analysis of these building rehabilitation loans is as follows:

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Less than 3 months	24	29
3 to 6 months	8	10
6 to 12 months	13	18
Over 1 year	<u>48</u>	<u>44</u>
Balance at 31 March	<u>93</u>	<u>101</u>

The maximum exposure to credit risk is the carrying value of the building rehabilitation loans.

(expressed in Hong Kong Dollars)

14. Trade and other receivables

(a) Other receivables

Other receivables under non-current assets represent Buyer's Stamp Duty and Ad Valorem Double Stamp Duty that the Authority will claim for refund from the Government upon the happening of the refund event in accordance with Chapter 117 Stamp Duty Ordinance.

(b) Trade and other receivables

At 31 March 2014, the trade and other receivables are current in nature and analysed as follows:

	<u>Group</u>		<u>Authority</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade receivables and prepayments	17,800	20,313	17,151	20,212
Interest receivables	27,699	18,692	27,698	18,692
Other receivables and deposit	<u>13,509</u>	<u>11,155</u>	<u>13,503</u>	<u>11,137</u>
Balance at 31 March	<u>59,008</u>	<u>50,160</u>	<u>58,352</u>	<u>50,041</u>

As of 31 March 2014, trade receivables of \$2,101,000 (31 March 2013: \$1,140,000) were past due but not impaired. These relate to a number of tenants for whom there are no recent history of bad debt. The aging analysis of these trade receivables is as follows:

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
3 months or less	1,534	698
3 to 6 months	163	99
6 to 12 months	210	72
Over 1 year	<u>194</u>	<u>271</u>
Balance at 31 March	<u>2,101</u>	<u>1,140</u>

The maximum exposure to credit risk of the Group and of the Authority is the carrying amount of trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

15. Properties held for sale

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
At 1 April	15,420	15,420
Less: Sales during the year	<u>(150)</u>	<u>-</u>
At 31 March	<u>15,270</u>	<u>15,420</u>

16. Receivables from property developers

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at 31 March	<u>-</u>	<u>2,240,340</u>

As of 31 March 2013 and 2014, no receivables from property developers were past due and the balance is current in nature.

17. Jointly controlled development projects

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Amounts due from jointly controlled development projects	627,747	201,733
Amounts due to jointly controlled development projects	<u>(191,629)</u>	<u>(191,676)</u>
	<u>436,118</u>	<u>10,057</u>

All amounts due from/(to) jointly controlled development projects are expected to be recovered/settled within one year.

(expressed in Hong Kong Dollars)

17. Jointly controlled development projects (Continued)

The Group and the Authority have the following active jointly controlled development projects as at 31 March 2014.

<u>Project Name / Location</u>	<u>Land use</u>	<u>Total gross floor area (m²)</u>	<u>Actual completion date (calendar year)</u>	<u>Expected completion date (calendar year)</u>
The Zenith / One Wanchai (Wan Chai)	Commercial / Residential	62,310	2006 (Site A & B) 2013 (Site C)	-
* Vision City / Citywalk (Tsuen Wan)	Commercial / Residential	137,885	2007	-
# The Masterpiece / K11 (Tsim Sha Tsui)	Commercial / Hotel / Service Apartment	103,844	2008	-
* The Dynasty / Citywalk 2 (Tsuen Wan)	Commercial / Residential	44,404	2008	-
* Vista (Sham Shui Po)	Commercial / Residential	12,703	2008	-
Beacon Lodge (Sham Shui Po)	Commercial / Residential	12,784	2008	-
Floriant Rise (Tai Kok Tsui)	Commercial / Residential	43,231	2009	-
Lime Stardom (Tai Kok Tsui)	Commercial / Residential	19,735	2011	-
Baker Residence (Hung Hom)	Commercial / Residential	2,338	2011	-
* Park Summit (Tai Kok Tsui)	Commercial / Residential	21,402	2013	-
Macpherson Place (Mong Kok)	Commercial / Stadium and Youth Centre / Residential	24,767	2013	-
Park Metropolitan (Kwun Tong)	Residential	27,830	-	2014
Trinity Towers (Sham Shui Po)	Commercial / Residential	30,300	-	2014
Park Ivy (Tai Kok Tsui)	Commercial / Residential	4,843	-	2014
Third Street / Yu Lok Lane / Centre Street (Sai Ying Pun)	Commercial / Residential	17,770	-	2015
The Avenue (Wan Chai)	Commercial / Residential	83,960	-	2015
Chi Kiang Street / Ha Heung Road (To Kwa Wan)	Commercial / Residential	8,377	-	2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

17. Jointly controlled development projects (Continued)

<u>Project Name / Location</u>	<u>Land use</u>	<u>Total gross floor area (m²)</u>	<u>Actual completion date (calendar year)</u>	<u>Expected completion date (calendar year)</u>
Pak Tai Street / Mok Cheong Street (Ma Tau Kok)	Commercial / Residential	6,847	-	2016
Peel Street / Graham Street (Sheung Wan)	Commercial / Residential	18,240	-	2017
Sai Yee Street (Mong Kok)	Commercial / Residential	22,301	-	2017

* Projects with commercial portions jointly held by the Developer and the Authority for letting and pending for sale

Owner participation project

The Authority is entitled to returns which are predetermined in accordance with the provisions of the jointly controlled development agreements.

In respect of the commercial portions of certain projects, the Authority has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issue of the occupation permits. The Authority shares percentage of any net proceeds derived from the operation of the commercial portions before the sale and includes it as surplus for the year and would also share the future sales proceeds at the same ratio. As at 31 March 2014, by reference to the valuation of the open market value of the commercial portions carried out by internal professional valuer, the fair value of the commercial portions was \$6,315,052,000 (31 March 2013: \$6,463,311,000) in aggregate and the Authority would account for its share of sales proceeds as surplus from the jointly controlled development projects when the commercial portions are sold in future.

(expressed in Hong Kong Dollars)

18. Financial assets at fair value through profit or loss

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Debt securities, listed		
- Overseas	114,297	263,353
- Hong Kong	319,073	321,447
Debt securities, unlisted	<u>1,259,884</u>	<u>1,097,269</u>
	1,693,254	1,682,069
Structured deposits	99,179	290,253
Cash and bank deposits	<u>70,280</u>	<u>8,683</u>
	<u>1,862,713</u>	<u>1,981,005</u>

The following table presents the Group's and the Authority's assets that are measured at fair value at 31 March 2014. The different levels have been defined as follows:

- Quoted prices in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	<u>Level 1</u>		<u>Level 2</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Debt securities	1,693,254	1,682,069	-	-	1,693,254	1,682,069
Structured deposits	-	-	99,179	290,253	99,179	290,253
Total assets	<u>1,693,254</u>	<u>1,682,069</u>	<u>99,179</u>	<u>290,253</u>	<u>1,792,433</u>	<u>1,972,322</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

19. Cash and bank balances

	<u>Group</u>		<u>Authority</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Time deposits with banks				
Maturities of 3 months or less	4,735,685	4,000,642	4,732,016	3,997,106
Maturities of more than 3 months	1,369,700	3,404,000	1,367,000	3,404,000
Sub-total	6,105,385	7,404,642	6,099,016	7,401,106
Less: Amounts held in trust for jointly controlled development projects	(3,539)	(3,535)	(1,170)	-
	6,101,846	7,401,107	6,097,846	7,401,106
Cash at banks and in hand	43,173	34,650	42,703	34,510
Less: Amounts held in trust for jointly controlled development projects	(1)	(1)	-	-
	<u>43,172</u>	<u>34,649</u>	<u>42,703</u>	<u>34,510</u>
	<u>6,145,018</u>	<u>7,435,756</u>	<u>6,140,549</u>	<u>7,435,616</u>
Maximum exposure to credit risk	<u>6,145,003</u>	<u>7,435,741</u>	<u>6,140,534</u>	<u>7,435,601</u>

As at 31 March 2014, cash and bank balances of the Group and of the Authority are denominated in Hong Kong Dollars except for an amount of \$475,334,000 (31 March 2013: \$63,457,000) which are denominated in Renminbi.

The average effective interest rate of time deposits with banks was 1.40% per annum (2012/13: 1.64% per annum). These deposits have an average maturity of 75 days (2012/13: 83 days).

The credit quality of the cash and bank balances, deposited with financial institutions, which are Hong Kong Dollars and Renminbi, can be assessed by reference to external credit ratings and are analysed as follows:

	<u>Group</u>		<u>Authority</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Rating (Moody's)</u>				
Aa1 – Aa3	3,277,796	1,902,196	3,273,467	1,902,196
A1 – A3	2,845,246	5,533,545	2,845,106	5,533,405
Other	<u>21,961</u>	<u>-</u>	<u>21,961</u>	<u>-</u>
	<u>6,145,003</u>	<u>7,435,741</u>	<u>6,140,534</u>	<u>7,435,601</u>

(expressed in Hong Kong Dollars)

20. Capital

On 21 June 2002, the Finance Committee of the Legislative Council approved a commitment of \$10 billion for injection as equity into the Authority. The Government injected the equity into the Authority in phases over the five financial years from 2002/03 to 2006/07. At 31 March 2014, the Authority had received all five tranches of equity injection of \$10 billion in total.

21. Debt securities issued

As at 31 March 2014, the Authority has issued the following fixed rate notes under a Medium Term Note programme.

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
<u>Non-current portion</u>		
HK dollar Fixed rate notes with coupon of 1.45% due 2014	-	200,000
HK dollar Fixed rate notes with coupon of 1.15% due 2015	1,300,000	1,300,000
HK dollar Fixed rate notes with coupon of 1.50% due 2017	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.75% due 2019	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.64% due 2020	300,000	-
HK dollar Fixed rate notes with coupon of 1.65% due 2020	500,000	500,000
HK dollar Fixed rate notes with coupon of 2.92% due 2021	400,000	-
HK dollar Fixed rate notes with coupon of 2.18% due 2023	300,000	300,000
HK dollar Fixed rate notes with coupon of 2.15% due 2023	300,000	-
HK dollar Fixed rate notes with coupon of 3.85% due 2026	500,000	-
Less: Unamortised finance charges	<u>(22,768)</u>	<u>(12,413)</u>
	<u>4,577,232</u>	<u>3,287,587</u>
<u>Current portion</u>		
HK dollar Fixed rate notes with a coupon of 1.45% due 2014	200,000	-
Less: Unamortised finance charges	<u>(7)</u>	<u>-</u>
	<u>199,993</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

22. Provision for committed projects

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at 1 April	447,000	399,000
Utilised during the year	(447,000)	(396,800)
Charged to the profit or loss	<u>405,000</u>	<u>444,800</u>
Balance at 31 March	<u>405,000</u>	<u>447,000</u>

The amount represents the provision for committed projects where acquisition was commenced before financial year end. The provision charge is recognised in the profit or loss. The balance at 31 March 2014 is current in nature.

As at 31 March 2014, the total provision for impairment on projects are analysed as follows:

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Provision for impairment classified under properties under development as set out in Note 11	6,238,262	3,268,062
Provision for committed projects as set out above	<u>405,000</u>	<u>447,000</u>
Total provision for projects	<u>6,643,262</u>	<u>3,715,062</u>

The increase in the total provision for impairment on projects is mainly due to the provisions made during the year on additional projects.

23. Reserve for Facilitation Service

Contribution by the owners and the purchasers to the Urban Redevelopment Facilitating Services Company Limited, a wholly owned subsidiary of the Authority, is set aside in a reserve account for other facilitation projects.

(expressed in Hong Kong Dollars)

24. Provident fund scheme

The Group provides retirement benefits to its eligible employees under defined contribution schemes. In accordance with the Mandatory Provident Fund Schemes Ordinance, the eligible employees enjoy retirement benefits under the Mandatory Provident Fund Exempted ORSO Scheme or the Mandatory Provident Fund Scheme (the "Schemes") under which employer's voluntary contributions have been made. The assets of the Schemes are held separately from those of the Group and managed by independent administrators. The Group normally makes voluntary contributions ranging from 5% to 10% of the employees' monthly salaries depending on the years of service of the employees.

The total amount contributed by the Group into the Schemes for the year ended 31 March 2014 was \$21,404,000 (2012/13: \$17,394,000), net of forfeitures of \$1,601,000 (2012/13: \$1,441,000), which has been charged to the Group's profit or loss for the year.

25. Commitments

(a) Capital commitments

Capital commitments in respect of property, plant and equipment at 31 March 2014 are as follows:

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Contracted but not provided for	<u>816</u>	<u>15,641</u>

(b) Operating lease commitments

At 31 March 2014, the total future minimum lease payments under non-cancellable operating leases in respect of office premises, in which \$65,409,000 (31 March 2013: \$85,086,000) is related to costs to be incurred for accommodating certain Government offices in a project site pursuant to a re-provision arrangement with the Government, are payable as follows:

	<u>Group and Authority</u>	
	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>
Within 1 year	36,310	35,207
After 1 year but within 5 years	65,022	78,819
After 5 years	<u>1,154</u>	<u>-</u>
	<u>102,486</u>	<u>114,026</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

25. Commitments (Continued)

c) Operating lease rental receivable

At 31 March 2014, the total future aggregate minimum lease rental receipts under non-cancellable operating leases in respect of properties, except for those commercial portions jointly held by the Developer and the Authority, are receivable as follows:

	<u>Group</u>		<u>Authority</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Within 1 year	11,238	3,806	9,823	2,114
After 1 year but within 5 years	<u>19,993</u>	<u>2,208</u>	<u>19,993</u>	<u>793</u>
	<u>31,231</u>	<u>6,014</u>	<u>29,816</u>	<u>2,907</u>

26. Significant related party transactions

Transactions entered into by the Authority with members of the Board and directors, parties related to them, Government Departments, agencies or Government controlled entities, other than those transactions which are entered into by parties in general in the course of their normal dealings, are considered to be related party transactions pursuant to HKAS 24 "Related Party Disclosures".

During the year, the Authority reimbursed the Government an amount of \$44,310,000 (2012/13: \$43,362,000) for actual costs incurred by the Lands Department of the Government (the "Lands Department") in connection with statutory resumption and site clearance work conducted for the redevelopment projects of the Authority. As at 31 March 2014, there is an amount of \$3,615,000 (31 March 2013: \$3,436,000) due to the Lands Department yet to be settled. The amount is unsecured, interest free and repayable on demand and included in trade and other payables.

In 2011/12, the Authority has contributed \$500,000,000 to Urban Renewal Trust Fund (the "Fund"). During the year, the Authority provided administrative and support services to the Fund valued at \$515,000 (2012/13: \$737,000). This is a memorandum record and the Authority will not charge the said Fund for the services provided. During the year, the Authority received \$737,000 from the said Fund for rental of an office premise (2012/13: \$411,000).

As at 31 March 2014, there is an amount of \$481,390,000 (31 March 2013: \$491,813,000) remained in the Fund. The URA has committed to make further contribution to the Fund in future in the event that its fund balance is fully utilised.

The key management of the Authority refers to directors and members of the Board and their compensations are set out in Note 6(b).

(expressed in Hong Kong Dollars)

27. Commitments for revitalisation projects

In August 2009, the Authority announced its proposal to implement a major revitalisation plan to uphold and enhance the local characters of a number of themed streets in Mong Kok. The improvement work at Flower Market Road is complete. The improvement work at Tung Choi Street would commence upon completion of gazettal procedures by Highways Department.

In October 2009 CE policy address, the Authority was tasked by the Development Bureau to revitalise the Central Market into “Central Oasis” under “Conserving Central”. Planning approval from Town Planning Board obtained in July 2013 and general building plans was submitted to Buildings Department pending for approval. The whole project anticipated to be completed in two phases.

As at 31 March 2014, the cost incurred for these revitalisation projects has been accounted for in the current year, but has no significant financial impact to the Group.

28. Approval of financial statements

The financial statements were approved by the Board on 17 June 2014.



Printed with environmentally friendly ink on FSC™ paper



市區重建局
URBAN RENEWAL
AUTHORITY

26/F COSCO Tower, 183 Queen's Road Central, Hong Kong

Tel : (852) 2588 2222 Fax : (852) 2827 0176 / 2827 0085

Website : www.ura.org.hk