



FROM IM POSSIBLE



REDEVELOPMENT

REHABILITATION

PRESERVATION

REVITALISATION

RETROFITTING

REGENERATING THE CITY WITH VISION AND INNOVATION

ANNUAL REPORT 2020-21

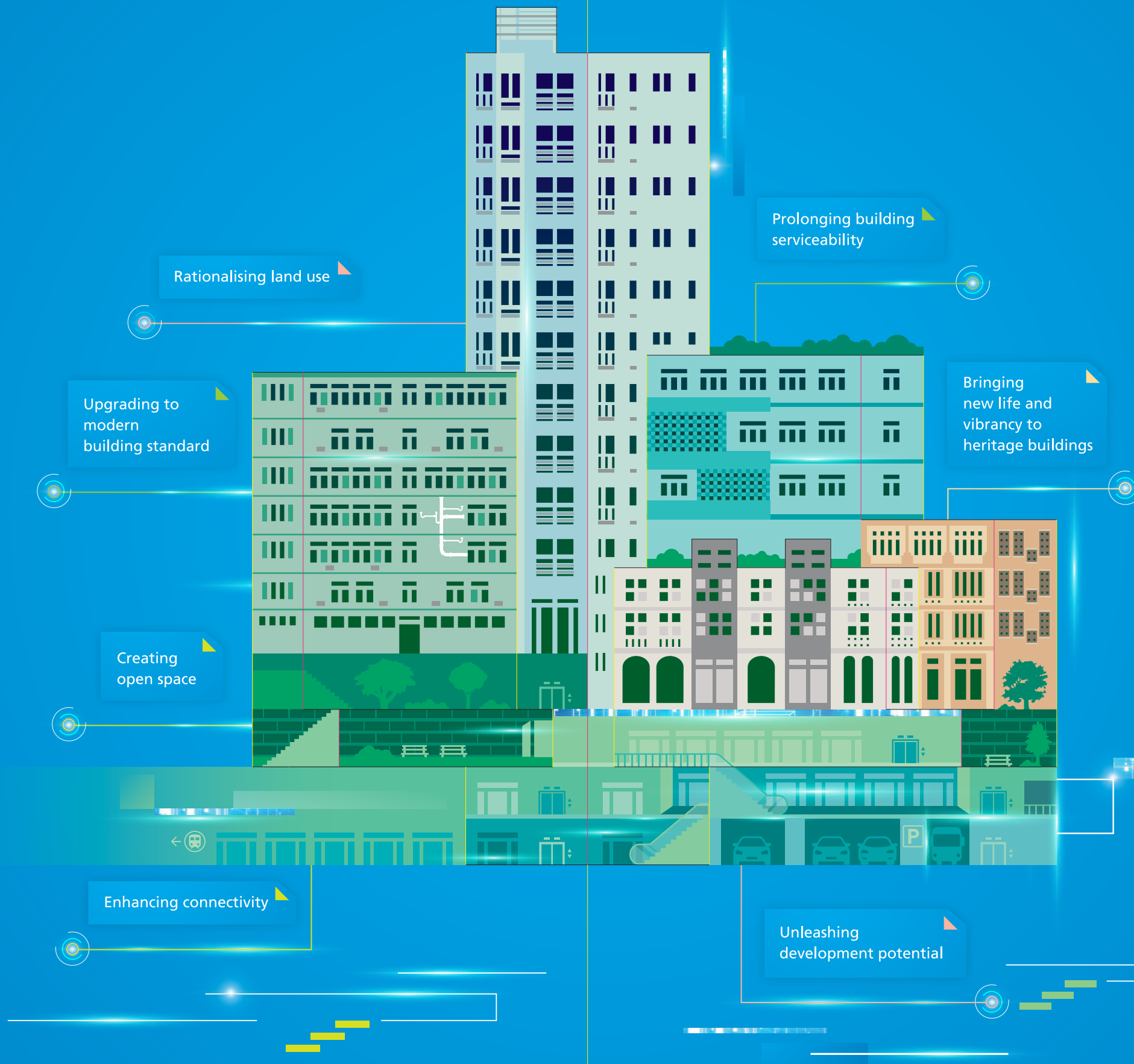


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TO POSSIBLE



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REGENERATING THE CITY WITH VISION AND INNOVATION FROM IMPOSSIBLE TO POSSIBLE

The Urban Renewal Authority (URA) strives to realise the vision of creating a sustainable and liveable smart city with its holistic adoption of '5Rs' regeneration strategies (namely Redevelopment, Rehabilitation, pReservation, Revitalisation and Retrofitting) amid various challenges and constraints, making the impossible possible. The achievements of URA can be visualised through the three-dimensional paper sculptures and imagery in the core design of this annual report.



THE 20TH ANNIVERSARY LOGO

2021 marks the 20th anniversary of the URA. To commemorate this special occasion, an anniversary logo and tagline was designed by staff members in which the features of the technologies of 'Point Cloud' and 'Digital Twin' were adopted to reflect a 3D imagery of land boundaries and building structures, symbolising the URA's commitment to apply technology and big data in its planning-led approach in taking urban renewal forward. The tagline of 'URBAN REINVENTION-ADVANCE beyond 20' perfectly complements the symbolic logo.

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VISION, MISSION AND VALUES

The Urban Renewal Authority (URA) was established under the Urban Renewal Authority Ordinance 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.

Our Vision

To create quality and vibrant urban living in Hong Kong - a better home in a world-class city.

Our Mission

To realise our Vision, we act on our priorities with ingenuity and sensitivity, join forces with our partners and nurture our people.

OUR PRIORITIES ARE:

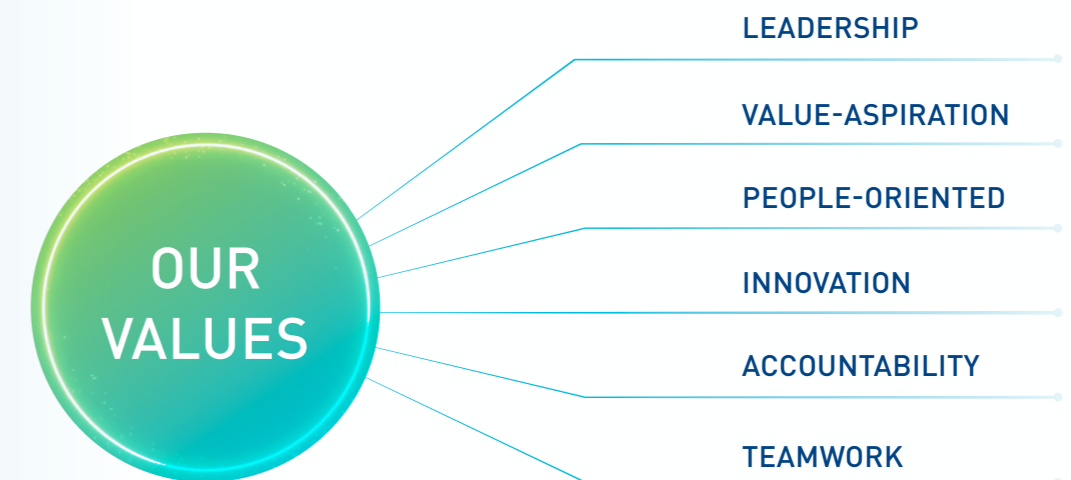
- To accelerate redevelopment by replacing old buildings with new to provide a better living environment and neighbourhood;
- To enable and encourage the rehabilitation of dilapidated buildings to prevent urban decay;
- To preserve by maintaining and restoring buildings of historical and architectural value, and to sustain local characteristics;
- To revitalise through enhancing and strengthening the socio-economic and environmental fabric for the benefit of our urban communities.

OUR PARTNERS ARE:

- Affected communities including tenants and owners;
- Government;
- Development and financial institutions;
- Professionals and academics; and
- Other stakeholders.

OUR PEOPLE ARE:

- Caring and innovative, aspiring to create value through urban renewal for the community of Hong Kong.



CHAIRMAN'S STATEMENT



Mr CHOW Chung-kong, GBM, GBS, JP

Building Reserves for Sustainable Urban Regeneration with Infinite Possibilities

In my last report, I stated that Hong Kong was facing challenges from the COVID-19 pandemic and economic downturn. This would require the URA to exercise more care and financial prudence to ensure a sound and secure footing for sustainable urban renewal. We have also committed, where our ability permits, to taking on more social responsibilities to support the public through this difficult time.

As we all know, Hong Kong has been hit by several waves of the pandemic causing serious disruptions to businesses. The URA was not an exception. However, these disruptions were mitigated by the perseverance and responsiveness of the URA team. They made use of various innovative technologies to resolve many of the obstacles. I am pleased to report that good progress has been made in various areas of our work, and the pace of urban renewal has not slowed down.

“Good progress has been made in various areas of our work, and the pace of urban renewal has not slowed down.”

Forging ahead on different fronts

Over the past year, we accelerated the redevelopment process of eight projects, striving to complete site formation as soon as possible. Tender invitations are expected to be launched within 2021/22. These projects are expected to yield a total of about 2,900 new residential flats.

Meanwhile, the redevelopment of buildings under the Civil Servants' Co-operative Building Society (CBS) Scheme, which the URA has undertaken as pilot projects, has made encouraging progress. Notably, authorisation has been obtained from the Secretary for Development for the Shing Tak Street/Ma Tau Chung Road Development Project. The URA offered free legal consultation services and other support to complete the dissolution process for this CBS in about one year. This is much shorter than the time that would be needed for CBS members to complete the process on their own, which usually takes two years or more. We will issue offer letters in August 2021 to all the owners, enabling them to consider selling their properties. This redevelopment project is of great significance. On the one hand, it can improve the built environment and residents' quality of living; on the other, it can optimise the development potential of the land to increase housing supply. Upon its completion, the project will provide about 640 new flats, more than three times the current number.

In addition, the URA and The Hong Kong Settlers Housing Corporation Limited (HKSHCL) are jointly working on the Tai Hang Sai Estate Redevelopment project. After signing a memorandum of understanding in March 2021, the two parties have commenced preparations in their respective areas of responsibility. We intend to submit this project to the Town Planning Board for approval as early as the third quarter of 2021. The URA is putting the final touches on the detailed planning work within the Master Layout Plan, including

the layout of buildings, the number of flats, additional community facilities and open spaces. The HKSHCL, for its part, is responsible for formulating the tenant relocation plan and making best efforts to cater for their needs. This includes providing subsidies and helping them find temporary accommodation during the redevelopment period, as well as devising a plan for the tenants to move back upon completion of the redevelopment.



Following the dissolution of the last Civil Servants' Co-operative Building Society, the URA will enter the next milestone of the Shing Tak Street/Ma Tau Chung Road Development Project with issuance of acquisition offers to all owners.

The plot ratio of this project will be used to optimise land use. After the redevelopment, 1,300 flats will be used for rehousing existing tenants and about 2,000 new 'Starter Homes' could be ready for pre-sale in 2026 at the earliest. In view of the scale of this project which involves extensive relocation work and substantial construction costs, the URA is setting aside about \$10 billion from its own resources over the next seven years for its implementation.

In the meantime, the URA is forging ahead with the second phase of 'eResidence' – the Chun Tin Street/ Sung Chi Street Project in Hung Hom, aiming to provide about 260 Starter Homes in 2023 to be sold at a discount to market value, to meet the needs of 'First-time' Hong Kong property buyers at affordable prices.

With the target of prolonging buildings serviceability and to slow down urban decay, the URA has invested substantial resources in administering a number of building rehabilitation subsidy schemes across the city, including Operation Building Bright 2.0, the Fire Safety Improvement Works Subsidy Scheme, the Lift Modernisation Subsidy Scheme and the Building Maintenance Grant Scheme for Needy Owners. So far, we have approved more than 4,000 applications involving approximately 150,000 residential units. In addition, since May this year, we are also assisting the Government to implement the Building Drainage System Repair Subsidy Scheme. Besides helping property owners improve their living conditions, this scheme will also contribute to Hong Kong's anti-pandemic efforts.



URA explains to the public about applying for various building rehabilitation subsidy schemes and provides technical support to owners for organising maintenance work.

These building rehabilitation assistance schemes involve the management of over \$19 billion of public funds. In order that the entirety of these money are used by eligible and needy property owners, the URA bears all the administrative costs and staff expenses of these schemes, which reached \$120 million last year alone. In the next few years, we anticipate a sum of about \$2.1 billion would be required to complete these schemes.

In other areas of urban renewal work, the URA has invested \$500 million in the preservation and revitalisation of the Central Market Building, an important historic landmark in the heart of our city. Upon completion of the restoration and revitalisation works in the fourth quarter of 2020, we entered into a ten-year contract with Chinachem Group in March 2021 for joint operation and management of the Central Market. Indoor fittings and preparation for an operating plan are well underway, and the heritage site is expected to be open for public enjoyment in the third quarter of 2021.



The URA and Hong Kong Settlers Housing Corporation Limited sign the memorandum of understanding for redeveloping Tai Hang Sai Estate.



“The URA strives to promote urban renewal in a sustainable way. To this end, sound financial planning and flexible resources deployment in line with market conditions are critical.”



Chief Executive, Mrs Carrie Lam, visits and learns about the preservation and revitalisation of the Central Market.

Striving to fulfil social responsibilities

URA is very much part of Hong Kong. In addition to our main responsibilities of urban renewal, we give back to the community in many various ways. Given the severe impacts of the COVID-19 pandemic on people's livelihoods, we have provided rent relief to our domestic and commercial tenants, so as to help them through this difficult time and to preserve jobs. So far, the amount of rent relief has exceeded \$120 million. As a further initiative to help fight the virus, we have also worked with district organisations to support residents living in cramped environments and poor sanitary conditions in old districts, including efforts to improve the environmental hygiene of common areas and inside the residents' homes.

Planning for the future

The URA strives to promote urban renewal in a sustainable way. To this end, sound financial planning and flexible resources deployment in line with market conditions are critical.

URA relies on payments from tendered projects to replenish its cash flow for further acquisition of property titles of old buildings of other projects and related construction costs. Only then, future redevelopment projects can be launched in a sustainable manner. In 2020/21, the URA had a fiscal surplus of over \$140 million, with about \$9 billion of cash in hand. As a number of projects will be put up for tender in the coming year, we estimate that our cash position will increase to about \$20 billion by the end of March 2022, which will support our efforts to progress several redevelopment projects and accelerate the pace of urban renewal.

In light of this relatively strong financial position, the URA has formulated its largest ever Corporate Plan for the next five years, which has been approved by the Financial Secretary. This Corporate Plan covers a number of new redevelopment projects under planning which, together with on-going projects carried forward from previous years, will incur a total development cost of more than \$100 billion.

Building reserves for long-term development

In the long run, facing the challenges of lengthy development cycle, high acquisition costs and slow cash flow return, the URA must, in order to effectively implement its long-term '5Rs' strategies for urban renewal, forge ahead with four other initiatives to prepare itself for the future, namely:



(1) Planning Reserve

Over the past two years, the URA has conducted extensive planning studies in old districts including Yau Ma Tei, Mong Kok, Sham Shui Po, Kowloon City, Wong Tai Sin and Hong Kong Island East, covering reviews on the building conditions, land use, road planning and pedestrian environments in these areas. We have identified over 250 hectares of urban land with restructuring and replanning potential. Preliminary feasibility studies have been completed for some sites, which will be upgraded into the 'Project Reserve' for detailed design and technical study.

Besides redevelopment opportunities, the Planning Reserve also provides an overall planning basis for comprehensive urban renewal strategies integrating redevelopment, rehabilitation, preservation, revitalisation, and retrofitting, with a view to substantially improve the environment of old districts and the living standards of local residents.

(2) Project Reserve

So far, URA has ten projects in its Project Reserve, covering areas of more than 100,000 square metres for about 15,000 flats. Preliminary technical studies have been largely completed for these projects. They can be included into the Corporate Plan and submitted to the Government for approval in due course.

The establishment of a comprehensive Project Reserve allows URA the flexibility in project implementation in response to possible changes in the property market and economic environment, so as to reduce the impact of market fluctuations.

(3) Financial Reserve

To implement the projects in the reserve systems and enable sustainable urban renewal, the URA must establish a robust and flexible financial system which can be used to assess the URA's liquidity needs by taking into account factors such as cash flows, volatilities in the property market and changes in the external economic environment. In this way, we can formulate appropriate financial plans and choose the best time to start projects.

We will make good and full use of resources to take forward various urban renewal plans and projects, including exploring alternative funding opportunities. When necessary, we will raise funds in the financial market to pursue our objective.

(4) Regulatory Review

At a meeting of the Legislative Council in July 2021, the Chief Executive mentioned that the Government would examine ways to enhance urban renewal so as to tackle the ageing of buildings in Hong Kong and the associated safety and hygiene problems. Faced with the various restrictions on the development of old districts, the URA is also studying the introduction of new planning tools to optimise the potential of land use in old districts for urban renewal purpose.

In parallel, the URA will conduct comprehensive review of each stage of its project development and strive to improve its work processes, shorten the redevelopment cycle and accelerate cash flow returns, so as to speed up the pace of urban renewal.

Celebrating our 20th anniversary with renewed commitment

At the time of writing, the pandemic is levelling off in Hong Kong. While it has dealt a severe blow to the city's social and economic environment, the pandemic has also reminded the public that the living environment and hygiene of old districts cannot be ignored.

Over the past year, colleagues in the URA have worked diligently and proactively to mitigate the challenges posed by the pandemic. They use technology to ensure timely completion of freezing surveys and all relevant household follow-up work that are essential for the implementation of our redevelopment projects. I thank them for their outstanding achievements.

I would also like to extend my gratitude to all members of the Board for their support to the work of the URA and for their enthusiastic participation. Their insightful advice and guidance are most valuable and much appreciated.

This year marks the 20th anniversary of the URA, a period that has seen some significant changes to our role. Today, the URA takes on increasingly greater urban renewal and social responsibilities. Residents of old districts have shown increasingly stronger aspirations for a better living environment.

Looking forward, the URA will remain committed to its mandate of continuous urban renewal to improve our urban fabric and overall living environment of the residents. This could only be achieved by a holistic and forward-looking planning approach. The URA will play its part to make Hong Kong a better city for our and future generations.

CHOW Chung-kong, GBM, GBS, JP

Chairman

31 July 2021



Visiting with Board members to Hong Kong's first indoor bus waiting area at the Kwun Tong Town Centre Project, which incorporates various smart elements and air conditioning, providing the public with enhanced communal facilities.

MANAGING DIRECTOR'S STATEMENT



Ir WAI Chi-sing, GBS, JP, FHKEng

Embracing Digital Technology, Breaking Down Boundaries and Opening Up Unlimited Opportunities for Sustainable Urban Renewal

June 2021 marked the fifth year of my becoming Managing Director of the URA. When I took stock of the URA's urban renewal work in 2016 at the time of its 15th anniversary, I was impressed by the extensive achievements it had made during those years in fulfilling its mandate of urban renewal – not only in addressing the problem of urban decay, but also in enhancing the built environment of old districts, improving the living quality of residents, promoting building repair and maintenance, and preserving local characteristics. As the URA prepares to embark upon its third decade of urban regeneration work, our team has devised a blueprint for sustainable development which involves building on the existing strategies and implementation model for urban renewal, while proactively adopting a mindset of embracing innovative and digital technologies to strengthen our efficiency and effectiveness.

To this end, we have conducted a comprehensive review of our work in five core areas covering strategy formulation, district-based planning, project execution, technology applications and staff training, with the aim of formulating a forward-looking work plan while actively applying smart technologies and data analysis in all possible areas, creating wider opportunities for achieving sustainable urban renewal.

“Our team has devised a blueprint for sustainable development... while proactively adopting a mindset of embracing innovative and digital technologies to strengthen our efficiency and effectiveness.”

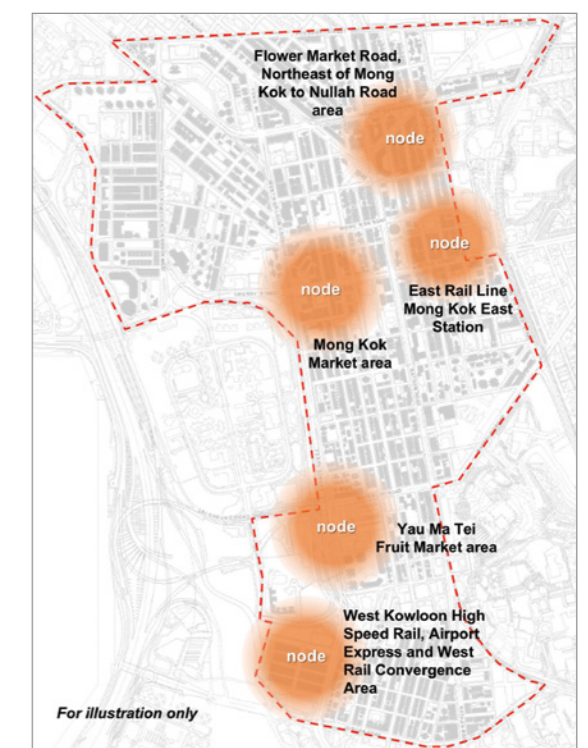
Over the past five years, thanks to the concerted efforts and dedication of the URA team, we have made considerable strides in progressing our '5Rs' business strategies – namely redevelopment, rehabilitation, preservation, revitalisation and retrofitting in old districts. As regards redevelopment, we have changed from a project-led approach that focused on redeveloping individual buildings to a holistic district-based, planning-led model. Through large-scale district planning studies, we have established a 'Planning Reserve' system that facilitates our implementation of projects in old districts through the restructuring and replanning of land use. It enables the URA to formulate the largest ever Corporate Plan for the next five years (2021/22 - 2025/26) with 18,000 new residential units coming from projects that are to be commenced and other ongoing projects. Compared with the delivery of around 24,000 residential units in 20 years since the URA's establishment, the future redevelopment will take place at a faster pace.

Building rehabilitation is another core business of ours. We have worked with the Government to launch maintenance subsidy schemes covering different parts of buildings, managing over \$19 billion of public funds. As of July 2021, we estimate that maintenance works for more than 15,000 buildings, along with modernisation works for about 8,000 lifts, will be subsidised to improve building safety and hygiene. The number of buildings covered is more than five times the total in 2016. The URA has also introduced various measures to support owners in organising maintenance works more easily. Among them, the Smart Tender Building Rehabilitation Facilitating Services scheme launched in 2016 has so far assisted building owners of some 208,000 flats to arrange maintenance works, enhancing their confidence and ability in engaging works consultants and contractors through open tender. Meanwhile, the Building Rehabilitation Platform launched in 2019 offers a range of comprehensive, all-in-one information and support services. Over the past two years, the platform has attracted more than 100,000 visitors to browse and download standard contracts for engaging works consultants and contractors, making the organisation of maintenance works more attainable to building owners.

Strategic studies completed setting out blueprint for long-term urban renewal

Year 2021 is URA's 20th anniversary and we very much look forward to the challenging urban renewal work in the next decade and beyond. To address more effectively the aggravating problem of 'double-ageing' in urban districts and buildings, we undertook the Yau Mong District Study (YMDS) and Study on New Strategy on Building Rehabilitation (NSBR) respectively in 2017, aiming to establish an implementation mechanism for sustainable and efficient urban renewal.

These two strategic studies were completed during the year in review, and their findings and recommendations have since been submitted to the Government for consideration. The YMDS report takes a district-based approach and features an in-depth research on the Institutional and Implementation Strategy of urban renewal. It includes a Master Renewal Concept Plan (MRCP) formulated as the blueprint for restructuring old urban areas. The plan identifies five core development nodes with different characteristics in Yau Ma Tei and Mong Kok, covering redevelopment potential, economic and livelihood activities, as well as historical and cultural elements. Making full use of the '5Rs' strategies, the MRCP proposes the creation of green belts, open spaces and pedestrian networks in crowded old urban areas, and entails smart city and place-making initiatives to enhance the accessibility and vitality of these districts and to improve the overall living standards of residents.



The URA has identified locations with urban renewal potentials within the YMDS area, and formulated the Master Renewal Concept Plan that serves as a blueprint for regenerating the old district.

In order to realise these planning visions, the YMDS proposes a series of innovative and feasible planning tools including plot ratio transfer, street consolidation, changes in land use and enhancements in planning parameters, as well as the provision of additional development incentives. Such planning tools, coupled with the 'positive' scenario under the MRCP – namely the increase in gross floor area available for development – will result in more effective use of the residual plot ratio, previously fragmented and scattered, across the entire district. Accordingly, these 'intangible' resources will be transformed into 'tangible' spaces available for development, providing an additional supply of flats, commercial areas, government facilities, community facilities, public parking lots, recreational green spaces and more. Besides improving the quality of living, this will accelerate the renewal of old districts, thus maximising the benefits to the community under the new 'planning-led' model.

The URA is now in discussion with the Government on the practicability of the MRCP and innovative planning tools. In the meantime, we will identify early projects within the MRCP nodes for incorporation into the Corporate Plan, when appropriate. Individual projects will be commenced in accordance with the mechanisms and regulations under the Urban Renewal Authority Ordinance.

New strategies to change owners' passive building maintenance mentality

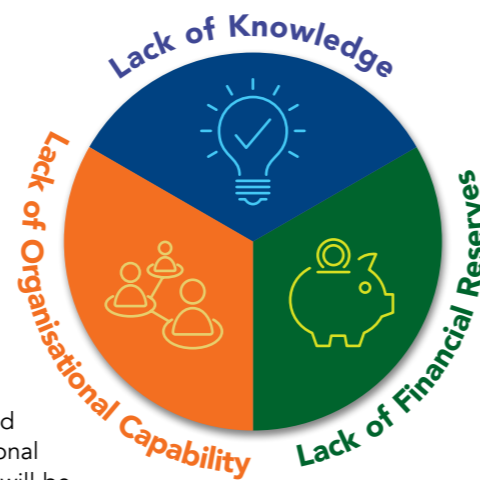
Urban decay is too extensive and complex to be resolved by mere renewal works using existing resources which are far from adequate in any case. The success of urban renewal therefore hinges very much upon building rehabilitation, without which a building of 50 years old will fast become dilapidated and might even require demolition. In contrast, a building with proper and regular maintenance can last 80 years or even a century. Adopting this rehabilitation approach can alleviate pressure on redevelopment and hence save a lot of resources for the community.

Completed in 2020, the NSBR study report proposes a set of strategies for the repair and maintenance of private buildings by owners across the city in order to tackle this problem at source. Results of the study show that owners of old buildings and owners' corporations (OCs) usually face three main challenges that hinder their willingness to organise repair and maintenance works on their own: a lack of professional knowledge in building rehabilitation, in financial reserves, and in organisational capabilities. As a result, they tend to have a relatively passive mentality for regular maintenance.

In response to these findings, the URA has formulated separate promotional strategies targeting the public and stakeholders. Through public education, we aim to enhance owners' awareness of the importance of regular and preventive maintenance. We also reach out to target stakeholders including government departments, professional institutes, the property management industry and other sectors related to building maintenance, and seek collaboration in their respective professional areas. Promotional activities such as joint training with property management agencies will be conducted to enhance practitioners' knowledge and expertise in preventive building maintenance, with a view to effectively assisting the owners of different-aged buildings to conduct repair and maintenance works.

In addition, we will continue enhancing the content of the URA's Building Rehabilitation Platform to align with this promotional strategy. The first two phases of content enhancement were completed earlier, providing owners with useful information and standard sample documents to help them organise building maintenance and rehabilitation works. In the first quarter of 2021, we launched the third phase of content upgrade, including a cost reference centre that provides more comprehensive data on the market reference rates for related works items. We have also launched the Building Rehabilitation Company Registration Scheme (BRCRS) to spur the development of a Service Providers Directory, which will allow owners to assess whether service providers have a sound system in place for quality management, integrity, customer attention and other areas. The BRCRS will serve as a useful tool for owners to select appropriate service providers for their building rehabilitation work.

Challenges Faced by Owners of Old Buildings in Carrying Out Building Rehabilitation



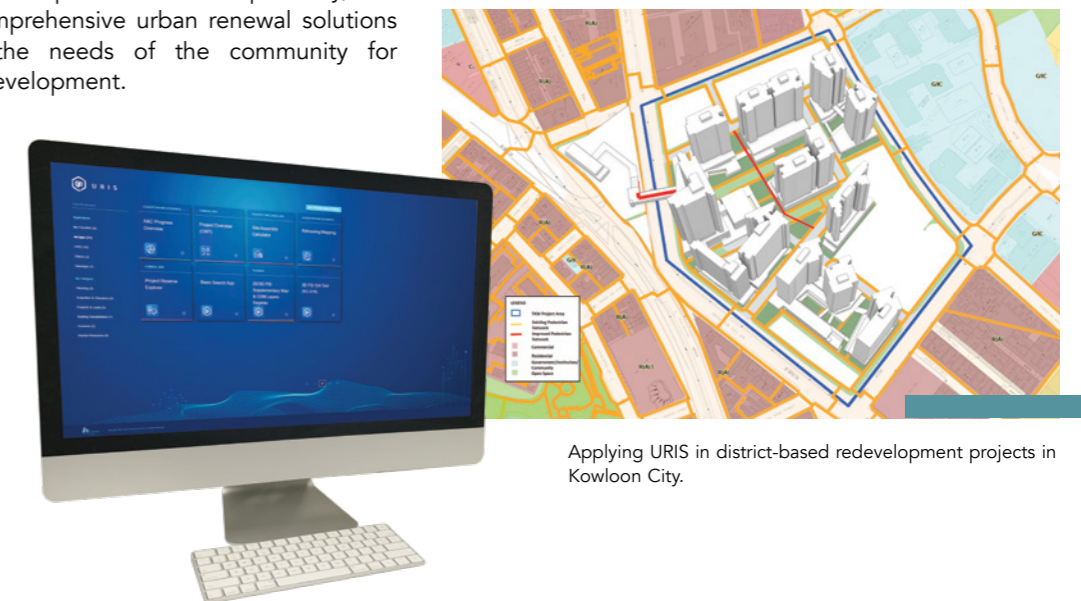
“Faced with the vast amount of planning information involving complex domains, we must enhance our data processing and analysis capabilities.”

Through the promotion of the NSBR and our continuous enhancements to the Building Rehabilitation Platform, we aim to transform the URA from being an 'administrator' of rehabilitation subsidy schemes to a 'facilitator' of preventive building maintenance, taking measures to enhance the skills of owners and OCs in organising building maintenance works, including their ability to initiate and arrange such works by themselves in different phases of the rehabilitation cycle. Furthermore, we will strengthen our application of new technologies by creating a virtual environment to simulate the pace of ageing of old buildings, as well as assess the cost and extent of building rehabilitation plans more comprehensively and accurately. Efforts will also be made to promote a 'preventive maintenance' model based on building condition data, so that appropriate maintenance works can be carried out before ageing occurs. Through this, we aim to achieve our long-term goal of slowing down the ageing of existing buildings in older urban areas.

Digitised district planning for effective formulation of urban renewal plans

To speed up the pace of urban renewal, the URA will include planning studies of sizeable scale in its Corporate Plan for the next five years. Faced with the vast amount of planning information involving complex domains, we must enhance our data processing and analysis capabilities.

To this end, we developed an Urban Renewal Information System (URIS) based on Geographic Information System (GIS) technology in 2019. The URIS integrates geographic information and data on such parameters as land use, planning requirements, development density, road networks, infrastructure, building conditions and population distribution, and visualises different sets of information on a map. This enables our team to review and analyse these parameters more precisely, and formulate comprehensive urban renewal solutions to address the needs of the community for sustainable development.



Applying URIS in district-based redevelopment projects in Kowloon City.

With the help of the URIS, the URA has carried out large-scale planning studies in Yau Ma Tei, Mong Kok, Sham Shui Po, Wong Tai Sin, Kowloon City and Hong Kong Island East, processing all available planning data for some 250 hectares of urban area. By making full use of the URIS, the time required for collating preliminary planning proposals with different scales and development parameters has been greatly reduced, enabling us to identify suitable projects in a timely fashion and upgrade them to the 'Project Reserve' system for detailed design, technical research and feasibility assessment.

MANAGING DIRECTOR'S STATEMENT

The URIS is an excellent tool for consolidating data relating to the built environment, which can be applied extensively to urban renewal operations. For example, in the eight adjoining redevelopment projects in To Kwa Wan under the district-based approach, our team utilised the system for the planning and holistic design of residential units, basements, public car parks, green pedestrian streets and road network facilities, so as to optimise benefits to the community under this new approach.

The URA has also applied innovative technology to its retrofitting projects. Digital remote monitoring devices have been installed in the renovation and retrofitting projects at four rehousing blocks and at the industrial building on Yu Chau West Street in Cheung Sha Wan, such that management staff in a central control room can monitor the operational status of various types of building services equipment and respond to sudden failures. The repair and maintenance details of newly-replaced facilities have also been digitised and integrated into the system for compilation of a building maintenance manual in digital format, which helps the management staff formulate future maintenance plans based on the conditions of the facilities.

The URA will continue to act as a pioneer in this area to test various building maintenance concepts, innovative methods and technologies. These will be further optimised and ultimately promoted to the building maintenance and property facility management sectors, thereby enhancing their services and quality.



Digital remote monitoring units installed at URA's rehousing block

I am pleased to say that the innovative spirit and hard work of the URIS development team has been recognised by the IT industry on a global level with a special achievement award. I hope that the URIS can be further optimised in collaboration with the Common Spatial Data Infrastructure system now under construction by the Government. This will provide more diversified geographic and spatial data on a real-time basis and, in the long run, enable the URA to analyse built environment data more comprehensively in order to enhance holistic planning and decision making. I also hope that it will be used more extensively in different urban renewal tasks, including project execution and management, project scheduling, cost control and the management of property facilities.



With a craving for innovation, URA team receives the 2021 Special Achievement in GIS (SAG) Award for its excellent performance in applying the Geographic Information System.

Wise use of technology to fight the pandemic and maintain pace of work

The COVID-19 pandemic has impacted the entire community and the URA was not spared either. Despite needing to constantly adjust our operations to abide by the Government's anti-epidemic measures, we have been able to maintain the pace of urban renewal by proactively adopting new technologies to facilitate project implementation.

In order to conduct the freezing surveys required for the launch of redevelopment projects at Shantung Street/Thistle Street (YTM-012) in Mong Kok and To Kwa Wan Road/Wing Kwong Street (KC-016), we proactively developed the Health Code 2.0 App so as to reduce the risk of our staff accessing buildings with potential transmission risk by sending out alerts to individual staff. A feature was added to allow the scanning of the Government's LeaveHomeSafe QR code at relevant venues to enhance the infection control of our survey staff. As a result, the surveys were completed smoothly and the two redevelopment projects were launched according to schedule.

In addition, smart and intelligent technologies are being deployed especially in relation to the development of underground spaces, underground parking, and the provision of infrastructure for the districts. Our goal in the long term is to create 'smart districts' and 'intelligent communities' in all our future projects.

Digital platform to boost self-initiated learning

A professional and elite team of employees is the cornerstone on which the URA can continuously fulfil its mission of urban renewal. In the past year, we invested additional resources in employee training, offering our staff more than 16,000 man-hours of training with a focus on improving their proficiency in artificial intelligence, big data processing and analysis, geo-information systems and building information modelling. As regards URIS training, over 70 percent of URA staff have completed the relevant foundation courses, preparing them for the new urban renewal approach through technology and digital means.

In June 2020, we launched our first one-stop online learning platform, which allows staff to choose courses and study times appropriate to their own interests and learning needs, and heralds a new approach of 'self-initiated learning'. Unaffected by social distancing restrictions, this online platform has been able to provide more than 100 online training courses so far, with more than 95% of our staff having participated and some 4,000 man-hours of training being completed in total.

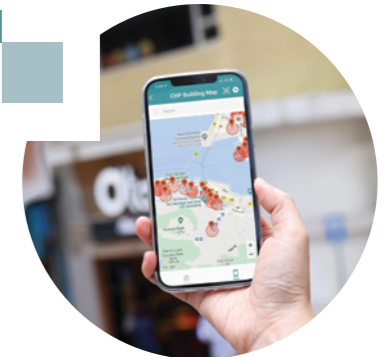
We will continue to optimise the training system by increasing the types and scale of training courses available in line with the needs of our employees in different professional fields. We will also offer them assistance in acquiring and applying new knowledge through continuous learning, so that urban renewal projects can reach new levels of effectiveness and sustainability.

Our achievements over the past year are owed to the collective efforts of the entire URA team. I wish to thank the Chairman and members of the Board of the URA, who have been tirelessly leading us through the challenges of the pandemic by providing valuable guidance on business strategies, work policies, and daily project implementation and operations. My sincere gratitude also extends to my colleagues in various departments for their hard work and perseverance. Their positive attitude and flexible approaches have enabled the process of urban renewal to maintain steady progress under the 'new normal'.

While celebrating our 20th Anniversary in 2021/22, we must also get well prepared for future urban renewal goals in the next two decades and beyond. In the coming few years, the URA's business scale will continue to grow encompassing large-scale planning of hundreds of hectares of land in old districts, from which major feasible redevelopment projects will be selected. Critically, sufficient financial reserves will be needed for the huge acquisition and construction expenses required for project completion.

To realise this ambitious goal, the URA is formulating a robust and flexible financial system for preparing different financial plans and schemes. We are also actively studying new planning tools and their potential application to break through the restrictions on land development in old districts so that land use can be optimised. Going forward, the URA will need to amass substantive funding and land reserves to sustain our urban renewal mission and turn Hong Kong into a smart and liveable city fit for the 21st century.

Ir WAI Chi-sing, GBS, JP, FHKEng
Managing Director
31 July 2021



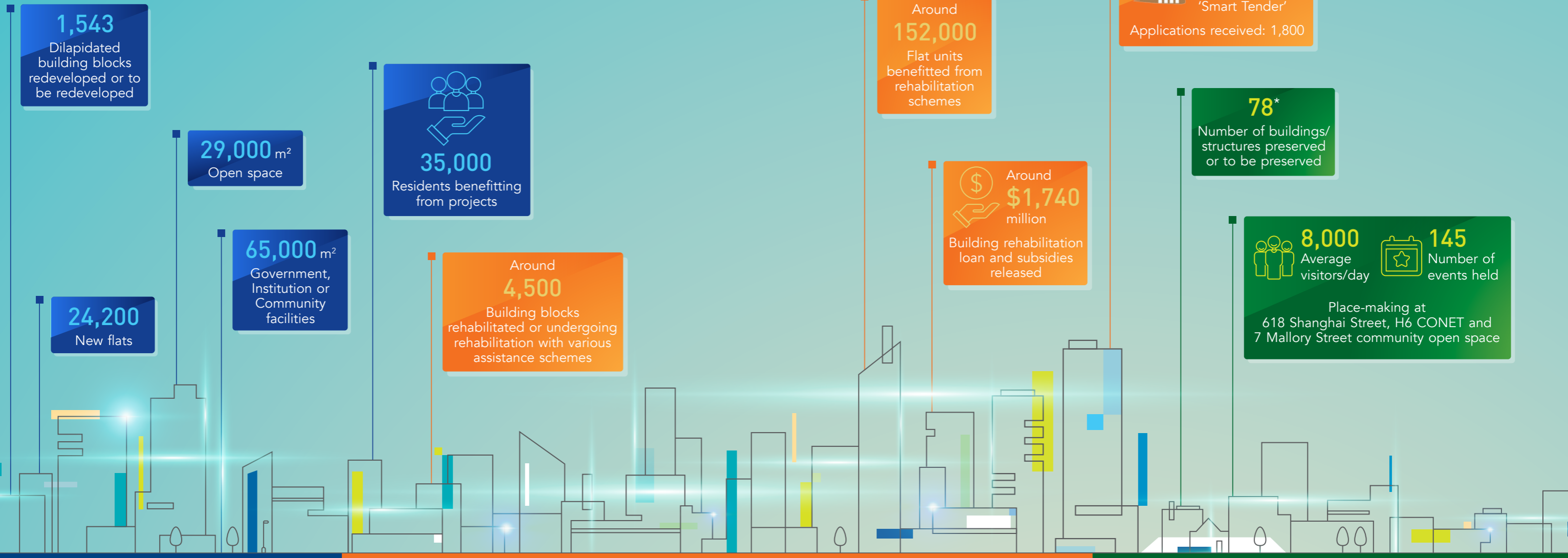
Facilitated by the Global Positioning System, the 'Health Code 2.0' mobile application alerts URA staff on buildings with risks of confirmed COVID-19 cases through mobile notifications.

OPERATING HIGHLIGHTS

(Figures are up to 30 June 2021, unless specified otherwise)

REGENERATING OUR URBAN DISTRICTS

- ▶ **72** Projects have been undertaken since the establishment of URA in 2001
- ▶ **218,000** m² Urban area improved



Redevelopment:

Through the strategic study of Yau Mong District and other Preliminary Project Feasibility Studies, sites with development potential are identified for regeneration through restructuring and replanning under a holistic approach, with an aim to optimise land use for increasing housing supply, improving living environment, providing more urban green spaces and enhancing district connectivity.

Rehabilitation:

In addition to various assistance schemes, the New Strategy on Building Rehabilitation has formulated a comprehensive rehabilitation strategy that maps out plans for the promotion of preventive maintenance through collaboration with various stakeholders. Owners are also encouraged to conduct regular inspections and preventive maintenance for their buildings at a young age, so as to slow down urban decay.

pReservation and Revitalisation:

Not only are sites and structures preserved, but intangible heritage and local characteristics are also retained and enlivened through revitalisation, place-making and rebuilding community networks.

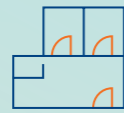
* Adjusted subsequent to gazette notification of withdrawal of the Staunton Street/Wing Lee Street Development Scheme (H19) in 2020 and only URA's acquired properties in H19 were counted.

REINVIGORATING OUR SOCIETY WITH SOCIAL RESPONSIBILITY INITIATIVES



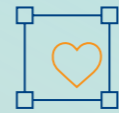
493

Number of 'Starter Homes' flats provided



111

Number of community housing flats provided



5,000 m²

Spaces rented to NGOs and Social Enterprises in URA Properties at concessionary rates



COVID-19 pandemic rental relief

870

Number of commercial and residential tenants benefitted

Involving over

\$120

million



5,735

Number of households benefitted from various community programmes to repair home and improve hygiene of buildings and communities



Volunteers under Community Service Partnership Scheme

11,000

Number of service hours attained

(as of 31 March 2021)

Benefitting over

2,500

people



684,159

Number of old district residents benefitted from 'Arts and Cultural Partnership Programme in Old Urban Districts' (as of 31 March 2021)

ENHANCING THE CITY'S LIVEABILITY ON ALL FRONTS

INNOVATING FOR OUR SUSTAINABLE ENVIRONMENT



Caring for the environment

27 projects attained BEAM Platinum/BEAM Plus Platinum/BEAM Plus Gold Rating for their sustainable building design and sustainability performance.



Building a smart city

The Urban Renewal Information System (URIS)

- ◆ **Accolade won: 2021 Special Achievement in GIS (SAG) Award**
- ◆ Developed by the URA, URIS, a Geographic Information System (GIS)-based portal fed with more than 100 2D/3D datasets forming the basis of the digital twin, contains a suite of location intelligence tools to support URA's implementation of data-driven urban renewal strategies, paving also the way for interfacing with Government's Common Spatial Data Infrastructure to catalyse the development of smart city for Hong Kong.

MAJOR EVENTS OF THE YEAR

APR The URA Board approved the implementation of rent relief measures for domestic and commercial tenants in URA's properties, in addition to discussing with joint venture developers to offer different magnitude of rent relief for commercial tenants in the shopping malls under joint operation. Aiming to assist tenants and support employment amid economic downturn, the initiative, which has been extended three times in the year, would be effective until the end of September 2021.

MAY Two pilot projects in Kowloon City were launched to redevelop buildings under the Civil Servants' Co-operative Building Society Scheme. Through restructuring and replanning, the projects will enhance district landscape, connectivity and accessibility, as well as maximise development potential to increase housing supply.



JUN Upon signing the Memorandum of Understanding (MOU) with the Development Bureau on the launch of Building Maintenance Grant Scheme for Needy Owners (BMGSNO) to offer financial assistance and technical support to an expanded scope of beneficiaries for organising building rehabilitation works, the URA has become the sole organisation to administer all Government subsidy schemes for building rehabilitation.

JUL H6 CONET, the community space located on the ground floor of The Center, was awarded Platinum, the highest rank in the category of 'Interior Design Civic/Public' in the 2020 Muse Design Awards for its innovative planning and design. In addition to being one of the three winners in the world under this category, the URA was the only Hong Kong organisation receiving this award.



AUG Jointly organised by URA, Hong Kong Institute of Vocational Education and Hong Kong Design Institute, the Innovative Design Competition aimed to encourage students to create domestic devices for the elderly that could help achieve 'ageing in place' and improve hygiene of their living environment. The 'U-trap Refill Automator' won the 'Gold Award' with its feature to detect the water level in U-traps and refill water automatically when the water level falls too low, to ensure a water seal is present to block virus spread. Apart from providing idle flats for students to conduct field tests for the prototype device, the URA also commissioned the production of the basic version of U-Trap Refill Automator, to be installed in 2,000 tenant flats of four URA rehousing blocks and acquired properties of the redevelopment projects.

AUG The new Centralised Tender Collection System, launched at the Urban Renewal Resource Centre in Tai Kok Tsui, has significantly reduced the time needed for tender exercises during the organisation of maintenance works hence accelerating the process of building rehabilitation.



SEP Having acquired various knowledge on urban renewal and incorporated their creativity, 105 students from seven secondary schools who took part in the Young Leaders Programme jointly organised by the URA and the Tung Wah Group of Hospitals, shared their urban regeneration proposal for the preservation and revitalisation project of '7 Mallory Street' on the presentation day. The programme aimed to promote community inclusiveness and improve the living quality of residents in old districts.



OCT The URA commenced the Shantung Street/Thistle Street Development Scheme in Mong Kok, which would enhance the liveability, accessibility and vibrancy of the community through restructuring and replanning of the site for improved urban design and the better use of the public facilities.



NOV The 'Health Code' mobile app was developed for URA staff to show their negative results of Deep Throat Saliva Test to residents during freezing surveys, and to alert staff to stay away from buildings with COVID-19 infection risk, hence safeguarding the health of both URA staff and the residents. The URA also displayed 'LeaveHomeSafe' venue QR codes at its 43 venues to facilitate public members to record the date and time for checking into venues, and to receive COVID-19 exposure notifications and health advice.

DEC Upon the closing of application for the remaining 43 units of eResidence under the 'Starter Homes' Pilot Scheme, the URA received a total of 4,909 applicants who were later randomly assigned with priority numbers for invitations to eligibility vetting interviews and flat selection. The remaining units were all sold out to eligible applicants subsequently.

2020

MAJOR EVENTS OF THE YEAR

JAN In response to the 2019 Policy Address announced by the Chief Executive on the initiatives to identify land to increase housing supply, the URA launched a scheme to facilitate non-governmental organisations (NGOs) to optimise their under-utilised land.

The scheme, to be implemented by URA's subsidiary, Urban Redevelopment Facilitating Services Company Limited, would assist the NGOs to maximise the potential in residential, commercial and community development of their existing land and modernise the NGO facilities through redevelopment.

FEB Noble Vantage Ltd., a member company of Chinachem Group, was commissioned as the main operator of the Central Market Revitalisation Project for a period of 10 years. Upon entering the agreement for lease and operation contract, a joint management committee was set up to devise details on the implementation of the business plan, and closely monitor the performance and operational effectiveness of the main operator and its tenants to ensure the fulfilment of creating the revitalised Central Market as an energetic and vibrant landmark for the community.



MAR The URA commenced To Kwa Wan Road/Wing Kwong Street Development Scheme in Kowloon City, a project which would be integrated with the seven URA ongoing redevelopment projects in the vicinity under the district-based urban renewal approach, with a view to achieve holistic planning, bringing more benefits to the community by improving connectivity, accessibility and pedestrian environment through the development of a more effective pedestrian walkway and road network.



The URA and The Hong Kong Settlers Housing Corporation Limited (HKSHCL) signed the MOU which laid down the project goals and cooperation framework for the 'Tai Hang Sai Estate Redevelopment' project. The project would include the provision of 1,300 units to be used by HKSHCL for re-housing existing Tai Hang Sai Estate tenants, and about 2,000 'Starter Homes' units for the URA to be sold as private residential housing at a discount to market value.



APR

Located at Kwun Tong Town Centre, the Yue Man Square Public Transport Interchange, the largest indoor public transport interchange has commenced operation. The state-of-the-art public transport facility is equipped with innovative features such as the AI sensor-controlled boarding gate system at bus termini that separates passengers from vehicular traffic, and air-conditioned indoor bus waiting area to provide passengers with safer and more comfortable commuting experience.

MAY

The URA and Development Bureau signed the MOU for the launch of Building Drainage System Repair Subsidy Scheme, the fifth subsidy scheme administered by the URA for the Government. The scheme offers financial and professional support to owners in need for implementing drainage improvement works.



JUN With the assistance of free legal consultation service provided by the URA, the dissolution of and property title transfer from the last Civil Servants' Cooperative Building Societies (CBS) at the Shing Tak Street/Ma Tau Chung Road Development Project were successfully completed. Owners could then consider the acquisition offers proposed by the URA and sell their properties for redevelopment purpose.

The Opening Ceremony of Kwun Tong Yue Man Square (YM²) cum URA 20th Anniversary Celebration took place to mark the completion of the residential project, the opening of the shopping mall of Yue Man Square (YM²) and its public facilities at Development Areas 2 & 3 of the Kwun Tong Town Centre Project, the largest single redevelopment project of the URA.



2021

OPERATING REVIEW



The massive regeneration of rundown buildings in Hong Kong is a daunting and almost impossible task because some 600 more buildings are reaching 50 years old every year – an alarming figure. At the URA we have adopted an integrated five-pronged approach: Redevelopment, Rehabilitation, pReservation, Revitalisation, and Retrofitting, or the '5Rs'.

These five pillars work like a five-pointed star, each having been set their own goal of reaching a pinnacle of excellence, using an innovative and holistic approach.

We also constantly re-evaluate and refine our strategies. Responding to social and demographic changes over recent years, the URA has moved from a project-led to a planning-led strategy, aimed at bringing added value and benefits to the local community by improving walkability, connectivity and the provision of amenity and leisure spaces in its projects through replanning and restructuring.

With Hong Kong's stock of ageing buildings rising rapidly, we have responded by offering various financial incentives and user-friendly tools to owners for different rehabilitation works in their buildings with improving the drainage system as our latest initiative. By undertaking preventive maintenance of buildings at a young age, it is possible to extend building life, slow down the ageing process and alleviate the pressure on redevelopment needs.

Other than tackling building degeneration in older districts and improving liveability, we also preserve and revitalise historically significant buildings and sites. Our most important current project in this area is the revitalisation of the old Central Market. Work began in 2017 and with the appointment of an operator this year, we expect to reopen the site to the public in the third quarter of 2021, offering venues and experiences for dining and retail as well as grooming local start-ups.

Three Strategic Studies for Sustainable Urban Renewal

Our continuous efforts in pushing forward urban regeneration are backed by three strategic studies commenced in 2017/18 with a view to addressing Hong Kong's rapid urban decay in an effective and sustainable manner. All the strategic studies have been completed by 2020/21 with findings to guide the future trajectory of the URA's urban renewal initiatives.

Yau Mong District Study (YMDS)

The sheer magnitude of Hong Kong's rapidly-ageing building stock is well beyond the URA's capabilities under its current mode of operation. To undertake urban renewal with greater efficiency and effectiveness, the YMDS, a strategic planning study aiming at taking renewal under a district-based approach encompassing all the '5Rs' in a holistic manner, was commenced in May 2017.



In 2020/21, all the working papers including the three Master Renewal Concept Plans of different density scenarios were completed. The report of YMDS with key findings and recommendations, in particular the proposed planning tools, is being finalised having regard to comments from Government bureaux and departments. The URA will then kick-start the public engagement, including consultation sessions with professional institutes and district organisations. More detailed studies on early projects and pilot testing of the proposed planning tools have commenced.

Buildings aged 50 years or above in the boundary area of YMDS are highlighted in red, reflecting the pressing issue of urban decay in the district.

Study on New Strategy on Building Rehabilitation (NSBR)

The NSBR commenced in 2017 aims to formulate a comprehensive rehabilitation strategy covering buildings of all ages to reduce the number of dilapidated buildings which may otherwise require redevelopment.

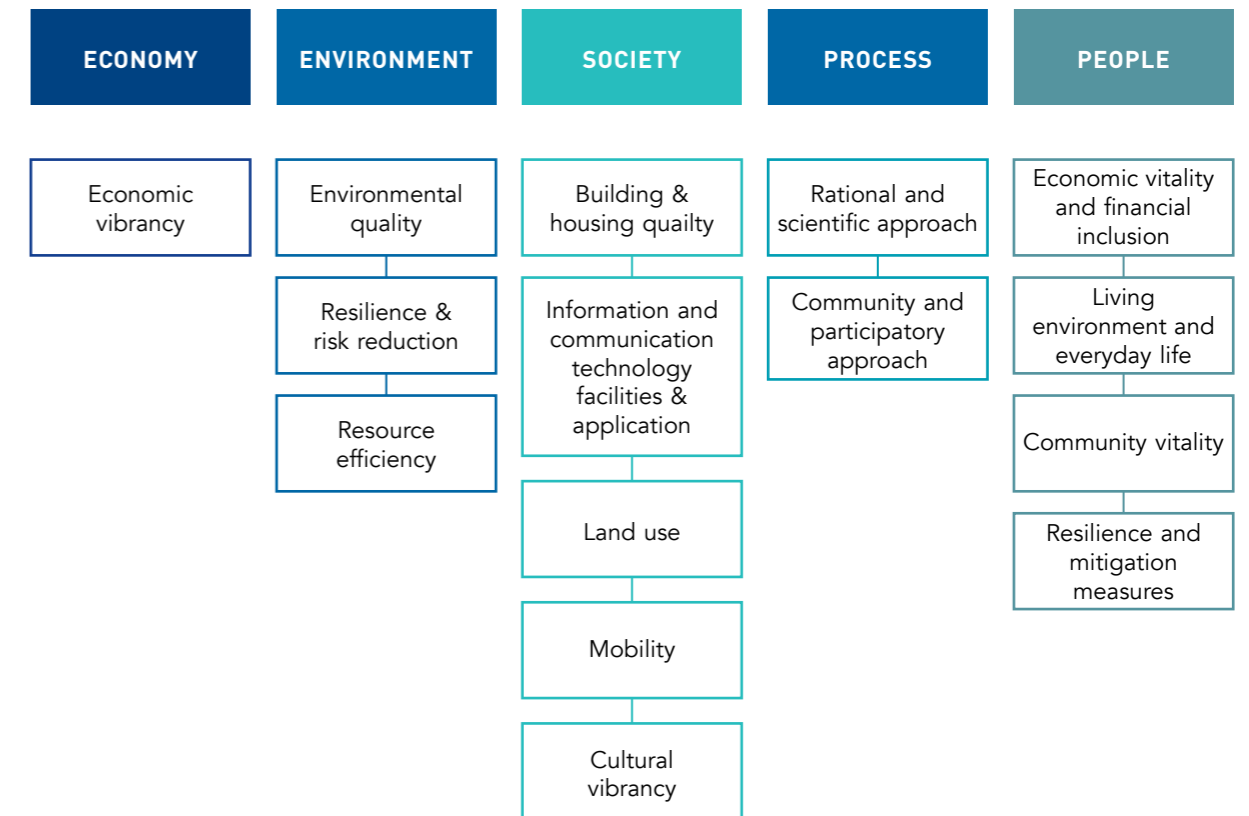
The study, which was completed in 2020, has enabled the URA to formulate a strategy for the promotion of good practices on preventive maintenance and voluntary maintenance through collaboration with various stakeholders. In 2020/21, the URA devised an action plan for the promotion strategy and kick-started several actions including the compilation of maintenance manual template, maintenance plan template and design for maintainability checklist, as well as collaboration with professional institutes and property management companies to step up promotion of preventive maintenance and encourage the adoption of related measures among industry practitioners.

Sustainability Study

To ensure the urban renewal process is forward looking and to create sustainable and positive impact for the community as stipulated in the Urban Renewal Strategy (URS), the URA commenced a strategic sustainability study in 2017. The objective is to establish a systematic framework comprising a set of indicators for measuring and tracking the impact of the URA's projects within the community.

The framework (as shown below) was formulated in 2019/20 to measure the performance of urban renewal in five domains, namely Economy, Environment, Society, Process and People, with some preliminary key performance indicators (KPIs) proposed for testing. The baseline and hypothetical testings were completed to evaluate the constraints and opportunities of applying the framework. In 2020/21, the URA completed the whole study and obtained accreditation from Social Value International for the sustainability framework for the '4Rs'¹ in November 2020. As a pilot initiative for internal evaluation, early application of some recommended KPIs is being explored to measure the performance of recent urban renewal projects.

The Sustainability Framework for Measuring Urban Renewal Performance



¹ '4Rs' stands for Redevelopment, Rehabilitation, pReservation and Revitalisation.

REDEVELOPMENT

- Rationalising Land Use
- Improving Built Environment
- Enhancing Walkability and Street Vibrancy



The very first of our '5Rs' strategy is redevelopment but its planning and implementation approach has evolved over the years. Instead of piecemeal, pencil block redevelopment, we are progressively adopting a district-based approach to secure greater planning and social gains. The most notable example is in Kowloon City where not a few blocks of buildings but a cluster of projects were initiated by the URA to rejuvenate the entire area covering more than two hectares, and transforming it into a smart living neighbourhood with much better accessibility, connectivity, environmental quality and vibrant street life.

Our Kwun Tong Town Centre Project has also perfectly exemplified the multiple social benefits brought to the community through restructuring and replanning of an area. These benefits include enhanced pedestrian and road networks, improvement to the underground utilities, as well as the provision of green and open space and community facilities including Hong Kong's first indoor air-conditioned Public Transport Interchange that incorporates various innovative and smart elements.

In light of the acute housing shortage, URA has promptly responded to the Government's Policy Address by assigning two more redevelopment projects to the 'Starter Homes' scheme, and assisted NGOs to develop transitional housing and redevelop community facilities on their sites under the 'Single Site, Multiple Uses' model.

Going forward, URA will, under viable financial circumstances, continue to follow a planning-led approach in its urban renewal initiatives with the emphasis on optimisation of community benefits and social impacts.



Projects Commenced in 2020/21

Civil Servant's Co-operative Building Society (CBS) Project

The URA commenced two pilot CBS projects, namely Shing Tak Street/Ma Tau Chung Road Project (CBS-1:KC) and Kau Pui Lung Road/Chi Kiang Street Project (CBS-2:KC), in May 2020. The Secretary for Development (SDEV) authorised the URA to proceed with CBS-1:KC in February 2021. Appeals were handled and dismissed subsequently and the decision was published in the Gazette on 18 June 2021.

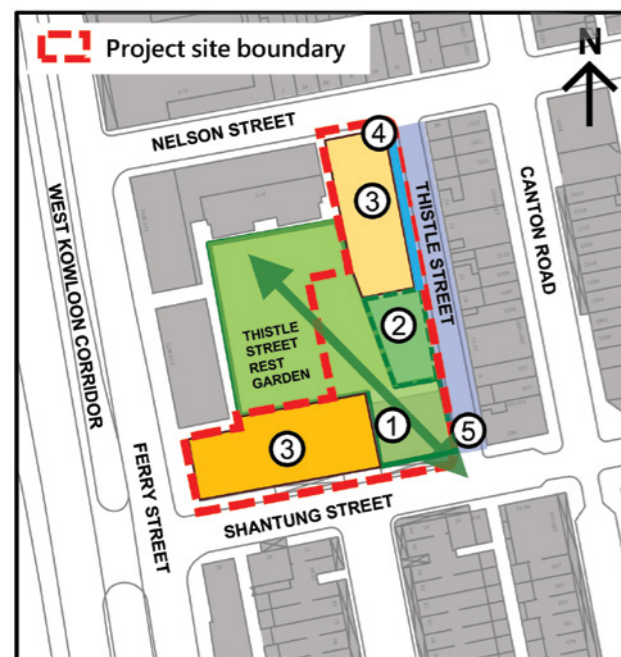


The dissolution of the last Civil Servants' Cooperative Building Society under Shing Tak Street/Ma Tau Chung Road Development Project completes successfully.

The URA also provided free services to facilitate the dissolution of CBS in CBS-1:KC Project. The only remaining and undissolved CBS in this pilot project has completed its dissolution within one year, a processing time much shorter than usual. The former members of the CBS are being assisted to acquire titles of their properties and then become registered owners so that they can be eligible for URA's acquisition offers, which are scheduled for issuance soon.

For CBS-2:KC, the planning procedure is underway. Two stages of public consultations were carried out through the

Town Planning Board (TPB) in June and July 2020 respectively. More than 1,200 comments were received by the TPB. Owing to the pandemic and the large number of public comments in varying degrees of complexity, longer time is required to process the comments. The response to Stage 1 public comments prepared by the URA was submitted to the TPB in late December 2020. The URA plans to carry out an engagement exercise with CBS occupiers aiming to solicit their views and provide them with more information after the issuance of acquisition offers for CBS-1:KC. The URA will determine the way forward for CBS-2:KC with consideration to various factors including departmental comments, implementability and engagement results, before making a final submission to the TPB.



The proposed planning of Shantung Street/Thistle Street Project

Shantung Street/Thistle Street Project (YTM-012)

Commenced in October 2020, the project aims to restructure and replan the neighbourhood through redevelopment and to revitalise the surroundings to enhance the liveability and walkability of the community whilst bringing vibrancy to the public spaces in the area. The URA will commence acquisition after the Development Scheme Plan of the project is approved by the Chief Executive in Council.

- ① Restructure and re-provision part of existing Thistle Street Rest Garden to open up towards Shantung Street/Thistle Street to improve accessibility and visibility.
- ② Additional sunken plaza to connect with the public open space and shops to energise public space.
- ③ Provision of not more than 2,850m² of non-domestic gross floor area for Government, Institute or Community uses to meet community needs.
- ④ Building setback at Nelson Street and Thistle Street to improve pavement environment.
- ⑤ Street improvement works at Thistle Street via revitalisation to improve pedestrian walking environment.

To Kwa Wan Road/Wing Kwong Street Project (KC-016)

The project was commenced in March 2021 and the planning procedure is underway. Consultation with the Kowloon City District Council was held in April 2021 with no objection received. KC-016 is expected to create synergy with seven URA ongoing redevelopment projects launched in the vicinity under the district-based approach to achieve a holistic planning for the district, thereby creating more benefits in terms of connectivity and walkability for the community.

Other Ongoing Projects of Note

Projects under the District-based and Integrated approach in Kowloon City

The URA has, since 2015, adopted a district-based and integrated approach to the urban renewal process in order to secure greater planning and social gains for the wider community. The projects launched under the district-based approach in Kowloon City are: Bailey Street/Wing Kwong Street Project (KC-009), Hung Fook Street/ Ngan Hon Street Project (KC-010), Hung Fook Street/Kai Ming Street Project (KC-011), Wing Kwong Street Project (KC-012), Kai Ming Street/Wing Kwong Street Project (KC-013) and Wing Kwong Street/Sung On Street Project (KC-014).

- Extent of district-based development
- Green pedestrian way and shopping avenue
- Underground public carpark
- Proposed footbridge connecting to To Kwa Wan MTR Station



These six projects, together with the cleared Demand-led Scheme project at Kai Ming Street (DL-8), have formed a cluster of projects in the Kowloon City Action Area covering a total site area of more than two hectares and involving about 2,700 households. One of the main objectives of the holistic urban renewal approach in this Action Area is to create a walkable neighbourhood with good accessibility, connectivity and vibrancy for the community at large through the provision of underground communal/public car parks and road network restructuring.

Reversions of unacquired property interests in KC-009, KC-010, KC-011, KC-012 and KC-013 to the Government took place in December 2019. The site clearance of KC-009, KC-012 and KC-013 was completed, while final clearance works of KC-010 and KC-011 are underway. The Lands Department is currently processing land grants of six projects from KC-009 to KC-013 and DL-8. For KC-014, reversions took place in May 2021 and site clearance is in progress.

Kwun Tong Town Centre Project

The URA's largest single project to date, the Kwun Tong Town Centre covers a total site area of 5.3 hectares and involved around 1,300 households prior to redevelopment. Upon completion of works in all five Development Areas (DAs), and as a result of optimising land uses and development potentials, the project could produce vast amount of living and community spaces comprising the followings:



This project is being implemented in phases, with the site divided into five Development Areas (DAs). DA 1 at Yuet Wah Street was completed in June 2014 and the flats are almost sold out. For DAs 2 & 3, the Certificate of Compliance for the whole development was obtained at the end of April 2021 and sales of flats are in progress. The Yue Man Square Public Transport Interchange in the development, which commenced operation on 2 April 2021, is well-connected with major streets of the area and equipped with multiple innovative and smart features such as Hong Kong's first indoor air-conditioned bus waiting area that separates passengers from vehicular traffic.

For DAs 4 & 5, while the road closure and road work scheme was gazetted in August 2020 and authorised in February 2021, demolition is still in progress after completion of site clearance in March 2021. Consultation with the MTR Corporation for the elevated deck connection is underway. General Building Plans to validate key development parameters and committed design elements/features in the Master Layout Plan have been submitted to the Buildings Department for approval. It is targeted to send out the invitations for tender by early 2022.

Nga Tsin Wai Village Project

An Archeological Impact Assessment (AIA) has been ongoing for the Nga Tsin Wai Village Project since 2016 when foundation remains of old village walls and watchtowers at some excavated locations were revealed. With the agreement of the Joint Venture Partner (JVP) and the Antiquities and Monuments Office, further excavation and field investigation works were conducted between 2019 and 2021 to update and ascertain the findings on heritage significance and areas for preservation and future rescue excavation. Based on the results of further excavation, the AIA report is being prepared for target completion in 2021/22. The URA will continue to work with the JVP to expedite the preparation of relevant technical proposals in relation to the conservation-led redevelopment approach and explore ways to address various outstanding issues with government departments in 2021/22 before the redevelopment takes place.

eResidence – 'Starter Homes' Pilot Project

In response to the Government's invitation to provide Starter Homes (SH) in 2018, the URA agreed to assign eResidence as an SH pilot project. Out of 493 units, applications were invited in January 2019 for the sale of 450 units. Flat selection took place in June 2019 and all 450 SH units were sold. The Occupation Permit and the Certificate of Compliance of the project were issued in September 2019 and April 2020 respectively. Handover of units to purchasers was completed in August 2020.

As a prompt response to the '2020 Policy Address', the URA further launched the sale of the remaining 43 units of eResidence as SH in November 2020 at a discounted price of 70% of the then assessed market value. A total of 4,909 applications were received, which was an oversubscription of more than 113 times. Flat selection was completed in February 2021. All 43 units were sold and the handover of units to the purchasers was completed in June 2021.



Cleared and Tendered Projects

The keen pursuit of project site clearance and tendering continued in 2020/21 to sustain achievements in delivering community benefits and flat supply. As at 30 June 2021, site clearance was completed for five projects, namely Chun Tin Street/Sung Chi Street (KC-008(A)), Bailey Street/Wing Kwong Street (KC-009), Wing Kwong Street (KC-012), Kai Ming Street/Wing Kwong Street (KC-013) and DAs 4 & 5 of Kwun Tong Town Centre Project. Two joint venture tenders were awarded respectively for Tonkin Street/Fuk Wing Street (SSP-015) in April 2020 and Oak Street/Ivy Street (YTM-011) in June 2021.

Responding to Redevelopment Requests from Owners

Under the URS, the URA may respond to a joint approach from building owners to initiate redevelopment of their buildings. In view of this, two schemes, namely Demand-led Pilot Scheme and Facilitating Services Scheme, were introduced in 2011.

Demand-led Pilot Scheme

The Demand-led Pilot Scheme (DL Scheme) was introduced in 2011 with five rounds of application held between 2011 and 2016. As a result, 12 redevelopment projects under the DL Scheme were commenced. However, three of them were eventually terminated as they failed to meet the 80% threshold of owners' consent. The DL Scheme was then suspended in 2017 to undergo a critical review amid the commencement of YMDS which aims to create greater planning gain and synergy under the holistic planning approach. Subsequent to the discussion on proposed improvements of DL Scheme by the Steering Committee² of YMDS in 2019, a preliminary framework for the new Demand-led approach has been drawn, under which the implementation will be in the form of a survey system to register owners' aspirations for various urban renewal initiatives including redevelopment, rehabilitation and retrofitting. The objective is to enable consideration of owners' registered aspirations during the stage when strategic planning is underway for formulation of redevelopment/rehabilitation projects. Further implementation details for this new Demand-led survey system are being worked out, and will be piloted in the upcoming Preliminary Project Feasibility Studies.

Facilitating Services

Urban Redevelopment Facilitating Services Co. Ltd. (URFSL) was set up in 2011 as a subsidiary wholly-owned by the URA to facilitate interested property owners in assembling titles for joint sale in the market. Up to June 2021, a total of 43 applications for facilitating services (36 for residential buildings, three for CBS buildings and four for industrial buildings) have been received. One application was successfully processed and its property interests were sold by auction. The joint sale of property interests for seven applications (including one application from CBS buildings) was put on the market but failed to reach a successful sale. The other 34 applications (including two applications from CBS buildings) either failed to fulfil the application criteria or were terminated for failing to reach the required threshold for joint sale. Currently one application has been selected as facilitation project and is being implemented. Tenders will be invited later for the joint sale of property interests in this project.

Apart from facilitating property owners in assembling titles for joint sale in the market, URFSL also provides facilitating services to members of the CBSs affected by URA's projects for obtaining legal titles of their flats through dissolution of their CBSs. After becoming registered owners, former owners of the CBSs will then have the capacity to sell their properties to the URA and/or to receive resumption offers from the Government. Details of two pilot CBS projects are described on page 30 of this Operating Review.

Policy Address Initiatives

Starter Homes Projects

In the 2019 Policy Address, the Government entrusted the URA with a new mission to provide more Starter Homes (SH) or other types of subsidised sale flats in light of the experience of eResidence. The URA has identified a redevelopment project at Chun Tin Street/Sung Chi Street (KC-008(A)) in the vicinity as Phase Two of eResidence to provide about 260 SH units. Besides, the URA will provide about 2,000 SH units arising from the redevelopment of Tai Hang Sai Estate which will be taken forward in collaboration with The Hong Kong Settlers Housing Corporation Limited (HKSHCL).

Joint Redevelopment of Tai Hang Sai Estate with HKSHCL

In March 2021, with the Government's coordination and facilitation, the HKSHCL and URA signed a memorandum of understanding to jointly take forward the redevelopment of Tai Hang Sai Estate, an initiative announced by the Chief Executive in the 2020 Policy Address aiming to increase flat supply and improve the estate facilities. Doubling the existing number of 1,600 flats, a total of 3,300 new flats will be provided after redevelopment, of which 1,300 units will be allotted for rehousing the existing tenants by HKSHCL and the remaining 2,000 units will be assigned as SH units by the URA. Working in conjunction with HKSHCL, the URA will prepare a fresh planning application for a higher plot ratio design to optimise housing supply and target for submission to the TPB in the third quarter of 2021.



The aerial view of Tai Hang Sai Estate



The artist impression of the transitional housing project in Hung Shui Kiu

Assisting NGOs in Developing Transitional Housing

In 2019 Policy Address, the Government invited the URA to provide professional advice and project management support to assist NGOs in developing transitional housing, so as to relieve the pressure of families living in unpleasant conditions and those who have been waiting for public rental housing for a long time. In early 2020, the URA Board approved to provide project management services for NGOs based on a fee scale covering the cost incurred for carrying out engineering assessments and planning submissions for the Hung Shui Kiu (HSK) site and Ta Kwu Ling (TKL) site under section 16 of the Town Planning Ordinance. Planning consultancy services for these two transitional housing projects commenced in June 2020. The planning application for the HSK site was submitted to the TPB in June 2021. As for the TKL site, the draft planning application was submitted to the Transport and Housing Bureau (THB) in October 2020. A meeting with Ta Kwu Ling District Rural Committee and THB was held in May 2021 and further studies are being carried out to address their comment.

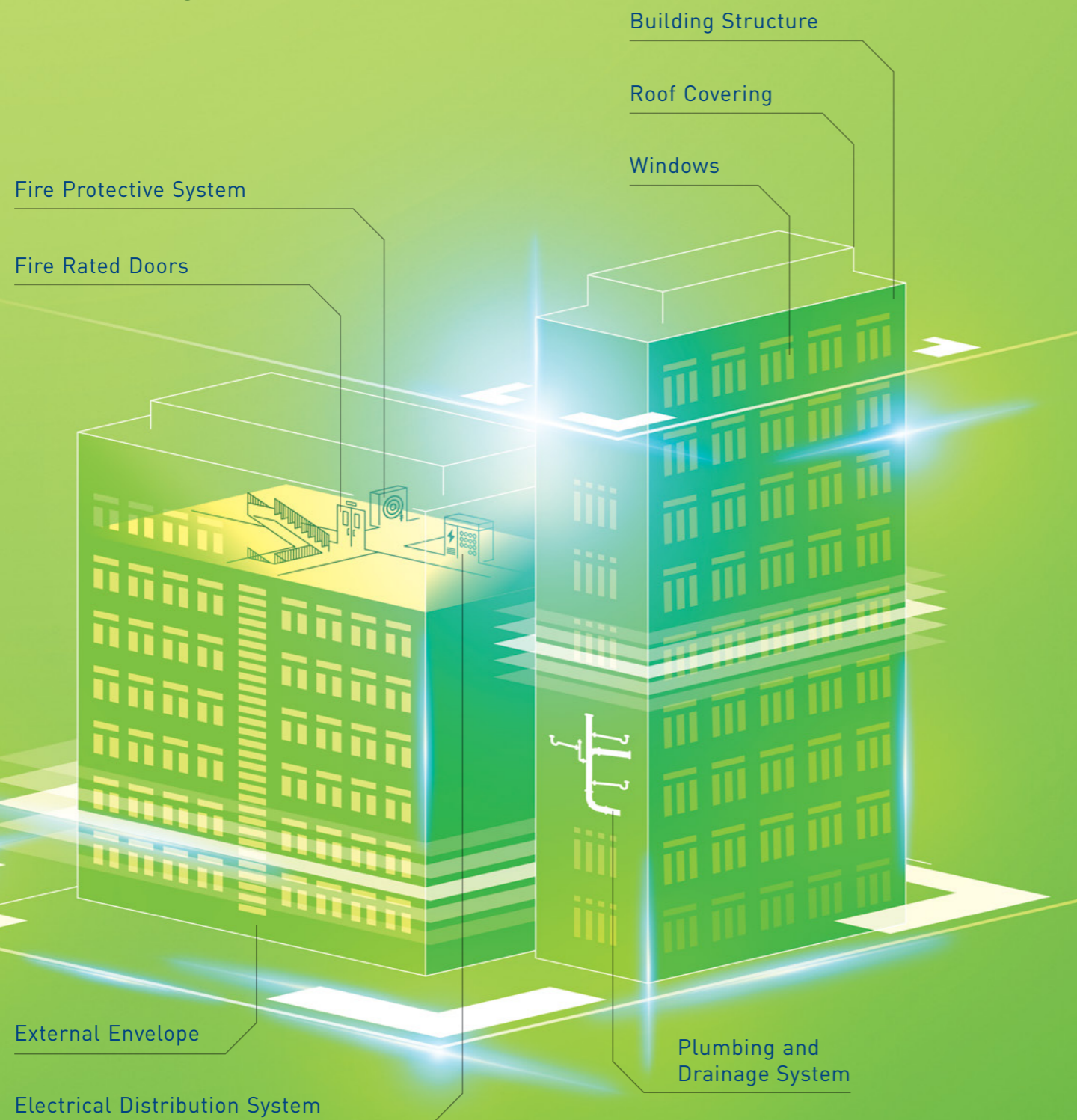
'Single Site, Multiple Uses' for NGO Sites

As announced in the 2019 Policy Address, in order to leverage the URA's experience in providing facilitating services for private building owners, the Government has invited the URA to offer consultancy and facilitating services to NGOs who intend to redevelop community facilities on their sites, and to take the opportunity to introduce mixed residential, education and welfare uses under the 'Single Site, Multiple Uses' model. A facilitation scheme was launched in January 2021, in which the URA acts as a consultant to facilitate NGOs to optimise their under-utilised sites by providing planning and technical support with a view to maximising the development potential of the NGO sites. Besides, the URA will also help coordinate comments from Government departments. As at 30 June 2021, enquiries from 28 NGOs were received and two of them have submitted their Expressions of Interest.

² The Steering Committee is chaired by the Managing Director of the URA with representatives from concerned bureaux and departments.

REHABILITATION AND RETROFITTING

- Upgrading to Modern Standard
- Prolonging Building Serviceability
- Enhancing Liveability



The URA is fighting an uphill battle to change the mindset of many owners and indeed the general public regarding building rehabilitation. Through publicity and public education, we have endeavoured to convince owners of old and even relatively young buildings that preventive maintenance of their properties would add value to them in the long term and – more importantly – ensure the safety of everyone.

Over the years, the URA has spared no effort to provide technical and financial assistance to owners to undertake building rehabilitation through three major schemes, namely the Operation Building Bright 2.0, the Fire Safety Improvement Works Subsidy Scheme and the Lift Modernisation Subsidy Scheme. This year, we added another important scheme, Building Drainage System Repair Subsidy Scheme, to cover drainage system maintenance for old buildings. We have also taken over from the Hong Kong Housing Society the administration of the rechristened Building Maintenance Grant Scheme for Needy Owners.

Today the URA is the sole organisation to administer all Government subsidy schemes for building rehabilitation across Hong Kong, involving over \$19 billion in total under various initiatives.

Financial and technical assistance aside, to help owners organise building rehabilitation, the URA has also launched a series of self-help tools on its all-in-one online platform, including a cost reference centre to provide owners with a reference of expected cost ranges for typical rehabilitation work items.



Highlights of Building Rehabilitation Subsidy Schemes

Operation Building Bright 2.0, Fire Safety Improvement Works Subsidy Scheme and Lift Modernisation Subsidy Scheme



The first round application for Operation Building Bright 2.0 (OBB 2.0) and Fire Safety Improvement Works Subsidy Scheme (FSW Scheme) ended on 31 October 2018 with about 600 and 2,500 eligible applications respectively. Eligible applicants were approached in phases and assisted to carry out the works under the schemes.

With an additional funding of \$3 billion for OBB 2.0 and \$3.5 billion for FSW Scheme, the second round application for the two schemes were launched in July 2020 with an application deadline on 30 October 2020. An online briefing was arranged with about 1,000 viewers and the briefing videos were uploaded to the Building Rehabilitation Platform (BRP) website for public reference. For owners of 'three-nil' (no management, no owners' corporations and no maintenance) buildings, the URA has provided assistance in reviewing the provisions of the Deeds of Mutual Covenant (DMC) to verify if the owners may agree on the various schemes at owners' meetings.

Around 800 and 900 eligible applications were received in the second round application for OBB 2.0 (Category 1 buildings) and FSW Scheme respectively. Approval-in-principles (AIPs) are being issued to eligible applicants in batches so that the relevant works can be organised and commenced.

For Lift Modernisation Subsidy Scheme (LIMS Scheme), following the first round application closed in August 2019 with around 1,200 eligible applications (involving around 5,000 lifts), the second round application was launched in January 2020 with an additional funding of \$2 billion. An online briefing was conducted in August 2020 with around 600 viewers before the application closed at the end of September 2020. A video capturing the briefing session was also uploaded to the BRP for public viewing. A total of around 850 eligible applications involving around 3,300 lifts were received. AIPs are being issued to eligible applicants in batches so that the relevant works can be organised and commenced.

Eligible Applications	OBB 2.0	FSW Scheme	LIMS Scheme
1st round	600	2,500	1,200
2nd round	800	900	850
Total	1,400	3,400	2,050

IBRAS
1,070
cases in progress

Integrated Building Rehabilitation Assistance Scheme (IBRAS)

IBRAS was launched in 2018 as an all-in-one platform to integrate multiple building rehabilitation assistance schemes and services in order to facilitate owners in need of joining various schemes.

Since 2004 and up to May 2021, about 1,770 building blocks (involving around 78,900 units) have been rehabilitated under various assistance schemes. Among them, about 20 building blocks (involving around 3,400 units) were rehabilitated in 2020/21. Currently, a total of 1,070 IBRAS cases for common area repair works are in progress.

MBISS

650
building blocks commenced/completed inspection

Mandatory Building Inspection Subsidy Scheme (MBISS)

Under MBISS, the URA assists building owners to arrange first inspections of the common parts of their buildings, which are subject to statutory notices issued by the Buildings Department (BD) under the Mandatory Building Inspection Scheme. Owners of buildings requiring rehabilitation upon inspection may apply for rehabilitation works assistance under IBRAS. From 2012 to May 2021, about 650 building blocks (involving around 16,500 units) have commenced/completed the prescribed inspections under the MBISS.



Building Maintenance Grant Scheme for Needy Owners (BMGSNO)

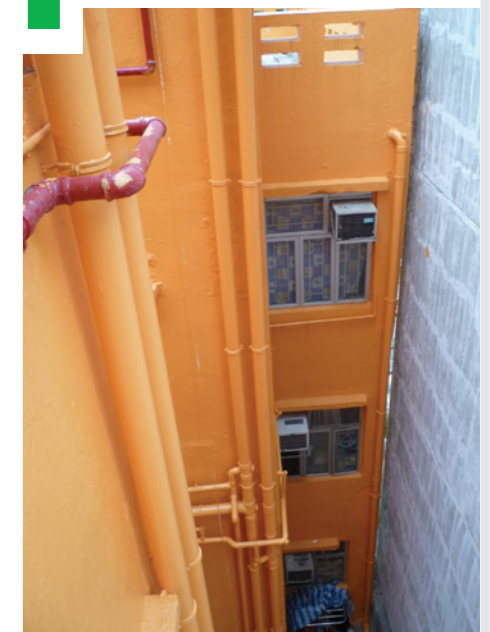
As announced in the 2019 Policy Address, the Government injected an additional funding of \$2 billion to enhance the Building Maintenance Grant Scheme for Elderly Owners. The scheme was launched in 2008 and administered previously by the Hong Kong Housing Society to provide financial assistance to needy elderly owner-occupiers in undertaking repair and maintenance works for their properties. Opportunity was then taken to enhance the scheme by expanding the scope of beneficiaries, raising the subsidy ceiling and relaxing the asset limit for elderly applicants. Taken over by the URA, the scheme was later rechristened as BMGSNO to reflect the enhanced scope.

BMGSNO
5,000
eligible applications

Following its launch in July 2020, around 5,000 eligible applications have been received up to May 2021.

Building Drainage System Repair Subsidy Scheme (DRS)

Amid the COVID-19 pandemic, there have been heightened concerns regarding potential health risks posed by defective drainage. As a result, a new building rehabilitation initiative, the DRS, was launched by the Government under the 2020 Policy Address in partnership with the URA on 1 May 2021, with a total commitment of \$1 billion to subsidise the investigation, repair, rectification and/or upgrading works of the common drains of aged domestic buildings with lower ratable values. In addition to an online briefing held on 30 April 2021 to promote this scheme, radio and newspaper advertisements were launched in May 2021 to call for applications. In the first phase, the URA would handle applications for buildings having outstanding statutory orders issued by the BD relating to common drains.

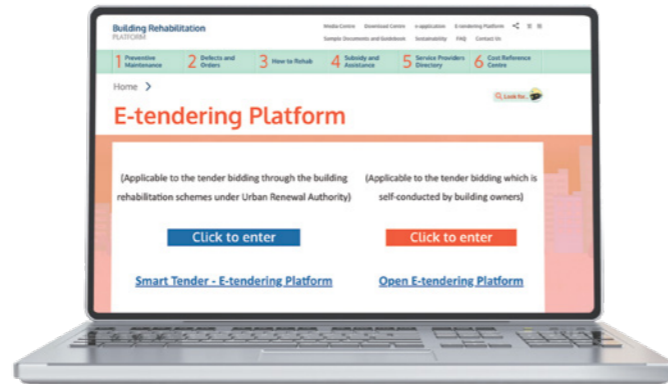


Equipping Owners with Professional Assistance and Technical Knowledge

Smart Tender Building Rehabilitation Facilitating Services Scheme (Smart Tender)

In May 2016, the URA launched the Smart Tender which aims to provide technical support for owners' corporations (OCs) of private buildings and reduce the risk of bid rigging at the works procurement stage. It was later expanded to cover the procurement of consultants and registered fire service installation contractors in May 2019 after the launch of FSW Scheme. Smart Tender seeks to help building owners to procure contractors independently via an electronic tendering platform (e-tendering platform) to carry out rehabilitation works with practical tools and provision of independent professional advice. Up to May 2021, around 1,650 valid applications have been received, of which around 1,550 have been approved and approached for providing the Smart Tender service. Further, the e-tendering platform has also been expanded to cover the procurement of contractors for applicants of LIMS Scheme and DRS since August 2019 and May 2021 respectively.

To allow OCs/DMC managers to procure selective services from consultants and contractors via the e-tendering platform free of charge without having to subscribe to the full service of Smart Tender, a new and independent e-tendering platform was launched in April 2021. The promotion of the new platform, targeting firstly at property management associations and property management companies, commenced in May 2021.



New Centralised Tender Collection System

As the URA undertakes more and more subsidy schemes for building rehabilitation, owners' demand for procuring work contractors or consultants through the 'Smart Tender' electronic tendering platform has increased substantially.

Making use of smart technology to tackle the problem, a Centralised Tender Collection System has been developed by the URA, taking reference from the practice of using barcodes in logistics services and the book return system in public libraries. The new system has commenced operation since August 2020 allowing greater efficiency of the tendering processes. Work contractors or consultants can now submit their tenders by following

instructions on the computer screen, pressing a few keys and then placing their tenders on the conveyor belt one by one. On the tender closing date, the system automatically generates the total number of tenders received and notifies the Certified Public Accountant in charge of opening the tenders, so that owners and accountants can reserve sufficient time to complete the tender opening process. The system is capable of handling a maximum of 3,000 procurement cases each year, significantly exceeding the capacity of conventional tender boxes. It also streamlines URA's internal work flow through digitalisation of tender management process using Radio Frequency Identification technology with enhanced security and accuracy. As of June 2021, the system has successfully handled about 13,000 tender documents for 450 building works projects. Positive feedbacks have been received externally from tenderers and OCs and internally from URA staff alike.



Tender documents are carried by the conveyor belt to the backend of the Centralised Tender Collection System, where details of the building for tender are read by the scanner.



Building Rehabilitation Platform (BRP)

Launched in March 2019, the BRP website (www.brplatform.org.hk) is an all-in-one information platform providing professional and comprehensive information along with technical support on building rehabilitation for building owners. Key rehabilitation information is highlighted through 55 sets of trilingual videos uploaded onto the BRP website. A building rehabilitation guidebook with a broad range of information on preparatory work, appointment of consultants and contractors, as well as supervision of works, is available for download from the BRP website to help owners better understand the works, procedures and legal requirements involved in each step of building rehabilitation. In addition, a total of nine sets of sample tender/quotation seeking documents, contracts for procurement of consultants and contractors were also uploaded onto the BRP website for public use and reference. A cost reference centre was also launched in the first quarter of 2021 to provide information on the cost range of typical rehabilitation works items.



The Building Rehabilitation Company Registration Scheme aims to establish a one-stop platform enabling building owners to search for service providers.

Going forward, the URA will continue to enrich the content of the BRP website. To provide users with more reference, a database of eligible consultants and contractors interested in undertaking building rehabilitation works will be published in phases along with a rating on their quality management systems from the first quarter of 2022 onwards. The operational details of the Building Rehabilitation Company Registration Scheme (BRCRS) comprising the assessment mechanism for formulating the above database of consultants and contractors is also being finalised. The BRCRS for Authorised Person/Registered Inspector (AP/RI) was soft launched in the first quarter of 2021. The database of AP/RI is expected to be published by the first quarter of 2022.

Retrofitting Projects

Yu Chau West Street, Cheung Sha Wan

The Project first commenced in 2013 under the Pilot Scheme for Redevelopment of Industrial Buildings. Due to the low acquisition rate, the URA Board in 2018 approved that the redevelopment project should be halted. Instead, the URA would carry out retrofitting works to support rehabilitation initiatives, allowing the application of retrofitting initiatives to extend the serviceability of old industrial buildings, in support of the initiative under the 2018 Policy Address to revitalise industrial buildings. The retrofitting work commenced in November 2020 and is currently in the final construction stage targeted for completion by the end of 2021. Meanwhile, the URA is in dialogue with NGO operators to take up some of the dedicated units, with a target to commence operation also by the end of 2021, while the majority of the acquired premises will be converted for office use by the URA.

URA's Rehousing Blocks

Retrofitting and improvement works for the rehousing block at 466 Des Voeux Road West commenced in March 2020 with an aim to promote preventive maintenance and improve liveability and sustainability of the building. In particular, a co-living concept will be introduced in the project. The retrofitting work is expected to complete in the third quarter of 2021.

PRESERVATION AND REVITALISATION

- Bringing New Life and Vibrancy
- Reflecting Local Character
- Facilitating Community Sharing



Every great city has its own roots and history which leave markers on its architecture, in much the same way as an old tree can be authenticated by the annual rings found on its trunk.

At the URA, preservation and revitalisation form part of our '5Rs' regeneration strategy.

Our urban renewal initiatives go beyond the preservation of buildings, sites and structures to encompass the retention of intangible people-centric elements like the local characteristics and social networks of the community. The URA has adopted fresh conservation concepts including 'place-making' and 'community making' to preserve local heritage and characteristics by rebuilding community networks and creating a more harmonious society.

Central Market

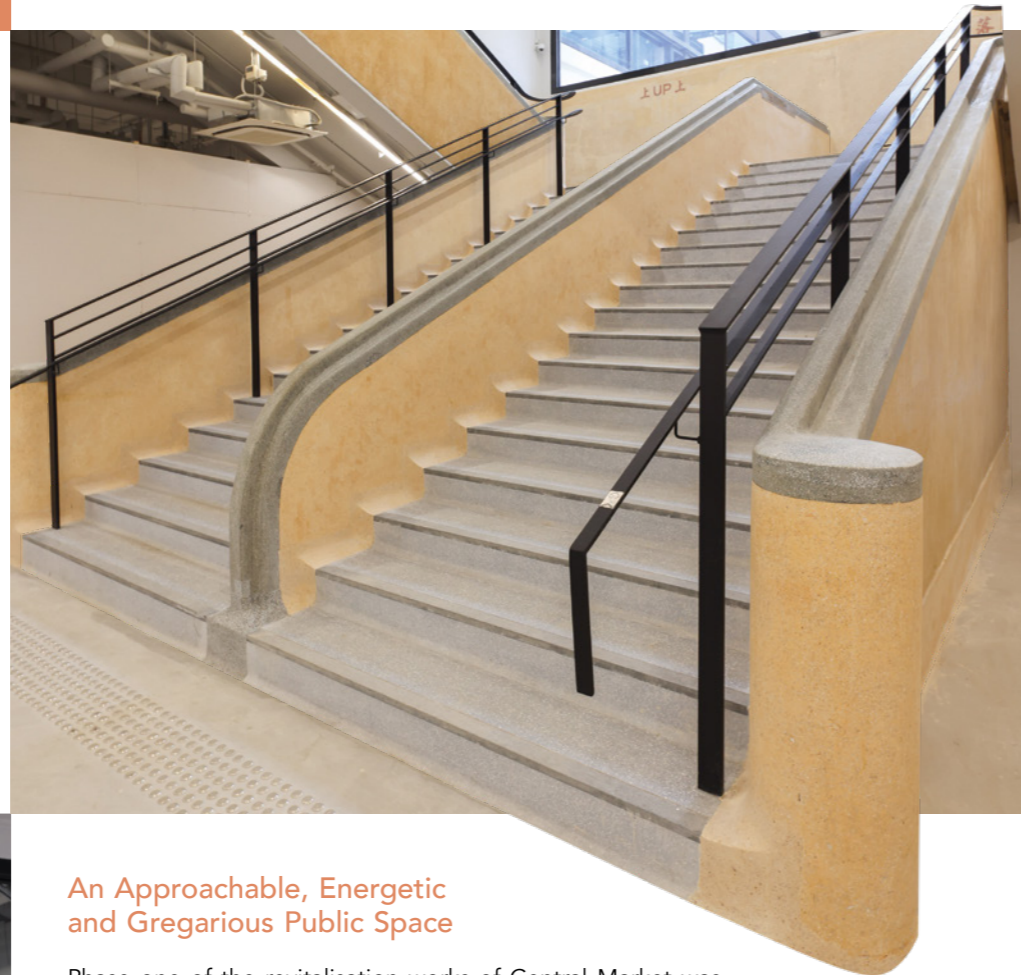
Built in 1939, Central Market is a Grade 3 historic building, an exemplification of functionalism, characterised by the Streamline Moderne Style and simple geometry. Tasked by the Government, the URA began its works on the conservation and revitalisation of Central Market in 2009, as part of a series of innovative projects to reinvigorate the legend of Central.



Before revitalisation, the Central Market has been vacant and in disrepair for over a decade, with signs of multiple structural defects.

THE REVITALISED HERITAGE BUILDING

A NEW LANDMARK FOR ALL



An Approachable, Energetic and Gregarious Public Space

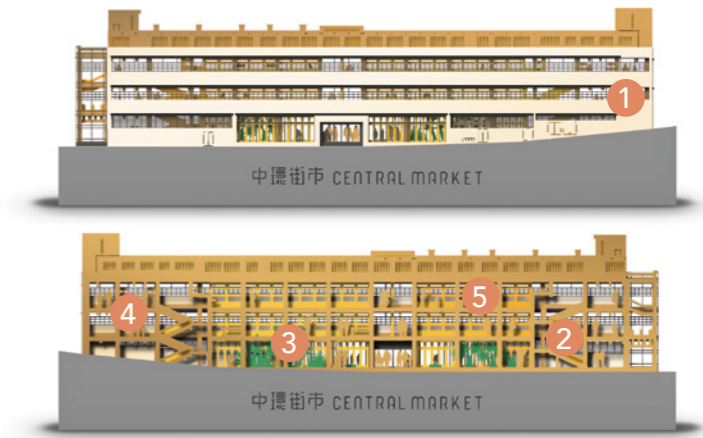
Phase one of the revitalisation works of Central Market was completed with the Occupation Permit obtained in October 2020. Upon successful tender, the operation contract of Central Market was awarded to Chinachem Group (Chinachem) and signed in March 2021. The URA is now partnering with Chinachem to revitalise Central Market with an emphasis on three key themes, namely 'approachable', 'energetic' and 'gregarious'. Specifically, Central Market will be shaped into a 'Playground for All' to connect neighbours as well as the old and the new generations. Diversified catering, retailing, exhibitions, STEAM³ learning and start-up businesses will be introduced in Central Market. In May 2021, a series of performances and special visual decorations by French street artists were presented in Central Market for public enjoyment. The major portion of the revitalised Central Market is targeted to open for public enjoyment in the third quarter of 2021.



The revitalised Central Market becomes a community space for holding exhibitions, promoting STEAM learning and running start-up businesses.



³ STEAM refers to the areas of science, technology, engineering, arts, and mathematics.



Preserved Elements in Central Market at a Glance

- 1 **External Facades facing Jubilee Street and Queen Victoria Street**
The Streamline Moderne Style elevation features architectural fins/eaves which emphasise horizontality with alternative bands of solid and void (i.e. concrete and windows) representative of International Style architecture.
- 2 **Grand Staircases**
The grand staircases were sensibly placed providing convenient and vital internal circulation, a testament to the design of wet markets of the modern era.
- 3 **Atrium**
The atrium at the centre of Central Market provides natural ventilation and lighting to the building, and is a major contributor to the comprehensive design addressing hygiene concerns.



- 4 **Column Grid**
The interior design with systematic grid organisation defined by the concrete column and beam structure is a representative example of a pre-war market with reinforced concrete construction in the 1930s.
- 5 **Market Stalls Cluster**
Market stalls designated for six different types of food including fish, poultry, beef & mutton, pork, vegetables and fruits are preserved.



The weekend markets held at 618 Shanghai Street inject vibrancy into the local community.

618 Shanghai Street

Commenced operation in November 2019, 618 Shanghai Street provides a range of retail, food and beverage outlets. The Dignity Kitchen, a social enterprise located on the 2nd floor, provides valuable on-the-job training for its disabled employees in addition to having launched a free meal distribution programme to support people in need. The activity area at 618 Shanghai Street continues to serve as an event space for the local community. A series of weekend markets were held which provided opportunities for local creative talents to test their innovative designs and products in the market.

Western Market

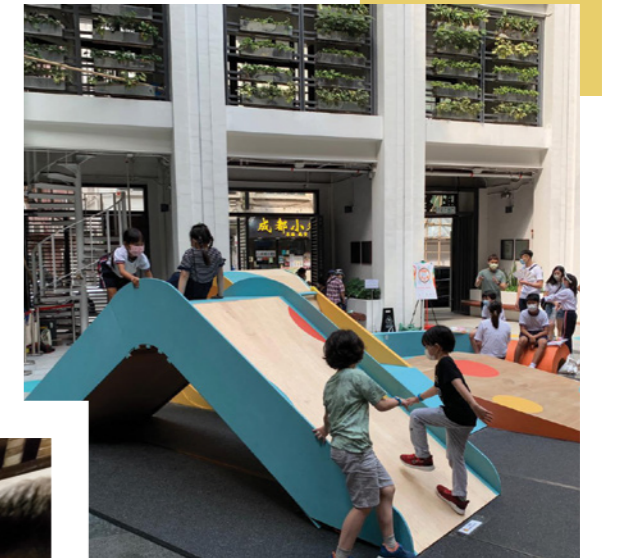
The URA is in discussion with the Government on the extension of the land lease upon its expiry in February 2022. Condition surveys of the building structure and building services installations are being conducted to identify any improvement/repair works required to upkeep the premise.



Current view of the Western Market

7 Mallory Street, Wan Chai

Managed and operated by the URA, 7 Mallory Street continues to collaborate with a wide spectrum of art, cultural and community organisations. In 2020/21, some 104 activities including exhibitions, performances and workshops were held in indoor and outdoor areas having implemented special on-site arrangements and social distancing measures. Efforts were also made during the year to upkeep the heritage condition with works on façade repairs, improvement in outdoor LED lighting and maintenance of the heritage brick walls. To enhance the site vibrancy and community linkage with Wan Chai, the URA has commissioned a consultancy study in February 2021, in which a series of community engagements and surveys under a design thinking approach have been made.



Art, cultural and community activities are organised from time to time at 7 Mallory Street.



Mong Kok Streetscape Improvement

To enhance the unique local characteristics and ambience of five themed streets, namely Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street, various improvement works have taken place. The URA has completed the improvement works at Flower Market Road while the Government will take up the improvement works at Tung Choi Street. Improvement works for Sai Yee Street and Fa Yuen Street have been partially completed along with the completion of Skypark. A construction contract was awarded in March 2021 for carrying out improvement works at the remaining portions of Nelson Street, Sai Yee Street and Fa Yuen Street. The URA has commenced liaison works with affected shop operators and building users, and started to strategise the phasing of works.

Community Making at Staunton Street/Wing Lee Street Neighbourhood, Sheung Wan

In line with the 2018 Policy Address which outlined the vision of revitalising building clusters with special character and urban fabric under the Staunton Street/Wing Lee Street Project (H19), the URA conducted various stakeholder engagements and completed a Community Making Study for the H19 neighbourhood in mid-2019. Based on the community visions established by the study, the URA has joined hands with community members to carry out three quick-win pilot initiatives (i.e. mural wall, community farm and docent tours) in 2020/21 aiming to regenerate and empower the local community. Some revitalisation initiatives are also in place, including the planned revitalisation works for the URA's acquired and solely owned buildings to become co-living and co-working space, as well as the partnership scheme for buildings within the neighbourhood area to align their rehabilitation needs with the overall place-making opportunity. Support from the local community and the Central and Western District Council have been solicited for the commencement of site works in May 2021 and the design engagement work of the overall place-making initiative in the neighbourhood is to be commenced in late 2021. Besides, the Planning Department has completed the rezoning process for the project to reflect the latest planning intention of preserving the building clusters. The approval of rezoning of the H19 area by the Chief Executive in Council was gazetted on 13 November 2020. The URA also gazetted a notification of withdrawal from redevelopment on the same day.

- Flats appropriated for Community Housing
- Nine buildings revitalisation works (in progress)
- Rezoning was completed by Town Planning Board



The community farm, one of the community making initiatives for the Staunton Street/Shing Wong Street Neighbourhood, helps connect the residents and revitalise the area.

Place-making Initiatives

The URA keeps up its efforts in exploring the application of place-making concepts in its project portfolio, including three projects in the Central and Western District, namely The Center (H6), Peel Street/Graham Street (H18) and Central Market being developed under 'CONET'⁴, aiming to connect the community spaces through diverse events, exhibitions, performances and cultural activities for the enjoyment of the local community.

In 2020, about 14 events were organised by the community at the exhibition space (Community CONET) of H6 CONET and the number of visitors was around 5,000 on a regular weekday. Due to COVID-19, the exhibition space was temporarily closed for a few months. Nevertheless, public access at H6 CONET remained open to facilitate visitor traffic with special onsite arrangements. At H18 CONET, the URA organised a campaign from December 2020 to January 2021 to promote Site B of H18 and the Graham Market highlighting the diversity of services and products offered as well as the local heritage. Some 70 market and shop operators participated in a redemption programme to promote local businesses. Over 100,000 Graham-themed premium items were distributed to local community members who made purchases. A closing ceremony was held at H6 CONET to celebrate the positive results among the business operators, local designers, schools and participating NGOs. With the upcoming opening of Central Market scheduled for the third quarter of 2021, further opportunities for adjoining streets and place-making partner buildings through mural art and other creative ideas are being identified to generate more community interest and street vibrancy to sustain a wider network via CONET.



Exhibitions and performances are held at the URA community spaces including H6 CONET and Central Market.



The promotional programme organised at H18 CONET as a 'place-making' initiative is well received by the participating shop operators.

⁴ CONET stands for Community, Open space and NETWORK



CORPORATE SUSTAINABILITY

The spiral of seashells is often associated with the golden ratio and epitomises the spirit and philosophy of the URA's corporate sustainability efforts, namely the pursuit of 'good' growth under a balanced and sustainable approach to renew our city.

Our sustainable urban renewal strategy is evidenced not only by the new, smart and green buildings in our numerous projects, but also by our revitalisation and maintenance of existing buildings.

The goal is to improve the liveability of older districts, beautify the neighbourhood and slow down the pace of urban decay.

The seashell also invokes the image of a child listening to the ocean by holding it to his ear. At the URA, we believe engagement with the community and a wide spectrum of stakeholders are vitally important to our work. Listening to their voices and caring for their well-being are keys to successful and fruitful urban regeneration. As COVID-19 continues to affect Hong Kong's economy, small businesses and the under-privileged, the URA provided rent relief measures to help tide its tenants over the difficult times.

ENVIRONMENT
ECONOMY
SOCIETY
PEOPLE
PROCESS

Driving Our Economy

The URA endeavours to revitalise the urban neighbourhood through strengthening the economic, social and environmental fabrics for the benefit of the community. Through a process of careful planning for sustainable urban renewal, we create space for business and job opportunities while bringing re-composition of the social landscape.

Rent Relief Measures under COVID-19

In line with the extension of rent relief measures announced by the Government to combat the impact of COVID-19 and support small enterprises, the URA has extended the rent relief measures for its tenants to September 2021 and helped tide 870 residential and commercial tenants over the difficult time, involving over \$120 million in total. Subject to the pandemic situation and its impact on the tenants in our projects, the URA will review the need for further extension of the relief measures, if necessary, to help sustain the tenants' businesses.



“ Just when I thought about closing the restaurant, URA offered us rent relief in a timely manner. ”

James YEUNG Ying-pong
Co-founder of Ahimsa Buffet,
tenant of URA's H18 Project

Preserving Local Economic Activities

Conscientious efforts are made to ensure local businesses continue to thrive in the process of urban renewal. Similar to URA's Prince Edward Road West Revitalisation Project, the 618 Shanghai Street which opened in 2019 showcases how the overall physical environment can be improved to cultivate a place where old meets new while espousing economic vibrancy for the local community.

In 2020/21, the Yue Man Lane, the retail space in part of the new shopping mall named Yue Man Square specially reserved for former stall operators in the Development Areas 4 and 5 of the Kwun Tong Town Centre Project, attracted 15 former operators to return. These relocated businesses cover a variety of goods and services, ranging from Chinese-style desserts, medicines, electrical appliances to furniture and interior design services, just to name a few. With relocation and business resumption assistance provided by the URA, these stall operators have also seized the opportunity to transform and expand their business to meet new market environment. On the 'B1' level of Yue Man Square, a brand-new Yue Man Hawker Bazaar was also opened in April 2021 housing a hundred licensed fixed-pitch hawkers formerly stationed at temporary hawker bazaars in the project. The Yue Man Lane and Yue Man Hawker Bazaar together have formed a new hub for retaining local characteristics and street culture of Kwun Tong while maintaining neighbourhood connections.



Former stall operators have relocated their businesses to the new Yue Man Lane and Yue Man Hawker Bazaar attracting new customers.



“ Just as an old horse knowing the way home, our loyal customers have returned! ”

YAU Lai-ping and YAU Pik-wan
Owners of 'Supreme' phone accessories shop at Yue Man Lane

The URA continues to adopt tactical measures for the implementation of the Peel Street/Graham Street Project (H18) in order to keep the nearby century-old market intact and to enhance vibrancy. Following a series of promotional activities, Graham Market and the new market block at Site B of H18 have become an iconic spot for local residents to purchase a vast variety of their daily needs.



The URA organises community workshops to promote local businesses operating in the Peel Street/Graham Street Project.



Dignity Kitchen, a social enterprise operating at 618 Shanghai Street and being beneficial to the society, complements the URA's mandate to revitalise the community in old districts.

Facilitating Social Enterprises to Thrive

During 2020/21, the URA continued to provide premises of about 5,000 square metres at a basic or concessionary rent for non-governmental organisations (NGOs) and social enterprises (SEs), including units leased out for Community Housing Movement. At 618 Shanghai Street, a social enterprise named Dignity Kitchen has been operating with the mission of helping the disadvantaged and disabled to become self-reliant through employment and vocational training, a business beneficial to the society and complementary to the URA's mandate to revitalise the community in old urban areas through urban renewal works.

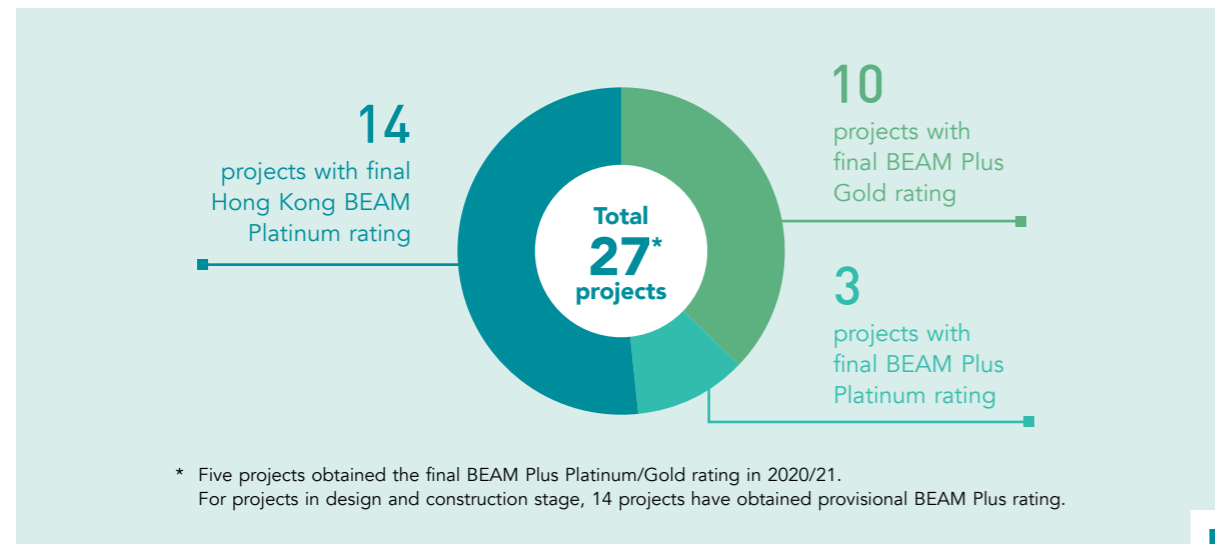
Local communities, NGOs and creative talents can also rent activity space on a daily basis to organise workshops, performances, exhibitions and promotions at the URA's community space at H6 CONET in Central, 7 Mallery Street in Wan Chai and 618 Shanghai Street in Mong Kok at a community rate.

Caring for Our Environment

Environmental sustainability interweaves various stages of urban renewal as well as being a tenet that guides our strategies and operations. The URA aims to spearhead the development of green-and-smart buildings and innovative urban designs in order to provide high quality homes and sustainable living for our citizens.

Promoting Green Building Designs

While acknowledging that redevelopment and construction works would inevitably pose impacts on the environment, the URA has put continuous effort in its planning objectives to create low-carbon neighbourhoods and green buildings for a sustainable development of the environment. In 2020/21, the URA continued to embrace green building designs in its redevelopment projects, thereby improving the energy efficiency of buildings, reducing water consumption and waste generation as well as providing more green areas for the local community. With the combined efforts of both the URA and its joint-venture partners, certificates have been attained for the high standards and sustainability performance of different projects.

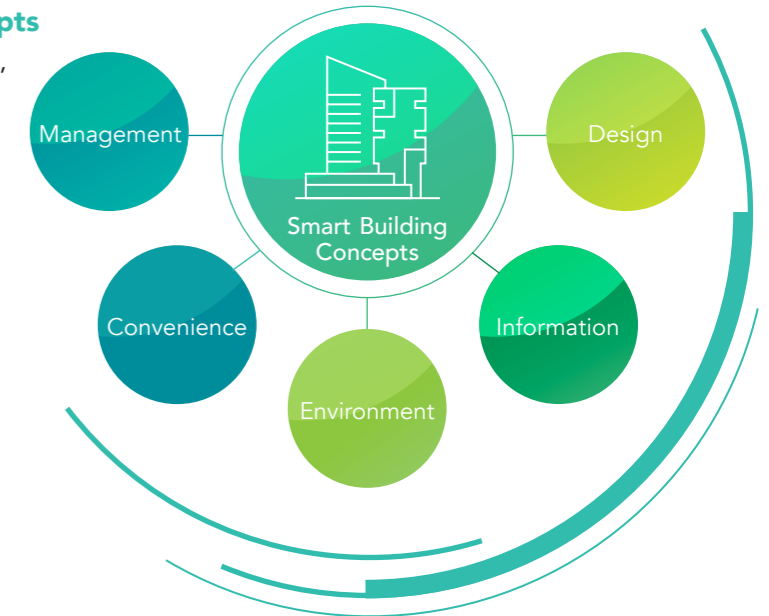


Green Item Subsidy
340 buildings approved applications
 amounting to **\$20** million

The URA not only dedicates its effort to promote new green buildings, but also strives to improve the green elements of existing buildings through rehabilitation. The URA introduced the Green Item Subsidy (which won a Hong Kong Green Building Council Award in 2016) under the 'Common Area Repair Works Subsidy' to encourage property owners to use environmentally-friendly building materials and install energy-saving facilities when carrying out building maintenance and repair works. As of 30 June 2021, the URA had approved Green Item Subsidy applications from owners of about 340 building blocks (involving approximately 16,400 units) amounting to a total subsidy of around \$20 million.

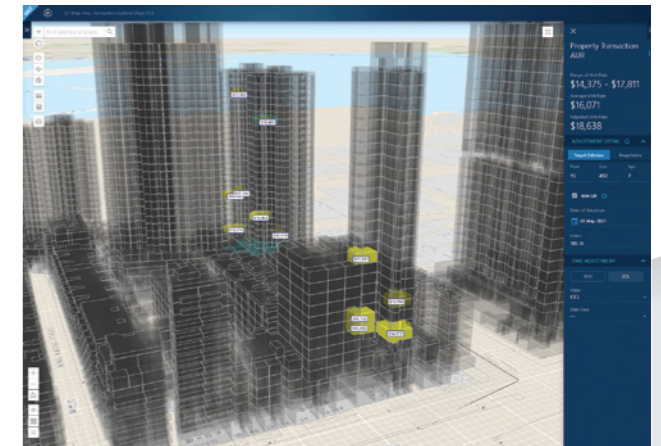
Incorporating 'Smart Building' Concepts

The URA is keen to incorporate 'Smart Building' concepts into its development projects covering five aspects, namely Design, Information, Environment, Convenience and Management. Smart buildings will create smart and vibrant living conducive to the development of a 'Smart City' in Hong Kong. Smart features such as home energy and water consumption systems, home health and wellness systems, smart displays, home waste management systems, Building Information Modelling (BIM) and building management systems have been adopted in various URA projects.



Creating Liveable Environment with 'Digital Twin' Technology

To support our district-based and people-centric urban renewal approach, the URA pressed on with the development of the Urban Renewal Information System (URIS), a Geographic Information System-based platform which allows central data storage and data exchange across internal divisions while also serving as a portal for the collection of external data. Specifically, it enables the creation of digital twins of the built environment to support the analysis of geographical and environmental data and provide simulation of micro-climates. With a better understanding of the built environment and the potential impact of our urban renewal initiatives, the URA could make swift and precise planning decisions to ensure the creation of a more liveable environment for the community.



Through the creation of digital twins, URIS allows more effective property transaction analysis (above) and traffic noise impact simulation (below).



The URA will continue to enhance the functions of URIS. It is anticipated that the development of URIS may augment the development of the common spatial data infrastructure by the Government and enhance data sharing with Government departments. The appointed consultant commenced the system development in the third quarter of 2019, and ten '4Rs' task-specific applications have been developed and rolled out successfully by March 2021. The system development work will be completed in 2021/22.



The Air Induction Units installed at the Yue Man Square Public Transport Interchange help improve the airflow with less energy consumption.

Applying Green Innovative Technology

The URA is keen to explore the applicability of green innovative technology in its projects. At the Public Transport Interchange (PTI) of Yue Man Square which commenced operation in April 2021, the URA has installed an award-winning local invention – the bladeless Air Induction Units (AIUs), which are capable of inducing up to 10 times of air movement as compared with conventional mechanical fan systems with less energy consumption.

At H6 CONET, a biofilter system has been installed as a green wall to improve the indoor air quality. A distinctive drop of pollutants such as VOC, PM10 and CO₂ in the airflow has been realised since the installation. With the biofilter system, visitors in H6 CONET can enjoy clean and fresh indoor air.

In addition, the URA is adopting Modular Integrated Construction (MiC) method, which is sustainable and environment-friendly, for the construction of Ash Street Project (DL-11). Under MiC, free-standing integrated modules are manufactured in a prefabrication factory and then transported to the site for installation in a building, hence reducing dust and noise pollution from construction sites, minimising construction waste and improving construction waste management. This first MiC project of the URA for private residential development, with foundation works commenced in October 2020, is expected to set an example for private developers to follow suit.



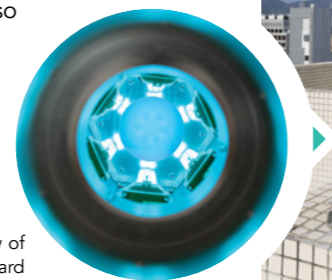
The prototype of integrated module adopted for Ash Street Project



Artist impression of Ash Street Project

Developing Smart Innovations to Combat COVID-19

In view of the pandemic, the URA seeks to adopt 'Smart Hygiene' concepts in its redevelopment projects to create quality and healthy living. Some of the smart features being incorporated into URA's in-house projects include UV-C VentGuard, touchless button for lift systems and sterilisation method for common areas. In particular, the UV-C VentGuard for sterilising air inside the vent pipes of a drainage system has already been installed in URA's rehousing block at Soy Street and the Central Market. These smart features will also be incorporated into DL-11 Project targeted for completion in 2023/24.



Cross section view of the UV-C VentGuard



Installing the UV-C VentGuard on the rooftop ventilation pipe of rehousing block at Soy Street.



The 'U-trap Refill Automator' design team is the Gold Award winner of the Innovative Design Competition (left). The winning design will be installed at URA's rehousing blocks and some of the acquired properties after development and testing (below).



Originated from the Innovative Design Competition 2020 jointly organised by the URA and the Institute of Vocational Education, the 'U-trap Refill Automator', a winning application which detects water level and refills water in U-traps to prevent the drying out of floor drains hence reducing the risk of virus spread, was taken forward for further development.

The design of the product has been finalised and production is in progress. A total of 2,000 units will be installed in URA's rehousing blocks and some of the acquired properties.

Greening Our Business Operation

In recognition of our efforts to maintain green operation, the Environmental Campaign Committee (ECC) awarded the Carbon Reduction Certificate, which is valid until 2024, to the URA's headquarters premises in 2021. Furthermore, under the ECC's schemes in 2020, the URA has obtained the Hong Kong Green Organisation (HKGO) Certification for waste reduction and recycling as well as the HKGO's WasteWi\$e Certification at 'Excellence Level'.



The electronic Document Management System reduces the filing of documents thus saving paper usage.



In 2020/21, the URA continued to adopt e-freezing survey for the new project commencement using tablet computers as an environmentally friendly measure and for enhancing efficiency in data reporting. The URA has also developed and launched an electronic Document Management System to streamline the workflow and reduce the filing of documents' hard copies to save paper usage. Additionally, digitalisation initiatives at multiple fronts of the URA's operation processes such as site work supervision, building monitoring and subsidy administration are being planned to enhance the organisation's effective use of resources.

Contributing to Our Society

The URA supports various programmes to improve social inclusiveness and mobility of under-resourced people. We are committed to providing opportunities for the public to learn, bringing love and care to the residents, instilling arts and culture in old districts and creating a vibrant environment for the community. We care about the living environment from community hygiene to building and housing quality, and employ design measures to improve land use efficiency and district walkability, in addition to harmonising our projects with the surroundings.

Educating the Community

To align with the Government's anti-pandemic measures, the URA closed its public facilities including the Urban Renewal Exploration Centre (UREC) and the Urban Renewal Resource Centre (URRC) for more than three months respectively from March to May 2020 and December 2020 to February 2021. Despite the closures, the UREC still received 844 visitors while the URRC served around 15,745 members of the public addressing enquiries, conducting briefings, meetings and community activities on matters relating to building repair and maintenance in 2020/21. Since 2014, the URRC has also been serving as a meeting venue for mediations relating to building repair and maintenance, property valuation and construction arranged by the Joint Mediation Helpline Office. A total of 23 mediation meetings were held at the URRC during the year.

Although docent tours at the UREC were suspended, the URA produced a three-minute video to take the public on a virtual tour of the UREC to promote the work of the URA and the significance of urban renewal. The video, which was published on the URA's Facebook page, has reached around 5,000 target audience.

Reaching Out to the Community

Our care for the people extends beyond our urban renewal works. As part of the Corporate Social Responsibility programme, the URA has partnered with local universities and NGOs in the Community Service Partnership Scheme (CSPS), in which URA colleagues and university students join hands to serve residents in old districts through various programmes. In 2020/21, our volunteers, whose number increased by over 30 to more than 160, took part in a wide range of activities including making bespoke furniture for families living in sub-divided units, producing handy study toolboxes to give children living in sub-divided units a better home-learning environment, arranging online visits to elderly care centres during festive occasions and making cupcakes with the elderly. More than 120 household beneficiaries in districts covering To Kwa Wan, Kwun Tong, Central & Western District and Sham Shui Po were served. Since the launch of CSPS in 2012/13, more than 1,500 volunteers have achieved a total of 11,000 service hours, benefitting over 2,500 people.



CSPS volunteers produce bespoke furniture for families living in sub-divided units in old districts.



Caring for the Underprivileged

Besides adopting a people-oriented approach when delivering our core businesses of redevelopment and rehabilitation, the URA also seeks opportunities to engage our partners and help people in need. During 2020/21, the URA continued to offer some renovated flats in the acquired properties at Wing Lee Street and Staunton Street as well as units at our rehousing blocks to NGOs and SEs, who can in turn provide underprivileged residents with short-term tenancies below the market rent.

In 2020/21, the URA's 'Home Repair Services Community Programme' has benefitted approximately 800 families with poor living conditions in aged buildings in Kowloon City, Yau Tsim Mong and Sham Shui Po. Another pilot scheme, the 'Home Improvement Community Programme', was launched in the year to improve the living condition of elderly tenants in URA projects through comprehensive refurbishment of the public rental housing units where they were rehoused. A total of six cases were completed in 2020/21 under this pilot scheme with customised furniture and facilities provided to cater for the elderly tenants' current and future physical needs.



Under the Home Improvement Community Programme, elderly tenants in URA projects receive customised furnitures and elderly-friendly facilities for their new public rental housing units.



In light of the pandemic, URA partners with a local community organisation in Sham Shui Po to provide cleaning for 20 patios of old buildings that are without Owner Corporations, serving 300 households.

In view of the pandemic, the URA partnered with a local community organisation in SSP to launch a new service programme to step up infectious control measure for households living in sub-divided units in Kim Shin Lane and other three-nil (no management, no owners' corporations and no maintenance) buildings in the district. The service programme provided cleaning of 20 patios of old buildings that were without Owner Corporations, serving 300 households. In partnership with another local community organisation in Sham Shui Po, the URA additionally launched a new service programme to provide inspection service and minor repair of sewage systems, as well as cleaning of patios for three-nil buildings in the Nam Cheong area, serving more than 500 households.

Cultivating Arts and Culture in Old Districts

Neighbourhood is more than its physical environment. It is the local culture and characteristics that create its identity. An appreciation of the local arts and culture will allow a deeper understanding of the community while providing enjoyment. In 2020/21, our 'Arts and Cultural Partnership Programme in Old Urban Districts' supported a total of six new and ongoing programmes and reached out to about 9,600 people. These programmes included activities to enliven old urban districts by bringing enjoyment to local residents and the general public who gathered to appreciate the local characteristics. Since its inception, the URA has supported a total of 65 arts and cultural programmes, benefitting more than 680,000 people.



URA enriches the living quality of residents in old districts through supporting various art and cultural activities.

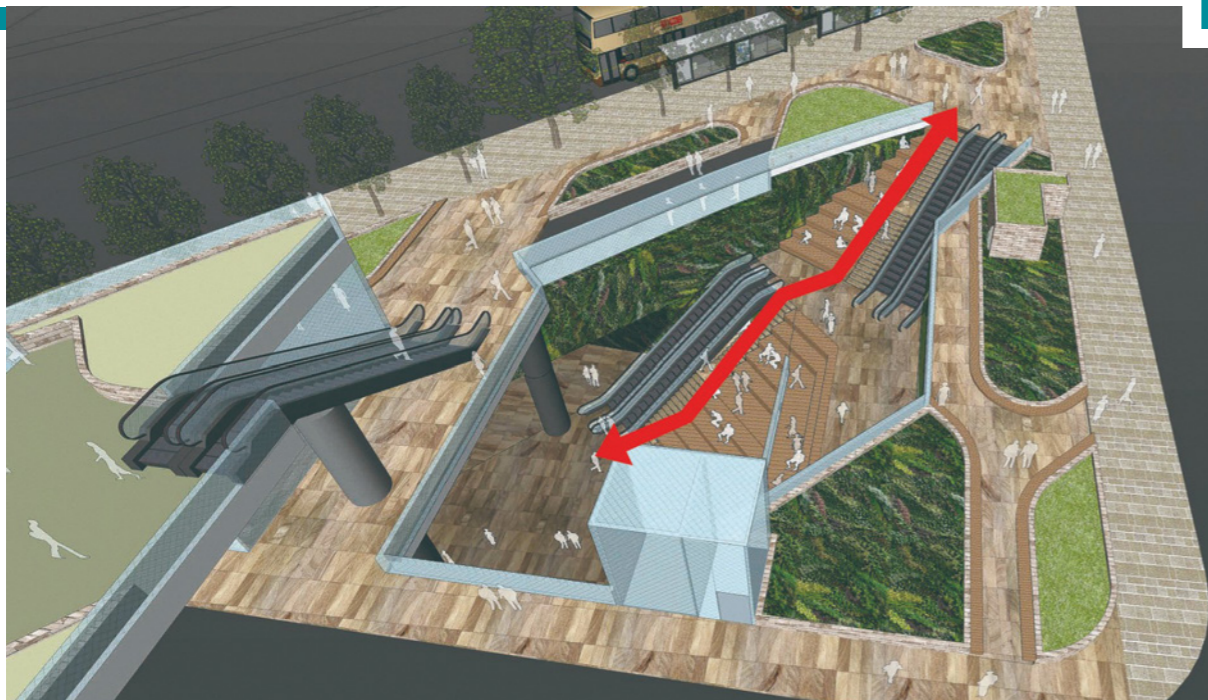
Diversified Urban Space for Health and Happiness

Over the years, as far as practicable, the URA has endeavoured to include open space and community/institutional areas in our moderate to large scale projects. Our redevelopment projects in various districts have provided easily accessible community and institutional facilities, including residential care homes for the elderly, youth centres, health centres, markets, cooked food centres and an indoor stadium to meet different needs of the residents. The highlight of the year would be the provision of the city's first-of-its-kind indoor PTI facility in the Kwun Tong Town Centre Project, where passengers can enjoy more comfortable commuting (details covered on page 32 of the Operating Review).

For better utilisation of open space for public enjoyment, the URA continued its place-making initiatives to create synergies in the open spaces of its projects, as described on page 49 of the Operating Review.

Promoting Walkability

The URA puts much effort in creating walkable urban neighbourhood to improve the living quality of residents, and brings social benefits by easing the pressure on transport infrastructure, reducing car dependency, alleviating traffic congestion, and supporting the local economy and mixed communities. To this end, the concept of pedestrian priority must be embraced at all levels of planning and design in its projects to promote walkability. Redevelopment projects in Kowloon City and To Kwa Wan, launched under the district-based approach, envision to create a pedestrian-friendly and accessible neighbourhood through restructuring and replanning of the existing pedestrian and vehicular traffic network. The URA will continue to hasten efforts to cultivate a healthy and low-carbon neighbourhood and elevate the quality of life for the local community.



Through replanning and restructuring, the Kai Tak Road / Sa Po Road Project aims to rationalise land use, improve the pedestrian walking environment, and enhance walkability and connectivity between the old Kowloon City District and new Kai Tak District by proposing to build a sunken plaza.

Facilitating the Renewal Process

One of the critical success factors of urban renewal is how well our works can create satisfaction, happiness, goodwill and values among the community stakeholders. While a redevelopment process usually takes about eight to ten years to complete, it is of vital importance to formulate effective renewal policies and processes in order to facilitate tenants' relocation, and to enhance understanding, address needs and promote collaboration with our stakeholders in redevelopment projects. On the rehabilitation side, our initiatives to equip building owners with self-help tools and relevant knowledge have not only facilitated but also empowered them to take part in the urban renewal process with much ease and confidence.

Tackling Health Risk during Operation

The URA has developed different tools by applying advanced technologies to facilitate the urban renewal process under the pandemic. On the commencement of redevelopment projects, the URA would conduct freezing surveys with affected residents. To safeguard the health of both the interviewers and the affected residents in the project area, the URA launched the 'Health Code' mobile application in October 2020 to send alerts on potential COVID-19 exposure. Interviewers can also show their negative results of Deep Throat Saliva Test to residents. Incorporating the list of buildings with confirmed COVID-19 cases announced by the Government and facilitated by the Global Positioning System (GPS), the application generates alerts to remind staff not to enter the affected buildings. Notifications would be sent when staff are within 200 metres of a building with confirmed or probable cases of COVID-19 to remind them to keep a safe distance. The URA's 'Health Code' application has been well received since its launch.

An upgraded version of 'Health Code 2.0' was launched in November 2020, offering more assurance on privacy protection and a more user-friendly interface which displays data of affected buildings on a map with search function. The upgraded version also enables residents to track the health reporting status of URA staff through a three-colour display of green, yellow and red.



URA staff reassure affected residents by showing their negative results of Deep Throat Saliva Test during freezing surveys.

Assisting Households in Ageing Districts to Relocate with Contentment

Redevelopment is more than just replacing buildings with new stock, but also about improving the living standards of displaced households. A majority of the buildings in our redevelopment projects are dilapidated and with safety hazards and hygiene problems. During 2020/21, acquisition offers were made to the owners of 460 property interests in the Kai Tak Road/Sa Po Road Project (KC-015). The cash compensation and ex-gratia payments allow affected domestic owner-occupiers to purchase replacement premises that are in better condition than their existing ones.

This year, a review on the acquisition and clearance policy was conducted to meet the changing circumstances and needs of stakeholders in our redevelopment projects. Board approval was obtained in July 2020. It is anticipated that the revised policy could provide better assistance to the owners, tenants and occupiers affected by URA's redevelopment projects.

The URA also puts emphasis on enabling residents to retain their social network in the neighbourhood. A flat-for-flat (FFF) option is also available for those domestic owner-occupiers who prefer buying a flat at the same site after redevelopment (in-situ FFF units) or a flat at a new development in the same district. Alternatively, they may also choose to buy a flat at the completed Kai Tak Development. As of June 2021, a total of 36 owners had taken up URA's offers comprising 31 FFF units in the Kai Tak Development and five in-situ FFFs.

Moreover, the URA takes responsibility to look after the need of affected domestic tenants by offering cash compensation or rehousing in public rental flats or units in the URA's rehousing blocks. Our staff often go extra miles to help the affected tenants, whenever practicable, and address their individual needs. During the clearance process for the Kwun Tong Town Centre Project, the URA assisted an elderly tenant in her 90s who lived alone in a sub-divided flat to be rehoused in an elderly home for receiving better geriatric care. Follow-up support services were also provided to help her adapt to the new living environment.

Engaging the Community and Promoting Understanding

The URA commits to taking forward the 'People-first' approach in its urban renewal work across different stakeholders – the affected households and community members.

The Project Engagement Programme has been implemented since 2016 to strengthen our outreach support and establish relationships with affected owners and tenants of the properties in URA's redevelopment projects. In 2020/21, the programme was conducted for Shing Tak Street/Ma Tau Chung Road Project (CBS-1:KC), Kau Pui Lung Road/Chi Kiang Street Project (CBS-2:KC) and Shantung Street/Thistle Street Project (YTM-012). Since the start of engagement in mid-September 2020, 93% of the owners in CBS-1:KC were engaged in the first round and 83% of the owners were reached through an opinion survey in January 2021. Engagement for CBS-2:KC commenced in October 2020. For YTM-012, 34% of the residents and owners have been engaged since the start of the programme in March 2021.



Project Engagement Programme helps affected residents overcome their worries about redevelopment.

On promoting public understanding on URA's work, a series of physical briefings were organised for members of District Councils and community leaders in 18 districts to share key findings of URA's Study on New Strategy for Building Rehabilitation as well as the importance of preventive maintenance. In light of the pandemic, briefings on subsidy schemes covering lift modernisation, building inspection and repair works and fire safety improvement works were conducted online for District Councils and the general public to enhance understanding of scheme implementation details and application.



Briefings are conducted for members of District Councils to understand key findings of the Study on New Strategy on Building Rehabilitation.

Equipping Owners with Knowledge and Empowering Them to Organise Rehabilitation Works

Proper building rehabilitation and regular maintenance are the key to extend the serviceability and structural stability of buildings and hence help slow down the pace of urban decay. Over the years, the URA has put substantial effort in the implementation and promotion of proper maintenance of buildings.

To enhance the understanding of financial assistance schemes and facilitate applications, briefings on various building rehabilitation schemes were conducted online during the pandemic. The URA has promoted the online briefings to 32 Owners Corporations in Kowloon City and Yau Tsim Mong districts through the network of the District Council members. Meanwhile, the URA also seeks to empower building owners to organise maintenance works by equipping them with knowledge ranging from procurement of contractors and consultants, specifications of work scope, to responsibilities and liabilities of the parties involved. Such practical information on building rehabilitation, together with professional advices and technical assistance, are all available on the all-in-one website – Building Rehabilitation Platform, as described on page 41 of the Operating Review.



“ With the financial assistance from URA's rehabilitation scheme, I don't have to worry much about the repair cost. Now I can have a better living environment. ”

Mr TAM Yip-hoi
Beneficiary of Building Maintenance Grant Scheme for Needy Owners

Caring about People

Adhering to the 'People First' principle, we care for our stakeholders within the neighbourhood of our projects, particularly those who are affected. These stakeholders include domestic property owners and tenants, shop and business operators, as well as kids, students, workers and visitors within the neighbourhood of our projects. Putting people first, we treasure not only our community stakeholders, but also our staff members who are valuable assets to the URA.



'oUR Amazing Kid Band' serves to strengthen the social network of participating kids and their parents who live in the URA project area.

Caring for and Inspiring our Next Generation

Several redevelopment projects have been launched in To Kwa Wan in recent years. The URA subsequently formed the 'oUR Amazing Kid Band' for the To Kwa Wan community in 2018 aiming to strengthen the social network of the participating kids and their families through regular training sessions, performances and engagement activities. In 2020/21, the Kid Band recruited 17 new members from the URA project sites in To Kwa Wan, which is almost three times more than the number of new recruits in 2019/20, making a total number of 45 band members. Despite school suspension, the Band has continued to provide weekly music training through online platform and three online performances were produced to help maintain the participants' social network while reaching out to the public audience through social media.



Co-organised with the Hong Kong Institute of Vocational Education, the Innovative Design Competition encourages students to create innovative devices to help people cope with daily problems during the pandemic.

Through a series of education and extension programmes, the URA continues to engage members of the public, especially the younger generation, to enhance their understanding and foster a positive image of the URA. In particular, the 2020/21 Young Leaders Programme co-organised with the Tung Wah Group of Hospitals (TWGHs) was carried out to inspire students with innovative ideas about the sustainable development of Yau Tsim Mong District. A total of nine TWGHs secondary schools joined the programme. Another collaboration with the Institute of Vocational Education was conducted to provide a platform for students to unleash their creativity and apply academic knowledge on smart design and applications to improve the living condition of the old urban district.

Building Our Capacity

The URA puts much emphasis on keeping our staff abreast of the latest innovations while promoting knowledge sharing within the organisation. Our Learning Platform launched in June 2020 offers a wide range of courses for our staff to acquire different knowledge and skills that are beyond their existing work functions. To enhance their e-learning experience, internal eCourse and Story creation power is being developed gradually. As of 31 March 2021, 50 eCourse and Story editors have been trained up with more than 90 eCourses and Story had been published. As a result, more than 4,000 training hours were generated which accounted for 25% of the total training hours of the URA. On average, each member of our staff invested around six hours in eCourse and Story learning and nearly 95% of them participated in online learning. These figures demonstrated that our staff have adapted quickly to the new learning mode, and are moving towards the formation of an online learning culture in the URA.



URA staff are encouraged to acquire different knowledge through attending courses on the eLearning Platform.

With the launch of the URIS, additional training focus has been put on equipping URA's staff with knowledge of the Geographic Information System and data analytic skills. As of March 2021, more than 25 videos were produced and 14 training sessions were provided for over 430 users of the system, facilitating the creation of more than 360 web maps at work.

To provide a structured roadmap for our staff to build up their capacity, Divisional Career Ladders describing the minimum requirements for progression from the entry level to the most senior level of a position have been launched across divisions. The Career Ladders serve as an open source for staff to identify the necessary knowledge, skills and competencies needed to prepare for future career advancements. The Career Ladders will be updated regularly to ensure fast response to market and organisational changes.

In order to build up talent pools for key position succession, a Successor Identification Model has been developed to apply human resources data analysis to identify potential succession candidates for the managerial grade and above. Apart from this, various programmes have been put in place to establish the URA's talent pipeline, such as the Future Leaders Programme that targets General Managers and Senior Managers, the Manager Development Programme for Manager level staff and the Job Rotation Program for Assistant Managers and Managers to gain cross-division exposure.

Attracting, Motivating, Engaging and Retaining the Right Staff

Facing a competitive labour market, the need for effective means to tap the right talent remains high. In order to attract, motivate and retain qualified and promising young professionals, a combined establishment at the Assistant Manager and Manager levels is used to enable an upward movement of staff. Professionals holding key strategic positions are closely managed to ensure a healthy career exposure and proper coaching.

A two-year Planner Trainee Programme has been launched to recruit fresh graduates of urban planning study with an aim to groom them into qualified urban planners who would be strategically important to our urban renewal process. Two planner trainees were recruited last year and have shown satisfactory progress.

To strengthen internal communication across the URA, 15 issues of the Quarterly Staff Newsletter have been published since its introduction in 2017. To minimise the health risk of COVID-19, our Staff Briefing Sessions and various staff activities were conducted virtually in 2020/21. In addition, our Staff Suggestion Scheme continues to invite ideas from staff members not only to improve work efficiency and effectiveness but also enhance the sense of belonging. Around 45% of staff suggestions were identified as inducing positive impact and were adopted in 2020/21.

MANAGEMENT DISCUSSION AND ANALYSIS



Regenerating our dilapidating built environment is a race against time. The task is made even more challenging by financial constraints and the various regulatory regime which could not meet current and future development needs.

We therefore have to constantly reinvent ourselves to find creative and smart solutions to turn the finite (resources) into the infinite (possibilities) and achieve seemingly impossible goals.

Our greatest challenge is the limited capacity for redevelopment, as urban districts are already densely populated with fully utilised plot ratios, making redevelopment projects financially unviable. Possibilities or opportunities will, however, present themselves if we think out of the box and adopt an innovative approach to the planning process, making the best use of latest technologies to maximise development potentials.

Other than the physical and planning constraints facing URA, another major challenge is the need to remain financially sustainable. Faced with market volatilities, we need to anticipate and minimise potential future risks. One solution is to build up planning reserves through Preliminary Project Feasibility Studies which will help identify potential renewal projects to build up a project reserve. Another initiative is the use of advance tendering for future projects; by this means, the acquisition of one project will match the timing of the tender award of another within the same financial year, as a way of fund hedging.

Challenges

Volatile Economic and Operation Environment

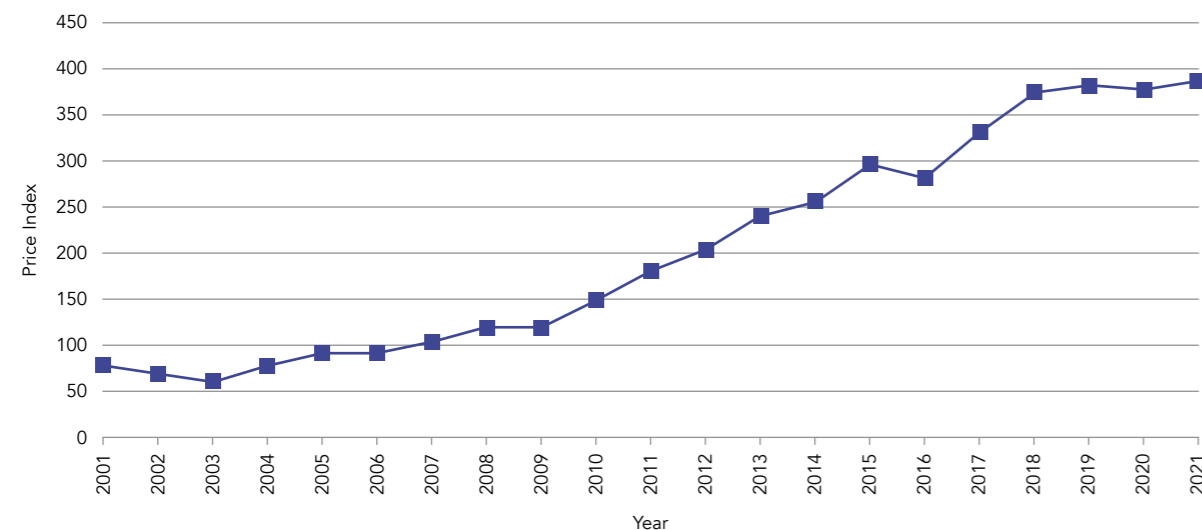
The persistent and unpredictable development of COVID-19 since early 2020 has adversely affected both global and local economies. It compounded the lagging effects of the Sino-US relationship tension that had been weighing down the overall financial situation. All of which have contributed to the economic recession in most part of 2020 and increased volatility in the property market, bearing implications on URA's financial stability.

The pandemic has posed challenges to URA's operation at the same time. In terms of project commencement, three redevelopment projects originally scheduled for commencement in the fourth quarter of 2019/20 were deferred to 2020/21 to reduce the risk of infection through interpersonal contacts during freezing surveys. A few statutory approval processes of URA's ongoing projects were delayed due to temporary suspension of Government offices and deferral of public hearings/consultations. Extra efforts and resources had to be mustered to minimise the adverse impacts on our projects, especially in terms of financial viability.

Notwithstanding the short term fluctuations, the property market has continued to follow a largely upward path since 2003, and has seen an about six-fold surge in prices for all classes of accommodation in the private domestic market (see Figure 1). With the blooming property market, the URA has been acquiring building stock at soaring prices, making it more vulnerable to market downturn. Meanwhile, the URA is obliged to bear higher development costs by acquiring properties under the 'seven-year rule' and is subject to ex-gratia payments markedly higher than those incurred by private sector developers. Moreover, the URA is required to commence acquisition as soon as possible after authorisation by the Secretary for Development or approval by the Chief Executive in Council. This practice exacerbates the risk of 'buy high, sell low' since the URA lacks flexibility to slow down the acquisition process in view of unfavourable market conditions.

To mitigate the risk, the URA has explored the possibility of advanced tendering for projects, such that the tender award of one project will time with the acquisition of another within the same financial year as a way of fund hedging. Oak Street/Ivy Street Project (YTM-011) was selected to pilot the advanced tendering and the response was promising. URA will continue to explore suitable project(s) for advanced tendering.

Figure 1:
Private Domestic Price Index
2001 – 2021 (up to June) – All Classes*



* Source: HKSAR Government, Rating & Valuation Department, Hong Kong Property Review Monthly Supplement, July 2021

Constraints in the Built Environment

Hong Kong is characterised by its population density, congested road traffic and a high density mix of old and new buildings in close proximity of each other. The situation is even more profound in older urban districts with a large cluster of dilapidated buildings. Besides, the existing building bulk of many URA projects, particularly those commenced in recent years, is almost close to the maximum permissible plot ratio under the prevailing planning regime resulting that less than half of the commenced projects could provide a high return on plot ratio gain upon redevelopment. This necessitates the URA to explore restructuring and replanning opportunities to optimise land use and maximise the planning gains of our urban renewal initiatives. Through restructuring and replanning, the development potential of some old Government, Institution or Community (G/IC) facilities, temporary government land allocations and roads in the project sites could be unleashed to enhance the overall development potential of the projects whilst G/IC or open space provisions will be raised in terms of both quality and quantity.

Accelerating Pace of Urban Decay

In view of the increasing pace of building deterioration and ageing, the importance of building rehabilitation and preventive maintenance cannot be underestimated.

Rehabilitation, as one of the two URA's core businesses, is a linchpin of URA's efforts to tackle the problem of urban decay in Hong Kong. Through proper maintenance, the service life of buildings can be extended thus reducing the pressure on redevelopment, and thereby relieving the financial burden on URA. According to the Study on New Strategy on Building Rehabilitation, while repairing and maintaining one's building has always been the responsibility of building owners, the lack of awareness on building maintenance, financial reserve and technical support to organise building rehabilitation works among owners have become major obstacles towards proper and regular maintenance. The URA must press on with our rehabilitation efforts to help building owners overcome these hurdles through proactive and targeted measures.

Additional Government Initiatives

As detailed in the Operating Review, a number of Government initiatives have been entrusted to the URA in recent years, namely the active provision of Starter Homes (SH) in URA's redevelopment projects, and assisting non-governmental organisations to develop transitional housing and redevelop community facilities on their sites under the 'Single Site, Multiple Uses' model. Implementing these new initiatives for the Government would inevitably incur additional cost (e.g. provision of SH units at discounted price) thus putting pressure on the cash flow and financial well-being of the URA. Given our resource constraints, it is therefore important for the URA to strike a balance between the sustainable development of our core businesses in urban renewal and delivering Government initiatives as part of URA's social responsibility. Possible support from the Government, in terms of both policy and resources, may be required to enable the URA to optimise our resources to deliver Government initiatives without jeopardising our urban renewal missions.

Opportunities

Adopting a Holistic and Forward Looking Approach

The URA has strived to pursue a holistic approach to optimise the planning benefits from our urban renewal efforts, by shifting from a traditional project-based approach to a more forward looking and district-based planning-led approach.

Two important strategic studies, namely Yau Mong District Study (YMDS) and Study on New Strategy on Building Rehabilitation (NSBR), were envisaged to establish new integrated business directions and executions embracing redevelopment, rehabilitation, preservation, revitalisation and retrofitting. The Preliminary Project Feasibility Studies (PPFSs) introduced in 2018/19 would further help identify the '5Rs' urban renewal projects with replanning and restructuring opportunities.

With a view to promptly responding to market fluctuations or new Government initiatives to support various needs of Hong Kong, the URA has built planning and project reserves so that suitable renewal projects can be timely proposed to make the best use of our financial resources for urban renewal. PPFSs and YMDS have formed the basis of the planning reserve. Based on findings from the ongoing PPFSs in selected action areas and early projects identified from YMDS, 'Potential Projects' have been selected as project reserve items for timely inclusion into the URA's Business Plans/Corporate Plans with due regard to the then URA's financial position, market situation, availability of resources required for rehousing and Government's support.

In addition, the new preliminary framework for implementing the Demand-led Pilot Scheme as a result of its effectiveness review is envisioned to create greater planning impact under the planning-led approach. Given the chance to understand owners' needs through a survey system, the URA will be able to bring bigger planning gains to the community or neighbourhood by incorporating them into the urban renewal project plans.

Leveraging Smart and Innovative Technologies

The URA has strived to embrace the latest technologies to optimise our operation process in order to facilitate urban renewal. The Urban Renewal Information System (URIS) being developed in-house contains a suite of location intelligence tools which enable spatial analytics, data mining and 3D visualisation of the mining results. With over 100 sets of 2D/3D demographic and geographic data, the URIS is envisaged to form the basis of developing digital twin solutions to facilitate data-driven decisions integrating the URA's '5Rs' strategies. The URA received the Special Achievement in GIS¹ (SAG) Award, in recognition of our efforts to set new precedents of applying GIS technology with the development of URIS that standardises and consolidates a wide range of spatial data from various sources for supporting a people-centric and data driven urban renewal approach.

Meanwhile, the URA continues to adopt Building Information Modelling (BIM) in project design and construction as a common platform for communication and collaboration among contractors and consultants in areas of data validation, clash analysis and implication assessments of design change, etc. during project implementation. The use of BIM has been further extended to facility management. The first BIM-Facility Management (BIM-FM) system for 618 Shanghai Street was completed in the fourth quarter of 2019 with an aim to enhance the efficiency of property management of the project. The BIM-FM platform has been further applied to eResidence and the Central Market.

The URA also intends to expand our smart initiatives not only in buildings but also in the wider district area in a bid to pave ways for building a 'Smart City'. A study on the smart use of underground space and smart provisions of city infrastructural facilities in Kowloon City area was completed in early 2021. Some of the recommendations will be incorporated in the development agreements of Kowloon City projects for implementation.

Promulgating a Culture of Preventive Maintenance

To tackle the problem of a lack of building rehabilitation awareness among owners, the URA has formulated a strategy focusing on the promotion of good practices on preventive maintenance and voluntary maintenance fund through collaborations with various stakeholders, such as professional institutes and practitioners.

In 2020/21, the URA devised an action plan for the promotion strategy and started implementing the action items. To assist building owners to carry out preventive maintenance, the URA has compiled a maintenance manual template for conducting a trial on URA's rehousing blocks and self-developed projects. The trial aims to test the practicability of the template and help compile the guidelines for formulating the maintenance plan and funding arrangement. In addition, the URA has applied the design of a maintainability checklist in URA's self-developed projects. The application will be extended to other joint-venture projects to test the practicability of the guidelines before promoting to private buildings.

To implement 'stakeholder-based' promotion, the URA has approached the Property Management Services Authority to advocate preventive maintenance to property management practitioners through incorporating the relevant messages into training materials and guidelines. Three of the property management training course providers have confirmed to adopt the training materials recommended by the URA. The URA has also approached a professional institute and four large property management companies to explore the practicality of the preventive maintenance measures proposed by the URA. With these promotions and assistance in place, the URA looks forward to boosting confidence among building owners in carrying out preventive maintenance, so that the ageing of buildings can be slowed down.

Retaining Productivity Amid COVID-19

The COVID-19 pandemic has brought abrupt changes to the work environment across the globe demanding swift adjustments at the organisation level, and the URA is no exception. As valuable asset to the URA, our staff have once again shown their unremitting efforts in overcoming challenges and ensuing business operation by continuing to seek opportunities while overcoming various constraints. To tide over the disruptions caused by COVID-19, we have implemented a number of initiatives. Among these initiatives are making remote desktops available for all staff to facilitate the Work-From-Home arrangement, and replacing physical meetings and briefings by teleconferencing, webinars and live streaming for both internal and external events/meetings.

While physical contact is inevitable during the statutory freezing surveys immediately conducted after project commencement, we continue to apply technology to maintain the productivity and efficiency of our workforce. A mobile application has been developed and remote webcams were provided to minimise physical contacts between URA staff and the residents during surveys with residents. Furthermore, the URA has developed its own Health Code to send out alerts of COVID cases in nearby buildings in a bid to further safeguard the health of our staff and affected tenants in our redevelopment project (details as described on page 61 of the Corporate Sustainability Chapter for details).

Outlook

Operating under the Urban Renewal Authority Ordinance and guided by the Urban Renewal Strategy, the URA is committed to implementing urban renewal in a sustainable and forward looking manner to support the development of Hong Kong and improve the living conditions of residents in old districts. While the city's rapidly ageing building stock remains a daunting task and challenge to overcome at present, the URA will press on to pursue the overarching goal of the holistic approach embracing our '5Rs' to maximise benefits of urban renewal. Findings of the YMDS and NSBR study will underpin the future direction and implementation of our urban renewal works. The URA's future trajectory will continue to follow a planning-led approach through efforts to build up its planning and project reserves for '5Rs' projects, with an emphasis on the optimisation of community benefits and social impacts. In addition, conscientious efforts will be devoted to the promotion of preventive maintenance for building rehabilitation in order to curb the pace of urban decay.

As the URA ventures beyond the 20th anniversary, we endeavour to find smarter solutions to Hong Kong's urban renewal problem by harnessing innovative technologies. Apart from focusing on our core businesses of redevelopment and rehabilitation, the URA will carry on to support the Government in supplying more affordable housing for the general public. Although the URA currently enjoys a strong cash position, we will continue to uphold the core principle of prudent financial management, especially given the recent downturn of the economy and the uncertain outlook of the future property market, while balancing the enduring risks of high acquisition costs. In the coming year, the URA will continue to strive towards a sustainable and holistic urban renewal programme aiming to generate greater benefit for the community at large.

¹ GIS stands for Geographic Information System

Financial Review

(I) Review of 2020/21 Results

(A) Revenue

The revenue for the year ended 31 March 2021 was \$3,439 million, which comprised upfront payment from a tendered project, share of surplus from joint development projects and proceeds from flat sale. The amount was higher than the revenue of \$2,107 million in 2019/20 by \$1,332 million.

The upfront payment in 2020/21 of \$913 million was comparable to that in 2019/20 of \$883 million. There was only one project tendered in both years, namely Tonkin Street / Fuk Wing Street with site area of 1,268 m² in 2020/21 and Hang On Street with site area of 865 m² in 2019/20.

The share of surplus from joint development projects of \$426 million in 2020/21 (2019/20: \$1,185 million) was revenue from projects where the sales proceeds exceeded the thresholds stipulated in the development agreements.

The revenue from sale of properties of \$2,100 million in 2020/21 largely related to the residential units at eResidence sold at discounted prices under the Starter Homes Scheme.

(B) Other Income

Of the \$265 million (2019/20: \$479 million) in other income for 2020/21, \$195 million (2019/20: \$396 million) were interest income from bank deposits and fixed income investment products, with an average yield of 1.62% p.a. (2019/20: 2.61% p.a.). The lower average yield reflected the gradual decrease in interest rates over the year.

Other income also included rental income of \$66 million (2019/20: \$98 million) from certain properties retained by the URA. The decrease in rental income in 2020/21 was primarily attributable to enhanced rent relief measures for the Authority's domestic and commercial tenants to help them tide over financial difficulties amid COVID-19 pandemic.

(C) Administrative Expenses

Administrative expenses for 2020/21 of \$593 million (2019/20: \$515 million) mainly covered staff costs, accommodation costs and office expenses. Cost control measures were implemented whenever possible to minimise administrative expenses.

To cope with the continuous expansion of urban renewal activities, including commencement of four redevelopment projects in 2020/21 and implementation of two new building rehabilitation subsidy schemes, namely Lift Modernisation Subsidy Scheme and Building Maintenance Grant Scheme for Needy Owners, the staffing level was increased from 557 at 31 March 2020 to 650 at 31 March 2021. Of the 650 staff, 51 (31 March 2020: 27) were employed on contracts of less than three years.

(D) Provision for Impairment on Properties and Committed Projects

Based on the accounting policy detailed in Notes 2(h) and 2(n) to the financial statements, provision for impairment on properties and committed projects of \$101 million was written back in 2020/21, as a result of the changes in the development plan of some projects and adjustment to the estimated project costs.

(E) Surplus for the Year

For the year 2020/21, the URA recorded a net surplus of \$150 million, showing an increase of \$32 million as compared to \$118 million for 2019/20. The major contributing factors to the increase were (a) higher surplus from a tendered project and (b) the write back of provision for impairment on properties and committed projects during the year.

(II) Financial Position at 31 March 2021

(A) Properties Under Development

Properties under development before provision for impairment of \$33,287 million as at 31 March 2021 (31 March 2020: \$33,494 million) was maintained at a high level. This sum represented the acquisition and development costs of 15 projects under various states of implementation, out of which Kowloon City Projects and Kwun Tong Town Centre Project accounted for 78% of the total value.

The aforesaid value was off-set against the cumulative provision for impairment totalling \$724 million (31 March 2020: \$1,221 million), resulting in a net value of \$32,563 million (31 March 2020: \$32,273 million). The increase in the net value was mainly due to continued acquisition of Kowloon City Projects during 2020/21. It was off-set by (a) Tonkin Street / Fuk Wing Street Project, which was already tendered; and (b) certain projects, including eResidence and Central Market, which construction works were completed during the year.

(B) Total Liquidity

As at 31 March 2021, the URA's total liquidity, including cash, bank deposits and debt securities investments, was \$9,618 million (31 March 2020: \$11,067 million).

The URA placed the surplus cash on deposits with a number of financial institutions, and also invested in fixed income products of the required credit rating in accordance with the investment guidelines as approved by the Financial Secretary with capital preservation as the priority.

The liquidity position, off-set by the borrowings of \$1,097 million (31 March 2020: \$1,796 million) mentioned in paragraph II (C) below, resulted in the net liquidity position including the securities holdings as at 31 March 2021 of \$8,521 million (31 March 2020: \$9,271 million).

(C) Debt Securities Issued

The URA is rated AA+ by Standard & Poor's Rating Services. As at 31 March 2021, the outstanding debt securities issued by the URA was \$1,097 million under the Medium Term Note (MTN) Programme.

(D) Net Asset Value

The URA's net asset value as at 31 March 2021 was \$47,242 million (31 March 2020: \$47,092 million), representing the Government's capital injection of \$10,000 million (31 March 2020: \$10,000 million) and an accumulated surplus of \$37,242 million (31 March 2020: \$37,092 million).

The financial summary of the past ten years is described on page 109 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 \$10,000 million of equity capital into the URA in five tranches of \$2,000 million each over a five-year period from 2002/03 to 2006/07. The Government continues to exempt 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. For 2020/21, the land premia waived by the Government on a land grant amounted to \$17 million. Since May 2001, a total of 45 land grants have been waived in respect of all the tendered projects with aggregate land premia totalling \$19,699 million.

Without this waiver, the URA's net surplus for 2020/21 of \$150 million for the year would have been lowered by \$17 million to \$133 million; its accumulated surplus as at 31 March 2021 would have been lowered by \$19,699 million to \$17,543 million; and its net asset value as at 31 March 2021 would have been decreased to \$27,543 million.

(V) Financial Resources, Liquidity and Commitments

As at 31 March 2021, the URA's net liquidity position totaled \$8,521 million. At the same date, the URA's outstanding commitments to the commenced projects, together with the construction cost on projects based on the valuation carried out by the URA's in-house professionals, were estimated at \$7,060 million.

In addition to the MTN Programme mentioned in paragraph II (C) above, the URA also maintained uncommitted credit facilities with major banks in Hong Kong. The external funding and credit facilities ensured the URA would have sufficient financial resources to carry out its urban renewal programme as planned.

Individual projects, with various development potentials, are tendered out at different times during property market cycles. 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 2021, the total costs of properties under development, excluding provision for impairment, was \$33,287 million. The value of properties under development is exposed to the risk of property price fluctuation. Should the projected future value of the properties under development is lower than its actual/estimated acquisition and clearance costs, impairment loss will be recognised in the URA's books.

It is estimated that a total cash outlay of about \$66,000 million, excluding operational overheads, will be required in the coming five years to meet both of the URA's currently outstanding commitments and its forthcoming cash outlay for the implementation of the projects. This amount covers the URA's work in redevelopment, rehabilitation, preservation, revitalisation and retrofitting. The projected cash outlay will be met by future upfront payments from project tenders, share of surplus sales proceeds from joint development projects and proceeds from sale of properties in the corresponding period. To ensure that the URA has sufficient funding available for its urban renewal works, it will conduct a financing strategy study to explore different financing options.

Operating in a 'new normal' environment after the outbreak of COVID-19, the URA will continue to manage its businesses in an agile manner and monitor its financial position closely, with an aim to accomplishing its urban renewal missions while maintaining long-term sustainability.

PROJECTS AT A GLANCE

Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			Project Development Information				Remarks	Status		
					Project Site Area m ²	Existing GFA m ²	Building Blocks ⁽¹⁾	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²	Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽²⁾ m ²				
1-46 - 46 still ongoing URA projects commenced by URA																			
1 ⁽⁵⁾	KC-016	To Kwa Wan Road / Wing Kwong Street, To Kwa Wan	2020/21	March		6,592	29,132	32	1,760	900	55,480	41,610		8,322	0	5,548	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 05-03-21
2 ⁽⁵⁾	YTM-012	Shantung Street / Thistle Street, Mong Kok	2020/21	October		2,796	9,364	16	605	300	17,790	12,450		2,490	0	2,850	980	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 16-10-20
3 ⁽⁵⁾	CBS-1:KC	Shing Tak Street / Ma Tau Chung Road, Kowloon City	2020/21	May		5,162	15,446	30	540	640	38,692	32,243		6,449	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 22-05-20 SDEV authorised URA to proceed on 03-02-21 Objectors lodged appeals against SDEV's authorisation Appeal Board hearing held on 16-04-21 and Appeal Board decided to dismiss the appeals Decision of Appeal Board gazetted on 18-06-21
4 ⁽⁵⁾	CBS-2:KC	Kau Pui Lung Road / Chi Kiang Street, To Kwa Wan	2020/21	May		16,473	43,447	71	1,200	2,491	134,495	122,263		10,082	0	2,150	400	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 22-05-20 Draft DSP submitted to TPB on 22-05-20
5 ⁽⁵⁾	KC-015	Kai Tak Road / Sa Po Road, Kowloon City	2018/19	February		6,106	23,204	41	1,410	810	48,168	40,140		7,228	0	800	1,000	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 22-02-19 DSP approved by CE in C on 29-09-20 Initial acquisition offers issued on 19-10-20
6 ⁽⁵⁾	KC-014	Wing Kwong Street / Sung On Street, To Kwa Wan	2018/19	June		3,016	16,874	36	831	560	25,713	21,427		4,286	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 22-06-18 SDEV authorised URA to proceed on 18-02-19 Initial acquisition offers issued on 03-05-19 Resumption gazetted on 26-02-21 Site reverted to Government on 27-05-21 Clearance works in progress
7 ⁽⁵⁾	YTM-011	Oak Street / Ivy Street, Tai Kok Tsui	2017/18	March		820	2,999	6	205	115	5,985	4,987		998	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 16-03-18 SDEV authorised URA to proceed on 19-11-18 Initial acquisition offers issued on 30-11-18 Resumption gazetted on 04-09-20 Site reverted to Government on 05-12-20 Clearance works in progress Joint Venture Development tender awarded on 10-06-21
8 ⁽⁵⁾	C&W-006	Queen's Road West / In Ku Lane, Sai Ying Pun	2017/18	March		2,046	4,107	6	160	189	11,290	9,690		540	0	1,060	538	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 16-03-18 DSP approved by CE in C on 09-07-19 Initial acquisition offers issued on 02-08-19 Resumption gazetted on 26-02-21 Site reverted to Government on 27-05-21 Clearance works in progress
9 ⁽⁵⁾	C&W-005	Sung Hing Lane / Kwai Heung Street, Sai Ying Pun	2017/18	July		1,120	3,984	9	231	165	8,666	8,266		400	0	0	150	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 28-07-17 SDEV authorised URA to proceed on 23-03-18 Initial acquisition offers issued on 14-05-18 Resumption gazetted on 04-09-20 Site reverted to Government on 05-12-20 Clearance works in progress
10 ⁽⁵⁾	KC-013	Kai Ming Street / Wing Kwong Street, To Kwa Wan	2016/17	March		1,749	7,458	12	463	see Remarks	11,800	9,833		1,967	0	0	0	Project KC-013 will combine with KC-012 with a flat production of 414 for the combined site Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 17-03-17 SDEV authorised URA to proceed on 13-10-17 Initial acquisition offers issued on 06-12-17 Resumption gazetted on 06-09-19 Site reverted to Government on 07-12-19 Site clearance completed on 08-12-20 Demolition works in progress
11 ⁽⁵⁾	KC-012	Wing Kwong Street, To Kwa Wan	2016/17	June		1,258	5,023	14	388	see Remarks	10,530	8,775		1,755	0	0	0	Project KC-012 will combine with KC-013 with a flat production of 414 for the combined site Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 03-06-16 SDEV authorised URA to proceed on 10-03-17 Initial acquisition offers issued on 07-07-17 Resumption gazetted on 06-09-19 Site reverted to Government on 07-12-19 Site clearance completed on 10-06-21
12 ⁽⁵⁾	KC-011	Hung Fook Street / Kai Ming Street, To Kwa Wan	2016/17	June		2,635	12,628	23	788	400	21,960	18,300		3,660	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme The project will combine with DL-8 for tender	Project commencement gazetted on 03-06-16 SDEV authorised URA to proceed on 03-03-17 Initial acquisition offers issued on 07-07-17 Resumption gazetted on 06-09-19 Site reverted to Government on 07-12-19 Clearance works in progress

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			Project Development Information				Remarks	Status	
						Project Site Area m ²	Existing GFA m ²	Building Blocks ⁽¹⁾	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²	Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽²⁾ m ²			
13 ⁽⁵⁾	KC-010	Hung Fook Street / Ngan Hon Street, To Kwa Wan	2016/17	June		4,951	21,495	43	1,468	750	41,058	34,215		6,843	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Project commencement gazetted on 03-06-16 DSP approved by CE in C on 31-10-17 Initial acquisition offers issued on 06-12-17 Resumption gazetted on 06-09-19 Site reverted to Government on 07-12-19 Clearance works in progress	
14 ⁽⁵⁾	KC-008(A)	Chun Tin Street / Sung Chi Street, To Kwa Wan	2016/17	May		2,475	3,738	14	179	260	13,717	12,270		1,447	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme The project will be developed by URA and all 260 flats will be sold as "Starter Homes" Project commencement gazetted on 06-05-16 Initial acquisition offers issued on 05-07-16 under special arrangement DSP approved by CE in C on 31-10-17 Second round acquisition offers issued on 06-12-17 Resumption gazetted on 06-09-19 Site reverted to Government on 07-12-19 Site clearance completed on 30-11-20 Land Grant executed on 30-06-21 Demolition works completed and utility diversion in progress	
15 ⁽⁵⁾	KC-009	Bailey Street / Wing Kwong Street, To Kwa Wan	2015/16	March		8,042	39,644	94	2,640	1,152	66,627	55,522		11,105	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Project commencement gazetted on 04-03-16 SDEV authorised URA to proceed on 25-11-16 Initial acquisition offers issued on 07-07-17 S.16 approval for provision of underground public carpark granted by TPB on 21-12-18 Resumption gazetted on 06-09-19 Site reverted to Government on 07-12-19 Site clearance completed on 30-06-21	
16 ^(4,5)	DL-11:YTM	Ash Street, Tai Kok Tsui	2015/16	May		474	3,228	5	206	69	3,551	3,085		466	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme The project is developed by URA Land Grant executed on 25-03-19 Foundation works in progress GBP approved on 09-10-20	
17 ^(4,5)	DL-10:KT	Hang On Street, Kwun Tong	2014/15	November		865	5,304	10	387	161	6,661	5,920		222	0	519	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Joint Venture Development tender awarded on 30-04-19 Demolition works completed Site was handed over to JVP on 09-08-19 Main contract works in progress GBP amendment approved on 07-04-21	
18 ⁽⁵⁾	SSP-016	Castle Peak Road / Un Chau Street, Sham Shui Po	2013/14	February		1,900	7,335	16	476	337	14,841	12,367		2,474	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Joint Venture Development tender awarded on 23-10-18 Site handed over to JVP on 22-11-18 Land Grant executed on 24-01-19 GBP amendment approved on 17-03-21 Superstructure works in progress	
19 ^(4,5)	DL-8:KC	Kai Ming Street, To Kwa Wan	2013/14	December		553	2,467	6	122	75	4,545	3,788		308	0	450	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme The project will combine with KC-011 for tender Project commencement gazetted on 19-12-13 Provisional basic terms offer was accepted by URA on 03-07-15 Site clearance completed on 10-07-15 Demolition works completed STT application for temporary open space submitted on 01-03-17	
20 ⁽⁴⁾	DL-6:YTM	Fuk Chak Street / Li Tak Street, Tai Kok Tsui	2013/14	June	Sablier	769	3,461	2	171	144	5,738	5,101		637	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Joint Venture Development tender awarded on 13-06-17 Land Grant executed on 07-09-17 Site handed over to JVP on 07-09-17 Pre-sale consent issued on 01-09-20 Sales of residential flats launched on 02-10-20 Occupation Permit issued on 20-05-21 Fitting out works in progress	
21 ⁽⁴⁾	DL-4:SSP	Kowloon Road / Kiu Yam Street, Sham Shui Po	2013/14	April	Madison Park	599	3,817	1	229	100	4,884	4,070		814	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Pre-sale consent was issued on 08-08-18 Sales of residential flats launched on 29-08-18 Occupation Permit issued on 20-05-20 Certificate of Compliance issued on 09-11-20 Sale of remaining flats in progress	
22 ^(4,5)	DL-5:SSP	Tung Chau Street / Kweilin Street, Sham Shui Po	2013/14	April		1,490	10,313	1	552	262	13,409	9,355		4,054	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Joint Venture Development tender awarded on 12-06-18 Land Grant executed on 21-08-18 Site handed over to JVP on 21-08-18 GBP amendment approved on 16-07-20 Superstructure works in progress	
23 ⁽⁵⁾	SSP-015	Tonkin Street / Fuk Wing Street, Sham Shui Po	2012/13	March		1,268	4,964	13	270	175	9,675	8,062		1,613	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme Joint Venture Development tender awarded on 23-04-20 Land grant was executed on 02-07-20 Site was handed over to JVP on 12-08-20 Foundation works in progress	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			Project Development Information				Remarks	Status
						Project Site Area m ²	Existing GFA m ²	Building Blocks ⁽¹⁾	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²	Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽²⁾ m ²		
24 ^(3,8)	IB-2:SSP	Yu Chau West Street, Cheung Sha Wan	2012/13	January		1,393	12,145	1	0	0	16,716	0					The project is switched from redevelopment to retrofitting	Project commencement gazetted on 18-01-13 SDEV authorised URA to proceed on 08-08-13 Initial acquisition offer issued on 17-12-13 Retrofitting works for acquired properties and common areas of the project in progress
25 ⁽⁴⁾	DL-1:SSP	229A-G, Hai Tan Street, Sham Shui Po	2012/13	April	Astoria Crest	483	2,547	1	172	87	3,640	3,235					Eligible domestic owner-occupiers can join the Flat for Flat scheme	Pre-sale consent issued on 29-11-17 Sales of residential flats launched on 15-12-17 Occupation Permit issued on 31-12-18 Certificate of Compliance issued on 03-04-19 Sale of remaining flats in progress
26 ⁽⁴⁾	DL-2:SSP	205-211A, Hai Tan Street, Sham Shui Po	2012/13	April	Hyde Park	470	2,952	1	222	76	3,600	3,132					Eligible domestic owner-occupiers can join the Flat for Flat scheme	Occupation Permit issued on 09-04-20 Pre-sale consent issued on 12-06-20 Sales of residential flats launched on 31-08-20 Certificate of Compliance issued on 18-12-20 Sale of remaining flats in progress
27 ^(4,5)	DL-3:YTM	Pine Street / Oak Street, Tai Kok Tsui	2012/13	April	L • Living 23	865	5,105	11	330	142	6,597	5,608					Eligible domestic owner-occupiers can join the Flat for Flat scheme	Joint Venture Development tender awarded on 14-06-16 Land Grant executed on 08-08-16 Site handed over to JVP on 04-10-16 Pre-sale consent issued on 22-08-19 Sales of residential flats launched in 04-21 GBP amendment approved on 12-04-21 Superstructure works in progress
28 ⁽⁵⁾	YTM-010	Reclamation Street / Shantung Street, Mong Kok	2011/12	February	One Soho	1,640	10,024	20	637	322	12,510	10,425					Eligible domestic owner-occupiers can join the Flat for Flat scheme Small sized flats of 35 to 65m ²	Joint Venture Development tender awarded on 18-12-17 Land Grant executed on 08-03-18 Site handed over to JVP on 18-04-18 GBP amendment approved on 18-02-21 Superstructure works in progress Presale consent issued on 20-04-21 Sales of residential flats launched on 21-04-21
29	KC-007	Kowloon City Road / Sheung Heung Road, Ma Tau Kok	2011/12	November	Artisan Garden	1,622	7,258	16	475	294	12,456	10,380					Eligible domestic owner-occupiers can join the Flat for Flat scheme Small sized flats of 35 to 65m ²	Presale consent issued on 17-01-19 Sales of residential flats launched on 19-03-19 Occupation Permit issued on 15-09-20 Certificate of Compliance issued on 08-03-21
30	SSP-014	Fuk Wing Street, Sham Shui Po	2010/11	March	The Amused	649	2,456	6	194	136	5,030	4,471					No less than 50% of residential units should be small flats equal to or smaller than 45m ² Eligible domestic owner-occupiers can join Flat for Flat scheme	Presale consent issued on 25-07-17 Sales of residential flats launched in 09-17 Occupation Permit issued on 16-08-18 Certificate of Compliance issued on 28-12-18
31	KC-006	Pak Tai Street / San Shan Road, Ma Tau Kok	2010/11	March	Downtown 38	1,277	6,389	12	296	228	9,783	8,152					Small sized flats of 25 to 36m ² Eligible domestic owner-occupiers can join Flat for Flat scheme	Presale consent issued on 28-09-18 Sales of residential flats launched on 15-01-19 Occupation Permit issued on 12-07-19 Certificate of Compliance issued on 24-03-20 Sale of remaining flats in progress
32	TKW/1/002	Ma Tau Wai Road / Chun Tin Street, Ma Tau Kok	2009/10	February	eResidence	3,377	10,393	33	660	493	24,398	20,332					Project commenced at request of Government following collapse of one building and demolition of damaged adjacent one Other uses GFA for community use (e.g. social enterprise) The project was developed by URA All 493 flats were assigned for sale as "Starter Homes"	Land Grant executed on 13-04-15 Modification Letter for "Starter Homes" executed on 14-11-18 Occupation Permit issued on 02-09-19 Certificate of Compliance issued on 28-04-20 All the 493 Starter Homes units sold
33	SSP/3/001	Shun Ning Road, Sham Shui Po	2009/10	June	The Ascent	825	3,820	8	130	157	7,159	5,959						Presale consent issued on 19-04-16 Sales of residential flats launched on 17-07-16 Occupation Permit issued on 08-03-18 Certificate of Compliance issued on 27-07-18
34 ⁽⁶⁾	MK/01	Shanghai Street / Argyle Street, Mong Kok	2008/09	September	618 Shanghai Street	1,128	3,944	14	157	0	5,223	0					Zoned 'Other Specified Uses' annotated 'Historic Buildings Preserved for Commercial and/or Cultural Uses'	Land Grant executed on 25-01-17 Occupation Permit issued on 07-05-19 Certificate of Compliance issued on 05-07-19 Operation commenced in 11-19
35 ⁽⁶⁾	MK/02	Prince Edward Road West / Yuen Ngai Street, Mong Kok	2008/09	September		1,440	4,334	10	31	0	6,126	0					Zoned 'Other Specified Uses' annotated 'Historic Buildings Preserved for Commercial and/or Cultural Uses'	Renovation works of acquired properties completed Renovated units leased out
36	TKW/1/001	Chi Kiang Street / Ha Heung Road, Ma Tau Kok	2007/08	February	City Hub	931	5,226	10	302	175	8,378	6,980						Pre-sale consent issued on 23-8-16 Occupation Permit issued on 25-05-17 Certificate of Compliance issued on 15-01-18 Sales of residential flats launched on 04-02-18 Sales of remaining flats in progress

PROJECTS AT A GLANCE

Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			Project Development Information				Remarks	Status	
					Project Site Area m ²	Existing GFA m ²	Building Blocks ⁽¹⁾	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²	Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽²⁾ m ²			
37 ^(5A)	K1	Nga Tsin Wai Village, Wong Tai Sin	2007/08	October		6,013	2,051	116	124	300	16,219	13,900					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	Resumption gazetted on 15-07-11 Site reverted to Government on 15-10-11 Site clearance completed on 26-01-16 Provisional basic terms offer was accepted by URA on 04-03-16 URA and JVP are preparing the Archaeological Impact Assessment report based on the results of further excavation
38 ^(5A)	H18	Peel Street / Graham Street, Sheung Wan	2007/08	July	(H18 - Site B) - My Central	5,267	20,219	47	740	306	67,402	22,638	43,294	210	1,260	2,142	G/IC is a 1,260m ² multi-purpose activity hall Commercial space includes Market Block for relocating wet trade market shops, office space and 9,150m ² for hotel; 210m ² non-domestic GFA is used for the covered Public Open Space at Site A	Site A Joint Venture Development tender awarded on 01-03-17 Land Grant executed on 06-06-17 Handed over to JVP on 06-06-17 GBP amendment approved on 18-01-21 Foundation works in progress Site B Completed in 2020-21 Site C Joint Venture Development tender awarded on 24-10-17 Land Grant executed on 26-01-18 Site handed over to JVP on 26-01-18 GBP amendment approved on 22-04-21 Foundation works in progress
39 ⁽⁵⁾	K7	Kwun Tong Town Centre, Kwun Tong	2006/07	March	Park Metropolitan (DA 1) Grand Central (DAs 2&3)	53,500	96,104	63	3,139	2,298	401,250	160,610	209,523	0	31,117	13,350	Commercial GFA 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 YWS Site and 8,600m ² for Government uses in Main Site and 16,300m ² for Public Transport Interchange in Main Site Commercial Space includes 1,300m ² for social enterprises Residential flats include 299 flats in Yuet Wah Street site and 1,999 flats in the Main Site (DAs 2 & 3) Public space includes a minimum of 9,350m ² at-grade public open space as required under the approved s.16 A/K14/745 and a minimum of 4,000m ² podium public open space as required under the lease	YWS Site (DA 1) Occupation Permit obtained on 08-07-14 Certificate of Compliance obtained on 29-10-14 Sales of remaining flats in progress Main Site (DAs 2 & 3) Presale consent issued on 29-11-18 Sales of residential flats launched on 09-12-18 Occupation Permit issued on 26-11-20 PTI operated on 02-04-21 Certificate of Compliance issued on 28-04-21 Main Site (DAs 4 & 5) Resumption for DAs gazetted on 17-05-19 Site of DAs reverted to Government on 18-08-19 Site clearance of DA 4 completed on 31-03-21 Site clearance of DA 5 completed on 17-05-21 Demolition works in progress
40 ⁽⁵⁾ 41 42	SSP/1/003-005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005/06	February	Seaside Sonata	7,507	25,344	70	1,589	876	57,399	50,024	5,317	0	2,058	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 the Elderly and Sub-base for a Neighbourhood Elderly Centre; 150m ² for either social enterprise or non-domestic use	Joint Development tender awarded on 22-12-14 Land Grant executed on 27-03-15 Site handed over to JVP on 27-03-15 S16 submission approved on 22-01-16 Pre-sale consent issued on 18-09-19 Sales of residential flats launched on 17-10-19 Occupation Permit for Site A issued on 07-06-2021 Occupation Permit for Site B issued on 10-06-2021
43	H14	Sai Wan Ho Street, Shau Kei Wan	2005/06	September	Monti	710	3,796	2	21	144	5,680	5,680	0	0	0	0	Pre-sale consent approved on 23-04-18 Sale of residential flats launched on 01-09-18 Occupation Permit issued on 28-10-19 Certificate of Compliance issued on 30-03-20 Sales of remaining flats in progress	
44 ⁽⁷⁾	WC/001	Mallory Street / Burrows Street, Wan Chai	2004/05	March	7 Mallory Street	780	2,687	10	122	0	2,435	0	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	Land Grant executed on 13-10-11 Occupation Permit issued on 20-05-13 Official opening event held on 18-07-13 Certificate of Compliance issued on 04-08-17 URA took over the management and operation of the project in 08-18

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			Project Development Information				Remarks	Status	
						Project Site Area m ²	Existing GFA m ²	Building Blocks ⁽¹⁾	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²	Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽²⁾ m ²			
45	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004/05	December	Park Summit	2,328	11,802	30	518	462	20,952	17,460	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	
46 ⁽⁷⁾	H19	Staunton Street / Wing Lee Street, Sheung Wan	2002/03	March		1,997	3,049	24	98	0	1,828	1,097	331	400	0	135	The project is switched from redevelopment to revitalisation	Amendments to approved DSP to excise Site A published on 08-07-11 The revised DSP with Wing Lee Street area and the Bridges Street Market site excised 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 Revised MLP submitted in March 2017 withdrawn Draft Sai Ying Pun and Sheung Wan OZP approved by CE in C and gazetted on 13-11-20 Notification of Withdrawal of H19 gazetted on 13-11-20	
1-46 Launched Sub-Total (A)						167,361	521,077	1,006	25,238	16,965	1,270,056	833,822	384,426	3,997	47,812	21,445			
0 Ongoing project commenced by HKHS						0	0	0	0	0	0	0	0	0	0	0	0		
All projects were completed by HKHS						0	0	0	0	0	0	0	0	0	0	0	0		
Nil Commenced Sub-total (B)						0	0	0	0	0	0	0	0	0	0	0	0		
0 Ongoing project taken over from ex-LDC						0	0	0	0	0	0	0	0	0	0	0			
All projects were completed						0	0	0	0	0	0	0	0	0	0	0			
Nil Commenced Sub-Total (C)						0	0	0	0	0	0	0	0	0	0	0			
Commenced Total (A) + (B) + (C)						167,361	521,077	1,006	25,238	16,965	1,270,056	833,822	384,426	3,997	47,812	21,445			
47-66 - 20 Completed projects commenced by URA ⁽⁸⁾																			
47	MTK/1/002	San Shan Road / Pau Chung Street, Ma Tau Kok	2009/10	May	93 Pau Chung Street	1,171	6,046	14	290	209	10,345	8,778	1,567	0	0	0		Project completed in 2019-20	
48	TKT/2/002	Anchor Street / Fuk Tsun Street, Tai Kok Tsui	2007/08	March	iclub Mong Kok Hotel	726	3,855	11	245	0	6,529	0	6,529	0	0	0	Commercial space is for hotel with 288 rooms	Project completed in 2019-20	
49	MTK/1/001	Pak Tai Street / Mok Cheong Street, Ma Tau Kok	2007/08	February	My Place	772	3,772	9	229	168	6,944	5,787	1,157	0	0	0		Project completed in 2016-17	
50	K28	Sai Yee Street, Mong Kok	2007/08	December	Skypark	2,478	14,434	25	431	439	22,301	17,346	4,955	0	0	0		Project completed in 2017-18	
51	K9	MacPherson Stadium, Mong Kok	2005/06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705	2,443	0	5,619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	Project completed in 2018-19	
52	TKT/2/001	Fuk Tsun Street / Pine Street	2005/06	December	Park Ivy	560	4,071	4	273	113	4,843	4,003	840	0	0	0		Project completed in 2015-16	
53 ⁽⁶⁾	SYP/1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005/06	December	The Nova	2,150	4,140	22	213	255	16,463	16,218	245	0	0	1,304	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	Project completed in 2016-17	
54 55	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	33	551	402	29,720	24,780	4,940	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Project completed in 2015-16	
56	K31	Larch Street / Fir Street, Tai Kok Tsui	2004/05	December	Lime Stardom	2,195	10,332	29	474	377	19,735	16,425	3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Project completed in 2017-18	
57 ⁽⁶⁾	H15	Lee Tung Street / McGregor Street, Wan Chai	2003/04	October	The Avenue	8,236	36,534	85	1,613	1,275	79,932	67,939	9,405	0	2,588	3,972	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for the Elderly/ Community Service Support Centre, Refuse Collection Point and Public Toilet	Project completed in 2017-18	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			Project Development Information				Remarks	Status
						Project Site Area m ²	Existing GFA m ²	Building Blocks ⁽¹⁾	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²	Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽²⁾ m ²		
58	K33	Baker Court, Hung Hom	2003/04	July	Baker Residences	277	834	3	9	68	2,338	2,077						Project completed in 2011-12
59	K30	Bedford Road / Larch Street, Tai Kok Tsui	2003/04	July	i-home	1,229	6,313	13	280	182	10,363	9,215						Project completed in 2010-11
60	H17	Queen's Road East, Wan Chai	2002/03	March	Queen's Cube	378	1,806	6	25	96	3,984	3,543						Project completed in 2011-12
61	H20	First Street / Second Street, Sai Ying Pun	2002/03	November	Island Crest	3,536	15,690	41	777	488	38,178	34,259						Project completed in 2012-13
62	K27	Reclamation Street, Mong Kok	2002/03	October	MOD 595	535	2,411	7	122	85	4,921	4,119						Project completed in 2009-10
63	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						Project completed in 2010-11
64	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						Project completed in 2010-11
65 ^(a)	H16	Johnston Road, Wan Chai	2001/02	January	J Residence	1,970	7,640	28	333	381	20,567	17,967						Project completed in 2008-09
66	K3	Cherry Street, Tai Kok Tsui	2001/02	January	Florient Rise	4,510	14,416	64	1,020	522	43,231	36,466						Project completed in 2014-15
47-66 Completed Sub-Total ^(D)						39,240	158,306	422	7,458	5,692	370,148	306,456						

67-72 - 6 Completed projects commenced by HKHS ^(a)

67	K20	Castle Peak Road / Cheung Wah Street, Sham Shui Po	2004/05	April	Heya Delight	1,003	5,935	22	158	130	9,030	7,525						Occupation Permit issued on 20-05-15 Certificate of Compliance issued on 30-09-15
68	K21	Castle Peak Road / Un Chau Street, Sham Shui Po	2004/05	April	Heya Crystal	2,614	14,193	24	496	350	23,526	19,605						Occupation Permit issued on 23-08-16 Certificate of Compliance issued on 07-12-16
69	K22	Un Chau Street / Fuk Wing Street, Sham Shui Po	2004/05	April	Heya Aqua	2,134	10,114	22	362	275	19,206	16,005					G/IC is for Residential Care Home for the Elderly	Occupation Permit issued on 12-09-16 Certificate of Compliance issued on 01-03-17
70	K23	Castle Peak Road / Hing Wah Street, Sham Shui Po	2004/05	April	Heya Star	1,399	8,286	11	344	175	12,585	10,487						Occupation Permit issued on 26-08-15 Certificate of Compliance issued on 22-01-16
71	H21	Shau Kei Wan Road / Nam On Street, Shau Kei Wan	2003/04	November	Harmony Place	1,871	9,834	17	400	274	19,555	16,338						Occupation Permit issued on 13-11-14 Certificate of Compliance issued on 11-02-15
72	K25	Po On Road / Wai Wai Road, Sham Shui Po	2003/04	July	Heya Green	2,592	9,923	19	528	327	21,214	17,680						Occupation Permit issued on 15-10-13 Certificate of Compliance issued on 30-12-13
67-72 Completed Sub-Total ^(E)						11,613	58,285	115	2,288	1,531	105,116	87,640						

73-82 - 10 Completed projects commenced by ex-LDC and completed by URA ^(a)

73	K11	Hanoi Road, Tsim Sha Tsui	⁽¹⁰⁾		The Masterpiece	8,299	27,309	35	220	345	102,625	45,600						Commercial space includes 25,816m ² for 381 room hotel	Project completed in 2018-19
74 ^(a)	H9	Wanchai Road / Tai Yuen Street, Wan Chai	⁽¹⁰⁾		The Zenith / One Wanchai	6,793	12,555	41	975	889	62,310	52,539						G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Project completed in 2017-18
75	K17	Yeung Uk Road, Tsuen Wan	⁽¹⁰⁾		The Dynasty	7,230	0	0	0	256	44,404	27,031							Project completed in 2010-11
76	K13	Tsuen Wan Town Centre, Tsuen Wan	⁽¹⁰⁾		Vision City	20,300	56,851	96	7,119	1,466	134,185	107,884						G/IC is for transport and community facilities	Project completed in 2010-11
77	H12	New Praya Kennedy Town, Kennedy Town	⁽¹⁰⁾		The Merton	6,075	24,808	65	1,683	1,182	62,904	62,794						G/IC is for public toilet	Project completed in 2007-08
78	H13	Ka Wai Man Road, Kennedy Town	⁽¹⁰⁾		Mount Davis 33	728	4,000	1	0	89	7,280	7,280							Project completed in 2007-08

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			Project Development Information				Remarks	Status	
						Project Site Area m ²	Existing GFA m ²	Building Blocks ⁽¹⁾	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²	Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽²⁾ m ²			
79	K10	Waterloo Road / Yunnan Lane, Yau Ma Tei	⁽¹⁰⁾		8 Waterloo Road	3,869	6,610	27	444	576	32,012	32,012	0	0	0	1,650		Project completed in 2007-08	
80	H1	Queen Street, Sheung Wan	⁽¹⁰⁾		Queen's Terrace	7,964	25,792	86	648	1,148	66,233	60,579	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	
81	K2	Argyle Street / Shanghai Street, Mong Kok	⁽¹⁰⁾		Langham Place	11,976	40,810	108	2,603	0	167,414	0	160,866	0	6,548	1,100	Commercial space includes 41,933m ² for 686 room hotel, 65,793m ² for offices and 53,140m ² for retail G/IC includes Cooked Food Centre and transport and community facilities	Project completed in 2005-06	
82	K8	Kwong Yung Street, Mong Kok	⁽¹⁰⁾		Paradise Square	1,607	4,190	19	178	272	15,160	12,746	2,414	0	0	0		Project completed in 2005-06	
73-82 Completed Sub-Total ⁽⁹⁾ (F)						74,841	202,925	478	13,870	6,223	694,527	408,465	264,752	0	21,310	11,169			
Completed Total ⁽⁹⁾ (D) + (E) + (F)						125,694	419,516	1,015	23,616	13,446	1,169,791	802,561	328,337	0	38,893	18,531			
Commenced + Completed						293,055	940,593	2,021	48,854	30,411	2,439,847	1,636,383	712,763	3,997	86,705	39,976			
<p>Note</p> <p>(1) This table includes the number of building blocks within a project.</p> <p>(2) This table includes only Public Open Space and not any private open space.</p> <p>(3) Industrial Building</p> <p>(4) Demand-led project</p> <p>(5) The details of projects 1 to 19, 22 to 23, 27 to 28 and 37 to 42 are yet to be finalised and are still subject to change during the statutory, planning and land grant approval processes.</p> <p>(6) Projects 34 and 35 are purely preservation projects while redevelopment projects 37, 38, 53, 57, 65 and 74 containing some preservation elements.</p> <p>(7) Revitalisation project</p> <p>(8) Retrofitting project</p> <p>(9) 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.</p> <p>(10) The project was commenced by ex-Land Development Corporation.</p>												<p>Glossary of Terms</p> <p>CE in C = Chief Executive in Council DA = Development Area DSP = Development Scheme Plan GBP = General Building Plan GFA = Gross Floor Area G/IC = Government, Institution or Community HKHS = Hong Kong Housing Society JVP = Joint Venture Partner</p> <p>LDC = Land Development Corporation MLP = Master Layout Plan SDEV = Secretary for Development STT = Short-term Tenancy TPB = Town Planning Board URA = Urban Renewal Authority YWS = Yuet Wah Street</p>							

CORPORATE GOVERNANCE

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

The Board exercises the powers and performs the duties conferred and imposed on the URA by the URA Ordinance, and plays a key role in setting direction and providing strategic guidance to ensure that the URA's works are carried out effectively.

Constitution

The Board is appointed by the Chief Executive under Section 4 of the URA Ordinance. All members of the Board, including the Chairman, are appointed by the Chief Executive for a term not exceeding 3 years.

As at 31 March 2021, the Board comprised a Chairman and 24 other members. There are three executive Board members who are not public officers, namely the Managing Director (MD), who is by law also the Deputy Chairman, and the two Executive Directors (EDs). The Director of Lands, the Director of Planning, the Director of Buildings and the Deputy Director of Home Affairs (2) are Board members who are Non-Executive Directors (NEDs) and public officers.

The Board includes three legislative councillors plus professionals and academics from various fields, including legal, accounting, finance, property, planning, surveying and social work who are NEDs and not public officers. The diverse backgrounds of NEDs bring to the Board a wide range of experience, expertise and perspectives.

Chairman and MD

Chairman

- Leading the Board in setting the URA's overall direction, strategy and work priorities
- Monitoring the executive team's performance

MD

- Administrative head responsible for administering the affairs of the URA, subject to the direction of the Board
- Developing strategic objectives, including setting the URA's agenda and priorities, and implementing them as agreed with the Board
- Assigning responsibilities to senior management and supervising their work
- Reporting regularly to the Board

Committees

For the better carrying out of the purposes and powers of the URA, the Board has established seven standing 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

- 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

- 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

Finance Committee

- 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

Human Resources and Remuneration Committee

- Remuneration policies (level and mix) of senior and general staff
- Proposals for adjustments to salary and variable pay
- Organisation effectiveness and human resources management

Land, Rehousing and Compensation Committee

- 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

Committees

Function Areas

Planning, Development and Conservation Committee

- Selection of redevelopment 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

Review Committee

- Review of the Management's decisions on application of relevant URA's policies as requested by affected owners or occupiers

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 authorised 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 authorisation 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 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 organisation-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 extent 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 upon the commencement of urban redevelopment 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 organisations, 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 five District Advisory Committees comprising representatives of the local communities including district councillors, affected owners/tenants and district organisations 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.

Corporate decisions and issues discussed by the Board are briefed to the media via management representatives from time to time. These interactive media sessions, together with other media interviews 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 are both accessible from the URA's website.

As a further measure to publicise 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.

Moreover, the URA is committed to providing an efficient service in the handling of public enquiries, requests and complaints. According to our performance pledge, we strive to respond to public enquires, requests and complaints within the following standard times.

	Standard Response Time	Maximum Response Time (for complicated cases)
Enquiries	Within 1 working day	Within 5 working days
Requests	Within 5 working days	Within 14 working days
Complaints	Within 14 working days	Within 30 working days

In the year 2020/21, the URA has handled a total of 34,691 cases including enquiries, requests and complaints. All cases were addressed and replied within the response time as pledged.

To facilitate people of different languages and culture to access its public services, the URA has taken appropriate and practicable supportive measures. Leaflets on acquisition and compensation / rehousing information were translated into Bahasa Indonesia, Hindi, Nepali, Punjabi, Tagalog, Thai, Urdu and Vietnamese and uploaded to the URA's website. The URA also introduced a real-time three-way telephone interpretation service (in Bahasa Indonesia, Hindi, Nepali, Punjabi, Tagalog, Thai, Urdu and Vietnamese) provided by the Centre for Harmony and Enhancement of Ethnic Minority Residents (CHEER) to answer enquiries from service users of different languages. Language Identification Card prepared by the CHEER is available in the reception areas / counters of URA offices and service centres to facilitate communication with service users of different languages.

MEMBERS OF BOARD AND PROFILES

Chairman & Managing Director



Mr CHOW Chung-kong
GBM, GBS, JP
Chairman



Ir WAI Chi-sing
GBS, JP, FHKEng
Managing Director

Executive Directors



Mr Ben LUI Sau-shun
Executive Director
(Operations)



Mr Eric POON Shun-wing
Executive Director
(Commercial)

Non-Executive Directors (Non-Official)



Mr Evan AU YANG Chi-chun



Mr William CHAN Fu-keung,
BBS



Ms Judy CHAN Ka-pui, MH



The Honourable Vincent
CHENG Wing-shun, MH, JP



Ms Ivy CHUA Suk-lin



Mr Andy HO Wing-cheong



The Honourable
KWOK Wai-keung, JP



Dr LEE Ho-yin



Ms Elaine LO Yuen-man, MH



Mr Roger LUK Koon-hoo,
BBS, JP



Professor TANG Bo-sin, MH



Ms Judy TONG Kei-yuk



Mr Andy TONG Sze-hang



The Honourable Tony TSE
Wai-chuen, BBS, JP



Mrs Cecilia
WONG NG Kit-wah



Mr Michael WONG Yick-kam,
MH, JP



Mr Stephen WONG
Yuen-shan

Non-Executive Directors (Official)



Mr YU Tak-cheung, JP
Director of Buildings



Mr Andrew LAI Chi-wah, JP
Director of Lands



Mr Ivan CHUNG Man-kit, JP
Deputy Director of Planning



Miss Vega WONG Sau-wai, JP
Deputy Director of Home
Affairs (2)

Chairman:

Mr CHOW Chung-kong, GBM, GBS, JP

Managing Director:

Ir WAI Chi-sing, GBS, JP, FHKEng

Executive Directors:

Mr Ben LUI Sau-shun Executive Director (Operations)

Mr Michael MA Chiu-tsee (up to 14 July 2020) Executive Director (Commercial)

Mr Eric POON Shun-wing (from 15 July 2020) Executive Director (Commercial)

Non-Executive Directors (Non-Official):

Mr Evan AU YANG Chi-chun

Mr William CHAN Fu-keung, BBS (from 1 December 2020)

Ms Judy CHAN Ka-pui, MH

The Honourable Vincent CHENG Wing-shun, MH, JP

Ms Ivy CHUA Suk-lin

Mr Andy HO Wing-cheong

The Honourable KWOK Wai-keung, JP (from 1 December 2020)

Dr LEE Ho-yin

Professor the Honourable Joseph LEE Kok-long, SBS, JP (up to 30 November 2020)

Ms Elaine LO Yuen-man, MH

Mr Roger LUK Koon-hoo, BBS, JP

The Honourable Alice MAK Mei-kuen, BBS, JP (up to 30 November 2020)

Dr Lawrence POON Wing-cheung, JP (up to 30 November 2020)

Professor TANG Bo-sin, MH

Ms Judy TONG Kei-yuk

Mr Andy TONG Sze-hang

The Honourable Tony TSE Wai-chuen, BBS, JP (from 1 December 2020)

Mrs Cecilia WONG NG Kit-wah

Mr Michael WONG Yick-kam, MH, JP

Mr Stephen WONG Yuen-shan

The Honourable WU Chi-wai, MH (up to 30 November 2020)

Non-Executive Directors (Official):

Mr YU Tak-cheung, JP Director of Buildings

Mr Thomas CHAN Chung-ching, JP Director of Lands (up to 4 May 2020)

Mr Andrew LAI Chi-wah, JP Director of Lands (from 5 August 2020)

Mr Raymond LEE Kai-wing, JP Director of Planning (up to 3 January 2021)

Mr Ivan CHUNG Man-kit, JP Director of Planning (from 4 January 2021)

Miss Vega WONG Sau-wai, JP Deputy Director of Home Affairs (2)

Chairman

Mr CHOW Chung-kong, GBM, GBS, JP

Mr Chow Chung-kong is a non-official member of the Executive Council of the Hong Kong Special Administrative Region (HKSAR) and Chairman of the Advisory Committee on Admission of Quality Migrants and Professionals. He is also member of various committees established by the HKSAR Government, including Financial Leaders Forum, Human Resources Planning Commission and InnoHK Steering Committee. Mr Chow is currently an independent non-executive director of AIA Group Limited and an independent non-executive representative of the Global Governance Council of EYG.

Mr Chow was previously Chairman of the Board of the Hong Kong Exchanges and Clearing Limited (2012-2018), Chief Executive Officer of the MTR Corporation Limited (2003-2011) and Steward of the Hong Kong Jockey Club (2011-2020). Prior to his return to Hong Kong in 2013, Mr Chow was a global corporate executive managing companies in the United Kingdom, United States, Japan and Australia.

Mr Chow is a Chartered Engineer, with a Bachelor of Science degree and a Master of Science degree from the University of Wisconsin and the University of California respectively. He holds an MBA degree from the Chinese University of Hong Kong and attended the Advanced Management Program of Harvard Business School. He was awarded Honorary Doctor of Engineering degree by the University of Bath. He was knighted in the United Kingdom in 2000, and was awarded the Grand Bauhinia Medal in 2021.

Managing Director

Ir WAI Chi-sing, GBS, JP, FHKEng

Ir Wai Chi Sing has been appointed the Managing Director of the Urban Renewal Authority since 15 June 2016. By virtue of holding that office, he is also the Deputy Chairman of the Board. He has also been appointed a Director of the Board of Urban Renewal Fund since 13 July 2016.

Ir Wai is an engineer by profession. He joined the Hong Kong Government in August 1980, and has since served in the Transport Department, the Highways Department, and the former Environment, Transport and Works Bureau. He was the Director of Highways from November 2006 to June 2010 and was Permanent Secretary for Development (Works) from June 2010 to April 2015 before retirement.

Ir Wai holds a master's degree in transportation engineering from Purdue University in the United States. He has professional experience in civil, structural and geotechnical engineering and is a fellow of the Hong Kong Academy of Engineering Sciences.

Executive Directors**Mr Ben LUI Sau-shun****Executive Director (Operations)**

Mr Ben Lui is a professional engineer.

Prior to joining Urban Renewal Authority (URA), Mr Lui was Vice President (Projects & Facilities) and Chief Project Development Officer of Hong Kong Science and Technology Parks Corporation from 2011 to 2017. He was Project Director of Kerry Development (China) Limited and Group Director of Projects of Shangri-La International Hotel Management Limited from 2006 to 2011. He was appointed as Executive Director of the URA with effect from 1 January 2019.

Mr Lui holds a bachelor's degree in Civil Engineering and a master's degree in Construction Project Management both from the University of Hong Kong. He is an Authorized Person (Engineer), Registered Structural Engineer and Registered Inspector under the Building Ordinance of Hong Kong.

Mr Eric POON Shun-wing**Executive Director (Commercial)**

Mr Eric Poon is a professional quantity surveyor. He joined the former Land Development Corporation in 1997 and has been working in the Urban Renewal Authority (URA) since its establishment in 2001. In 2017, he assumed the position of Director (Works and Contracts), and was appointed as Executive Director with effect from July 2020. He is currently a Director of the Hong Kong Green Building Council, and a member of the Committee on Building Information Modelling, Committee on Environment and Task Force on Construction Digitalisation of the Construction Industry Council.

Non-Executive Directors (Non-Official)**Mr Evan AU YANG Chi-chun**

Mr Evan Au Yang is the Chairman of the Board of Civic Exchange, a non-partisan public policy think tank based in Hong Kong focusing on environment and sustainability issues. Mr Au Yang also serves on the Board of Urban Renewal Authority, Sun Hung Kai & Co. Ltd. and Asia Financial Holdings Limited as independent non-executive director. He is an advisor and Steering Committee member of Business for Social Good for Our Hong Kong Foundation, member of the Advisory Committee on Corruption ("ICAC") and Membership Committee member of Young Presidents' Organization. In addition, Mr Au Yang serves on the Transport Policy Committee of the Chartered Institute of Logistics & Transport, the Development Fund Committee of the Hong Kong Council of Social Service, Advisory Council for Institute at Brown for Environment & Society of Brown University, as well as the Board of Advisors of Hong Kong 2050 is Now.

In his past full-time professional capacities, Mr Au Yang was the Managing Director and Head of International for Gerson Lehrman Group (GLG), where he ran and grew its business spanning Europe, Middle East, Africa & Asia-Pacific across 15 locations. Prior to joining GLG, Mr Au Yang was the Deputy Managing Director of the Kowloon Motor Bus Co. (1933) Ltd. (KMB) and a Board Director of Transport International Holdings Limited, the parent company of KMB. Prior to joining Transport International and KMB, Mr Au Yang was an Associate Partner at McKinsey & Company. Before management consultancy, Mr Au Yang was at Citigroup's derivatives structuring and marketing unit. He obtained his undergraduate degree in Economics and Political Science from Brown University, and his MBA degree from the Kellogg School of Management.

Mr William CHAN Fu-keung, BBS

Mr William Chan was a member of the Executive Directorate and the Human Resources Director of MTR Corporation Limited. He was responsible for human resource management, training and development, talent management for over 30,000 employees in Hong Kong and overseas. Prior to joining MTR, he held senior management positions in the public, commercial and utility sectors, including the Government, the Hong Kong Productivity Council, Hutchison Whampoa Limited and Hong Kong Telecommunications Limited.

During his employment, Mr Chan had served in a number of Government Statutory and Advisory Committees, including the Standing Committee on Disciplined Services Salaries and Conditions of Service, Pension Appeal Panel and Committee on Labour Relations under Labour Advisory Board.

Having worked for MTR for 23 years, Mr Chan retired in 2012. After retirement, Mr Chan was still active in community service. He was a Board Member of Hospital Authority from 2012 to 2018, and the Chairman of Tuen Mun Hospital Governing Committee from 2014 to 2020.

Currently, Mr Chan is the Director of CUHK Medical Centre, Independent Non-Executive Director of two listed companies, Stella International Holdings Limited and Analogue Holdings Limited. He is a member of Grantham Hospital Governing Committee, and member of the Remuneration Committee of West Kowloon Cultural District Authority. Mr Chan obtained a Bachelor of Social Science degree from the University of Hong Kong in 1971. He received the Bronze Bauhinia Star Award in 2014 for his meritorious community service and enhancement of professional human resource management standard in Hong Kong.

Ms Judy CHAN Ka-pui, MH

Ms Judy Chan joined the New People's Party in 2011 as a founding member. Ms Chan graduated from Monash University in Australia with a business degree in marketing.

The Honourable Vincent CHENG Wing-shun, MH, JP

Hon. Vincent Cheng is an incumbent Member of the Legislative Council for the geographical constituency of Kowloon West and he previously served as an elected member of the Sham Shui Po District Council from 2007 to 2019. He has served in different public services, currently at the Appeal Tribunal Panel (Buildings), the Equal Opportunities Commission, the Court of the University of Hong Kong and the Board of Hong Kong Sports Institute. He graduated from the University of Auckland and holds a Bachelor of Science degree in Statistics.

Ms Ivy CHUA Suk-lin

Ms Ivy Chua is a practicing accountant in Hong Kong, a fellow member of the Hong Kong Institute of Company Secretaries and the Taxation Institute of Hong Kong. She is also the past president and council member of the Society of Chinese Accountants & Auditors. Ms Chua holds a Master of Business Administration from the University of Warwick and holds a number of overseas professional qualifications, including Fellow member of the Association of Chartered Certified Accountants and Fellow member of the Institute of Chartered Secretaries and Administrators. Ms Chua was appointed as a committee member of Securities and Futures Commission Process Review Panel in November 2018 and currently a committee member of Disciplinary Panel of Hong Kong Institute of Certified Public Accountants.

Ms Chua is currently a partner, Head of Audit and Insolvency & Restructuring Department of Crowe (HK) CPA Limited. Ms Chua has extensive experience in auditing, taxation, internal control, insolvency and restructuring.

Mr Andy HO Wing-cheong

Mr Andy Ho is the Executive Director of the Hong Kong Federation of Youth Groups (HKFYG).

As a Registered Social Worker in Hong Kong, with a M.A. from the Hong Kong Polytechnic University and a B.Soc.Sc. (Hons.) from the Chinese University of Hong Kong, Mr Ho has a life-long commitment to serving young people and has tirelessly worked for their whole person development.

Mr Ho continues to actualise a solid vision of leadership and management, with innovative ideas and an analytical approach towards organisational development and strategic planning for the Federation and its services to young people. Mr Ho seeks results that actually impact young people, motivating them to be creative, forward-looking and well equipped in mastering their future skills. He also places priorities on their wellness and dedication to caring for others.

Mr Ho's management experience ensures a high quality of collaboration with partners and supporters, as illustrated by his current positions as a Non-Executive Director of the Urban Renewal Authority, as well as a Non-official Member of both the Social Welfare Advisory Committee and the Human Resources Planning Commission of the Hong Kong Special Administrative Region Government, and a Member of the Consultation Panel of the West Kowloon Cultural District Authority. In addition, Mr Ho is a Director of the Dragon Foundation.

The Honourable KWOK Wai-keung, JP

Hon. Kwok Wai-keung is a Member of the Legislative Council representing Hong Kong Island Constituency since 2016 and was a Member of the Council representing the Labour Constituency between 2012 and 2016. He has also been a Member of the Eastern District Council since 2008.

Hon. Kwok is now a Member of the Eastern District Youth Programme Committee and the Chairman of Hong Kong Youth Power Association.

Dr LEE Ho-yin

Dr Lee Ho-yin is a co-founder of the postgraduate and undergraduate programmes in the Division of Architectural Conservation Programmes (ACP) at the University of Hong Kong (HKU). He was instrumental in amalgamating the conservation programmes to establish the ACP Division in 2015, and became the Founding Head of the Division. Before joining HKU in 2000, he was an Associate Director of an architectural practice, and had been involved in architectural projects in Hong Kong, Indonesia, Mainland China and Singapore. As a well-published academic and an experienced practitioner in built-heritage conservation, he has been appointed by government agencies in Hong Kong, Mainland China and overseas as an expert advisor or a consultant for conservation projects and the designation and monitoring of UNESCO World Heritage Sites. In 2017, he was cited in the award certificate for the highest UNESCO conservation award for the "Blue House Cluster" revitalisation project.

Ms Elaine LO Yuen-man, MH

Ms Elaine Lo is the Hong Kong Senior Partner of Jingtian & Gongcheng LLP (競天公誠律師事務所 有限法律責任合夥). She previously served as the Hong Kong Senior Partner and Asia Chair of Mayer Brown (孖士打律師行), and on Mayer Brown's Global Management Committee. Elaine is a corporate lawyer who focuses on cross-border mergers and acquisitions (M&A), structuring joint ventures, infrastructure project financing and corporate restructuring. She has extensive experience in acting for government authorities, project sponsors, lenders and equity participants in project finance deals. She advises banks and financial institutions on M&A, asset and project finance.

Elaine was named "Managing Partner of the Year" by Asian Legal Business Awards in 2008, 2009 and 2015.

Elaine actively participates in public service. She has been appointed by the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) to various government advisory and statutory bodies, including:

- the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials of the HKSAR
- the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR
- the Independent Commission on Remuneration for Members of the District Councils of the HKSAR
- the Standing Commission on Civil Service Salaries and Conditions of Service of the HKSAR
- the Women's Commission

Elaine is admitted to practise in Hong Kong, England, Australia and Singapore, and is also a China Appointed Attesting Officer.

Mr Roger LUK Koon-hoo, BBS, JP

Mr Roger Luk is a veteran banker having more than 30 years of experience in money and banking. He was Managing Director and Deputy Chief Executive of Hang Seng Bank before retirement. Currently, Mr Luk is an independent director on the boards of companies including China Properties Group Limited, Computime Group Limited, Hung Hing Printing Group Limited, I-Cable Communications Limited and Harbour Centre Development Limited. He is also a Council Member of the Chinese University of Hong Kong and has served on many government boards and committees. He holds an MBA degree and is a Fellow of Hong Kong Institute of Bankers.

Professor TANG Bo-sin, MH

Prof. Tang Bo-sin is currently Professor at the Department of Urban Planning and Design of the University of Hong Kong. Before joining this University, he was Professor and Associate Head at the Department of Building and Real Estate of the Hong Kong Polytechnic University.

Prof. Tang received his PhD in Urban and Regional Planning from the London School of Economics and Political Science. He is a Registered Professional Planner (Hong Kong) and holds professional memberships with the Hong Kong Institute of Planners (HKIP), the Royal Town Planning Institute (RTPI), the Royal Institution of Chartered Surveyors (RICS), and the Hong Kong Institute of Surveyors (HKIS). He is also a Fellow of the UK Academy of Social Sciences.

He previously served as Chairman of the Appeal Panel (Estate Agents Ordinance), Chairman of Planners' Registration Board, member of the Town Planning Appeal Board and member of Kowloon City District Urban Renewal Forum.

Ms Judy TONG Kei-yuk

Ms Judy Tong is a practicing barrister. She graduated from University of California, Berkeley, USA major in marketing and finance. After marriage, she undertook further studies in laws and was called to the bar.

Mr Andy TONG Sze-hang

Mr Andy Tong is a Registered Structural Engineer and a member of The Hong Kong Institution of Engineers. He is the Vice President (Campus Development and Facilities) of the Hong Kong Polytechnic University. Prior to joining the University in 2015, he was the Head of Property Projects with the MTR Corporation, overseeing the master planning and project management of railway related property developments.

The Honourable Tony TSE Wai-Chuen, BBS, JP

Hon. Tony Tse is currently a member of the Hong Kong Legislative Council for the Architectural, Surveying, Planning and Landscape functional constituency. He is a Fellow of the Hong Kong Institute of Surveyors, Chairperson of the Property Management Services Authority, member of the Harbourfront Commission, the Standing Committee on Disciplined Services Salaries and Conditions of Service, the Court of Lingnan University and the National Committee of the Chinese People's Political Consultative Conference. Hon. Tse has been awarded the Bronze Bauhinia Star in 2014 and has been appointed as a Justice of the Peace in 2020.

After graduating from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in 1976, Hon. Tse joined the Hong Kong Government's then Public Works Department as Estate Surveyor Graduate and had served in the Department for 12 years. His last position held was Senior Estate Surveyor. Thereafter, he has held senior positions in several public organisations and private enterprises in Hong Kong. He has set up property development consultant companies in recent years and is now the Founder and Director of Brand Star Ltd.

Hon. Tse has been engaged in the property development field for more than 40 years. Besides being active in the development circle, he participates enthusiastically in public affairs and has been appointed to public services by the Government on many occasions, including member of the Land and Building Advisory Committee and Town Planning Board, Vice-Chairman of the Independent Police Complaints Council, Chairman of VTC Real Estate Services Training Board and Chairman of HKTDC Infrastructure Development Advisory Committee, etc. He has also been appointed Chairman of the Surveyors Registration Board in 2002-2003, elected as President of the Hong Kong Institute of Surveyors in 2003-2004, and member of the 5th Hong Kong Legislative Council for the Architectural, Surveying and Planning functional constituency in 2012.

Mrs Cecilia WONG NG Kit-wah

Mrs Cecilia Wong is a partner of Kevin Ng & Co., Solicitors. She is also a China-Appointed Attesting Officer, mediator and arbitrator. Mrs Wong is an experienced solicitor in private practice and is competent in matrimonial law, criminal and civil litigation, probate, commercial and corporate law. She actively participates in promoting the use of mediation and has enormous experience in mediation and arbitration for various matters. She was appointed as a member of the Chief Justice's Working Party on Mediation, and was a member of Secretary for Justice's Working Group on Mediation. She took part in the drafting of the Mediation Ordinance. Mrs Wong is currently a member of the Hong Kong Government Family Council, member of the Duty Lawyer Service Council, and a Director of Joint Mediation Helpline Office (JMHO). She is also the Chairlady of the Appeal Tribunal Panel under the Buildings Ordinance.

Mr Michael WONG Yick-kam, MH, JP

Mr Michael Wong obtained his Bachelor of Business Administration and Master of Business Administration degrees from the Chinese University of Hong Kong. He served as an Executive Director of Sun Hung Kai Properties Group prior to his retirement in December 2009, and thereafter as a Non-Executive Director and also as Group Principal Advisor until December 2013. He resigned as a Non-Executive Director in November 2015.

In community service, Mr Wong was the Chairman of the Hong Kong Youth Hostels Association and participated in the revitalisation programme of Mei Ho House in Shek Kip Mei. He is now a member of the Executive Committee of the Association. In addition, he has served on a number of Government advisory committees. Currently, Mr Wong is a member of the Board of Trustees of New Asia College, the Chinese University of Hong Kong, Chairman of the Council of the Open University of Hong Kong and a Non-Executive Director of the Securities and Futures Commission.

Mr Stephen WONG Yuen-shan

Mr Stephen Wong received a B.A. Degree in Economics from the University of Chicago, Phi Beta Kappa, and an M.A. Degree in East Asian Studies (Whitney and Betty MacMillan Center for International and Area Studies) from Yale University. Since then, he worked for a number of global financial institutions, including as an Executive Director in UBS (London) and a Managing Director at RBS. Mr Wong joined Our Hong Kong foundation as Senior Consultant in May 2015, and was appointed Deputy Executive Director and Head of Public Policy in November of the same year. He is now Senior Vice President & Executive Director of Public Policy Institute.

Mr Wong's public service includes various advisory roles appointed by the Hong Kong Government, including Board Member of the Financial Services Development Council, Board Member of the Urban Renewal Authority, Member of the Town Planning Board, Member of Investment Committee of the Beat Drugs Fund, Member of Investment Sub-Committee of the Housing Authority, Member of Feasibility Study Working Group of "Special Needs Public Trust", Co-opted Member of Social Innovation & Entrepreneurship Development Fund Task Force of Commission on Poverty, Non-official Member of the Assessment Panel of the "Innovation and Technology Fund for Application in Elderly and Rehabilitation Care" of the Social Welfare Department, and ex-Member of Task Force on Land Supply, etc.

Mr Wong is also active in community service. He is Chairman of the Clean Air Network, Vice Chairman of the Admissions, Budgets & Allocations Committee and Investment Sub-Committee Member of the Community Chest, and Executive Committee Member & Chairman of the Advisory Committee of Social Enterprise and Innovation Platform of the Hong Kong Council of Social Service. Mr Wong is also an Adjunct Associate Professor at the Hong Kong University SPACE for the Institute for China Business.

Non-Executive Directors (Official)**Mr YU Tak-cheung, JP
Director of Buildings**

Mr Yu Tak-cheung is a professional building surveyor and a member of Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. He has been working in the Government for over 30 years, mainly in the administration of the Buildings Ordinance on the control of new private building developments and existing private buildings.

**Mr Andrew LAI Chi-wah, JP
Director of Lands**

Mr Andrew Lai joined the Administrative Service in July 1992. He served in various bureaux and departments, including the former City and New Territories Administration, the former Planning, Environment and Lands Branch, the Housing Department, the Civil Service Bureau and the Home Affairs Department.

He was Deputy Commissioner for Innovation and Technology from February 2009 to April 2012, Deputy Director of Environmental Protection from April 2012 to July 2016, and Deputy Secretary for Financial Services and the Treasury (Treasury) from August 2016 to August 2020. Mr Lai has been Director of Lands since 5 August 2020.

**Mr Ivan CHUNG Man-kit, JP
Director of Planning**

Mr Ivan Chung is a professional town planner and a member of the Hong Kong Institute of Planners. He has been working in the Government for over 30 years, mainly in district and strategic planning, major development projects, and different planning and engineering studies.

**Miss Vega WONG Sau-wai, JP
Deputy Director of Home Affairs (2)**

Miss Vega Wong is currently the Deputy Director of Home Affairs. Prior to this, Miss Wong has been in various directorate positions in a number of departments, including the Assistant Director of the Home Affairs Department and Assistant-Director General of the Trade and Industry Department, etc.

MEMBERS OF COMMITTEES

AUDIT COMMITTEE

Chairperson	Members	Co-opted Member
Mr Roger LUK Koon-hoo, BBS, JP	Ms Ivy CHUA Suk-lin Mr Andy HO Wing-cheong Mr Michael WONG Yick-kam, MH, JP	Ms Rosanna CHOI Yi-tak

DEVELOPMENT PROJECT OBJECTION CONSIDERATION COMMITTEE

Chairperson	Members	Co-opted Members
Professor the Honourable Joseph LEE Kok-long, SBS, JP (up to 30 November 2020) The Honourable Vincent CHENG Wing-shun, MH, JP (from 17 December 2020)	Ms Judy CHAN Ka-pui, MH The Honourable Vincent CHENG Wing-shun, MH, JP (up to 16 December 2020) The Honourable KWOK Wai-keung, JP (from 17 December 2020) Dr LEE Ho-yin The Honourable Alice MAK Mei-kuen, BBS, JP (up to 30 November 2020) The Honourable Tony TSE Wai-chuen, BBS, JP (from 17 December 2020) Mrs Cecilia WONG NG Kit-wah The Honourable WU Chi-wai, MH (up to 30 November 2020)	Mr Patrick LAU Lai-chiu, SBS Mr Timothy MA Kam-wah, JP Mrs Karen WONG LAW Kwai-wa

FINANCE COMMITTEE

Chairperson	Members	Co-opted Members
Mr CHOW Chung-kong, GBM, GBS, JP	Mr Evan AU YANG Chi-chun Ms Ivy CHUA Suk-lin Ms Elaine LO Yuen-man, MH Professor TANG Bo-sin, MH Mr Andy TONG Sze-hang The Honourable Tony TSE Wai-chuen, BBS, JP (from 17 December 2020) Mr Stephen WONG Yuen-shan Managing Director (Ir WAI Chi-sing, GBS, JP, FHKEng)	Mr Pius CHENG Kai-wah (up to 31 March 2021) Mr Alexander LAM Tsan-wing

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Chairperson	Members	Co-opted Member
Mr CHOW Chung-kong, GBM, GBS, JP	Mr Evan AU YANG Chi-chun Mr William CHAN Fu-keung, BBS (from 1 December 2020) The Honourable KWOK Wai-keung, JP (from 17 December 2020) Ms Elaine LO Yuen-man, MH The Honourable Alice MAK Mei-kuen, BBS, JP (up to 30 November 2020) Professor TANG Bo-sin, MH Mr Stephen WONG Yuen-shan Managing Director (Ir WAI Chi-sing, GBS, JP, FHKEng)	Mr William CHAN Fu-keung, BBS (up to 30 November 2020)

LAND, REHOUSING AND COMPENSATION COMMITTEE

Chairperson	Members	Co-opted Members
Dr Lawrence POON Wing-cheung, JP (up to 30 November 2020) Ms Elaine LO Yuen-man, MH (from 17 December 2020)	Mr William CHAN Fu-keung, BBS (from 17 December 2020) The Honourable KWOK Wai-keung, JP (from 17 December 2020) Ms Elaine LO Yuen-man, MH (up to 16 December 2020) Ms Judy TONG Kei-yuk Mr Michael WONG Yick-kam, MH, JP Mr Stephen WONG Yuen-shan The Honourable WU Chi-wai, MH (up to 30 November 2020) Managing Director (Ir WAI Chi-sing, GBS, JP, FHKEng) Executive Director (Operations) (Mr Ben LUI Sau-shun)	Mr Patrick LAU Lai-chiu, SBS Mr Timothy MA Kam-wah, JP Assistant Director / Specialist 3, Lands Department (Mr Albert CHEUNG Ka-lok) (up to 17 January 2021) (Ms Lily CHIU Lee-lee) (from 18 January 2021)

PLANNING, DEVELOPMENT AND CONSERVATION COMMITTEE

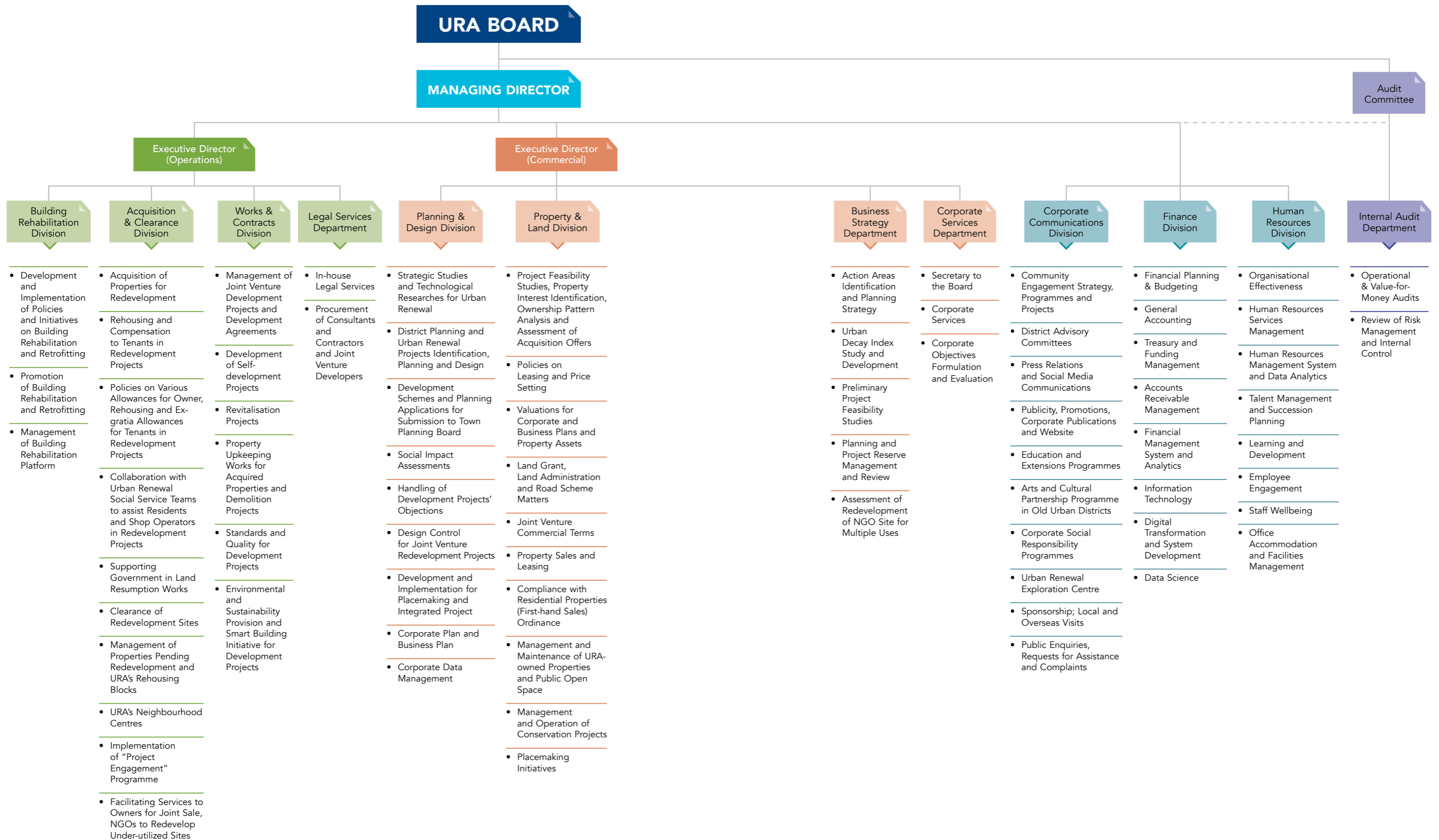
Chairperson	Members	Co-opted Members
Mr Michael MA Chiu-tsee (up to 14 July 2020) Dr LEE Ho-yin (from 30 July 2020)	Ms Judy CHAN Ka-pui, MH The Honourable Vincent CHENG Wing-shun, MH, JP Mr Andy HO Wing-cheong Professor the Honourable Joseph LEE Kok-long, SBS, JP (up to 30 November 2020) The Honourable Alice MAK Mei-kuen, BBS, JP (up to 30 November 2020) Dr Lawrence POON Wing-cheung, JP (up to 30 November 2020) Professor TANG Bo-sin, MH Ms Judy TONG Kei-yuk Mr Andy TONG Sze-hang The Honourable Tony TSE Wai-chuen, BBS, JP (from 17 December 2020) The Honourable WU Chi-wai, MH (up to 30 November 2020) Director of Lands [△] (Mr Thomas CHAN Chung-ching, JP) (up to 4 May 2020) Mr Andrew LAI Chi-wah, JP (from 5 August 2020) Director of Planning [△] (Mr Raymond LEE Kai-wing, JP) (up to 3 January 2021) Mr Ivan CHUNG Man-kit, JP (from 4 January 2021) Managing Director (Ir WAI Chi-sing, GBS, JP, FHKEng) Executive Director (Commercial) (Mr Eric POON Shun-wing) (from 30 July 2020)	Mr Alexander LAM Tsan-wing Mr Freeman LAU Siu-hong, BBS (up to 3 August 2020) Mr Andy LEUNG Kit-man Assistant Director / New Buildings 1, Buildings Department (Ms Karen CHEUNG Yuk-ching)

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

REVIEW COMMITTEE

Chairperson	Members	Co-opted Members
Ms Judy CHAN Ka-pui, MH	Mr William CHAN Fu-keung, BBS (from 17 December 2020) The Honourable Vincent CHENG Wing-shun, MH, JP Dr LEE Ho-yin Ms Elaine LO Yuen-man, MH The Honourable WU Chi-wai, MH (up to 30 November 2020)	Dr Andrew CHAN Ping-chiu, BBS Mr Henry CHAN Kai-wing Mr CHUA Hoi-wai, JP Dr Amy HO Po-ying Ms LAM Tze-yan Dr LEE Yok-shiu Mr Tony LUK Ka-luen Mr MOK Hing-luen Mr Dickson PANG Kam-fai Mr YUNG Ching-tat, BBS, JP

ORGANISATION STRUCTURE



MEMBERS OF DISTRICT ADVISORY COMMITTEES

FINANCIAL SUMMARY

(as at 31 March 2021)

CENTRAL AND WESTERN DISTRICT ADVISORY COMMITTEE

Chairperson	Dr LEE Ho-yin		
Members	Dr Roger CHAN Chun-kwong	Mr Kenneth LEE Fung-nin	Ms Cherry WONG Kin-ching
	Ms CHENG Lai-king	Dr Edmund LEE Tak-yue	Ms Anna YEN Lau-fan
	Mr CHENG Po-hung	Mr MAN Chi-wah, BBS, MH	Mr YEUNG Hok-ming
	Ms CHEUNG Kai-yin	Ms Bonnie NG Hoi-yan	
	District Officer (Central & Western)		

KOWLOON CITY DISTRICT ADVISORY COMMITTEE

Chairperson	Professor TANG Bo-sin, MH		
Members	Mr CHIK Chun-wah	Mr MA Hei-pang	Dr SIU Miu-man, MH
	Mr KWOK Tin-lap	Mr NG Po-keung, MH	Mr TAM Man-chi
	Mr LAI Kwong-wai	Mr NGAN Siu-lun	Mr Robert WONG Kin-ming
	Mr LEE Hin-long	Mr PUN Kwok-wah, JP	Mr YEUNG Chun-yu
	District Officer (Kowloon City)		

KWUN TONG DISTRICT ADVISORY COMMITTEE

Chairperson	Mr Evan AU YANG Chi-chun		
Members	Mr Anthony BUX Sheik	Mr KWOK Lit-tung, JP	Mr LING Chi-keung, MH
	Mr CHENG Keng-ieong	Mr Patrick LAI Shu-ho, BBS, MH, JP	Mr MOK Kin-shing
	Mr CHONG Yam-ming, BBS, MH	Mrs LEUNG CHAN Siu-hing	Mr Kevin SO Koon-chung
	Mr CHOW Yiu-ming, BBS, MH	Ms Edith LEUNG Yik-ting	Mr TAM Siu-cheuk
	Mr KAN Ming-tung, MH	Mr LI Hung	Mr Jason TANG Yiu-lun
	District Officer (Kwun Tong)		

SHAM SHUI PO DISTRICT ADVISORY COMMITTEE

Chairperson	The Honorable Vincent CHENG Wing-shun, MH, JP		
Members	Mr CHAN Wai-ming, BBS, MH, JP	Mr Aaron LAM Ka-fai, BBS, JP	Mr MAK Wai-ming
	Mr Waillen CHUI Wai-lan	Dr LAU Kwok-yu, JP	Ms POON Choi-chun
	Mr CHUM Tak-shing	Ms LAU Pui-yuk, MH	Mr WAI Woon-nam
	Mr CHUNG On-chu	Dr LEUNG Kai-chi	
	(up to 14 July 2020) District Officer (Sham Shui Po)		

YAU TSIM MONG DISTRICT ADVISORY COMMITTEE

Chairperson	Ms Judy CHAN Ka-pui, MH		
Members	Mr CHU Kong-wai	Mr Edward LEUNG Wai-kuen, JP	Sr Kenny TSE Chi-kin
	Mr CHUNG Chak-fai	Mr LUI Fan-yuk	Mr Benny YEUNG Tsz-hei, BBS, MH
	Mr HUI Tak-leung, JP	Mr Ernest NG Kwok-wa	Mr YU Tak-po
	Mr LAU Pak-kei	Ir Michelle TANG Ming-sum	Dr Simon YUEN Sheung-man
	Mr Eric LEE Chung-ming	Mr TSANG Tsz-ming	
	District Officer (Yau Tsim Mong)		

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

	In HK\$'million									
Year ended 31 March	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues for the year	3,690	5,341	1,169	9,904	7,422	5,035	13,868	3,423	2,107	3,439
Surplus/(deficit) for the year (before interest income)	2,431	4,292	(2,387)	918	4,302	2,898	11,718	1,895	(278)	(45)
Surplus/(deficit) for the year	2,584	4,437	(2,270)	1,076	4,451	3,142	12,038	2,330	118	150
Accumulated surplus	11,770	16,207	13,937	15,013	19,464	22,606	34,644	36,974	37,092	37,242
Capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net assets	21,770	26,207	23,937	25,013	29,464	32,606	44,644	46,974	47,092	47,242
Debt securities issued less unamortised finance charges	1,699	3,288	4,777	4,582	3,285	3,288	2,791	2,793	1,796	1,097
Properties under development (Note 1)	19,212	22,421	27,677	20,984	20,199	19,087	25,769	29,609	33,494	33,287
Land premia waived by the Government during the year	(64)	(1,018)	-	(7,785)	(940)	(180)	(4,077)	(190)	(4)	(17)
Surplus/(deficit) for the year if no land premium waiver	2,520	3,419	(2,270)	(6,709)	3,511	2,962	7,961	2,140	114	133
Accumulated surplus if no land premium waiver	6,282	9,701	7,431	722	4,233	7,195	15,156	17,296	17,410	17,543

Note:

1. "Properties under development" represents properties under development before provision for impairment.

The members of the Board submit their report together with the audited financial statements for the year ended 31 March 2021.

BOARD MEMBERS

Members of the Board for the year and up to the date of this report are set out on page 96.

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.

CONSOLIDATED FINANCIAL STATEMENTS

The results of the Group for the year ended 31 March 2021 and the financial position of the Group and of the Authority at that date are set out in the consolidated financial statements on pages 114 to 159.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in Note 8 to the consolidated financial statements.

WORKING CAPITAL

At 31 March 2021, 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 TRANSACTIONS, ARRANGEMENTS OR 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 other than Note 21 to the consolidated financial statements.

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 KPMG who retire and, being eligible, offer themselves for re-appointment.

By order of the Board
CHOW Chung-kong
 Chairman
 Hong Kong, 10 June 2021



**TO THE MEMBERS OF THE BOARD OF THE URBAN RENEWAL AUTHORITY
 (Incorporated in Hong Kong under the Urban Renewal Authority Ordinance)**

OPINION

We have audited the consolidated financial statements of Urban Renewal Authority (the "Authority") and its subsidiaries (together the "Group") set out on pages 114 to 159, which comprise the consolidated statement of financial position as at 31 March 2021, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Board members are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained Report of the Members of the Board prior to the date of this auditor's report and expect the remaining other information to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD MEMBERS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board members are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the Board members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board members are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Board members are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- Conclude on the appropriateness of the Board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
10 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2021
(expressed in Hong Kong Dollars)

	Note	2021 \$'000	2020 \$'000
Revenue	5(a)	3,439,178	2,107,486
Direct costs		(2,706,937)	(632,747)
Gross surplus		732,241	1,474,739
Other income, net	5(b)	265,285	478,923
Administrative expenses		(593,338)	(515,309)
Other expenses		(355,142)	(295,423)
Write back of/ (provision for) impairment on properties and committed projects, net		100,916	(1,025,193)
Operating surplus before income tax	6	149,962	117,737
Income tax expenses	7(a)	-	-
Surplus and total comprehensive income for the year		<u>149,962</u>	<u>117,737</u>

The notes on pages 119 to 159 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

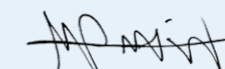
at 31 March 2021
(expressed in Hong Kong Dollars)

	Note	2021 \$'000	2020 \$'000
Non-current assets			
Property, plant and equipment	8	5,365,640	4,497,556
Properties under development	9	32,272,141	29,676,941
Building rehabilitation loans	10	9,834	6,470
Prepayments		889,117	743,447
Other receivables	11(a)	2,570,306	3,164,628
Bank deposits	12	76,000	-
		<u>41,183,038</u>	<u>38,089,042</u>
Current assets			
Properties held for sale	13	1,104,302	826,948
Properties under development for sale	9	291,222	2,595,685
Amounts due from joint development projects	14	34,877	49,528
Building rehabilitation loans	10	4,348	3,193
Trade and other receivables	11(b)	133,941	466,344
Investments	15	324,077	1,253,000
Cash and bank balances	12	9,217,493	9,814,297
		<u>11,110,260</u>	<u>15,008,995</u>
Total assets		<u>52,293,298</u>	<u>53,098,037</u>
Capital and reserves			
Capital	16	10,000,000	10,000,000
Accumulated surplus		37,242,147	37,092,185
		<u>47,242,147</u>	<u>47,092,185</u>
Non-current liabilities			
Trade and other payables	17	418,292	431,366
Debt securities issued	18	1,096,914	1,096,051
		<u>1,515,206</u>	<u>1,527,417</u>
Current liabilities			
Amounts due to joint development projects	14	243,545	120,474
Trade and other payables	17	3,292,400	3,658,455
Debt securities issued	18	-	699,506
		<u>3,535,945</u>	<u>4,478,435</u>
Total capital, reserves and liabilities		<u>52,293,298</u>	<u>53,098,037</u>

Approved by the Board
On 10 June 2021



CHOW Chung-kong
Chairman



WAI Chi-sing
Managing Director

The notes on pages 119 to 159 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021
(expressed in Hong Kong Dollars)

	Note	2021		2020	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Operating surplus before income tax		149,962		117,737	
Adjustments for:					
Interest income	5(b)	(195,242)		(395,550)	
Depreciation	6(a)	139,243		114,221	
Interest expense	6(a)	1,441		1,385	
Gain on disposal of property, plant and equipment	5(b)	(2)		-	
Net foreign exchange (gain)/loss		(776)		4,158	
(Write back of)/provision for impairment on properties and committed projects, net		(100,916)		1,025,193	
Operating (deficit)/surplus before working capital changes		(6,290)		867,144	
Changes in balances with joint development projects		137,722		(124,328)	
Increase in properties under development		(3,059,088)		(6,659,559)	
Decrease in properties held for sale		1,867,813		19,482	
(Increase)/decrease in building rehabilitation loans		(4,519)		3,849	
(Increase)/decrease in prepayments		(287,975)		9,555	
Decrease/(increase) in other receivables		594,322		(699,459)	
Decrease/(increase) in trade and other receivables		184,885		(213,419)	
(Decrease)/increase in trade and other payables		(361,975)		478,681	
Cash used in operations		(935,105)		(6,318,054)	
Interest received		342,759		454,031	
Interest paid		(45,115)		(61,435)	
Net cash used in operating activities			(637,461)		(5,925,458)

The notes on pages 119 to 159 form part of these consolidated financial statements.

for the year ended 31 March 2021
(expressed in Hong Kong Dollars)

	Note	2021		2020	
		\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities					
Decrease in bank deposits with original maturities of more than 3 months		418,627		5,251,115	
Payment for purchase of investments at amortised cost		(324,077)		-	
Payment for purchase of property, plant and equipment		(61,960)		(64,421)	
Redemption of investments at amortised cost		1,253,000		3,158,061	
Proceeds from sale of property, plant and equipment		2		-	
Net cash generated from investing activities			1,285,592		8,344,755
Cash flows from financing activities					
Redemption of debt securities	12	(700,000)		(1,000,000)	
Capital element of lease rentals paid	12	(47,734)		(42,206)	
Interest element of lease rentals paid	12	(3,350)		(3,647)	
Net cash used in financing activities			(751,084)		(1,045,853)
Net (decrease)/increase in cash and cash equivalents			(102,953)		1,373,444
Cash and cash equivalents at 1 April			2,173,394		800,535
Exchange loss on cash and cash equivalents			-		(585)
Cash and cash equivalents at 31 March			<u>2,070,441</u>		<u>2,173,394</u>
Analysis of cash and bank balances					
Cash and cash equivalents			2,070,441		2,173,394
Bank deposits with original maturities of more than 3 months			7,223,052		7,640,903
Cash and bank balances at 31 March	12		<u>9,293,493</u>		<u>9,814,297</u>

The notes on pages 119 to 159 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021
(expressed in Hong Kong Dollars)

	Capital \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at 1 April 2019	10,000,000	36,974,448	46,974,448
Surplus and total comprehensive income for the year	-	117,737	117,737
Balance at 31 March 2020	<u>10,000,000</u>	<u>37,092,185</u>	<u>47,092,185</u>
Balance at 1 April 2020	10,000,000	37,092,185	47,092,185
Surplus and total comprehensive income for the year	-	149,962	149,962
Balance at 31 March 2021	<u>10,000,000</u>	<u>37,242,147</u>	<u>47,242,147</u>

The notes on pages 119 to 159 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 Government of the Hong Kong Special Administrative Region ("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 significant 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 consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments 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 ("HKFRSs") (which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) 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 Group'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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(b) Relevant standards effective in the current year

The HKICPA has issued certain amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3, *Definition of a Business*

Amendments to HKFRS 16, *Covid-19-Related Rent Concessions*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(c) Standards, amendments to standards and interpretations that are not yet effective for the current year

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance Contracts*, which are not yet effective for the year ended 31 March 2021 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 16, <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to HKAS 37, <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to HKFRSs 2018-2020 Cycle	1 January 2022

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(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.

All intercompany transactions, balances and cash flows within the Group are eliminated in full on consolidation.

In the Authority's statement of financial position, investments in subsidiaries are stated at cost less any provision for impairment losses (see Note 2(h)). Any such provisions are recognised as an expense in profit or loss.

(e) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) Income from sale of properties developed for sale in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in contract liabilities (see Note 2(f)).
- (ii) Where the Group receives its share of surplus from property development projects undertaken as joint development projects, sharing of such surplus is recognised in accordance with the terms of the joint development agreements, unless the control of the underlying properties under development have not been transferred. Proceeds received in advance from sale of properties of joint development projects prior to their completion are included in trade and other payables.
- (iii) When the developer is obligated to settle the upfront premium to the Group at the inception of joint development agreement, such upfront premium is recognised as revenue when the Group has no further substantial acts to complete. Generally, such revenue is recognised as soon as the Group has performed its obligations in respect of the upfront premium and it has become non-refundable/non-cancellable.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(e) Revenue recognition (Continued)

- (iv) Interest income is recognised on a time-proportion basis using the effective interest method.
- (v) Rental income net of any incentives given to the lessee is recognised on a straight line basis over the periods of the respective leases.
- (vi) 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.

(f) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(e)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(i)).

(g) Property, plant and equipment

Building comprises rehousing blocks, preservation properties, retained properties, and commercial premises held for self-use. Rehousing blocks represent properties held by the Group 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 assist primarily 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 Group. Retained properties represent redeveloped properties held by the Group for conserving the cultural characteristics of the projects before redevelopment and receives rental income.

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (see Note 2(h)). 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 profit or loss during the financial period in which they are incurred.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(g) Property, plant and equipment (Continued)

Amortisation on interests in leasehold land and depreciation on other assets is calculated to write off their costs less residual values, if any, over their anticipated useful lives on a straight line basis as follows:

Interests in leasehold land	– Over the period of the unexpired lease
Buildings	– 50 years 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 years
Motor vehicles	– 4 years
Furniture and office equipment	– 3 to 5 years
Properties leased for own use	– Over the period of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each 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 (see Note 2(h)).

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

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit loss ("ECLs") on the following items:

- financial assets measured at amortised cost (including cash and bank balances, trade receivables, investments at amortised cost, financial assets included in prepayments, deposits and other receivables, building rehabilitation loans and amounts due from joint development projects); and
- lease receivables.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and lease receivables (Continued)

Financial assets measured at fair value, including investments measured at fair value through profit or loss ("FVPL"), are not subject to the ECLs assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECLs model applies.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and lease receivables (Continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECLs amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and lease receivables (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other 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 of disposal 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.

(i) Financial assets and liabilities

The Group classifies its financial assets in the following categories: financial assets measured at amortised cost, at FVPL and at fair value through other comprehensive income ("FVOCI"). The classification of the financial asset is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. Management determine the classification of its financial assets at initial recognition.

The Group's policies for investments in debt securities are set out below.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(i) Financial assets and liabilities (Continued)

Investments in debt securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. These investments are subsequently accounted for as follows, depending on their classification.

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVOCI - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in 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. Investments at FVPL are initially recognised at fair value and transaction costs are expensed in 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 profit or loss over the period of the borrowings using the effective interest method.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(j) Leased assets (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and presents lease liabilities under "trade and other payables" in the statement of financial position.

(k) Properties under development

Properties under development represent all costs incurred by the Group in connection with property development, and include mainly acquisition costs, cost of development, borrowing costs, costs of rehousing units (see Note 2(m)) and other direct costs incurred in connection with the development, less any provisions for impairment losses (see Note 2(h)). For preservation properties and retained properties, the properties are transferred to property, plant and equipment at cost upon completion.

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 profit or loss at the inception of the joint development agreement.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(l) Properties held for sale and properties under development for sale

Properties held for sale and properties under development for sale at the end of the reporting period are 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 Group. In return, the Group will pay for the reservation fees until a tenant is moved into the unit and the allocation costs of the rehousing unit. These costs are recognised as part of the cost of properties under development referred to in Note 2(k).

(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 economic benefits will be required to settle the obligation; and the amount can be 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 of economic benefits with respect to any one item included in the same class of obligations may be small.

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 of 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 benefits 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 of economic benefits occurs so that the outflow is probable, it will then be recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(o) Current and deferred income tax

Income tax expenses comprise current tax and movements in deferred tax assets and liabilities.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes 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 substantively enacted at 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 at 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.

Other borrowing costs are charged to 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 Group's 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 profit or loss.

(r) Joint development projects

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

Where property is received by the Group as its share of distribution of assets from joint 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.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and deposits held at call with banks with original 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.

(u) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (3) The entity is controlled or jointly controlled by a person identified in (i).
- (4) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. Financial risk management and fair value of financial instruments

(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.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

3. Financial risk management and fair value of financial instruments (Continued)

(a) Financial risk factors (Continued)

(ii) Credit risk

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

The credit risk on investments at amortised cost is limited as issuers are mainly with high credit ratings assigned by international credit rating agencies.

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 Group 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 trade receivables is limited as rental deposits in the form of cash are usually received from tenants.

The credit risk on other receivables is limited as the Group 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 Stamp Duty Ordinance Chapter 117.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Given the Group has not experienced any significant credit losses in the past, the allowance for expected credit losses is insignificant.

(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 on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period 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 amounts (except for debt securities issued which include interest element), as the impact of discounting is insignificant.

(expressed in Hong Kong Dollars)

3. Financial risk management and fair value of financial instruments (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk (Continued)

	2021	2020
	\$'000	\$'000
Less than 1 year		
Trade and other payables	2,698,974	3,018,396
Amounts due to joint development projects	243,545	120,474
Debt securities issued	<u>32,222</u>	<u>745,285</u>
Between 1 to 3 years		
Trade and other payables	61,009	70,556
Debt securities issued	<u>653,168</u>	<u>364,462</u>
Between 3 to 5 years		
Trade and other payables	14,920	19,434
Debt securities issued	<u>538,447</u>	<u>340,125</u>
Over 5 years		
Trade and other payables	343,160	343,160
Debt securities issued	<u>-</u>	<u>519,250</u>

(iv) Foreign exchange risk

The Group has certain cash and bank balances and investments denominated in United States Dollars ("USD"), which are exposed to foreign currency risk. When the exchange rates of USD against the Hong Kong dollar fluctuate, the value of the USD-denominated cash and bank balances and investments translated into Hong Kong dollar will vary accordingly.

Foreign exchange risk sensitivity

There would have no significant effect on the surplus of the Group resulting from the foreign exchange gains/losses on translation of USD-denominated cash and bank balances and investments as the Group currently considered the risk of movements in exchange rates between the Hong Kong dollars and USD to be insignificant.

(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 credit facilities to ensure the availability of funding when needed.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

3. Financial risk management and fair value of financial instruments (Continued)

(c) Fair value measurement

The carrying amounts of the Group's financial assets including amounts due from joint development projects, cash and bank balances, investments at amortised cost and trade and other receivables; and financial liabilities including amounts due to joint development projects and trade and other payables, approximate their fair values.

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

4. Critical accounting estimates and judgments

Estimates and judgments 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.

Impairment of properties and provision for a committed project

Properties 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(h).

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 value of the committed project is lower than the estimated development and related costs of the project, a provision would be recognised.

The valuations of properties 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 costs and allocation thereof; and (v) discount rate used in land value assessment, which is made with reference to the Prime Rate.

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgments (Continued)

Impairment of properties and provision for a committed project sensitivity

As at 31 March 2021, if the respective estimated upfront premium to be received on the projects had been increased/decreased by 5% with all other variables held constant, the surplus of the Group for the year would increase/decrease by approximately \$108,700,000/\$171,900,000 respectively (2019/20: \$152,600,000/\$219,400,000) resulting from the change in provision for impairment on properties and committed projects.

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

5. Revenue and other income, net

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2021	2020
	\$'000	\$'000
Revenue recognised outside the scope of HKFRS 15		
- Upfront premium from property developers	912,800	883,000
- Share of property development surplus on joint development projects	426,441	1,184,851
Revenue from contracts with customers within the scope of HKFRS 15		
- Sale of properties	2,099,937	39,635
	<u>3,439,178</u>	<u>2,107,486</u>

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

At 31 March 2021, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of comprehensive income in the future from pre-completion sales contracts entered into in relation to the Group's property sales pending transfer of control amounted to \$259,372,800 (2019/20: \$2,075,793,000) which will be recognised when the properties are assigned to the customers. The Group will recognise the expected revenue in future on the basis that control over ownership of the property has been passed to the customer, which is expected to occur over the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

5. Revenue and other income, net (Continued)

(b) Other income, net

Other income, net recognised during the year represents:

	2021	2020
	\$'000	\$'000
Interest income	195,242	395,550
Rental income	66,167	97,921
Miscellaneous income	2,051	2,705
Gain on disposal of property, plant and equipment	2	-
Net foreign exchange gain/(loss)	1,823	(17,253)
	<u>265,285</u>	<u>478,923</u>

6. Operating surplus before income tax

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

(a) Other items

	2021	2020
	\$'000	\$'000
Cost of properties under joint development projects	769,804	555,895
Cost of properties sold	1,867,813	7,081
Staff costs* (excluding directors' remuneration)	462,955	403,178
Rehabilitation and retrofit expenses	40,017	37,103
Revitalisation and preservation expenses	6,495	11,868
Place making expenses [^]	7,172	12,213
Outgoings in respect of preservation properties, retained properties and rehousing units	<u>96,392</u>	<u>68,204</u>
Depreciation		
- Depreciation	161,594	138,774
- Less: Depreciation capitalised	<u>(22,351)</u>	<u>(24,553)</u>
	<u>139,243</u>	<u>114,221</u>
Auditor's remuneration		
- Audit services	509	491
- Non-audit services	<u>2,593</u>	<u>2,299</u>

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(a) Other items (Continued)

	2021	2020
	\$'000	\$'000
Impairment on properties		
- (Write back of)/provision for impairment on properties held for sale	(2,460)	3,676
- Provision for impairment on property, plant and equipment	165,444	52,617
- (Write back of)/provision for impairment on properties under development	<u>(263,900)</u>	<u>968,900</u>
	<u>(100,916)</u>	<u>1,025,193</u>
Interest expenses		
- Interest on lease liabilities	3,350	3,647
- Less: Interest on lease liabilities capitalised [#]	<u>(1,909)</u>	<u>(2,262)</u>
	1,441	1,385
- Interest expenses on debt securities issued	42,411	58,500
- Less: Interest expenses capitalised [#]	<u>(42,411)</u>	<u>(58,500)</u>
	-	-
	<u>1,441</u>	<u>1,385</u>

* Including salaries and other benefits of \$431,244,000 (2019/20: \$375,400,000) and contribution to provident fund scheme of \$31,711,000 (2019/20: \$27,778,000).

[^] Excluding depreciation of \$1,315,000 (2019/20: \$1,101,000) and finance cost of \$22,000 (2019/20: \$46,000) for properties leased for own use.

[#] The borrowing costs have been capitalised at rates ranging from 1.64% to 3.85% per annum (2019/20: 1.64% to 3.85% per annum).

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(b) Managing Director, Executive Directors and senior management's remuneration paid or payable during the year

	2021					
	Fees	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director						
- Wai Chi-sing	-	4,032 ¹	2	4,034	1,338	5,372
Executive Directors						
- Ben Lui Sau-shun	-	2,575 ¹	18	2,593	686	3,279
- Michael Ma Chiu-tsee ²	-	806 ¹	6	812	226	1,038
- Eric Poon Shun-wing ³	-	2,194	280	2,474	549	3,023
9 Senior management staff & 1 Ex-senior management staff ³	-	22,930	2,533	25,463	6,650	32,113
Total ⁴	-	32,537	2,839	35,376	9,449	44,825
	2020					
	Fees	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director						
- Wai Chi-sing	-	4,374	18	4,392	1,312	5,704
Executive Directors						
- Ben Lui Sau-shun	-	2,864	18	2,882	686	3,568
- Michael Ma Chiu-tsee	-	3,146	18	3,164	785	3,949
9 Senior management staff	-	23,854	2,517	26,371	6,724	33,095
Total ⁴	-	34,238	2,571	36,809	9,507	46,316

Notes:

- Voluntary salaries reduction by 10% in 2020/21.
- The Executive Director retired on 14 July 2020.
- The Executive Director ceased to be a senior management staff on 14 July 2020 and assumed his role with effect from 15 July 2020.
- Excluding compensation in lieu of leave in the aggregate sum of \$629,000 (2019/20: \$432,000).

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(b) Managing Director, Executive Directors and senior management's remuneration paid or payable during the year (Continued)

Their remuneration fell within the following bands:	2021	2020
	No. of Individuals	No. of Individuals
\$500,000 to \$1,000,000	1	-
\$1,000,001 to \$1,500,000	1	-
\$2,500,001 to \$3,000,000	-	1
\$3,000,001 to \$3,500,000	4	2
\$3,500,001 to \$4,000,000	2	6
\$4,000,001 to \$4,500,000	3	1
\$4,500,001 to \$5,000,000	1	1
\$5,000,001 to \$5,500,000	1	-
\$5,500,001 to \$6,000,000	-	1
Total	<u>13</u>	<u>12</u>

There were no payments made or benefits provided in respect of the termination of director service or consideration provided to / receivable by third parties in respect of the services of directors, whether in the capacity of directors or in any other capacity while directors.

There were no loans, quasi-loans provided to the directors.

No significant transactions, arrangements or contracts in relation to the Group's business to which the Authority was a party, and in which a director of the Authority had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(c) Other members of the Board

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

	2021	2020
	\$'000	\$'000
Chairman		
Mr Victor So Hing-woh, SBS, JP (up to 30 Apr 2019)	-	8
Mr Chow Chung-kong, GBM, GBS, JP (from 1 May 2019)	90*	92
Non-Executive Directors (non-public officers)		
Mr Evan Au Yang Chi-chun	65	65
Mr William Chan Fu-keung, BBS (from 1 Dec 2020)	22	-
Ms Judy Chan Ka-pui, MH	65	65
The Honourable Vincent Cheng Wing-shun, MH, JP (from 1 May 2019)	65	60
Dr the Honourable Ann Chiang Lai-wan, SBS, JP (up to 30 Apr 2019)	-	5
Mr Edward Chow Kwong-fai, JP (up to 30 Apr 2019)	-	5
Ms Ivy Chua Suk-lin (from 1 May 2019)	65	60
Mr Andy Ho Wing-cheong (from 1 May 2019)	65	60
Mr Laurence Ho Hoi-ming (up to 30 Apr 2019)	-	5
Professor Eddie Hui Chi-man, MH (up to 30 Apr 2019)	-	5
The Honourable Kwok Wai-keung, JP (from 1 Dec 2020)	22	-
Mr Nelson Lam Chi-yuen (up to 30 Apr 2019)	-	5
Dr Lee Ho-yin (from 1 May 2019)	65	60
Professor Joseph Lee Kok-long, SBS, JP (up to 30 Nov 2020)	43	65
Dr Gregg Li G. Ka-lok (up to 30 Apr 2019)	-	5
Mr Laurence Li Lu-jen, JP (up to 30 Apr 2019)	-	5
Ms Elaine Lo Yuen-man (from 1 May 2019)	65	60
Mr Roger Luk Koon-hoo, BBS, JP	65	65
Mr Timothy Ma Kam-wah, JP (up to 30 Apr 2019)	-	5
The Honourable Alice Mak Mei-ken, BBS, JP (up to 30 Nov 2020)	43	65
Dr Lawrence Poon Wing-cheung, JP (up to 30 Nov 2020)	43	65
Professor Tang Bo-sin, MH (from 1 May 2019)	65	60
Mr David Tang Chi-fai (up to 30 Apr 2019)	-	5
The Honourable Tony Tse Wai-chuen, BBS, JP (from 1 Dec 2020)	22	-
Ms Judy Tong Kei-yuk (from 1 May 2019)	65	60
Mr Andy Tong Sze-hang (from 1 May 2019)	65	60
Mrs Cecilia Wong Ng Kit-wah	65	65
Mr Michael Wong Yick-kam, MH, JP	65	65
Mr Stanley Wong Yuen-fai, SBS, JP (up to 30 Apr 2019)	-	5
Mr Stephen Wong Yuen-shan (from 1 May 2019)	65	60
Mr Wu Chi-wai, MH (up to 30 Nov 2020)	43	65
	<u>1,238</u>	<u>1,275</u>

* Voluntary fee reduction by 10% in 2020/21

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(d) Five highest paid individuals

	2021	2020
	\$'000	\$'000
The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2021 include the Managing Director, Executive Director and three senior management staff (among the five highest paid individuals, one of them ceased to be a senior management staff during the year, but continued to serve the Authority as Executive Director).		
The total emoluments earned by the five highest paid individuals during the year are as follows:		
Fixed - Salaries	16,215	16,655
- Provident fund scheme contributions	1,508	1,074
Sub-total	<u>17,723</u>	<u>17,729</u>
Variable pay	4,858	4,567
Total**	<u>22,581</u>	<u>22,296</u>

Their remuneration fell within the following bands:

	No. of Individuals	No. of Individuals
\$3,500,001 to \$4,000,000	-	2
\$4,000,001 to \$4,500,000	3	1
\$4,500,001 to \$5,000,000	1	1
\$5,000,001 to \$5,500,000	1	-
\$5,500,001 to \$6,000,000	-	1
Total	<u>5</u>	<u>5</u>

** For the year ended 31 March 2021, compensation in lieu of leave of \$629,000 (2019/20: \$432,000) 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 they have no estimated assessable income for the year (2019/20: Nil).

(b) As at 31 March 2021, the subsidiaries of the Group have unrecognised deductible temporary differences arising from tax losses of \$38,843,000 (31 March 2020: \$34,925,000) to carry forward against future taxable income. These tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

8. Property, plant and equipment

(a) Reconciliation of carrying amount

	Retained properties*	Preservation properties	Other property, plant and equipment				Properties leased for own use	Total
			Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipment and motor vehicles		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 31 March 2019								
Cost	960,170	1,556,152	661,588	136,846	62,630	18,766	3,396,152	
Accumulated depreciation	(29,961)	(188,786)	(331,195)	(49,492)	(46,832)	(12,071)	(658,337)	
Accumulated impairment	-	(213,560)	(1,597)	-	-	-	(215,157)	
Net book value	<u>930,209</u>	<u>1,153,806</u>	<u>328,796</u>	<u>87,354</u>	<u>15,798</u>	<u>6,695</u>	<u>2,522,658</u>	
Year ended 31 March 2020								
Opening net book value	930,209	1,153,806	328,796	87,354	15,798	6,695	2,522,658	
Impact on initial application of HKFRS 16	-	-	-	-	-	-	111,277	
Additions	1,824	5,875	-	32,470	17,006	7,246	94,152	
Transfer from properties under development	287,786	698,170	974,904	-	-	-	1,960,860	
Depreciation	(26,851)	(37,117)	(10,879)	(10,016)	(4,966)	(3,740)	(138,774)	
Write back of/(provision for) impairment	-	(149,100)	96,483	-	-	-	(52,617)	
Closing net book value	<u>1,192,968</u>	<u>1,671,634</u>	<u>1,389,304</u>	<u>109,808</u>	<u>27,838</u>	<u>10,201</u>	<u>4,497,556</u>	
At 31 March 2020								
Cost	1,249,780	2,733,897	1,993,892	169,316	79,636	22,706	6,390,235	
Accumulated depreciation	(56,812)	(225,903)	(342,074)	(59,508)	(51,798)	(12,505)	(793,805)	
Accumulated impairment	-	(836,360)	(262,514)	-	-	-	(1,098,874)	
Net book value	<u>1,192,968</u>	<u>1,671,634</u>	<u>1,389,304</u>	<u>109,808</u>	<u>27,838</u>	<u>10,201</u>	<u>4,497,556</u>	
Year ended 31 March 2021								
Opening net book value	1,192,968	1,671,634	1,389,304	109,808	27,838	10,201	4,497,556	
Additions / Adjustments (Note)	92	(3,660)	-	58,688	-	3,180	98,534	
Transfer from properties under development	715,591	301,847	79,150	-	-	-	1,096,588	
Depreciation	(37,775)	(37,815)	(13,244)	(12,643)	(6,066)	(5,132)	(161,594)	
Write back of/(provision for) impairment	-	(110,904)	(54,540)	-	-	-	(165,444)	
Closing net book value	<u>1,870,876</u>	<u>1,821,102</u>	<u>1,400,670</u>	<u>155,853</u>	<u>21,772</u>	<u>8,249</u>	<u>5,365,640</u>	
At 31 March 2021								
Cost	1,965,463	3,266,084	2,073,042	228,004	79,636	25,525	7,794,478	
Accumulated depreciation	(94,587)	(263,718)	(355,318)	(72,151)	(57,864)	(17,276)	(930,520)	
Accumulated impairment	-	(1,181,264)	(317,054)	-	-	-	(1,498,318)	
Net book value	<u>1,870,876</u>	<u>1,821,102</u>	<u>1,400,670</u>	<u>155,853</u>	<u>21,772</u>	<u>8,249</u>	<u>5,365,640</u>	

* The Group receives rental income for the retained properties and their fair value as at 31 March 2021 was \$2,999,625,000 (31 March 2020: \$2,281,000,000).

Note: Adjustments represent the changes in estimated resumption and construction costs of properties and leasehold improvements.

(expressed in Hong Kong Dollars)

8. Property, plant and equipment (Continued)

(a) Reconciliation of carrying amount (Continued)

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

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 March 2021	31 March 2020
	\$'000	\$'000
Properties leased for own use, carried at depreciated cost, with remaining lease term less of 5 years	<u>87,118</u>	<u>95,803</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2021	2020
	\$'000	\$'000
Net depreciation charge of right-of-use assets by class of underlying asset:		
- Properties leased for own use	<u>26,568</u>	<u>20,652</u>
Interest on lease liabilities (Note 6(a))	1,441	1,385
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 March 2020	-	648
Expense relating to short-term leases	<u>702</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

9. Properties under development

As at 31 March 2021, the properties under development are analysed as follows:

	2021	2020
	\$'000	\$'000
Cost, including Home Purchase Allowance ("HPA") (Note (i))		
At 1 April	33,494,426	29,608,757
Add: Additions during the year*	4,007,014	7,504,990
Less: Charged to profit or loss during the year	(740,860)	(755,657)
Transferred to property, plant and equipment	(1,330,588)	(2,792,264)
Transferred to properties held for sale	(2,142,729)	(71,400)
At 31 March**	33,287,263	33,494,426
Provision for impairment at 31 March	(723,900)	(1,221,800)
Balance as at 31 March	<u>32,563,363</u>	<u>32,272,626</u>

* The amount includes depreciation of \$22,351,000 (31 March 2020: \$24,553,000) and interest expense of \$1,909,000 (31 March 2020: \$2,262,000) for properties leased for own use.

** The amount includes accumulated interest and other borrowing costs capitalised of \$319,115,000 (31 March 2020: \$327,383,000).

As at 31 March 2021, the properties under development are analysed as follows:

	2021	2020
	\$'000	\$'000
Non-current portion	32,272,141	29,676,941
Current portion (development for sale)	291,222	2,595,685
	<u>32,563,363</u>	<u>32,272,626</u>

Notes:

(i) 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 Group's redevelopment projects.

(expressed in Hong Kong Dollars)

9. Properties under development (Continued)

Notes (Continued)

(i) (Continued)

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 2021, the Group's estimated cash outflow in respect of project under acquisition and resumption as well as construction cost for self-developed projects was \$7.1 billion (31 March 2020: \$7.5 billion), without accounting for any future cash inflow for the projects.

(ii) The Group launched the Flat-for-Flat ("FFF") Scheme to provide domestic owner-occupiers affected by the Group'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 at Kai Tak.

10. Building rehabilitation loans

As at 31 March 2021, the building rehabilitation loans are analysed as follows:

	2021	2020
	\$'000	\$'000
Non-current portion	9,834	6,470
Current portion	4,348	3,193
	<u>14,182</u>	<u>9,663</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 Group 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.

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

11. 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 Group will claim for refund from the Government upon the happening of the refund event in accordance with Stamp Duty Ordinance Chapter 117.

(b) Trade and other receivables

As at 31 March 2021, the trade and other receivables are current in nature and analysed as follows:

	2021	2020
	\$'000	\$'000
Trade receivables and prepayments	60,080	39,018
Interest receivables	44,268	191,785
Other receivables and deposits	29,593	235,541
Balance at 31 March	<u>133,941</u>	<u>466,344</u>

All of trade and other receivables are expected to be recovered within one year.

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

12. Cash and bank balances

	2021	2020
	\$'000	\$'000
Bank deposits		
Original maturities of 3 months or less	1,854,447	2,137,809
Original maturities of more than 3 months	7,223,052	7,640,903
	9,077,499	9,778,712
Less: Amounts held in trust for joint development projects	(1,213)	(1,203)
	9,076,286	9,777,509
Cash at banks and in hand	217,207	36,788
	<u>9,293,493</u>	<u>9,814,297</u>
Maximum exposure to credit risk	<u>9,293,478</u>	<u>9,814,282</u>

(expressed in Hong Kong Dollars)

12. Cash and bank balances (Continued)

Representing:

	2021	2020
	\$'000	\$'000
Non-current portion		
- Bank deposits	<u>76,000</u>	<u>-</u>
Current portion		
- Cash at banks and in hand	217,207	36,788
- Bank deposits	9,000,286	9,777,509
	<u>9,217,493</u>	<u>9,814,297</u>

As at 31 March 2021, cash and bank balances of the Group are denominated in Hong Kong Dollars except for an amount of \$286,194,000 (31 March 2020: \$594,281,000) which is denominated in USD.

The average effective interest rate of time deposits with banks was 1.63% per annum (2019/20: 2.69% per annum). These deposits have an average maturity of 151 days (2019/20: 97 days).

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

	2021	2020
	\$'000	\$'000
Rating (Moody's)		
Aa1 – Aa3	3,660,110	1,379,523
A1 – A3	5,583,855	8,420,498
Others	49,513	14,261
	<u>9,293,478</u>	<u>9,814,282</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

12. Cash and bank balances (Continued)

Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities and liabilities for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flow from financing activities.

	Debt securities issued	
	2021	2020
	\$'000	\$'000
At 1 April	1,795,557	2,793,337
Changes from financing cash flows:		
- Redemption of debt securities	(700,000)	(1,000,000)
Other changes:		
- Amortisation of debt securities issuing costs	1,357	2,220
Balance as at 31 March	<u>1,096,914</u>	<u>1,795,557</u>
	Lease liabilities	
	2021	2020
	\$'000	\$'000
At 31 March	98,802	-
Impact on initial application of HKFRS 16	-	111,277
At 1 April	<u>98,802</u>	<u>111,277</u>
Changes from financing cash flows:		
- Capital element of lease rentals paid	(47,734)	(42,206)
- Interest element of lease rentals paid	(3,350)	(3,647)
Total changes from financing cash flows	<u>(51,084)</u>	<u>(45,853)</u>
Other changes:		
- Increase in lease liabilities from entering into new leases during the year	40,234	29,731
- Interest expense (Note 6(a))	3,350	3,647
Total other changes	<u>43,584</u>	<u>33,378</u>
At 31 March	<u>91,302</u>	<u>98,802</u>

(expressed in Hong Kong Dollars)

13. Properties held for sale

The Group's properties held for sale are located in Hong Kong and their carrying amounts are analysed as follows:

	2021	2020
	\$'000	\$'000
In Hong Kong, with remaining lease term of:		
- 50 years or more	5,674	5,674
- between 10 and 50 years	1,098,628	821,274
	<u>1,104,302</u>	<u>826,948</u>

14. Balances with joint development projects

	2021	2020
	\$'000	\$'000
Amounts due from joint development projects	34,877	49,528
Amounts due to joint development projects	(243,545)	(120,474)
	<u>(208,668)</u>	<u>(70,946)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

14. Balances with joint development projects (Continued)

The Group have the following active joint development projects as at 31 March 2021.

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
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 Dynasty / Citywalk 2 (Tsuen Wan)	Commercial/Residential	44,404	2008	-
* Vista (Sham Shui Po)	Commercial/Residential	12,708	2009	-
Lime Stardom (Tai Kok Tsui)	Commercial/Residential	19,735	2011	-
* Park Summit (Tai Kok Tsui)	Commercial/Residential	21,402	2013	-
Park Metropolitan (Kwun Tong)	Residential	27,830	2014	-
Park Ivy (Tai Kok Tsui)	Commercial/Residential	4,843	2014	-
* The Avenue / Lee Tung Avenue (Wan Chai)	Commercial/Residential	83,898	2015	-
My Place (Ma Tau Kok)	Commercial/Residential	6,944	2016	-
* SKYPARK / The Forest (Mong Kok)	Commercial/Residential	22,301	2017	-
City Hub (To Kwa Wan)	Commercial/Residential	8,378	2018	-
The Ascent (Sham Shui Po)	Commercial/Residential	7,159	2018	-

(expressed in Hong Kong Dollars)

14. Balances with joint development projects (Continued)

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
93 Pau Chung Street (Ma Tau Kok)	Commercial/Residential	10,345	2018	-
The Amused (Sham Shui Po)	Commercial/Residential	5,030	2018	-
My Central (Sheung Wan)	Commercial/Residential	18,240	2019	-
Astoria Crest (Sham Shui Po)	Commercial/Residential	3,640	2019	-
Downtown 38 (Ma Tau Kok)	Commercial/Residential	9,783	2020	-
The Monti (Sai Wan Ho)	Residential	5,680	2020	-
HYDE PARK (Sham Shui Po)	Commercial/Residential	3,600	2020	-
Madison Park (Sham Shui Po)	Commercial/Residential	4,884	2020	-
Artisan Garden (Ma Tau Kok)	Commercial/Residential	12,456	2021	-
Grand Central (Kwun Tong)	Commercial/Residential	179,248	-	2021
Seaside Sonata (Sham Shui Po)	Commercial/Residential	58,899	-	2021
Fuk Chak Street / Li Tak Street (Tai Kok Tsui)	Commercial/Residential	5,738	-	2021
L • LIVING 23 (Tai Kok Tsui)	Commercial/Residential	6,597	-	2021
One Soho (Yau Ma Tei)	Commercial/Residential	12,510	-	2022

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

14. Balances with joint development projects (Continued)

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
Peel Street/Graham Street – Site A (Sheung Wan)	Commercial/Stadium and Youth Centre/Residential	9,630	-	2022
Tung Chau St / Kweilin St (Sham Shui Po)	Commercial/Residential	13,409	-	2023
Hang On Street (Kwun Tong)	Commercial/Residential	6,661	-	2023
Peel Street/Graham Street – Site C (Sheung Wan)	Commercial/Office/Hotel	41,202	-	2024
Castle Peak Rd/Un Chau St (Sham Shui Po)	Commercial/Residential	14,841	-	2024
@ Tonkin St/ Fuk Wing St (Sham Shui Po)	Commercial/Residential	9,675	-	2025

* Projects with commercial portions jointly held by the developer and the Group for letting and pending for sale

@ Newly awarded project during the year

The Group is entitled to returns which are predetermined in accordance with the provisions of the joint development agreements.

In respect of the commercial portions of certain projects, the Group has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issuance of the occupation permits. The Group shares certain 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. The Group would account for its share of sales proceeds as surplus from the joint development projects when these commercial portions are sold in the future.

(expressed in Hong Kong Dollars)

15. Investments

As at 31 March 2021, the debt securities investments are analysed as follows:

	2021 \$'000	2020 \$'000
Investments at amortised cost	<u>324,077</u>	<u>1,253,000</u>

As at 31 March 2021, the Group's debt securities represent high quality fixed income securities.

16. 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 2021, the Authority had received all five tranches of equity injection of \$10 billion in total.

17. Trade and other payables

As at 31 March 2021, the trade and other payables are analysed as follows:

	Note	2021 \$'000	2020 \$'000
Contract liabilities	(a)	29,175	210,084
Lease liabilities		91,302	98,802
Trade payables		103,448	112,370
Rental and other deposits received		148,415	128,769
Proceeds received in advance from sale of properties of joint development projects		566,460	432,660
Other payables		5,567	8,271
Accrued expenses		<u>2,766,325</u>	<u>3,098,865</u>
		<u>3,710,692</u>	<u>4,089,821</u>
Representing:			
		2021 \$'000	2020 \$'000
Non-current portion		418,292	431,366
Current portion		<u>3,292,400</u>	<u>3,658,455</u>
		<u>3,710,692</u>	<u>4,089,821</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

17. Trade and other payables (Continued)

Note:

(a) Contract liabilities

Contract liabilities recognised arise from property development activities. Typical payment terms are as follows:

The Group receives certain percentage of the contract value as deposit from customers when they sign the sale and purchase agreement. The deposit is recognised as a contract liability until the properties are completed and transferred to the customers. The rest of the consideration is typically paid when the property is assigned to the customer.

Movements in contract liabilities

	2021	2020
	\$'000	\$'000
Balance at 1 April	210,084	1,241
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(210,084)	(1,241)
Increase in contract liabilities as a result of receiving forward sales deposits and instalments during the year in respect of property sales not yet completed as at 31 March	29,175	210,084
Balance at 31 March	<u>29,175</u>	<u>210,084</u>

18. Debt securities issued

As at 31 March 2021, the Group has issued the following fixed rate notes under a Medium Term Note programme.

	2021	2020
	\$'000	\$'000
Non-current portion		
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	300,000
HK dollar Fixed rate notes with coupon of 3.85% due 2026	500,000	500,000
Less: Unamortised debt securities issuing costs	(3,086)	(3,949)
	<u>1,096,914</u>	<u>1,096,051</u>
Current portion		
HK dollar Fixed rate notes with coupon of 1.64% due 2020	-	300,000
HK dollar Fixed rate notes with coupon of 2.92% due 2021	-	400,000
Less: Unamortised debt securities issuing costs	-	(494)
	<u>-</u>	<u>699,506</u>

(expressed in Hong Kong Dollars)

19. 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 2021 was \$34,550,000 (2019/20: \$30,348,000), net of forfeitures of \$1,089,000 (2019/20: \$963,000), which has been charged to the Group's profit or loss for the year.

20. Commitments

(a) Capital commitments

Capital commitments in respect of acquisition of property, plant and equipment at 31 March 2021 are as follows:

	2021	2020
	\$'000	\$'000
Contracted but not yet incurred	156,889	71,904
Authorised but not contracted for	-	177
	<u>156,889</u>	<u>72,081</u>

(b) Operating lease rental receivable

As at 31 March 2021, undiscounted lease payments under non-cancellable operating leases in place in respect of properties will be receivable by the Group in future periods, except for those commercial portions jointly developed by the developer and the Group, are as follows:

	2021	2020
	\$'000	\$'000
Within 1 year	29,914	26,309
After 1 year but within 2 years	22,734	22,717
After 2 years but within 3 years	6,716	8,865
After 3 years but within 4 years	2,595	3,621
After 4 years but within 5 years	520	1,455
	<u>62,479</u>	<u>62,967</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

21. Significant related party transactions

Transactions entered into by the Group 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 (Revised) "Related Party Disclosures".

During the year, the Authority reimbursed the Government an amount of \$61,323,000 (2019/20: \$63,751,000) 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 2021, there was an amount of \$4,852,000 (31 March 2020: \$5,072,000) 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 for \$2,098,000 (2019/20: \$1,918,000).

During the year, the Authority received \$328,000 (2019/20: \$333,000) from the said Fund for rental of an office premise.

As at 31 March 2021, there was an amount of \$301,223,000 (31 March 2020: \$338,866,000) remained in the Fund. The Authority 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 Notes 6(b) and (c).

(expressed in Hong Kong Dollars)

22. Statement of Financial Position of the Authority

In accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Authority as at 31 March 2021 is set out as follows:

	Note	2021 \$'000	2020 \$'000
Non-current assets			
Property, plant and equipment		5,327,464	4,482,956
Properties under development		32,272,141	29,676,941
Interest in subsidiaries	22(a)	40,320	-
Loan to a subsidiary		14,600	14,600
Building rehabilitation loans		9,834	6,470
Prepayments		889,117	743,447
Other receivables		2,570,306	3,164,628
Bank deposits		76,000	-
		<u>41,199,782</u>	<u>38,089,042</u>
Current assets			
Properties held for sale		1,104,302	826,948
Properties under development for sale		291,222	2,595,685
Amounts due from joint development projects		34,877	49,528
Building rehabilitation loans		4,348	3,193
Trade and other receivables		134,187	466,296
Investments		324,077	1,253,000
Cash and bank balances		9,217,493	9,814,297
		<u>11,110,506</u>	<u>15,008,947</u>
Total assets		<u><u>52,310,288</u></u>	<u><u>53,097,989</u></u>
Capital and reserves			
Capital		10,000,000	10,000,000
Accumulated surplus		37,259,231	37,092,186
	22(b)	<u>47,259,231</u>	<u>47,092,186</u>
Non-current liabilities			
Trade and other payables		418,292	431,366
Debt securities issued		1,096,914	1,096,051
		<u>1,515,206</u>	<u>1,527,417</u>
Current liabilities			
Amounts due to joint development projects		243,545	120,474
Trade and other payables		3,292,306	3,658,406
Debt securities issued		-	699,506
		<u>3,535,851</u>	<u>4,478,386</u>
Total capital, reserves and liabilities		<u><u>52,310,288</u></u>	<u><u>53,097,989</u></u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

22. Statement of Financial Position of the Authority (Continued)

(a) Interest in subsidiaries

	2021	2020
	\$'000	\$'000
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	70,439	26,541
Less: Provision for impairment	(30,120)	(26,542)
	<u>40,320</u>	<u>-</u>

Note:

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The balances are expected to be recovered more than one year.

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

Name	Number of shares	Total share capital	Principal activities
		\$	
Champ Dragon Properties Limited	1	1	Property holding
Ease Shine Development Limited	1	1	Property holding
Full Wisdom Enterprises Limited	1	1	Property holding
High Union Development Limited	1	1	Property holding
Hong Kong Building Rehabilitation Facilitation Services Limited	1	1	Building rehabilitation facilitation services
Joyful Success Investment Limited	1	1	Property holding
Max Grace Properties Limited	1	1	Property holding
Opalman Limited	2	2	Property holding
Sunny Joy Properties Limited	1	1	Property holding
Urban Redevelopment Facilitating Services Company Limited	1	10	Urban redevelopment facilitating services
Well Nice Properties Limited	1	1	Property holding

(expressed in Hong Kong Dollars)

22. Statement of Financial Position of the Authority (Continued)

(b) Statement of Changes in Equity

	Capital	Accumulated Surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2019	10,000,000	36,974,448	46,974,448
Surplus and total comprehensive income for the year	-	117,738	117,738
Balance at 31 March 2020	<u>10,000,000</u>	<u>37,092,186</u>	<u>47,092,186</u>
Balance at 1 April 2020	10,000,000	37,092,186	47,092,186
Surplus and total comprehensive income for the year	-	167,045	167,045
Balance at 31 March 2021	<u>10,000,000</u>	<u>37,259,231</u>	<u>47,259,231</u>

23. Approval of financial statements

The financial statements were approved by the Board on 10 June 2021.

