



Embracing Change for Sustainable Urban Renewal

Annual Report 2014 - 2015







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.

The URA is committed to:

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



Contents

004	Chairman's Statement
008	Managing Director's Statement
012	Operating Review
026	Corporate Sustainability
036	Management Discussion and Analysis
046	Highlights of the Year
054	Project Highlights
068	Corporate Governance
072	Members of Board and Profiles
082	Members of Committees
086	Organisation Structure
088	Members of District Advisory Committees
091	Financial Highlights
092	Report Of The Members Of The Board
094	Independent Auditor's Report
096	Consolidated Statement Of Comprehensive Income
097	Consolidated Statement Of Financial Position
098	Consolidated Statement Of Cash Flows
099	Consolidated Statement Of Changes In Equity
100	Notes To The Financial Statements



Mr Victor SO Hing-woh, JP

Chairman's Statement

“As a statutory body, the URA shall exercise due care and diligence in the handling of its finances as stipulated in the Urban Renewal Authority Ordinance and is tasked to ensure a healthy state of finances in the long term.”

During the year under review, we have observed some distinct trends that would have major impacts on the Urban Renewal Authority as the Authority moves ahead with its challenging task of tackling the urban decay problem in Hong Kong.

The first half of the 2014/15 financial year witnessed rather sluggish sentiment in the property market in general. Developers appeared uneager to bid for new development sites and new projects, offering relatively conservative bidding prices when compared to those of the previous year. We also saw developers putting up for sale a substantial amount of flats. In the second half of 2014/15, however, we witnessed a resurgence in demand for small and medium size flats. According to the Hong Kong Property Review 2015 conducted by the Rating and Valuation Department, the Price and Rental Indices of small and medium domestic units have shown that with strong demand of these units, their price and rents in the last quarter of 2014 were respectively 12% and 6% higher than a year earlier.

There are also two other aspects worth mentioning; firstly that the interest rate still remains low despite the continuous expectation that it will go up, and secondly that the construction cost continues to be on an upward trend and seems to have no sign of abating.



■ Mr Victor So meeting the media.

These occurrences have triggered us to examine more closely how we should conduct our business both now and in the future. On the one hand, it appears that the value of our acquired assets has gone up as evidenced by the more proactive bidding prices for our sites proposed by the developers in the last two quarters of 2014/15. On the other hand, the owners affected by our redevelopment projects would expect a higher offer from us to acquire their properties during the acquisition process. Adding to this is the ever increasing value of commercial premises due to the continued low interest rate environment, especially the ground floor shops, which in some cases may account for as high as 30 per cent or above of the total acquisition cost of a project.

As a statutory body, the URA shall exercise due care and diligence in the handling of its finances as stipulated in the Urban Renewal Authority Ordinance and is tasked to ensure a healthy state of finances in the long term; otherwise, we would require the public purse to replenish our deficits. With the concerted efforts of our management team, we have been able to make some progress in the cost control of our recurrent expenditure albeit there may still be room for improvement.



■ Mr Victor So discusses the progress on Kwun Tong Town Centre Project with URA colleagues.



■ Mr Victor So gives a presentation on the challenges of urban renewal at a forum of the Hong Kong Institute of Surveyors.

Nevertheless, I wish to reiterate that human resources are the most important asset to achieve success in undertaking our daunting task of urban renewal. The Authority shall renew its efforts in this area through the conduct of an independent value-for-money study and an organisation structure review of the URA by a reputable management consultant. These are important tasks for the Authority to find ways to go forward and look for breakthroughs to break the status quo.

As I wrote in the Chairman's message in the Authority's 2012/13 Annual Report, we should develop our human resources, not only taking on new talent as needed, but also providing adequate training for the URA team to carry out more complex projects. We will engage and nurture our staff to implement our long-term succession plan and foster a working culture which is outward looking, proactive and responsive to change. Ultimately, I am confident that we would be able to break new ground and move towards a new horizon of sustainable urban renewal.



■ URA colleague introduces the unique features of the Kweilin Street Public Open Space to Mr Victor So and guests.

Again, my heartfelt thanks to all of our Board members who, apart from dealing with the regular business of scheduled Board and committee meetings, have contributed selflessly their time and sound advice on issues such as the setting up of corporate objectives, human resources matters and the enhancement of core competencies during brainstorming sessions on other less formal occasions.

I also wish to record my gratitude to all my management and staff for their hard work and commitment without which we would not have met our urban renewal objectives over the past year. Last but not least, my appreciation goes to the outgoing Managing Director Ms Iris Tam Siu-ying for her dedicated service and contribution to the work of the Authority over the years and I wish her every success in all her future endeavours.

Victor SO Hing-woh

Chairman

31 July 2015



Ms Iris TAM Siu-ying, JP

Managing Director's Statement

“While economy and efficiency can be evaluated through quantitative means, qualitative assessment of effectiveness is essential in the work of URA which involves a great deal of community and individuals’ concerns.”

Year 2014/15 has been most eventful for the URA in which we have achieved good progress in site clearance and tendering of sites; adopted measures in upholding financial prudence; and tried hard in search of breakthroughs to address the long-term financial sustainability.

Site clearance & tender award

With an operating deficit of \$2.3 billion in 2013/14, and against a background of an increasing land supply from government land sale, we focused our effort on site clearance and tendering of cleared sites to increase revenue and reduce market risk.

Seamless collaboration across Divisions has overcome countless challenges. A record clearance of seven sites during the year has been achieved, including one of the largest projects in URA's portfolio at Hai Tan Street/Kweilin Street & Pei Ho Street; the first Demand-led redevelopment project at 229A-G Hai Tan Street; self-initiated redevelopment projects at Fuk Wing Street, Ma Tau Wai Road/Chun Tin Street, Anchor Street/Fuk Tsun Street and Pak Tai Street/San Shan Road; and the preservation project at Shanghai Street/Argyle Street. Except one case that required actual physical eviction, all the other remaining occupiers were cleared through settlement.

We have awarded the joint venture development tenders for five projects including two of the largest in our portfolio, namely Kwun Tong Town Centre Project Areas 2 and 3, and the Hai Tan Street/Kweilin Street & Pei Ho Street project. The other three projects were the Fuk Wing Street, San Shan Street/Pau Chung Street and the first Demand-led redevelopment project at 229A-G Hai Tan Street. The first tender of the Kwun Tong Town Centre Project Area 2 and 3 resulted in all non-conforming bids in July 2014. After considering two options of either an immediate re-tendering based on revised principal tender terms, or starting early stage site works by URA for re-tendering at an appropriate time later, the Board chose the former. The tender was awarded in September 2014.

With the upfront payments from the five tenders and the sharing of surplus sales proceeds from a few joint venture projects, the financial situation has improved significantly in 2014/15 at a net operating surplus of \$1.1 billion.

Work Portfolio in 4Rs

Due to the consolidation approach, we have commenced only three projects in 2014/15. They were two Demand-led redevelopment projects at To Kwa Wan Road (which was aborted for not meeting the second 80% threshold)

and Hang On Street (which on the contrary received overwhelming support), and a self-initiated project at Chun Tin Street/Sung Chi Street.

Building rehabilitation being one of URA's two core businesses has been on the expansion mode, not only in terms of geographical areas but also in the form of assistance to owners. The new tendering arrangement for Operation Building Bright which tackles tendering malpractices has created a more competitive bidding platform. More contractors are willing to participate in the tenders and more bids propose contract fees close to or even lower than the costs estimated by URA's independent building surveyors. The "Building Rehab Info Net" is a virtual platform providing useful technical information for all interested owners who may or may not be eligible for URA's direct assistance.

We continued with great effort in preservation and revitalisation work. Particularly worth mentioning are the great variety of art and cultural activities staged at the Comix Home Base; and the leasing of some conserved premises at Wing Lee Street and Prince Edward Road West to non-government organisations and social enterprises to enrich the social value of heritage preservation.

Meeting challenges: long-term financial sustainability

The long-term financial sustainability of URA's operations has been the focus throughout the year. It was addressed concurrently through a number of means:



■ Ms Iris Tam joins the opening ceremony of the Social Enterprise hub operated by the Hong Kong Council of Social Service at the Prince Edward Road West preservation project.



■ Ms Iris Tam visits an affected resident of the Demand-led project at Hang On Street in Kwun Tong during the freezing survey.

- (1) Freezing of headcount despite a heavy workload in handling a total of 42 on-going projects at different stages of development, commencing three more new redevelopment projects as well as making intensive effort in various studies;
- (2) Streamlining the rehabilitation strategy to handle the expansion of service area of the Integrated Building Maintenance Assistance Scheme (IBMAS) to the whole territory of Hong Kong in July 2015;
- (3) Revising the Demand-led Redevelopment Pilot Scheme to take financial consideration into account while giving greater weighting to building conditions in project selection (among other changes);
- (4) Expanding the capital-light Facilitating Services to cover industrial and commercial buildings on top of residential buildings;
- (5) Conducting value-for-money study and organisation structure review; and
- (6) Exploring new strategies and business models.

Mission driven

Long-term financial sustainability is an important financial discipline for a public organisation. But it is fundamental to sustain URA as a mission driven organisation. While economy and efficiency can be evaluated through quantitative means, qualitative assessment of effectiveness is essential in the work of URA which involves a great deal of community and individuals' concerns.

URA was set up as a statutory body to address urban

decay problems. According to our building conditions survey and projections, among the 20,000 building blocks 30 years or older in 2014, there were about 5,700 blocks (28%) in 'poor' or 'varied' building conditions. With URA implementing IBMAS, even with the projected growth of building population of this age group to 34,000 in 2034, the projected number of buildings in 'poor' or 'varied' conditions will drop to 3,100. Without URA's rehabilitation assistance, the number is projected to double to 6,500.

Zooming in on building blocks 50 years or older, there were about 6,200 in 2014, of which around 2,600 (42%) were 'poor' or 'varied'. Many of these are so poor in conditions that rehabilitation would unlikely be economically viable. For those with limited or no redevelopment potential, where else can the community look for help?

We must not forget that through redevelopment, URA is not just helping the owners and tenants to improve their living conditions – we are also renewing the building stock, and enhancing public safety and the general living environment. There are wider social and economic benefits for the district as a whole.

In the reply to the Legislative Council Panel on Development in May 2015, Development Bureau has re-iterated that the URA when determining the priority of URA-implemented projects should consider such factors as the age and building conditions of the buildings within the project area; whether the buildings

are in lack of basic sanitation facilities or exposed to potential fire risks; the living conditions of the residents; whether implementation of the project will improve the area through replanning and restructuring; whether the project will achieve a better utilisation of land; and whether rehabilitation of the buildings within the project area is a practicable and viable option. It states that "as a statutory organisation supported by public funds, URA has to exercise financial prudence in line with the Urban Renewal Authority Ordinance and the 2011 Urban Renewal Strategy. Profit maximisation has never been, and should not be, the policy objective of URA". The Government's commitment to the financial arrangements of the URA is reaffirmed.

"People First" has always been our motto, guiding all aspects of our work. I am grateful for the Chairman and Members of the Board who have spent enormous time and effort in the challenging work of URA. Without the support of the Government, Housing Authority and Housing Society, as well as the Legislative Council and District Council members, URA's mission would not be a possible one. Last but not the least, I must salute my colleagues, whose professionalism, integrity and dedication have made remarkable contributions to urban renewal in Hong Kong. You can count on them that they are always willing to walk an extra mile for the affected stakeholders.

Iris TAM Siu-ying
Managing Director
31 May 2015



■ Ms Iris Tam shows her great appreciation to the university students for their participation in the URA Community Service Partnership Scheme.





Operating Review



Redevelopment

The year of 2014/15 proved to be highly productive where in addition to the launch of four new projects, including one in May 2015, seven project sites were cleared and joint venture tenders were awarded for a further five.

Up until 31 March 2015 a total of 57 redevelopment projects, two preservation projects and one revitalisation project have been commenced by the URA under the URA Ordinance. Excluding those projects which have been terminated, these projects provide around 15,000 new flats, about 376,000 square metres of commercial space including shops, offices and hotels, 53,000 square metres of Government, Institution and Community facilities and about 26,000 square metres of open space.

Commencement of New Redevelopment Projects

The four new redevelopment projects include three projects launched under the third round of applications for the URA's Demand-led Redevelopment Project Pilot Scheme (Demand-led Scheme). The fourth project was initiated by the URA. The projects are detailed below:

Demand-led Projects

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

“Third Round” Demand-led Projects

Three Demand-led projects selected from the third round of application were launched during the year. One of these at Hang On Street in Kwun Tong has met the conditions precedent and is being actively implemented. A second project at Ash Street in Tai Kok Tsui was launched in May 2015. The third project at To Kwa Wan Road in Ma Tau Wai was terminated due to its failure to reach the 80% threshold.

Hang On Street, Kwun Tong

This is a single nine-storey building erected in 1963 occupying a project site area of 865 square metres and populated by some 156 households. The project is expected to produce 138 flats and 243 square metres of commercial space.



■ URA staff conducts freezing survey.

Ash Street, Tai Kok Tsui

Built in 1965 on a project site area of around 474 square metres, this single ten-storey building is occupied by an estimated 96 households. The project is capable of providing 69 flats and about 392 square metres of commercial space.

Demand-led Pilot Scheme Review

In response to the 2014 Policy Address and balancing the keen public support for the continuation of this initiative and the URA's duty to uphold a strict financial discipline, the URA has conducted an in-depth review of the Demand-led Pilot Scheme to ensure its sustainability. This process has embraced the redevelopment programme as a whole including the URA-initiated projects. An Ad-Hoc Committee on New Strategies set up in April 2014 under the URA Board oversaw the review and in the process sought the views of the Development Panel of Legislative Council, District Councils in the major redevelopment areas of URA and the seven District Advisory Committees. Following the review, the application and selection criteria have been refined including to increase the 67% application threshold to 80% of the undivided shares of each lot and to set the minimum site size at 700 square metres. The refined application and selection criteria can be summarised as follows:

- Joint application by owners of not less than 80% of the undivided shares of each lot of an applicant site. If an owner owns not less than 20% of the undivided shares in any lot, he/she must be among the applicants;
- The condition of all buildings within the site is classified as "Poor" or "Varied";
- The total area(s) of the lot(s) in the site should be no less than 700 square metres;
- The site should not comprise buildings/structures of historical, architectural or cultural significance as recognised by District Urban Renewal Forum and/or the Antiquities and Monuments Office unless they can be preserved and integrated with the future design of the new buildings;

The refined screening system will be applied to the fourth round of application due to commence by July 2015.

URA-initiated Redevelopment Projects

Chun Tin Street / Sung Chi Street, Kowloon City

This project is located on the opposite side of the URA's Ma Tau Wai Road/Chun Tin Street project which is in the early stages of construction. The project comprises seven buildings of between four and six storeys built in the mid-1950s and occupying a site of around 1,226 square metres. The site has the potential to develop 150 flats and 1,338 square metres of commercial space.



■ Existing view of the project.

Cleared and Tendered Projects

The successful clearance and tendering of project sites in 2014/15 underlines the sustained efforts of the URA to advance its projects.

During the year, the URA completed the clearance of seven sites including one of the largest projects in its portfolio at Hai Tan Street/Kweilin Street & Pei Ho Street, the first Demand-led project at 229A-G, Hai Tan Street, the preservation project at Shanghai Street/Argyle Street and redevelopment projects at Fuk Wing Street, Ma Tau Wai Road/Chun Tin Street, Anchor Street/Fuk Tsun Street and Pak Tai Street/San Shan Road. In addition, the Sai Wan Ho Street project was cleared in April 2015.

Meanwhile, joint venture tenders for five projects were awarded including two of the largest projects in the URA's portfolio comprising the Kwun Tong Town Centre Project Development Areas 2 and 3 and the Hai Tan Street/Kweilin Street & Pei Ho Street project. The other three projects were the Fuk Wing Street project, the San Shan Road/Pau Chung Street project and the Demand-led project at 229A-G, Hai Tan Street. The joint venture tender for the Anchor Street/Fuk Tsun Street project which is for hotel use was also awarded in June 2015.

Redevelopment of Industrial Buildings Pilot Scheme

Two projects have been commenced under this scheme. The first of these projects at 12P, Smithfield had been terminated in July 2013 since the Secretary for Development declined to authorise it due to unanimous objection from the owners.

Yu Chau West Street, Sham Shui Po

Acquisition is continuing for the second project at Yu Chau West Street which comprises a 10-storey industrial building built in 1962 and occupies a site area of 1,393 square metres. The site can be redeveloped to provide about 16,700 square metres of office and retail floor space in conformity with the zoning plan.

Other Projects of Note

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

Following the tragic collapse of a building on Ma Tau Wai Road in January 2010, the URA stepped in and commenced this project which comprises two rows of over 50-year-old tenement buildings and which affects about 350 households. This is the first ever project that the URA has undertaken without private sector involvement as a joint venture partner. Clearance was completed in 2014 and construction works have now commenced.

Sai Yee Street, Mong Kok

A joint venture tender was awarded in September 2012 for this sports themed redevelopment where under a special local sports-shop arrangement, former sports-shop operators will be offered priority to lease space within the retail portion of the future development. Superstructure works are progressing and the pre-sale of flats has begun.

Kwun Tong Town Centre

URA's largest project to date, the Kwun Tong Town Centre project covers a total site area of 5.3 hectares and has affected around 1,300 households. The project is expected to produce approaching 2,170 new flats, over 200,000 square metres of commercial space, 31,000 square metres of Government, Institution and Community facilities and over 13,000 square metres of public open space.

This complex project is being implemented in three phases, with the site divided into five Development Areas. Following clearance of Development Areas 2, 3 and 4, the tender for the residential towers and podium in Development Areas 2 and 3 was awarded in September 2014. Meanwhile the occupation permit for Development Area 1 was issued in June 2014 and the flats are almost sold out. The phased development approach has enabled the early reversion of the existing Kwun Tong Jockey Club Health Centre to Development Area 1, and the Methadone Clinic to the Hoi Yuen Road Roundabout. In addition, phasing has required the temporary reversion of existing Government offices in Development Area 4 to premises nearby, thereby vacating the site for use as interim Government, Institution and Community facilities to reversion the hawkers bazaars, Public Light Bus termini, refuse collection point and public toilet from Development Areas 2 and 3. An interim bus terminus has also been provided on the former Mido Mansion site in Development Area 4. These facilities are all now in use.



■ Panoramic overview of Kwun Tong Town Centre project site.

Peel Street / Graham Street, Sheung Wan

This project will help improve the existing urban environment through the provision of 2,060 square metres of public open space, a multi-purpose activities hall and enhanced accessibility to the street market. A phased development approach is again adopted in implementing the project to preserve and retain the vibrancy of the century old street market which falls outside the project boundary. This approach also allows the fresh-food operators to continue their businesses at Sites A and C during the construction of the first phase at Site B and will allow them to move into and operate at the new Market Block at Site B upon its completion in early 2016.

Construction works at Site B are continuing while demolition works at Sites A and C have commenced in phases to minimise the impacts to the existing street market. Sites A and C were reverted to Government in March 2014 and the preparation of the Land Grants for these sites is underway.

Staunton Street / Wing Lee Street, Sheung Wan

The original Site A of the project comprising the Wing Lee Street area and the Bridges Street Market Site was excised from the Development Scheme Plan of the project following the Town Planning Board's decision. Properties owned by the URA at Site A were renovated and licensed to non-government organisations for social and community benefits while the URA will liaise with the Government to implement the remaining Sites B and C.



■ URA renovates acquired properties at Site A for social and community use.



■ The construction of Lee Tung Street / McGregor Street project is nearing completion.

Wan Chai

This residential and commercial redevelopment project in Wan Chai will –

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

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

Construction is nearing completion and almost all of the flats have been sold.

Facilitating Services

Following more than four years of operation, a review of the Facilitating Services Pilot Scheme was overseen by the same Ad-Hoc Committee on New Strategies that also reviewed the Demand-led Pilot Scheme. Subsequently, some refinement and modifications to the application requirements and implementation arrangements were introduced such as a relaxation of requirements on existing usage and revision to the scoring system on project selection. Furthermore, to meet the demand from owners of aged commercial or industrial buildings and to tackle urban renewal from a more holistic perspective, the scope of the Scheme has been extended to cover industrial and commercial buildings. Up until the end of March 2015, altogether 20 applications comprising 19 residential buildings and one industrial building have been received under the Facilitating Services Pilot Scheme. One of the applications was successfully auctioned, three were under process, one was being facilitated and the remaining 15 either rejected or terminated.



Kai Tak Flat-for-Flat Development

Construction of the URA's first ever self-developed project for the provision of flat-for-flat units at Kai Tak, commenced in July 2012. Good progress has been achieved with overall construction nearing completion. The URA has adopted modest design features for the development which has obtained a provisional BEAM Plus 'Platinum' rating. The development is called “煥然壹居” in Chinese, “De Novo” in English, a name chosen in a territory-wide naming competition.

In the Chief Executive's 2015 Policy Address, the URA was requested to explore ways to help increase the supply of subsidised sale flats to provide more property and home ownership choices for middle-income families. On 31 March 2015, the URA Board agreed to explore with the relevant Government Bureaux and Departments the implementation details of a mixed development scheme at De Novo.



Existing view of De Novo.



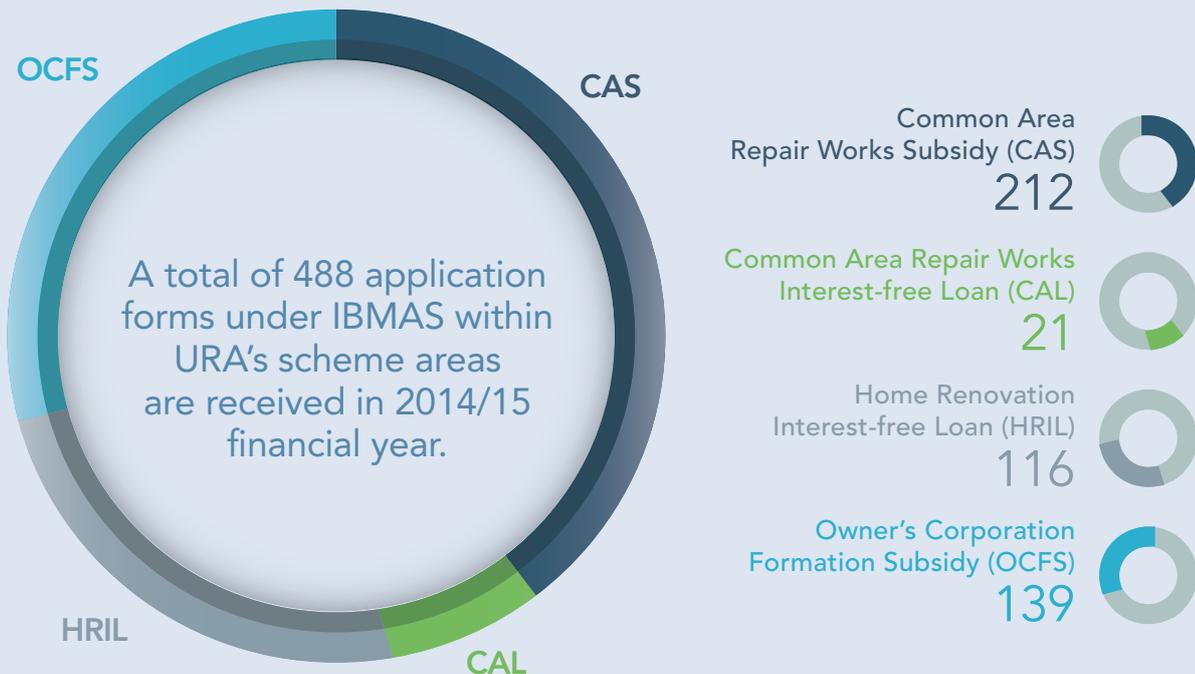
Rehabilitation

Integrated Building Maintenance Assistance Scheme

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

The URA's Materials Incentive Scheme (MIS) and Loan Scheme (LS) are now replaced by the Common Area Repair Works Subsidy (CAS) and the Common Area Repair Works Interest-free Loan (CAL) under IBMAS.

Number of applications received in 2014/15 under Integrated Building Maintenance Assistance Scheme

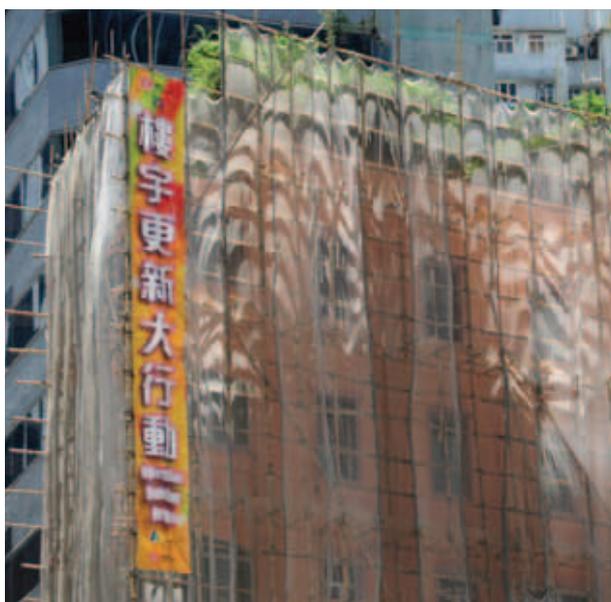


From the commencement of the MIS and LS in 2004 up to the end of 2014/15, about 364 buildings comprising around 27,000 units have been rehabilitated under the MIS and the CAS under IBMAS, of which 26 buildings comprising around 850 units have been rehabilitated within 2014/15. About 238 buildings comprising around 19,400 units have been rehabilitated under the LS and the CAL under IBMAS of which 8 buildings comprising around 310 units have been rehabilitated within 2014/15. In addition, there are about 240 Owners' Corporations being formed under the Owners' Corporation Formation Subsidy (OCFS) of IBMAS. Currently, there are a total of 405 IBMAS cases in progress (314 cases for common area repair works and 91 cases for Owners' Corporations formation).



Operation Building Bright

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



The URA has given full support to the Government's OBB programme since it began in 2009. At the end of 2014/15, 1,260 buildings comprising around 48,500 units out of the 1,420 target buildings within the URA's Rehabilitation Scheme Areas had either been rehabilitated or had rehabilitation works substantially completed. Of these 1,260 buildings, 190 buildings comprising around 7,900 units had either been rehabilitated or rehabilitation works were substantially completed within the financial year of 2014/15. OBB has raised owners' awareness of the need for rehabilitation as well as created employment opportunities, which was one of the original objectives of the scheme. Through conscientious efforts and collaboration with the Independent Commission Against Corruption (ICAC) and the Hong Kong Housing Society (HKHS), guidelines and procedures have also been published and implemented to tighten requirements on service providers in the building renovation industry aimed at mitigating malpractices and promoting public education. Supplementary Note 3 – "New Tendering Arrangement" was introduced in September 2013 which specifically tackles the latest tendering malpractices, with

an aim to promote a healthier industry environment by providing a fair, interference-free bidding platform. Since the introduction of the New Tendering Arrangement, the average number of tender returns has increased by over 50%. A similar percentage increase was also noted in the proportion of submitted tendering costs within our independent consultants' estimates. Collaboration with the Police and the ICAC remains as strong as ever. Since early 2013, relatively costly bids submitted for rehabilitation work have resulted in lengthy discussions amongst owners, price negotiations and even the need for re-tendering, thereby delaying OBB work commencement with completion likely to stretch beyond 2016. Regular OBB Steering Committee meetings attended by the Buildings Department, HKHS and the URA to deliberate on significant issues and to monitor and update progress continue.

Mandatory Building Inspection Subsidy Scheme

The Buildings Department has commenced the full implementation of the Mandatory Building Inspection Scheme in June 2012. The URA duly launched the Mandatory Building Inspection Subsidy Scheme (MBISS) in conjunction with the Hong Kong Housing Society on 7 August 2012. Under this Scheme, the URA will assist building owners to arrange the first inspections of buildings within its Rehabilitation Scheme Areas which are subject to inspection notices issued by the Buildings Department. Since August 2012, the URA staff have been attending district briefing sessions organised by the Buildings Department to brief and attend to the questions of owners of target buildings on the subsidy and assistance available under the MBISS. Owners of buildings which, on inspection, are found to require rehabilitation may apply for rehabilitation works assistance under IBMAS, with the URA providing a one-stop continual building care service. Up to the end of 2014/15, out of the 1,029 Mandatory Building Inspection Scheme target buildings located in the URA target areas, 634 buildings have been contacted. From these 634 buildings, 286 applications have been received and approvals-in-principle were granted to 261 buildings.

Building Rehabilitation Strategy Review

The URA Board has decided on 21 October 2014 to adopt refinements in the URA's strategy for promoting and facilitating rehabilitation in future Corporate Plans. These refinements are warranted after the expansion of the URA's Integrated Building Maintenance Assistance Scheme service areas on 1 April 2013 and 1 July 2015 to cover the whole of Hong Kong. The objective is to cater for the needs of different owner groups while focusing our resources and efforts on assisting the aged buildings most needing repair. These refinements include increasing emphasis on promotion and education, integrating the Scheme and refining the package for financial subsidy.

Building Rehab Info Net

A building rehabilitation website (called the "Building Rehab Info Net" - www.buildingrehab.org.hk) was soft-launched in January 2014 to serve as a one-stop e-platform for building owners to access comprehensive building rehabilitation-related information. This information includes details on and application forms for various assistance schemes, an experience-sharing corner, tender information and so on, to enhance awareness of their roles, rights and obligations as owners in rehabilitation projects. Thus far, the URA has promoted the website by informing our stakeholders and partnering government departments, district opinion leaders and other organisations. Since its launch, the website has recorded over 22,000 visits up to end March 2015. We are currently working on Phase 3 enhancement of the Building Rehab Info Net which is expected to complete in July 2015.



■ Building Rehab Info Net provides one-stop comprehensive information on building rehabilitation.



Revitalisation and Preservation

Wanchai

The Hong Kong Arts Centre is now operating the “Comix Home Base” at the Mallory Street/Burrows Street revitalisation project which provides a platform for local and international art exchange. Since the completion of the project and its official opening in July 2013, the “Comix Home Base” has become a popular attraction. The URA has retained ownership of the project and will continue to oversee its operation. Highlights during the year included an exhibition tribute to local comic artist Lee Wai Chun and a series of street music, art workshop and film events using the public open space.



■ “Comix Home Base” provides a platform for local and international art exchange.

Central Oasis

Following the Court's refusal in April 2014 to grant leave for the judicial review against the Town Planning Board approval for a section 16 planning application for minor height relaxation of the project given in July 2013, the building plan for revitalising the Central Market building submitted by URA was approved in August 2014.

When the project was announced in 2009, the URA initially projected that it would need about \$500 million to complete the project. With the construction cost rising over time, the original estimate has been rendered out-of-date. The URA is currently reviewing the design for the Central Oasis revitalisation project, aiming to reduce the complexity of the design and therefore the cost whilst meeting major community pledges. Concurrently, discussion with the Government on the land grant is continuing.

Mong Kok

The URA is enhancing the local characteristics of five themed streets, namely Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street involving streetscape improvement to enhance their unique characteristics and ambience. The improvement works at Flower Market Road have been completed whereas implementation of the improvement works at Tung Choi Street still require the completion of gazettal procedures by Highways Department. Improvements for Nelson Street, Sai Yee Street and Fa Yuen Street would be co-ordinated with URA's Sai Yee Street redevelopment project now under construction.

Tai Kok Tsui

Following the completion of the Phase 1 and Phase 2 improvement works along Beech Street and the Cherry Street roundabout, the Phase 3 streetscape improvement works which covers several streets in Tai Kok Tsui is progressing well. Following the completion of package 1, the works contract for the implementation of package 2 of Phase 3 which includes parts of Fuk Tsun Street, Fir Street and Larch Street is making steady progress.

Shophouse Preservation Projects

The acquisition of interests is continuing for the Prince Edward Road West project. Meanwhile four acquired units have been renovated and leased out to the Hong Kong Council of Social Service as a social enterprise hub. The remaining 14 units have been renovated and leased out at market rent for flower shop, arts and cultural uses. The last batch of the acquired units including the pair at 190-192 Prince Edward Road West will be renovated and leased out in mid-2016.

The Shanghai Street project has now been cleared. In December 2014, the Town Planning Board approved the URA's section 16 application for the proposed project use and works. The preserved shop houses fronting Shanghai Street will be for restaurant and retail uses to reflect the local character and to meet local needs.



■ Artist impression of Shanghai Street preservation project.

Western Market

Following the expiry of the three-year holding-over period of the Western Market in February 2015 and settlement of the land premium, the URA has extended the holding-over period for two more years to February 2017 to allow more time to work out a better future plan for the Western Market.





Corporate Sustainability



URA's sustainability vision is to meet our community's aspirations for quality living and benefit the next generation through environmentally friendly urban renewal. By default our mission of arresting urban decay in Hong Kong is to sustain the growth of the city. In pursuit of this vision and mission, our work has adopted a people-oriented approach and strived for high environmental standards while fuelling the vibrancy of the neighbourhood.

Given that urban renewal involves public interests, our stakeholders are diverse and include those who are directly affected by our businesses and various local groups. When defining the sustainability framework for the organisation, we have to take into account the inputs from stakeholders as well as broader societal expectations. We also have to consider environmental, social and economic aspects that are important at both the global and local levels. In this section, we will discuss our sustainability performance exemplified through our core businesses and different initiatives or programmes.

Care for the Environment

Greening Our Operation

Since our first carbon audit in 2012, the URA has been making steady progress in reducing the carbon footprint of our own operations and managed properties. The impacts of the annual carbon audit assessment are two-fold: first, it provides us the opportunity to identify measures to enhance our environmental performance, and second, it enables us to review and benchmark our performance against other organisations and in turn instigate more conscientious behaviour among our colleagues and business partners.

In 2014/15, carbon emissions from our own operations have achieved a year-on-year reduction of 1.9% while the Energy Use Intensity has decreased from 102.1 to 91.4 kWh/m² (note: our own operations take place in a mix of properties with central air-conditioning provided separately, those with only tenant lighting and power, as well as whole buildings), equivalent to 11% reduction. On the other hand, carbon emissions from our managed properties have increased by 6.6% primarily due to an increase in electricity consumption at the Comix Home Base, which had its first fully operational year in 2014/15 and hence a higher occupancy compared to the previous year. The increase was also partly associated with the hotter weather in 2014/15 as reflected by the larger degrees-day factor (a commonly used climatic parameter for estimating the power requirements for cooling a building).

While climate change is a key global environmental issue, waste management is also a pressing local issue. Therefore, the URA has participated in the Hong Kong Awards for Environmental Excellence's WasteWi\$e Labelling Scheme in the 2014/15 fiscal year to raise awareness among our colleagues and to introduce additional waste management measures. By meeting four of the goals covering reduced resources consumption and waste recycling, the URA has received the provisional Good Class label.

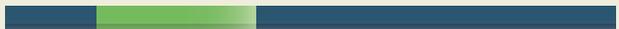
Promoting Green Buildings

URA is cognizant that our impacts on the environment are not limited to those resulting from our own operations and managed properties. In fact, the impacts associated with our urban renewal projects are more substantial and far-reaching. Therefore, high environmental standards have continued to be imposed on both our self-developed projects and projects that are implemented through joint ventures. In 2014/15, three more redevelopment projects have achieved the Hong Kong BEAM Platinum (Final) rating after construction completion, making a total of eleven projects with Platinum rating thus far. Setting a high green building standard for these eleven projects has motivated the respective designs to optimise use of resources through various measures. It also propagates an important supply chain effect on the downstream consumers as the residential flats were installed with energy-efficient and water-efficient appliances.

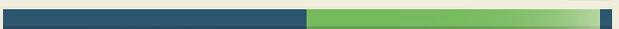
Annual Energy Reduction
3% - 26%



Annual Water Saving
15% - 41%



Construction Waste Recycling
50% - 98%



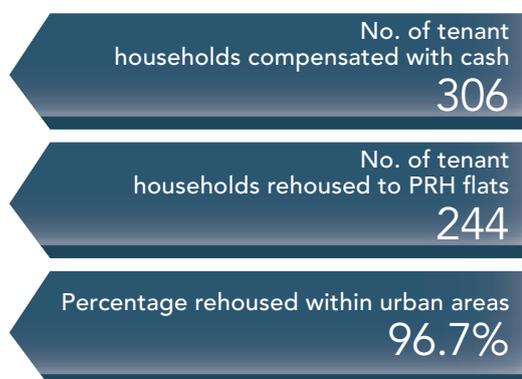
(Based on 11 Projects attaining BEAM Platinum (Final) Rating as of March 2015)

Care for the People

Assisting Displaced Households

Redevelopment is more than just renewing the building stock but about improving the living standards of the displaced households. Majority of the buildings in our redevelopment projects are severely dilapidated with safety hazards and hygienic problems. During 2014/15, acquisition offers were made to owners of 401 property interests. The cash compensation and ex gratia payment enable affected owner-occupiers to purchase premises that are in better conditions than their existing ones. With a view to enabling the residents to retain their social network in the neighbourhood, flat-for-flat option is also available for those owners who prefer to acquire a premise at the same site or the designated Kai Tak development.

On the other hand, tenants were offered cash compensation or rehousing to public rental housing (PRH) flats. The patience and compassion of the URA staff involved in the rehousing arrangement were rewarded with a number of commendation letters in 2014/15 from the beneficiaries from several redevelopment projects including Pine Street / Oak Street, Reclamation Street / Shandong Street, and Fuk Wing Street etc. To facilitate a smooth clearance process, our staff have also gone an extra mile such as helping the tenants with retrieval of important documents from government departments, or providing temporary storage space for tenants during their relocation.



(For projects in progress during 2014/15 financial year)

Stewarding Rehabilitation

As of 2014, over 5,700 buildings more than 30-year old are in poor and varied conditions. Yet, many building owners lack the confidence to implement rehabilitation projects partly due to concerns of bid rigging in the building renovation industry. Therefore, to empower the community to tackle the problem of aging buildings, the URA staff need to establish trust with the building owners through providing professional advices and technical support. The personal assistance is valued as much by the building owners as the financial assistance provided through the rehabilitation schemes.

Loan and subsidies released
over \$143 million

(For 2014/15 financial year)

Accommodating the Underprivileged

Besides adopting a people-oriented approach when delivering our core businesses of redevelopment and rehabilitation, the URA also identified other opportunities to help people in need with our available resources. It is widely acknowledged that the lack of affordable housing is a top issue affecting the state of poverty in Hong Kong. The low-income households not currently covered by PRH have no choice but reside in appalling flats or sub-divided units. In view of this, the URA has extended the offering of some renovated flats of the acquired properties at Wing Lee Street and Staunton Street in 2014/15 to non-government organisations and social enterprises including the Hong Kong Federation of Youth Groups, Light Be, and International Social Service (Hong Kong Branch) so that they can arrange short-term tenancy at below market rent for underprivileged groups such as single-parent families and youths.



■ A variety of Community Service Partnership Scheme programmes serves the people in need in old districts.

Reaching Out with Our Partners

Our care for the people extends beyond our urban renewal works. We have a passionate team of volunteers who deliver community services all year round. Seeing the potential to make bigger impacts by partnering with like-minded organisations, the URA initiated the Community Service Partnership Scheme in 2012, which is a collective effort to bring love and care to the residents of old districts. Through collaboration with universities and social service organisations, volunteer teams comprising URA staff and tertiary students have served the people in need at various old districts under different programmes. In 2014/15, we have partnered with 10 tertiary institutions and non-government organisations to serve the disadvantaged families, senior citizens, ethnic minority and visually-impaired people in old districts.

An appreciation ceremony was held by the URA to recognise the contribution of volunteers over the past year, while giving an opportunity to the volunteers and grass-roots families to celebrate the Spring Lantern Festival together. So far, around 440 volunteers have joined the Scheme and served about 1,000 residents in old districts, achieving approximately 4,000 service hours.

Engage the Community

Inspiring the Young People

While the URA has been acting as the implementer and facilitator, tackling urban decay can only be sustainable with concerted efforts from the society. This requires an understanding of the issues affecting urban renewal in Hong Kong and it starts from education. Through collaboration and partnership programmes with various organisations, we have reached out to the community and schools to introduce URA's work and the significance of urban renewal to the general public and youngsters.

During the year, a wide range of education and outreach programmes have been organised for teachers and students, such as guided visits to the Urban Renewal Exploration Centre, docent tours of old urban areas and URA's projects, talks, roving drama workshops for primary schools and inter-school drama competition for secondary schools. The newly launched "UR Class in Action" outreach activity has been well received by schools, with more than 3,000 teachers and students joining within 6 months. Besides, the online tools, namely UR Web Academy and UR City Fun mobile app, have provided teachers and students with instant information of urban renewal for experiential learning. We have also collaborated with professional and youth organisations to promote messages of urban renewal.



■ Newly launched "UR Class in Action" outreach activity.



■ Students learn about urban decay through drama competition.

Integrating Community Arts and Culture

A neighbourhood is not merely about its physical environment, but also the local culture and characteristics that give its identity. An appreciation of the local arts and culture will allow for a deeper understanding of the old districts. It will also enrich the quality of life of the residents. In view of this, the URA has implemented the "Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme" for nearly 4 years, supporting non-profit organisations to organise various arts and cultural programmes for the benefits of people living in old urban districts in enhancing their living quality. As of end of March 2015, the Scheme has supported 32 arts and cultural programmes, benefitting over 570,000 people in old urban areas.

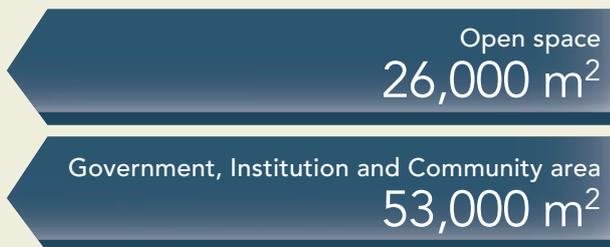


■ Workshops and docent tours help promote urban renewal through experiential learning.

Diversify the Uses of Urban Space

Embracing Diversified Uses

As a mission-driven organisation, the URA sees its role to catalyse the development of a sustainable built environment to serve the community and that goes beyond green buildings. Over the years, the URA has adopted a combination of measures to uplift the old urban areas in Hong Kong. In our moderate to large scale projects, we have endeavoured to include open space and community/institution areas as far as practicable. For instance, to circumvent land scarcity issue especially in the urban areas, our redevelopment project at Citywalk in Tsuen Wan was one of the first to incorporate vertical greening, and the project received the Gold Award (non-domestic) of the 2014 Leisure and Cultural Services Department Best Landscape Award for Private Property Development. On the other hand, our redevelopment projects in various districts have provided easily accessible community and institution facilities including residential care homes for elderly, youth centres, health centres, markets, cooked food centres and an indoor stadium.



(Based on 57 redevelopment projects commenced by the URA up to March 2015)

To embrace more diversified uses of the urban space, the URA has allocated properties to serve for social purposes, such as the Comix Home Base at Mallory Street to promote local comics culture, the GoodPoint at Prince Edward Road West to provide a supporting hub for social enterprises, and the Urban Renewal Resource Centre at Fuk Tsun Street to provide mediation facilities. During 2014/15, the URA has rendered more properties for concessionary tenancy to non-government organisations and social enterprises both in our acquired properties and dedicated preserved historical

buildings, e.g. Hong Chi Association, Association of the Hong Kong Central and Western District Limited, New Life Psychiatric Rehabilitation Association, Hong Kong Federation of Youth Groups, Light Be, and International Social Service (Hong Kong Branch).

Rental to Non-government Organisations
and Social Enterprises in URA properties
2,820 m²

Rental to Non-government Organisations
in managed Government,
Institution and Community area
3,890 m²

(For 2014/15 financial year)

URA also provides space for various Government Departments and organisations to carry out a wide range of activities, training, displays and exhibitions, including the arts, youth activities, education, tourism, hobbies and so on. A total of 148 events with URA's assistance/sponsorship had been staged at venues operated by the URA and its joint-venture partners such as Central Oasis, Urban Renewal Resource Centre, Citywalk and Western Market.



■ A community event staged at Central Oasis.



■ Training programmes equip staff with the mind-set and ability to build effective teams.

Build Our Team

Building Our Capacity

Our staff members are our key stakeholders; without a dedicated and competent team, the URA would not have been able to sustain our urban renewal efforts. A comprehensive training and development needs survey was conducted in the year to identify the needs that contribute to the success of staff at all levels. The findings were consolidated, prioritized and incorporated into the new training curriculum to facilitate course design to enhance the critical knowledge, skills and attitude of staff to do a better job. During the year, the number of training hours per employee exceeded 19 hours, 23% higher than the industry average, reflecting the commitment of the URA to a learning culture.

To address the needs to build effective teams for aligned objectives and collaborative working relationship, staff were also sent to team building workshops to equip themselves with the mind-set and ability from team building experts, to bring in-house and apply what they learn in their natural teams.

Planning Ahead

With the ever-increasing demand from the community and rising expectation from external stakeholders, our staff are facing more challenges to meet the demand and to satisfy the expectations every day. With a fast growing economy and tight labour supply market in Hong Kong, the need for effective measures to attract, retain, train, develop and motivate the right talents had never been as high.

To cater for the changing operating environment, the core competencies, critical knowledge, skills, abilities and attributes for individuals to contribute to the success of our work, for Directors, General Manager and Senior Managers were reviewed and redefined. The sets of core competencies provide a sound and fundamental reference to training needs identification and training design that build and enhance individual knowledge, skills and attitude in line with identified profiles of success, and to talent assessment and development.

In addition, to foster the critical skills and knowledge for critical positions for succession assessment and development, new competencies were also incorporated into the job profiles of critical positions. The same sets of competencies were used to assess potential successors to evaluate their readiness and to identify gaps for further development.



Members of the URA Staff Club 2015/2016

From Left
Mark LEE, Steven LUI, Kelvin LUI, Raymond KEE, Jason FUNG, Patrick AU YEUNG, Christopher WONG, Peter DY, Peter WONG, Judy LO, Joe CHAN, LEUNG Lai Hong, Trina LOI





Management Discussion and Analysis



Management Discussion and Analysis

A brief look back

The URA was established in May 2001, taking over the work of the Land Development Corporation (LDC). Until 31 March 2015, the URA has commenced 57 redevelopment projects and three preservation and revitalisation projects under the URA Ordinance, as well as taken over the implementation of ten on-going projects of the former LDC. Nine of these projects are now fully complete and a further nine are nearing completion with construction now finished and flat sales underway. Excluding those projects which have been terminated, the remaining projects are at various stages of implementation.

URA projects are mainly those that are unattractive to private developers as well as often meeting stiff resistance from a few occupiers and concern groups, resulting in a protracted period between launch and implementation. In spite of these difficulties the URA has made notable achievements and commitments which can be appreciated and measured through the extent of dilapidation being tackled, the number of people benefiting or being rehoused and - different



Run down urban area improved
15.2 hectares

Population benefiting from projects
24,000

New commercial gross floor area
376,000 m²

Dilapidated buildings redeveloped
650 buildings

New domestic gross floor area
830,000 m²

New Government, Institutional
and Community floor space
53,000 m²

Rehoused / compensated households
10,000

New flats
15,000

New open space
26,000 m²

from private developers - the new facilities being created for the public good.

The problem of urban decay remains daunting, and when set in the context of Hong Kong's urban decay problem where over 6,000 buildings are now over 50 years old and about 42% are in deteriorating or poor condition, we still have a mountain to climb.

Following the issue of the Urban Renewal Strategy (URS) in early 2011, the URA introduced new initiatives to its repertoire notably the Facilitating Services (Pilot Scheme) and the Demand-led (Pilot Scheme). Considerable effort has been devoted to these two schemes which seek to harness the collective willingness of owners to help initiate urban renewal themselves. Thus far, the overall impact of these initiatives has been somewhat limited. For example, although nine Demand-led projects have been launched and implemented, they occupy relatively small sites and offer limited scope for planning or community gains.

Project Challenges

Section 5 of the URS sets out the main objectives of urban renewal for the URA and other stakeholders to implement. In order to accomplish as many of the laid down objectives as possible, the URA needs to find ways and means to break through a labyrinth of obstacles, in particular the implementation of those sizeable sites in old urban districts in need of redevelopment, which can offer more tangible urban renewal benefits through replanning with much improved layouts and suitable land use. To go forward for a sustainable urban renewal programme, we need to overcome many challenges such as the limited plot ratio gain, the high acquisition costs under the seven-year-old rule and the strong resistance from some existing occupiers.

At the same time, in recent cases the accommodation value of our projects at acquisition has been around \$9,000 per square foot, whereas at tender they have realised only \$6,000 per square foot, as developers have displayed caution in bidding for URA site tenders.

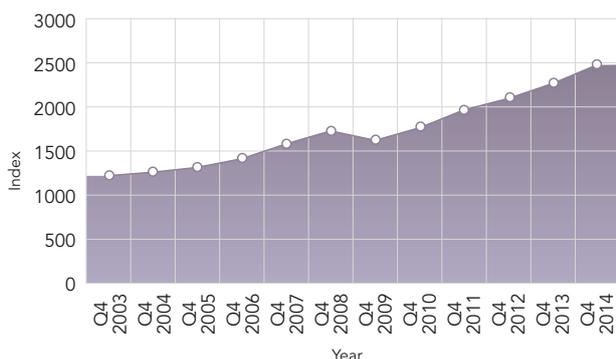
The property market is now in the twelfth year of an upward trend starting from 2003 since when prices for all classes of accommodation in the private domestic market have risen around fivefold (see Figure 1). This rise poses a growing risk to the value of the URA's acquired stock of holdings in the event of a market downturn, a risk which may be exacerbated by a possible increase in interest rates later this year. Meanwhile, construction costs, as reflected in tender prices, have roughly doubled over the same period and continue to rise (see Figure 2).

Figure 1: Private Domestic Price Index April 2003 - April 2015 - All Classes*



*HKSAR Government, Rating & Valuation Department, Hong Kong Property Review Monthly Supplement, June 2015.

Figure 2: Quarterly Construction Tender Price Index 2003 - 2014*



*Rider Levett Bucknall, Hong Kong Report, Quarterly Construction Cost Update, March 2015.

Acquisition

Consolidation was the theme of the URA's work in 2014/15 during which slightly fewer projects were commenced and our focus was more on a conscientious effort to unjam the backlog of projects in need of clearance for subsequent tender or construction by the URA. In all, seven projects were cleared, notably the Hai Tan Street/Kweilin Street & Pei Ho Street project with a site area of over 7,500 square metres and well over 700 households.

Although two projects at Fuk Wing Street and Pak Tai Street/San Shan Road were both cleared several months ahead of schedule, in other cases the acquisition process can be a long and drawn out affair. Projects such as Nga Tsin Wai Village, Staunton Street/Wing Lee Street, Peel Street/Graham Street, Kwun Tong Town Centre and Hai Tan Street/Kweilin Street & Pei Ho Street have all endured extended acquisition stages. The clearance of Nga Tsin Wai Village and Kwun Tong Town Centre both remain as thorns in our side after seven years of effort. The URA is looking to apply measures to help diminish negative sentiment and speed up acquisition. For example, the social service teams which are appointed independently of the URA can be promoted as trusted agents to handle the concerns of affected residents and shop operators.

Rehabilitation

Under the URS issued in 2011, rehabilitation became a core URA business together with redevelopment. As a rule, it should always be the owners' responsibility to ensure timely repair and maintenance to their buildings. There are however several reasons why this ideal cannot be met in practice. For example, where an Owner's Corporation for a building is lacking, there are no means to organise repairs and maintenance. Many older buildings are occupied by low-income elderly residents who may not be aware of their responsibilities and are unable to afford the cost of repairs.

The URA has been a partner to the Government's Operation Building Bright (OBB) programme for which it has contributed significant staff resources and assisted in the rehabilitation of around 1,260 buildings. The OBB programme is now winding down after six years of effort, however, at the same time the URA's services

under the Integrated Building Maintenance Assistance Scheme (IBMAS) have since July 2015 extended to cover the whole territory of Hong Kong.

In the light of this widening responsibility in rehabilitation and the drive towards sustainability, the URA Board reviewed the URA's strategy for promoting building rehabilitation in 2014. The subsequent refinements to the strategy include more emphasis on directing assistance towards aged buildings most in need of repair, empowering the community in rehabilitation through promotion and education, as well as integrating and enhancing IBMAS and the financial subsidy package. The URA will actively monitor the effectiveness of the refined IBMAS in helping owners in building rehabilitation.

Preservation and Revitalisation

Section 5 of the URS sets out the Authority's mandate in *'preserving buildings, sites and structures of historical, cultural or architectural value.'* Apart from the Western Market which is a scheduled monument, the URA has implemented ten projects under the URA Ordinance which contain buildings for preservation or revitalisation. Three of these projects at Prince Edward Road West, Shanghai Street/Argyle Street and Mallory Street are dedicated preservation or revitalisation projects whereas the preserved buildings form part of a larger redevelopment project site in the seven other projects. Whilst the Mallory Street revitalisation project has been completed, two preservation projects are meanwhile at vital stages. Acquired units in the Prince Edward Road West preservation project have been renovated and leased out for various uses including social enterprises. We have however been unable to acquire a number of units and the issue in hand is the way forward for the project. For the Shanghai Street/Argyle Street preservation project, the delicate operation to reconfigure and retain the shophouse cluster has just commenced.

Another initiative involving a historic building at an important stage is the Central Oasis revitalisation project of the Central Market building which commenced in 2009. Since then, the estimated \$500 million cost has ballooned. Efforts are now devoted to review the design

and create a less costly, yet still popular, destination.

Human Resources

To ensure our human capital possesses the right set of critical capabilities for success, the core competencies for senior management were revamped in the year. The core competencies reflect the critical attributes required for employees to perform well and were built into recruitment, selection, leadership development, performance management and succession management.

A comprehensive training needs analysis was carried out to identify the critical knowledge, skills and attitude essential to outstanding job performance. The training needs as identified were built into the new training curriculum for all levels of employees to equip them with the right attributes.

The succession management process was kick-started to address the leadership succession issues URA is facing. The four most critical jobs were reviewed and profiled using the new competencies. Internal nominated candidates were assessed and the need to recruit from outside was also confirmed and executed.

Looking ahead, the core competencies review will be implemented for all levels. Succession management will continue to roll out to all critical positions within a clear structure of succession planning. The continuous improvement culture will be cultivated through the upcoming introduction of Work Improvement Teams.

Outlook

The URA's operating environment is one of continuous change in the financial world, the community at large and our mandate. In the months ahead, whilst commencing new redevelopment projects, several projects are scheduled for clearance and tendering to joint venture partners. Our attention will be focused on overcoming the various constraints to our endeavours, meanwhile we will examine closely the effects of the recently introduced and refined Demand-led Project Scheme, Facilitating Services and rehabilitation strategies.



Financial Review

(I) Review of 2014/15 Results

(a) Revenues

The revenue for the year ended 31 March 2015 was \$9,904 million which comprised of upfront payments from tendered projects, URA's share of sales proceeds from jointly controlled development projects and sale of properties. The amount represents an increase of \$8,735 million compared to the revenue of \$1,169 million in 2013/14. The revenue in 2014/15 was higher than those in 2013/14 as it included upfront payment from five tendered projects and sales proceeds from jointly controlled development projects whereas the revenue in 2013/14 had no tendered project revenue and included only sales proceeds from jointly controlled development projects.

The share of sales proceeds from jointly controlled development projects of \$736 million in 2014/15 (2013/14: \$1,169 million) were revenues from projects where the sales proceeds exceeded the thresholds stipulated in the development agreements. The projects contributed to the surplus during the year included Park Metropolitan in Kwun Tong with development

agreement executed in 2009, Citywalk in Tsuen Wan with the development agreement executed in 2002, The Zenith / One Wanchai in Wan Chai with the development agreements executed in 1996. The sales proceeds also included the sale of some properties totaled \$131 million.

(b) Other net income

Of the \$195 million (2013/14: \$127 million) in other net income for the year, \$158 million (2013/14: \$117 million) was interest income from the investment portfolio managed in house, which included bank deposits and fixed income products, with an average yield of 1.72% p.a. (2013/14: 1.55% p.a.) Other net income included rental income from certain properties retained by the URA.

(c) Administrative expenses

Administrative expenses mainly covered staff costs, accommodation costs and depreciation charges. Administrative expenses before depreciation for the year 2014/15 was \$404 million (2013/14: \$367 million), with the increase largely due to salary adjustments and staff promotions. The depreciation charge for office capital expenditure and properties for own use was \$45 million (2013/14: \$34 million) for the year.

The staffing level was reduced from 564 in 31 March 2014 to 561 in 31 March 2015. Of the 561 staff, 22 (31 March 2014: 55) were employed on contracts of less than three years.

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

The URA's properties and committed projects are valued by in-house professionals at the end of each financial year. Based on the accounting policy detailed in Notes 2(g) and 2(n) to the financial statements, provision for loss for a project, if necessary, is made during the year. Provision for loss of \$703 million was made in 2014/15, the amount of which included new provision of \$691 million on three redevelopment projects (five in 2013/14) plus net provision of \$12 million on the other previously provided projects. Of the three redevelopment projects, two are located in Sham Shui Po and one is located in Kowloon City. The provisions were necessary mainly due to the high acquisition costs together with rising construction costs have resulted in lower estimated upfront payments from tenderers.

(e) Surplus for the year

The URA recorded a net surplus of \$1,076 million for the year 2014/15, reflecting an increase of \$3,346 million compared to the \$2,270 million net deficit for the year 2013/14. The 2014/15 revenue included both upfront payments from tendered projects and surplus from jointly controlled development projects with a loss provision of \$703 million as provisions for loss on some projects were postponed to 2015/16. In comparison, the revenue in 2013/14 included only surplus from jointly controlled development projects while a loss provision of \$3,010 million was necessary resulting in an operating deficit of \$2,270 million. Before the provision for impairment on properties and committed projects, the surplus in 2014/15 was \$1,779 million in comparison with \$740 million reported in 2013/14.

(II) Financial Position at 31 March 2015

(a) Properties under development

Properties under development as at 31 March 2015 was at \$21.0 billion (31 March 2014: \$27.7 billion) representing the acquisition and development costs for projects. This sum comprised of five projects under acquisition; five projects pending completion of resumption process; six projects with ownership reverted to the Government pending final clearance; and three projects with site cleared and pending tender. The aforesaid value was off-set against the cumulative provision for loss totalling \$4.7 billion (31 March 2014: \$6.2 billion), resulting in a net value of \$16.3 billion (31 March 2014: \$21.5 billion). The decrease in the net value was mainly due to certain projects being tendered during the year.

In accordance with the Urban Renewal Strategy (URS), the URA launched the Flat-for-Flat (FFF) scheme for redevelopment projects commenced after 24 February 2011 to provide domestic owner-occupiers affected by the URA's development projects an additional option after cash compensation. The Government has provided URA with a site at Kai Tak to develop about 500 small to medium sized flats under the FFF scheme. As at 31 March 2015, land premium and construction cost totalling \$2.0 billion for Kai Tak development were also recorded as "Properties under development".

(b) Cash and bank balances

As at 31 March 2015, the URA's cash and bank balances and the fair value of the funds managed by the investment manager and in-house totaled \$12.6 billion (31 March 2014: \$8.0 billion).

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

The cash position, off-set by the borrowings of \$4.6 billion (31 March 2014: \$4.8 billion) mentioned in paragraph II (c) below, resulted in the net cash position including the fair value of the financial assets at 31 March 2015 of \$8.0 billion (31 March 2014: \$3.2 billion).

(c) Debt securities issued

The URA is rated AAA by Standard & Poor's (S&P). This rating was reaffirmed after an annual review in February 2015. As at 31 March 2015, the outstanding debt securities issued by the URA was \$4.6 billion under the US\$1 billion Medium Term Note (MTN) Programme.

(d) Net assets value

The URA's net assets value as at 31 March 2015 was \$25.0 billion (31 March 2014: \$23.9 billion), representing the Government's capital injection of \$10 billion (31 March 2014: \$10 billion) and an accumulated surplus of \$15.0 billion (31 March 2014: \$13.9 billion).

The financial highlights of the past ten years are summarized on page 91 of this Annual Report.

(III) Capital Injection and Tax Exemption

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

(IV) Waiver of Land Premia by the Government

The Government waives the land premia for redevelopment sites granted to the URA. For 2014/15, the land premia waived by the Government on five land grants amounted to \$7.8 billion. Since May 2001, a total of 26 land grants have been waived in respect of all the tendered projects with aggregate land premia totalling \$14.3 billion.

Without this waiver, the URA's net surplus for 2014/15 of \$1.1 billion for the year would have been lowered by \$7.8 billion to a deficit of \$6.7 billion; its accumulated surplus as at 31 March 2015 would have been lowered by \$14.3 billion to \$0.7 billion; and its net assets value as at 31 March 2015 would have been decreased to \$10.7 billion.

(V) Financial Resources, Liquidity and Commitments

As at 31 March 2015, the URA's net cash position including the fair value of the funds managed by the investment manager and funds managed in-house, totaled \$8.0 billion. At the same date, the URA's accruals and estimated outstanding commitments to the commenced projects, together with the construction cost for Kai Tak Site based on the valuation carried out by the URA's in-house professionals, stood at \$13.3 billion.

In addition to the US\$1 billion MTN Programme mentioned in paragraph II (c) above, the URA maintained \$1.0 billion and \$0.7 billion in committed and uncommitted bank facilities as at 31 March 2015. Securing the external funding and the credit facilities ensured the URA would have sufficient financial resources to carry out its urban renewal programme as planned.

When implementing its urban renewal programme, the URA is necessarily exposed to financial risks arising from property market fluctuations. Individual projects, with various development potentials, are tendered out at different times during property cycles after the site clearance. Subject to the market conditions prevailing

at the time of tender submission, the upfront payments may be higher or lower than the URA's acquisition costs. As at 31 March 2015, the total costs of properties under development was \$21.0 billion.

The URA estimates, in its latest Corporate Plan that from 1 April 2015, a total cash outlay of about \$29.0 billion, excluding operational overheads, will be required in the next five years to meet the costs of both its currently outstanding commitments and its forthcoming expenditure for the implementation of the projects in the Plan. This expenditure covers the URA's work in redevelopment, rehabilitation, preservation and revitalisation. It should be noted that the expenditure may vary subject to the level of interest shown in the various initiatives, including the demand-led redevelopments, the FFF initiatives, the expanded programme of building rehabilitation and other additional initiatives which may be added subsequent to the preparation of the Plan.

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

APR

- Commence the second redevelopment project of the third-round Demand-led pilot scheme at To Kwa Wan Road.
- Organise a ceremony of appreciation to commend the participating tertiary students, non-government organisations and URA staff in the 2013/14 Community Service Partnership Scheme.
- Land resumption for Kowloon City Road / Sheung Heung Road redevelopment project in Ma Tau Kok gazetted.
- Award contract for joint development of San Shan Road / Pau Chung Street project in Ma Tau Kok to a wholly-owned subsidiary of Lai Sun Development Company Limited.

MAY



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

Highlights of the Year 2014

JUN



- Lime Stardom of the Larch Street / Fir Street project wins the Grand Award under the Hong Kong Residential (Single Building) Category of Quality Building Award 2014.
- Pak Tsz Lane revitalisation project wins the HKIA Merit Award of Hong Kong – Community Building.
- Mallory Street / Burrows Street revitalisation project wins the Medal of the Year of Hong Kong 2013 and the Special Architectural Award (Heritage & Adaptive Re-use) 2013 of the Hong Kong Institute of Architects and a Merit Award for the Hong Kong Building (Renovation / Revitalization) of Quality Building Award 2014.

- Citywalk of the Tsuen Wan Town Centre redevelopment project is awarded the Gold Award (non-domestic property) of the Best Landscape Award 2014 – Private Property Development by the Leisure and Cultural Services Department.
- Issue conditional acquisition offers to owners of To Kwa Wan Road Demand-led redevelopment project.
- Report to Legislative Council's Panel on Development on URA's work during 2013/14.



- Sign a Memorandum of Understanding with the Joint Mediation Helpline Office to provide meeting facilities at URA's Urban Renewal Resource Centre under the Pilot Scheme for Community Venue for Mediation (Pilot Scheme).

JUL

- Tender closing for the development of Kwun Tong Town Centre Project (Development Areas 2 & 3). The URA Board decided to revise some of the tender terms and project requirements for a re-tender exercise.

AUG

- Invite tender for the development of Development Kwun Tong Town Centre Project under the revised tender terms.

SEP

- Award contract for the joint development of Development Areas 2 & 3 of the Kwun Tong Town Centre project to a consortium consisted of Sino Land Company Limited and Chinese Estates Holdings Limited.



- Launch the third round of Graham Street Market promotion.
- To Kwa Wan Road Demand-led project aborted as 80% acceptance threshold of conditional acquisition offers could not be met.

OCT

- Land resumption for Demand-led project at Pine Street / Oak Street in Tai Kok Tsui.
- Invite expression of interest for the development of Hai Tan Street / Kweilin Street & Pei Ho Street project and Demand-led project at Hai Tan Street in Sham Shui Po.

Highlights of the Year 2014

NOV

- Commence the third redevelopment project of the third-round Demand-led pilot scheme at Hang On Street in Kwun Tong.



- Invite tender for the development of Hai Tan Street / Kweilin Street & Pei Ho Street project and Demand-led project at Hai Tan Street in Sham Shui Po.
- Government announces the appointment of Legislative Council members Alice MAK Mei-kuen and WU Chi-wai, Dr Gregg LI and Dr Lawrence POON Wing-cheung as non-executive directors, and re-appointment of Legislative Council member Dennis KWOK Wing-hang, Philip KAN Siu-lun, Daniel LAM Chun and Dr Billy MAK Sui-choi as non-executive directors of the URA Board.

DEC

- Announce revisions to Demand-led redevelopment projects pilot scheme and facilitating services pilot scheme.
- Government authorises the URA to proceed with the Castle Peak Road / Un Chau Street redevelopment project in Sham Shui Po.
- Award contract for joint development of Hai Tan Street / Kweilin Street & Pei Ho Street project in Sham Shui Po to a wholly-owned subsidiary of Cheung Kong (Holdings) Ltd, and the joint development contract of Hai Tan Street demand-led project to a wholly-owned subsidiary of Far East Consortium International Limited.



- Invite expression of interest for the development of Fuk Wing Street project in Sham Shui Po.

JAN

- Issue conditional acquisition offers to owners of Hang On Street Demand-led redevelopment project in Kwun Tong.



- Commence the 9th URA-initiated redevelopment project in Kowloon City.
- Invite tender for the development of Fuk Wing Street project in Sham Shui Po.

FEB



- Issue acquisition offers to owners of Castle Peak Road / Un Chau Street redevelopment project in Sham Shui Po.

Highlights of the Year 2015

MAR



- Organise an appreciation ceremony to commend the contribution of participating university students, non-government organisations and URA staff in 2014/15 Community Service Partnership Scheme.
- Award contract for joint development of Fuk Wing Street Project in Sham Shui Po to a wholly-owned subsidiary of Emperor International Holdings Limited.
- Land resumption for Demand-led projects at Kowloon Road / Kiu Yam Street and Tung Chau Street / Kweilin Street in Sham Shui Po.

APR

- Invite expression of interest for the development of Anchor Street / Fuk Tsun Street project in Tai Kok Tsui.
- Hang On Street Demand-led redevelopment project in Kwun Tong attains the stipulated 80 percent threshold for acceptance of conditional acquisition offers within the offer period.



- Organise the completion ceremony of public open space at the Lai Chi Kok Road / Kweilin Street / Yee Kuk Street redevelopment project in Sham Shui Po, which celebrates the historical link with the former New Asia College site back in the 1950's.
- Invite tender for the development of Anchor Street / Fuk Tsun Street project in Tai Kok Tsui.
- Land resumption for Demand-led project at Fuk Chak Street / Li Tak Street in Tai Kok Tsui.

MAY

- Invite expression of interest for the development of Pak Tai Street / San Shan Road project in Ma Tau Kok.



- Commence the fourth and the last redevelopment project of the third-round Demand-led pilot scheme at Ash Street in Tai Kok Tsui.

JUN

- Invite tender for the development of Pak Tai Street / San Shan Road project in Ma Tau Kok.
- Government announces the appointment of Mr Daniel LAM Chun as URA's Managing Director, effective 15 June 2015.
- Award contract for joint development of Anchor Street / Fuk Tsun Street project in Tai Kok Tsui to a consortium consisted of Paliburg Holdings Limited and Regal Hotels International Holdings Limited.



- Report to Legislative Council's Panel on Development on URA's work during 2014/15.
- Introduce Urban Renewal Project Rescue Fund to help the affected residents of redevelopment projects with emergency needs.
- Invite expression of interest for the development of Sai Wan Ho Street project in Shau Kei Wan.

Highlights of the Year 2015

JUL



- Consolidate and enhance the Integrated Building Maintenance Assistance Scheme and extend the service area to the whole territory of Hong Kong.
- Award contract for joint development of Pak Tai Street / San Shan Road project in Ma Tau Kok to a wholly-owned subsidiary of Sun Hung Kai Properties Limited.

						Site Information before Development				Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
1 to 43 - 43 still ongoing URA projects commenced by URA												
1 ^(4,5)	DL-11: YTM	Ash Street, Tai Kok Tsui	2015-16	May		474	3,228	1	234	69	3,527	3,135
2 ⁽⁵⁾	KC-008	Chun Tin Street/Sung Chi Street, Kowloon City	2014-15	January		1,226	3,738	7	200	150	8,028	6,690
3 ^(4,5)	DL-10: KT	Hang On Street, Kwun Tong	2014-15	November		865	5,304	1	393	138	6,691	5,948
4 ⁽⁵⁾	SSP-016	Castle Peak Road / Un Chau Street, Sham Shui Po	2013-14	February		1,900	7,335	8	497	261	14,841	12,367
5 ^(4,5)	DL-8: KC	Kai Ming Street, Ma Tau Kok	2013-14	December		553	2,467	3	146	72	4,545	3,788
6 ^(4,5)	DL-6: YTM	Fuk Chak Street / Li Tak Street, Tai Kok Tsui	2013-14	June		716	3,461	2	182	96	5,788	5,145
7 ^(4,5)	DL-4: SSP	Kowloon Road / Kiu Yam Street, Sham Shui Po	2013-14	April		599	3,817	1	265	80	4,887	4,072
8 ^(4,5)	DL-5: SSP	Tung Chau Street / Kweilin Street, Sham Shui Po	2013-14	April		1,640	10,313	1	531	200	12,582	10,485
9 ⁽⁵⁾	SSP-015	Tonkin Street / Fuk Wing Street, Sham Shui Po	2012-13	March		1,268	4,964	6	330	175	9,513	7,927
10 ^(3,5)	IB-2:SSP	Yu Chau West Street, Cheung Sha Wan	2012-13	January		1,393	12,145	1	0	0	16,716	0
11 ^(4,5)	DL-1: SSP	229A-G, Hai Tan Street, Sham Shui Po	2012-13	April		483	2,547	1	172	69	3,611	3,210
12 ^(4,5)	DL-2: SSP	205-211A, Hai Tan Street, Sham Shui Po	2012-13	April		470	2,952	1	225	69	3,556	3,165

Project Highlights

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
392	0	0	0	Third round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 29/05/15
1,338	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 16/01/15
243	0	500	0	Third round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 07/11/14 Initial acquisition offers issued on 16/01/15
2,474	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 21/02/14 SDEV authorised URA to proceed on 15/11/14 Initial acquisition offers issued on 27/02/15 Resumption application submitted to DEVB on 25/06/15
308	0	450	0	Third round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 19/12/13 Initial acquisition offers issued on 04/03/14 80% threshold for ASP reached on 10/04/14 SDEV authorised URA to proceed on 24/05/14 Land Grant application submitted on 20/06/14 Resumption gazetted on 27/03/15 Site reverted to Government on 27/06/15 Site clearance completed on 10/07/15 Demolition works in progress
643	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 28/06/13 Initial acquisition offers issued on 11/09/13 80% threshold for ASP reached on 25/11/13 SDEV authorised URA to proceed on 10/12/13 Resumption application submitted to DEVB on 28/08/14 Resumption gazetted on 24/04/15 Land Grant application submitted on 27/04/15
815	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/04/13 Initial acquisition offers issued on 27/06/13 80% threshold for ASP reached on 10/09/13 SDEV authorised URA to proceed on 14/11/13 Resumption gazetted on 06/03/15 Land Grant application submitted on 12/03/15 Site reverted to Government on 06/06/15 Clearance in progress
2,097	0	0	0	Second round 'Demand-led' Scheme project Eligible domestic owner occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/04/13 Initial acquisition offers issued on 27/06/13 80% threshold for ASP reached on 10/09/13 SDEV authorised URA to proceed on 26/09/13 Resumption gazetted on 06/03/15 Land Grant application submitted on 12/03/15 Site reverted to Government on 06/06/15 Clearance in progress
1,586	0	0	0	Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 08/03/13 SDEV authorised project to proceed on 13/11/13 Decision of the Appeal Board to uphold authorisation gazetted on 11/07/14 Initial acquisition offers issued on 10/09/14 Resumption application submitted to DEVB on 11/11/14
16,716	0	0	0	Pilot project under redevelopment of Industrial Building	Project commencement gazetted on 18/01/13 SDEV authorised URA to proceed on 08/08/13 Initial acquisition offer issued on 17/12/13 Resumption application submitted to DEVB on 07/08/14
401	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Land Grant executed on 27/02/15 Joint Venture Development tender awarded on 22/12/14 Demolition works complete Site handed over to joint venture partner on 02/03/15
391	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offer issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 19/02/13 Land Grant application submitted on 18/10/13 Resumption gazetted on 16/05/14 Site reverted to Government on 16/08/14 Provisional basic terms offer issued by LandsD on 27/07/15 Clearance in progress

						Site Information before Development				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
13 ^(4,5)	DL-3: YTM	Pine Street / Oak Street, Tai Kok Tsui	2012-13	April		865	5,105	11	311	115	6,463	5,745
14 ⁽⁵⁾	YTM-010	Reclamation Street / Shantung Street, Mong Kok	2011-12	February		1,640	10,024	5	682	187	12,510	10,425
15 ⁽⁵⁾	KC-007	Kowloon City Road / Sheung Heung Road, Ma Tau Kok	2011-12	November		1,622	7,258	8	412	184	12,456	10,380
16 ⁽⁵⁾	SSP-014	Fuk Wing Street, Sham Shui Po	2010-11	March		649	2,456	6	203	92	5,038	4,478
17 ⁽⁵⁾	KC-006	Pak Tai Street / San Shan Road, Ma Tau Kok	2010-11	March		1,277	6,389	12	296	161	9,782	8,152
18 ⁽⁵⁾	TKW/1/002	Ma Tau Wai Road / Chun Tin Street, Ma Tau Kok	2009-10	February		3,377	10,393	17	660	493	24,335	20,290
19 ⁽⁵⁾	SSP/3/001	Shun Ning Road, Sham Shui Po	2009-10	June		836	3,820	5	130	155	7,159	5,959
20 ⁽⁵⁾	MTK/1/002	San Shan Road / Pau Chung Street, Ma Tau Kok	2009-10	May		1,170	6,046	7	290	209	10,356	8,778

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
718	0	0	0	First round 'Demand-led' Scheme project Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offer issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 12/03/13 Land Grant application submitted on 01/11/13 Resumption gazetted on 10/10/14 Site reverted to Government on 10/01/15 Clearance in progress
2,085	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 10/02/12 SDEV authorised URA to proceed on 30/10/12 Decision of Appeal Board to uphold authorisation gazetted on 14/06/13 Initial acquisition offer issued on 04/07/13 Resumption application submitted on 29/10/13 Land Grant application submitted on 18/11/13
2,076	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 25/11/11 SDEV authorised URA to proceed on 26/06/12 Initial acquisition offers issued on 29/10/12 Resumption application submitted on 24/06/13 Land Grant application submitted on 26/06/13 Resumption gazetted on 25/04/14 Site reverted to Government on 25/07/14 Clearance in progress
560	0	0	0	No less than 50% of residential units should be small flats ≤45m ² Eligible domestic owner-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25/03/11 SDEV authorised URA to proceed on 09/03/12 Initial acquisition offers issued on 04/05/12 Land Grant application submitted on 03/10/12 Resumption gazetted on 12/07/13 Site reverted to Government on 12/10/13 Site clearance completed on 18/11/14 Joint Venture Development tender awarded on 31/03/15 Land Grant executed on 26/05/15 Site handed over to developer on 15/06/15 Ground investigation works in progress
1,630	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25/03/11 SDEV authorised URA to proceed on 05/01/12 Initial acquisition offers issued on 27/02/12 Resumption gazetted on 10/05/13 Site reverted to Government on 10/08/13 Site Clearance completed on 04/02/15 Development tender invited on 10/06/15 Binding basic terms offer of Land Grant was accepted by URA on 29/07/15 Demolition works in progress
3,045	0	1,000	500	URA has taken the initiative to commence the project following the collapse of one building and demolition of the damaged adjacent one This project site is being considered for subsidised sale flat purpose	SDEV authorised URA to proceed on 10/12/10 Decision of Appeal Board to uphold authorization gazetted on 29/04/11 Initial acquisition offers issued on 30/05/11 Resumption gazetted on 11/01/13 Site reverted to Government on 11/04/13 Clearance completed on 07/08/14 Land Grant executed on 13/04/15 Foundation work commenced on 20/04/15 GBP approved on 30/4/15
1,200	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption gazetted on 22/02/13 Site reverted to the Government on 22/05/13 Joint Venture Development agreement executed on 14/04/14 Land Grant executed on 16/06/14 Site handed over to developer on 18/06/14 GBP amendment was approved on 11/12/2014 Foundation works in progress
1,578	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption gazetted on 15/06/12 Site reverted to Government on 15/09/12 Joint Venture Development tender awarded on 29/04/14 Land Grant executed 06/08/14 Site formally handed over to joint venture partner on 14/10/14 GBP approved on 06/03/15 Foundation works in progress

						Site Information before Development				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
21 ^(5, 6)	MK/01	Shanghai Street / Argyle Street, Mong Kok	2008-09	September		1,128	3,944	14	157	0	3,944	0
22 ^(5, 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
23 ⁽⁵⁾	TKT/2/002	Anchor Street / Fuk Tsun Street, Tai Kok Tsui	2007-08	March		726	3,855	6	245	0	6,529	-
24	TKW/1/001	Chi Kiang Street / Ha Heung Road, Ma Tau Kok	2007-08	February		931	5,226	5	302	175	8,374	6,979
25	MTK/1/001	Pak Tai Street / Mok Cheong Street, Ma Tau Kok	2007-08	February	My Place	772	3,772	5	229	168	6,944	5,787
26	K28	Sai Yee Street, Mong Kok	2007-08	December	Skypark	2,478	14,434	14	431	439	22,301	17,346
27 ^(5, 6)	K1	Nga Tsin Wai Village, Wong Tai Sin	2007-08	October		4,637	2,051	36	118	750	37,097	34,778
28 ^(5, 6)	H18	Peel Street / Graham Street, Sheung Wan	2007-08	July		5,267	20,219	37	840	301	67,528	22,638

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
3,944	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption gazetted on 03/08/12 Site reverted to Government on 03/11/12 Ground investigation and structural survey completed in May 2014 Site Clearance completed on 25/07/14 Planning application submitted to TPB approved on 12/12/14 Demolition contract commenced
6,126	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption application submitted on 27/01/11 Renovation works for Phase 1 (8 units) completed Renovation works for Phase 2 (13 units) completed Phase 3 structural consultancy commenced
6,529	0	0	0	Commercial space is for hotel with about 184 to 220 rooms	Site reverted to Government on 12/11/11 Site clearance completed on 05/01/15 Binding basic terms offer of Land Grant accepted by URA on 16/06/15 Demolition works complete
1,395	0	0	0		Joint venture development tender awarded on 27/02/12 Land Grant executed on 18/05/12 Construction works in progress
1,157	0	0	0		Joint venture development tender awarded on 18/06/12 Land Grant executed on 17/10/12 Presale consent issued on 22/10/14 Construction works in progress
4,955	0	0	0		Joint venture development tender awarded on 24/09/12 Land Grant executed on 21/12/12 GBPs approved on 05/09/14 Foundation works completed on 06/11/14 Presale consent issued on 29/05/15 Construction works in progress
2,319	0	0	0	At-grade conservation park accessible to public will be provided. Commercial space includes preserved buildings/ elements, temple office, village committee's office, reprovisioning of public toilet and other covered areas but actual area still subject to detailed design	Demolition of vacated properties in progress Land grant application submitted on 07/01/10 Resumption gazetted on 15/07/11 Site reverted to Government on 15/10/11 Clearance in progress In principle approval for draft Land Grant conditions for K1 obtained at DLC on 26/07/12
43,450	180	1,260	2,060	G/IC is a 1,260m ² multi-purpose activity hall Commercial space includes retail space for relocating wet trade market shops, office space and 9,280m ² for a 182 room-hotel; 180m ² non-domestic GFA is used for the covered POS at Site A	Site B: Joint Venture Development tender awarded on 30/04/12 Land Grant executed on 24/07/12 Site B handed over to joint venture partner on 10/10/12 Piling and ELS works in progress Sites A & C: Class A amendments at MLP parameters approved by Plan D on 07/03/13 Resumption gazetted on 06/12/13 Site reverted to Government on 06/03/14 In principle approval for land grant for Sites A and C obtained at DLC on 13/03/14 Proposed road scheme and road closure gazetted on 14/11/14. Objection hearings held on 26/02/15. Two out of four objections unconditionally withdrawn and two conditionally withdrawn Site clearance completed on 30/06/15 Demolition works in progress

						Site Information before Development				Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
29 ⁽⁵⁾	K7	Kwun Tong Town Centre, Kwun Tong	2006-07	March	Park Metropolitan (YWS site)	53,500	96,104	24	4,443	2,168	401,250	160,610
30 ⁽⁵⁾	H14	Sai Wan Ho Street, Shau Kei Wan	2005-06	September		710	3,796	2	21	120	5,960	5,360
31	K9	MacPherson Stadium, Mong Kok	2005-06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705
32 ⁽⁵⁾ 33 ⁽⁵⁾ 34 ⁽⁵⁾	SSP/1/003-005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005-06	February		7,515	25,344	37	1,589	845	57,400	50,100
35	TKT/2/001	Fuk Tsun Street / Pine Street, Tai Kok Tsui	2005-06	December	Park Ivy	560	4,071	3	273	113	4,843	4,003
36 ⁽⁶⁾	SYP/1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005-06	December	The Nova	2,150	4,140	14	213	255	16,462	16,218

Project Development Information					
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)	Remarks	Status
206,140	3,500	31,000	13,049	<p>Commercial GFA include 65,860m² for offices and 32,000m² for hotel G/IC includes 6,200m² for Kwun Tong Jockey Club Health Centre in Yuet Wah Street Site (YWS) and 8,100m² for Government uses in Main Site and 16,700m² for Public Transport Interchange in Main Site. Commercial Space includes 1,300m² for social enterprises Other uses GFA includes 3,500m² under 'urban windows'.</p> <p>Residential flats include 299 flats in YWS Site and 1,869 flats in the Main Site Public space includes a minimum of 9,049m² at-grade public open space as required under the approved Class B amendments and a minimum of 4,000m² podium public open space as required under the lease</p>	<p>YWS Site: Sale of residential units in progress Occupation Permit issued on 08/07/14 Certificate of Completion issued on 29/10/14</p> <p>Main Site (DAs 2, 3, 4 & 5): Resumption for DAs 2, 3 and 4 gazetted on 02/03/12 and reverted to the Government on 02/06/12 General revised offers for DA5 issued on 27/06/13 Property acquisition for DA5 in progress</p> <p>Class B amendments to fulfill SBD Guidelines approved by Plan D on 24/10/12 Occupation Permit for Methadone Clinic issued by BD on 13/03/14 Occupation Permit for interim GIC facilities at Kwun Tong District Branch Office Building issued on 28/03/14, interim minibus terminus and interim hawker bazaar started operation in May 2014 Interim bus terminus at former Mido Mansion Site started operation on 30/11/14</p> <p>DAs 2 & 3 (Post development tender award): Joint venture development tender awarded on 01/09/14 GBPs amendment for DAs 2 and 3 approved on 05/09/14 Occupation Permit phasing Plans for DAs 2 and 3 approved on 04/11/14 Land Grant executed on 19/12/14 Site handed over to joint venture partner on 19/12/14 GBPs amendment (podium) for DAs 2 and 3 approved on 27/03/15 Class B amendment for increased number of flats approved on 27/04/15 BA14A submitted to BD for demolition of public toilet and refuse collection point on 24/06/15 Footbridge proposal accepted by ABACUS on 07/07/15 Foundation works and utilities diversion in progress</p>
600	0	0	0		<p>Project returned by HKHS to URA with effect from 23/11/11 Property acquisition completed Site clearance completed on 30/04/15 Binding Basic Terms Offer of Land Grant issued on 28/07/15 Demolition works in progress</p>
2,443	0	5,619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	<p>Occupation Permit issued on 31/12/12 Certificate of Compliance issued on 28/01/14 Sale of remaining flats in progress</p>
5,249	0	2,051	1,500	Three projects taken forward as one G/IC includes 1,900m ² for Special Child Care Centre cum Early Education Centre, Day Care Centre for Elderly and Sub-base for a Neighbourhood Elderly Centre; 150m ² for either social enterprise or non-domestic use	<p>Site clearance completed on 23/09/14 Joint Venture Development tender awarded on 22/12/14 Portion of Pei Ho Street closed on 27/03/15 Land Grant executed on 27/03/15 Demolition completed Site handed over to joint venture partner on 27/03/15 Site investigation works in progress S16 submission made on 29/06/15</p>
840	0	0	0		<p>Joint Venture Development tender awarded on 22/11/10 Land grant executed on 25/01/11 Occupation Permit issued on 24/07/14 Certificate of Completion issued on 23/09/14 Sale of shops in progress</p>
244	0	0	1,303	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	<p>Joint Venture Development tender awarded on 27/09/10 Land Grant executed on 07/01/11 Construction in progress Presale consent issued on 22/09/14 Sale of flats in progress</p>

						Site Information before Development				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
37 ⁽⁷⁾	WC/001	Mallory Street / Burrows Street, Wan Chai	2004-05	March		780	2,687	5	122	0	2,435	0
38 39	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	17	551	402	29,720	24,780
40	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004-05	December	Park Summit	2,328	11,802	12	518	462	20,952	17,460
41	K31	Larch Street / Fir Street, Tai Kok Tsui	2004-05	December	Lime Stardom	2,195	10,332	12	474	377	19,735	16,425
42 ⁽⁶⁾	H15	Lee Tung Street / McGregor Street, Wan Chai	2003-04	October	The Avenue	8,236	36,534	52	1,613	1,275	79,933	67,939
43 ^(5, 6)	H19	Staunton Street / Wing Lee Street, Sheung Wan	2002-03	March		2,175	3,049	16	98	154	6,117	5,247
1 to 43 Launched Sub-Total (A)						126,290	385,441	426	18,427	11,272	1,010,801	612,514
44 to 49 - 6 Projects undertaken by HKHS												
44	K20	Castle Peak Road / Cheung Wah Street, Sham Shui Po	2004-05	April	Heya Delight	1,003	5,935	10	158	130	9,030	7,525
45	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
46	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
47	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
48	H21	Shau Kei Wan Road, Shau Kei Wan	2003-04	November	Harmony Place	1,871	9,834	17	400	274	19,555	16,338
49	K25	Po On Street / Wai Wai Road, Sham Shui Po	2003-04	July	Heya Green	2,592	9,923	19	528	327	21,214	17,680
44 to 49 Commenced Sub-Total (B)						11,613	58,285	103	2,288	1,531	105,116	87,640

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
0	2,435	0	300	Zoned 'Other specified uses' annotated 'Open space and historical buildings preserved for cultural and commercial uses' GFA includes retained façade at Burrows Street and two elevated walkways	Tender for Main Operator awarded on 15/04/11 Land Grant executed on 13/10/11 Occupation Permit issued on 20/05/13 Official opening event held on 18/07/13
4,940	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Joint Venture Development tender awarded on 22/01/10 Land Grant executed on 16/03/10 Fitting out works in progress Sale of residential units completed Occupation Permit issued on 10/11/2014 Certificate of Compliance issued on 17/07/15
3,492	0	0	450	Public open space not required under lease	Flat sale launched on 20/04/12 Occupation Permit issued on 20/09/12 Certificate of Compliance issued on 27/12/12 Sale of remaining flats in progress
3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Occupation Permit issued on 29/08/11 Certificate of Compliance issued on 24/11/11 Sales of remaining parking space in progress
9,406	0	2,588	3,967	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for Elderly/Community Service Support Centre, Refuse Collection Point and Public Toilet	Land Grant executed on 25/02/10 Construction works in progress Modification letter for additional commercial GFA executed on 29/08/11 Modification Letter for receiving Hopewell's proposed subway executed by LandsD on 03/07/13 Construction work for the MTR Johnston Rd Pedestrian Subway works in progress Occupation Permit for Site B issued on 31/03/14 Consent to assign for Site B issued on 19/12/14 Occupation Permit for Site A issued on 21/04/15 Sale of residential units in Site A and Site B in progress
870	0	0	474	As allowed in the planning brief: (i) The development of Site B will align with Shing Wong Street to maintain its existing streetscape (ii) Site B will not comply with the SBD guidelines. The GFA for green / amenity features and plant rooms that are accountable under the Building (Planning) Regulations as a result will be disregarded	Amendments to approved DSP to excise Site A published on 08/07/11 TPB decided not to uphold representations received; excising of Site A and zoning as separate CDA retained The revised DSP with Wing Lee Street area and the Bridges Street Market site excised was gazetted on 18/05/12 following approval by CE in C Draft revised Planning Brief (excluding Site A) endorsed by TPB on 26/09/12 MLP for Sites B and C approved on 24/05/13 General revised offers for Sites B and C issued on 17/12/13
347,705	6,115	44,468	24,183		
1,505	0	0	0		Presale conducted in November 2014 Occupation Permit issued on 20/05/15
3,921	0	0	150		Construction in progress Presale conducted in July 2015
448	0	2,753	150	G/IC is for Residential Care Home for the Elderly	Construction in progress
2,098	0	0	0		Construction in progress Presale conducted in Dec 2014
3,217	0	0	0		Presale conducted in Dec 2013 Occupation Permit issued on 13/11/14 Certificate of Compliance issued on 11/02/15
957	0	2,577	0	G/IC is for Residential Care Home for the Elderly	Presale conducted in June 2012 Occupation Permit issued on 15/10/13 Certificate of Compliance issued on 30/12/13
12,146	0	5,330	300		

						Site Information before Development				Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
50 to 51 - 2 Ongoing projects taken over from ex-LDC												
50	K11	Hanoi Road, Tsim Sha Tsui	⁽⁹⁾		The Master-piece	8,299	27,309	20	220	345	102,625	45,600
51 ⁽⁶⁾	H9	Tai Yuen Street / Wan Chai Road, Wan Chai	⁽⁹⁾		The Zenith (Site A & B) One Wanchai (Site C)	6,793	12,555	31	975	889	62,310	52,539
50 to 51 Commenced Sub-Total (C)						15,092	39,864	51	1,195	1,234	164,935	98,139
Commenced Total (A) + (B) + (C)						152,995	483,590	580	21,910	14,037	1,280,852	798,293
52 to 60 - 9 Completed projects commenced by URA⁽⁸⁾												
52	K19	Po On Road / Shun Ning Road, Sham Shui Po	2002-03	July	Beacon Lodge	1,394	4,898	8	327	166	12,534	10,451
53	K30	Bedford Road / Larch Street, Tai Kok Tsui	2003-04	July	i-home	1,229	6,313	7	280	182	10,363	9,215
54	K26	Fuk Wing Street / Fuk Wa Street, Sham Shui Po	2001-02	January	Vista	1,384	5,129	8	246	173	12,453	10,378
55	K27	Reclamation Street, Mong Kok	2002-03	October	MOD 595	535	2,411	4	122	85	4,921	4,119
56 ⁽⁷⁾	H16	Johnston Road, Wan Chai	2001-02	January	J Residence	1,970	7,640	21	333	381	20,567	17,967
57	H17	Queen's Road East, Wan Chai	2002-03	March	Queen's Cube	378	1,806	5	25	96	3,984	3,543
58	K33	Baker Court, Hung Hom	2003-04	July	Baker Residences	277	834	2	9	68	2,338	2,077
59	H20	First Street / Second Street, Sai Ying Pun	2002-03	November	Island Crest	3,536	15,690	30	777	488	38,178	34,259
60	K3	Cherry Street, Tai Kok Tsui	2001-02	January	Florient Rise	4,510	14,416	33	1,020	522	43,231	36,466
52 to 60 Completed Sub-Total⁽⁸⁾ (D)						15,213	59,137	118	3,139	2,161	148,569	128,475
0 Completed project undertaken by HKHS⁽⁸⁾ All projects still underway												
Nil Completed Sub-Total⁽⁸⁾ (E)						0	0	0	0	0	0	0
61 to 68 - 8 Completed projects commenced by ex-LDC^(8, 9)												
61	K17	Yeung Uk Road, Tsuen Wan	⁽⁹⁾		The Dynasty	7,230	NA	0	0	256	44,404	27,031
62	K13	Tsuen Wan Town Centre, Tsuen Wan	⁽⁹⁾		Vision City	20,300	56,851	22	7,119	1,466	134,185	107,884
63	H12	Kennedy Town New Praya, Kennedy Town	⁽⁹⁾		The Merton	6,075	24,808	15	1,683	1,182	62,904	62,794

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
57,025	0	0	1,219	Other use is for 381 room hotel	Leasing of commercial space in progress Hotel in operation Sales of remaining flats in progress
3,453	0	6,318	0	G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Sales of residential units of Sites A and B completed; leasing of vacant shops in progress Occupation Permit (Site C) issued on 10/09/12 Certificate of Compliance (Site C) issued on 10/01/13 All residential units (Site C) sold. Preparation for sale of commercial units of Sites A and B underway
60,478	-	6,318	1,219		
420,329	6,115	56,116	25,702		
2,083	0	0	251		Project completed in 2010/11
1,148	0	0	0		Project completed in 2010/11 Sales of shops and parking spaces in progress
2,075	0	0	255		Project completed in 2010/11 Leasing of shops in progress
802	0	0	0		Project completed in 2009/10
2,600	0	0	0		Project completed in 2008/09
441	0	0	0		Occupation Permit obtained in 04/2010 Certificate of Compliance btained in 07/2010 Assignment for unsold units completed on 26/08/11 Project completed in 2011/12
261	0	0	0		Occupation Permit issued on 29/07/11 Certificate of Compliance issued on 28/10/11 Project completed in 2011/12 All residential units and shops sold out
1,722	0	2,197	700	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Certificate of Completion obtained in 06/2010 Project completed in 2012/13 All residential units, commercial accommodation and residential and commercial car parking spaces sold out
4,916	0	1,849	0	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Project completed in 2014/15
16,048	-	4,046	1,206		
0	0	0	0		
17,373	0	0	0		Project completed in 2010/11 Leasing of commercial space in progress
23,221	0	3,080	3,700	G/IC is for transport and community facilities	Project completed in 2010/11 Sales of parking spaces in progress Leasing of commercial space in progress
0	0	110	2,300	G/IC is for public toilet	Project completed in 2007/08

						Site Information before Development				Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
64	H13	Ka Wai Man Road, Kennedy Town	(9)		Mount Davis 33	728	4,000	1	0	89	7,280	7,280
65	K10	Waterloo Road / Yunnan Lane, Yau Ma Tei	(9)		8 Waterloo Road	3,869	6,610	19	444	576	32,012	32,010
66	H1	Queen Street, Sheung Wan	(9)		Queen's Terrace	7,964	25,792	50	648	1,148	66,233	60,579
67	K2	Argyle Street / Shanghai Street, Mong Kok	(9)		Langham Place	11,976	40,810	58	2,603	0	167,414	0
68	K8	Kwong Yung Street, Mong Kok	(9)		Paradise Square	1,607	4,190	10	178	272	15,160	12,746
61 to 68 Completed Sub-Total^(8, 9) (F)						59,749	163,061	175	12,675	4,989	529,592	310,324
Completed Total⁽⁸⁾ (D) + (E) + (F)						74,962	222,198	293	15,814	7,150	678,161	438,799
Commenced + Completed						227,957	705,788	873	37,724	21,187	1,959,013	1,237,092

Note (1) This table includes the number of buildings within a project.

(2) This table includes only Public Open Space and not any private open space.

(3) Industrial Building Redevelopment Project

(4) Demand-led project

(5) The details of projects 1 to 10, 12 to 17, 21 to 23, 27 to 30 and 43 have yet to be finalised and are still subject to change during the statutory, planning and land grant approval processes.

(6) Projects 21 and 22 are purely preservation projects. Redevelopment projects 27, 28, 36, 37, 43, 51 and 56 contain some preservation elements.

(7) Revitalisation project

(8) 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.

(9) The project was commenced by ex-Land Development Corporation

Glossary of Terms

ASP = Agreement for Sale and Purchase

CE in C = Chief Executive in Council

CDA = Comprehensive Development Area

DA = Development Area

DLC = District Lands Conference

DSP = Development Scheme Plan

GBP = General Building Plan

GFA = Gross Floor Area

G/IC = Government / Institution and Community

HKHS = Hong Kong Housing Society

LandsD = Lands Department

LDC = Land Development Corporation

MLP = Master Layout Plan

OU = Other Specified Use

SBD = Sustainable Building Design

SDEV = Secretary for Development

TPB = Town Planning Board

URA = Urban Renewal Authority

YWS = Yuet Wah Street

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
0	0	0	0		Project completed in 2007/08
0	0	0	1,650		Project completed in 2007/08
400	0	5,254	1,200	G/IC includes Single-person Hostel, Care & Attention Home, Day Nursery, Social Centre for the Elderly, Hostel for Moderately Mentally Handicapped and Cooked Food Centre	Project completed in 2007/08
160,866	0	6,548	1,100	Commercial space includes 41,933m 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
2,414	0	0	0		Project completed in 2005/06
204,274	0	14,992	9,950		
220,322	0	19,038	11,156		
640,651	6,115	75,154	36,858		

Introduction

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

Board and Committees

The URA is governed by a Board appointed by the Chief Executive under Section 4 of the URA Ordinance, currently comprising a Chairman and 25 other members. There are three executive Board members who are not public officers, namely the Managing Director, who is by law also the Deputy Chairman, and the two Executive Directors. The Director of Lands, the Director of Planning, the Director of Buildings and the Director of Home Affairs are Board members who are non-executive directors and public officers. In addition, the current Board includes four legislative councilors plus professionals and academics from various fields, including legal, accounting, finance, property, planning, surveying, architecture and social work who are non-executive directors and not public officers. The Board met on eleven occasions between April 2014 and March 2015.

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

Corporate Governance

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.

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

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

Planning, Development and Conservation Committee

- Selection of projects in the Five-year Corporate Plan and Annual Business Plan
- Submission of Development Scheme Plan to the Town Planning Board
- Planning and development parameters and design issues
- Conservation proposals
- Revitalisation proposals

Review Committee

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

Human Resources and Remuneration Committee

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

Decision Making System

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

Internal Audit

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

The Department also advises on the adequacy and effectiveness of the URA's annual internal control and risk management review. This annual organization-wide review exercise includes reviews of risks at the corporate level by all in-house directors and reviews of operational risks and the effectiveness of the systems of internal controls in managing identified significant risks by all functional units. Treatment plans are then implemented wherever appropriate to mitigate the

identified significant risks in key business processes to the extents possible. The overall results of the annual review are reported to the Audit Committee. In addition, the Department coordinates with other assurance functions, such as the URA's External Auditors and the Independent Commission Against Corruption's Corruption Prevention Department, to achieve optimal audit coverage of the URA.

Measures to Promote Transparency of Work

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

We value our partnerships with local communities in undertaking renewal work in old urban areas. We regularly brief the relevant District Councils on the progress of URA projects. We have established seven District Advisory Committees comprising representatives of the local communities including district councillors, affected owners/tenants and district 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.

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

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

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

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



MEMBERS OF THE BOARD

FROM LEFT

Front row : Dr Billy MAK Sui-choi, Mr Philip KAN Siu-lun, Mr Victor SO Hing-woh (Chairman)
Mr Daniel LAM Chun (Managing Director, *from 15 June 2015*), Mr Laurence HO Hoi-ming

Back row : Mr Philip LIAO Yi-kang, Professor Eddie HUI Chi-man, The Honourable Alice MAK Mei-kuen
Ms Bernadette LINN Hon-ho, Mr Timothy MA Kam-wah, Mrs Pamela TAN Kam Mi-wah
The Honourable WU Chi-wai, Mr Pius CHENG Kai-wah (Executive Director)

Members of the Board and Profiles



FROM LEFT

Front row : Mr Edward CHOW Kwong-fai, Dr Lawrence POON Wing-cheung, Mr HUI Siu-wai
Dr Gregg LI G. Ka-lok, Dr the Honourable Ann CHIANG Lai-wan

Back row : Mr David TANG Chi-fai, Mr Lester Garson HUANG, Mr Nelson LAM Chi-yuen
Mr LING Kar-kan, Mr Laurence LI Lu-jen, The Honourable Dennis KWOK, Mr Stanley WONG Yuen-fai

Chairman : Mr Victor SO Hing-woh, JP

Managing Director : Ms Iris TAM Siu-ying, JP (up to 31 May 2015)
Mr Daniel LAM Chun, BBS, JP (from 15 June 2015)

Executive Directors : Mr Pius CHENG Kai-wah
Mr Calvin LAM Che-leung (up to 10 November 2014)

Non-Executive Directors : Dr the Honourable Ann CHIANG Lai-wan, JP
(non-official) Mr Edward CHOW Kwong-fai, JP
Mr Laurence HO Hoi-ming
Mr Lester Garson HUANG, JP
Professor Desmond HUI Cheuk-kuen (up to 30 November 2014)
Professor Eddie HUI Chi-man, MH
Mr Philip KAN Siu-lun
The Honourable Dennis KWOK
Mr Nelson LAM Chi-yuen
Mr Daniel LAM Chun, BBS, JP (up to 11 June 2015)
Dr Gregg LI G. Ka-lok (from 1 December 2014)
Mr Laurence LI Lu-jen, JP
Mr Philip LIAO Yi-kang
Mr Timothy MA Kam-wah, JP
The Honourable Alice MAK Mei-kuen, BBS, JP (from 1 December 2014)
Dr Billy MAK Sui-choi
Dr Lawrence POON Wing-cheung, JP (from 1 December 2014)
Mr David TANG Chi-fai
The Honourable James TO Kun-sun (up to 30 November 2014)
The Honourable WONG Kwok-kin, SBS (up to 30 November 2014)
Dr John WONG Yee-him (up to 30 November 2014)
Mr Stanley WONG Yuen-fai, SBS, JP
The Honourable WU Chi-wai, MH (from 1 December 2014)

Non-Executive Directors : Mr HUI Siu-wai, JP Director of Buildings
(official) Mrs Pamela TAN Kam Mi-wah, JP Director of Home Affairs
Ms Bernadette LINN Hon-ho, JP Director of Lands
Mr LING Kar-kan, JP Director of Planning

Chairman

Mr Victor SO Hing-woh, JP

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

Managing Director (up to 31 May 2015)

Ms Iris TAM Siu-ying, JP

Ms Tam was the Managing Director of the Urban Renewal Authority from March 2013 to May 2015. She served as an Executive Director of the Authority from September 2006 to February 2013. She started her town planning career in the government and left the civil service after seven years in 1990. She then set up a planning consultant firm and was actively involved in both private and public sector planning projects and studies in Hong Kong and in Mainland China for sixteen years. She was the President of the Hong Kong Institute of Planners (1995-97) and served as Chairperson or Member of various Statutory and Advisory Tribunals/Committees. She is currently a member of the Hong Kong Housing Authority.

Managing Director (from 15 June 2015)

Mr Daniel LAM Chun, BBS, JP

Mr Daniel Lam served as a non-executive director of the Board of the Urban Renewal Authority from 1 December 2008 to 11 June 2015. He was appointed as the Managing Director of the Authority effective 15 June 2015.

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

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

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

Executive Director

Mr Pius CHENG Kai-wah

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

Non-Executive Directors (non-official)

Dr the Honourable Ann CHIANG Lai-wan, JP

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

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

Mr Edward CHOW Kwong-fai, JP

Mr Edward Chow, JP is the founder of China Infrastructure Group and a chartered accountant. He is a core member of the OECD/World Bank Asian Corporate Governance Roundtable, a council member of the Institute of Chartered Accountants in England and Wales and chairman of its Commercial Board and Hong Kong Chapter, and an advisor of the Business and Professionals Federation of Hong Kong. He is also a standing committee member of the Chinese People's Political Consultative Conference of Zhejiang Province and an Election Committee member of Hong Kong SAR. Mr Chow was a past president of the Hong Kong Institute of Certified Public Accountants, a past chairman of the Professional Accountants in Business Committee of the International Federation of Accountants, a past deputy chairman of the Hong Kong Institute of Directors and a former expert advisor of the Accounting Standards Committee of the Ministry of Finance, the PRC. In business, Mr Chow serves as an independent non-executive director of Wing Lung Bank and Melco International Development Limited; and served as an independent non-executive director of COSCO Pacific Limited from 2005 to 2013 and China Merchants Bank from 2006 to 2012 respectively.

Mr Laurence HO Hoi-ming

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

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

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

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

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

Mr Lester Garson HUANG, JP

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

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

Professor Eddie HUI Chi-man, MH

Professor Hui is Professor of Real Estate at the Department of Building and Real Estate, the Hong Kong Polytechnic University. He graduated from Hong Kong

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

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

Mr Philip KAN Siu-lun

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

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

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

The Honourable Dennis KWOK

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

He is a Member of the Legislative Council representing the Legal Functional Constituency. He is a founding member of both the Civic Party and The Professional Commons, a think-tank on public policies. In 2006, he was elected as a CE Election Committee member from the legal subsector. He is also currently a member of the Hong Kong Housing Authority and an executive committee member on the Board of the China Human Rights Lawyers Concern Group.

Mr Nelson LAM Chi-yuen

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

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

Dr Gregg Li G. Ka-Lok

Dr Gregg Li G. Ka-Lok is the founder and the chairman of G. Li & Company Ltd and is currently a Professor of Practice at the Polytechnics University of Hong Kong and teaches graduate level courses in strategy, innovation,

governance, and entrepreneurship at this university and other universities. He is also the Chairman of Invotech Limited, an independent think tank in innovation and technology for Hong Kong, a Vice Chairman of the Business and Professional Federation of Hong Kong; an Adviser at the Advisory Board of the Center of Family Business at the Chinese University, as well as, at the Asian Advisory Board of Washington University in St. Louis.

Dr Li is the founding and past President of the Institute of Management Consultants of Hong Kong and was their Ambassador to China. Dr Li started his career in consulting at American Express TRS during the 1980's, and has led consulting teams and practices, both internationally and locally, including for Aon Corporation, University of Hong Kong, PWC, and G. Li & Company Ltd.

Dr Li graduated from Washington University in St. Louis (Liberal Arts), University of Hawaii in Economics (MA), UCLA (MBA), and University of Warwick in Coventry (Engineering Doctorate).

Mr Laurence Li Lu-jen, JP

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

Mr Philip LIAO Yi-kang

Mr Philip Liao graduated from Cornell University (USA) and Eton College (UK) and has more than 26 years of experience in the field of architecture, planning and interiors design. Mr Liao has participated in award winning commercial, residential, hotel, heritage and community projects and has practiced in North America, Europe and Asia. Mr Liao worked with SOM, Moffat Kinoshita (where he was Vice President) and Wong Tung International (where he was Associate Director - Design) prior to establishing Philip Liao and Partners in 2002.

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

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

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

Mr Timothy MA Kam-wah, JP

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

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

The Honourable Alice MAK Mei-kuen, BBS, JP

Alice Mak is a member of the Legislative Council (NT West) and Kwai Tsing District Council. She is also the Chief Executive Officer of the Federation of the Service

Trade Unions, Member of the Complaints Committee of ICAC and Member of the Lantau Development Advisory Committee.

Alice is the President of the Hong Kong Ladies' Dynamic, a charitable organization focusing on women services. She is also the Executive Member of All-China Women's Federation.

Dr Billy MAK Sui-choi

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

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

Dr Lawrence POON Wing-cheung, JP

Dr Lawrence Poon is a fellow of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). He is a Senior Lecturer of the Division of Building Science and Technology of the City University of Hong Kong. He is currently a member of the Town Planning Board, a member of the Appeal Tribunal Panel under the Buildings Ordinance, a member of the Surveyors Registration Board, and a Director of the Board of Urban Renewal Fund. He was Chairman of the General Practice Division of the Hong Kong Institute of Surveyors (2007-2009) and was appointed Justice of the Peace in 2013.

Mr David TANG Chi-fai

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

Mr Stanley WONG Yuen-fai, SBS, JP

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

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

The Honourable WU Chi-wai, MH

Hon. Wu Chi-wai held a Master of Art Degree (Economics) from the University of Wisconsin, USA. He is currently a LegCo Member representing Kowloon East. He was formerly a Member of the Urban Council and Provisional Urban Council from 1995 to 1999. He has been a Member of Wong Tai Sin District Council since 1999, and is also serving as a Member of Lantau Development Advisory Committee.

Non-Executive Directors (official)

Mr HUI Siu-wai, JP
Director of Buildings

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

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

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

Mrs Pamela TAN Kam Mi-wah, JP
Director of Home Affairs

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

Ms Bernadette LINN Hon-ho, JP
Director of Lands

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

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

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

Mr LING Kar-kan, JP
Director of Planning

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

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

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

Audit Committee

Chairperson

Mr Philip KAN Siu-lun

Members

Mr Nelson LAM Chi-yuen
Dr Gregg LI G. Ka-lok
(from 28 July 2015)
Mr Timothy MA Kam-wah, JP

Co-opted Member

Ms Rosanna CHOI

Finance Committee

Chairperson

Mr Victor SO Hing-woh, JP
(up to 27 July 2015)

Mr Edward CHOW Kwong-fai, JP
(from 28 July 2015)

Members

Mr Edward CHOW Kwong-fai, JP
(up to 27 July 2015)
Mr Laurence HO Hoi-ming
(from 28 July 2015)
Professor Eddie HUI Chi-man, MH
Mr Philip KAN Siu-lun
Mr Nelson LAM Chi-yuen
(from 28 July 2015)
Dr Billy MAK Sui-choi
Mr Victor SO Hing-woh, JP
(from 28 July 2015)
Mr Stanley WONG Yuen-fai, SBS, JP
Ms Iris TAM Siu-ying, JP
(up to 31 May 2015)
Mr Daniel LAM Chun, BBS, JP
(from 16 June 2015)

Co-opted Members

Mr KUNG Kuo-chuan
Mr Alexander LAM

Land, Rehousing and Compensation Committee

Chairperson

Dr Billy MAK Sui-choi

Members

Mr Laurence HO Hoi-ming
Mr Lester Garson HUANG, JP
Professor Eddie HUI Chi-man, MH
Mr Laurence LI Lu-jen, JP
Mr Timothy MA Kam-wah, JP
Dr Lawrence POON Wing-cheung, JP
(from 1 December 2014)
Mr David TANG Chi-fai
The Honourable James TO Kun-sun
(up to 30 November 2014)
The Honourable WU Chi-wai, MH
(from 1 December 2014)
Dr John WONG Yee-him
(up to 30 November 2014)
Mr Pius CHENG
Ir Calvin LAM Che-leung
(up to 10 November 2014)
Ms Iris TAM Siu-ying, JP
(up to 31 May 2015)
Mr Daniel LAM Chun, BBS, JP
(from 16 June 2015)

Co-opted Members

Ms Crystal CHENG
Mr Patrick LAU, SBS
Assistant Director,
Lands Department
(Mr LAW Hin-wing, JP)
(up to 20 January 2015)
(Mr Tony MOYUNG)
(from 21 January 2015)

Members of Committees

Development Project Objection Consideration Committee

Chairperson

Mr Daniel LAM Chun, BBS, JP
(up to 11 June 2015)

Mr Philip KAN Siu-lun
(from 16 June 2015)

Vice Chairperson

Mr Philip KAN Siu-lun
(up to 15 June 2015)

Members

Mr Edward CHOW Kwong-fai, JP

The Honourable Dennis KWOK

Mr Nelson LAM Chi-yuen

The Honourable Alice MAK Mei-kuen, BBS, JP
(from 1 December 2014)

The Honourable WU Chi-wai, MH
(from 1 December 2014)

The Honourable James TO Kun-sun
(up to 30 November 2014)

Co-opted Members

Ms Crystal CHENG Lai-ling

Mr Alexander LAM

Mr Patrick LAU, SBS

Mr Andy LEUNG

Miss Ophelia WONG Yuen-sheung, JP
(from 1 December 2014)

Planning, Development and Conservation Committee

Chairperson

Professor Desmond HUI Cheuk-kuen
(up to 30 November 2014)

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

Members

Mr Laurence HO Hoi-ming
(up to 30 November 2014)

The Honourable Dennis KWOK

Mr Laurence LI Lu-jen, JP

Mr Philip LIAO Yi-kang

The Honourable Alice MAK Mei-kuen, BBS, JP
(from 1 December 2014)

Dr Lawrence POON Wing-cheung, JP
(from 1 December 2014)

Mr Victor SO Hing-woh, JP
(from 28 July 2015)

The Honourable James TO Kun-sun
(up to 30 November 2014)

The Honourable WONG Kwok-kin, SBS
(up to 30 November 2014)

Mr Stanley WONG Yuen-fai, SBS, JP

The Honourable WU Chi-wai, MH
(from 1 December 2014)

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

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

Ir Calvin LAM Che-leung
(up to 10 November 2014)

Ms Iris TAM Siu-ying, JP
(up to 31 May 2015)

Mr Daniel LAM Chun, BBS, JP
(from 16 June 2015)

Co-opted Members

Mr Alexander LAM
(from 28 July 2015)

Mr Andy LEUNG

Miss Ophelia WONG Yuen-sheung, JP
(from 1 December 2014)

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

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

Human Resources and Remuneration Committee

Chairperson

Mr Victor SO Hing-woh, JP

Members

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

Professor Desmond HUI Cheuk-kuen
(up to 30 November 2014)

Mr Philip KAN Siu-lun

Dr Gregg LI G. Ka-lok
(from 1 December 2014)

Mr Timothy MA Kam-wah, JP
(from 1 December 2014)

The Honourable Alice MAK Mei-kuen, BBS, JP
(from 1 December 2014)

Dr Billy MAK Sui-choi

Dr David TANG Chi-fai

The Honourable WONG Kwok-kin, SBS
(up to 30 November 2014)

Dr John WONG Yee-him
(up to 30 November 2014)

Mr Stanley WONG Yuen-fai, SBS, JP

Ms Iris TAM Siu-ying, JP
(up to 31 May 2015)

Mr Daniel LAM Chun, BBS, JP
(from 16 June 2015)

Co-opted Member

Mrs Mimi CUNNINGHAM
(from 28 July 2015)

Review Committee

Chairperson

Dr John WONG Yee-him
(up to 30 November 2014)

Mr Timothy MA Kam-wah, JP
(from 1 December 2014)

Members

Dr The Honourable Ann CHIANG Lai-wan, JP

Mr Daniel LAM Chun, BBS, JP

Mr Philip LIAO Yi-kang

Mr Timothy MA Kam-wah, JP
(up to 30 November 2014)

The Honourable James TO Kun-sun
(up to 30 November 2014)

The Honourable WU Chi-wai, MH
(from 1 December 2014)

Co-opted Members

Mr Andrew CHAN Ping-chiu

Mr Henry CHAN Kai-wing

Mr CHUA Hoi-wai

Dr Ernest CHUI Wing-tak
(up to 30 November 2014)

Dr Amy HO Po-ying

Ms LAM Tze-yan

Dr LAU Kwok-yu, JP
(up to 30 November 2014)

Ir Kenneth T K LAU

Dr LEE Yok-shiu

Mr Tony LUK Ka-luen

Mr MOK Hing-luen

Mr Dickson PANG Kam-fai

Mr Eddie SO
(up to 30 November 2014)

Mr TAI Hay-yu
(up to 30 November 2014)

Mr YUNG Ching-tat, BBS, JP

Ad-hoc Committee on New Strategies

Chairperson

Mr Daniel LAM Chun, BBS, JP
(up to 11 June 2015)

Mr Laurence HO Hoi-ming
(from 16 June 2015)

Vice Chairperson

Mr Laurence HO Hoi-ming
(up to 15 June 2015)

Members

Dr The Honourable Ann CHIANG Lai-wan, JP

Professor Desmond HUI Cheuk-kuen
(up to 30 November 2014)

Mr Philip KAN Siu-lun

Mr Nelson LAM Chi-yuen

Dr Gregg LI G. Ka-lok
(from 17 February 2015)

Mr Laurence LI Lu-jen, JP

Mr Timothy MA Kam-wah, JP

Dr Billy MAK Sui-choi

Mr Victor SO Hing-woh, JP

The Honourable James TO Kun-sun
(up to 30 November 2014)

Mr Stanley WONG Yuen-fai, SBS, JP

The Honourable WU Chi-wai, MH
(from 1 December 2014)

Ms Iris TAM Siu-ying, JP
(up to 31 May 2015)

Mr Daniel LAM Chun, BBS, JP
(from 16 June 2015)

Mr Pius CHENG Kai-wah

URA Board

Managing Director

Executive Director (Planning, Design & Works)

Executive Director (Commercial & Operations)

Building Rehabilitation Division

- Develop, Implement and Manage Rehabilitation Initiatives and Policies
- Implement Operation Building Bright Projects in URA's Working Areas
- Implement Integrated Building Maintenance Assistance Scheme in URA's Working Areas
- Implement Mandatory Building Inspection Subsidy Scheme in URA's Working Areas
- Building Conditions Survey and Building Care Management Information System

Planning & Design Division

- Overall Research and Planning for Redevelopment Projects
- Project Identification for Corporate Plan and Business Plan
- Social Impact Assessment
- Design for Redevelopment and Preservation Projects
- Process Objections to Development Projects
- Preparation of Development Schemes for Submission to Town Planning Board
- Planning, Management, Overseeing Operations and Activities of Standalone Conservation Projects
- Implementation of Plans, Design and Traffic / Transport Facilities
- Re-provisioning and Maintenance of Interim GIC Facilities

Works & Contracts Division

- Project Implementation Agreements
- Construction Projects including Self-delivered Development Projects
- Design and Construction Policies and Standards
- Quality Assurance
- Procurement and Contract Management
- Revitalisation Projects

Acquisition & Clearance Division

- Freezing Survey
- Acquisition
- Rehousing and Compensation
- Management of Acquired Properties
- Resumption
- Clearance
- Facilitating Services

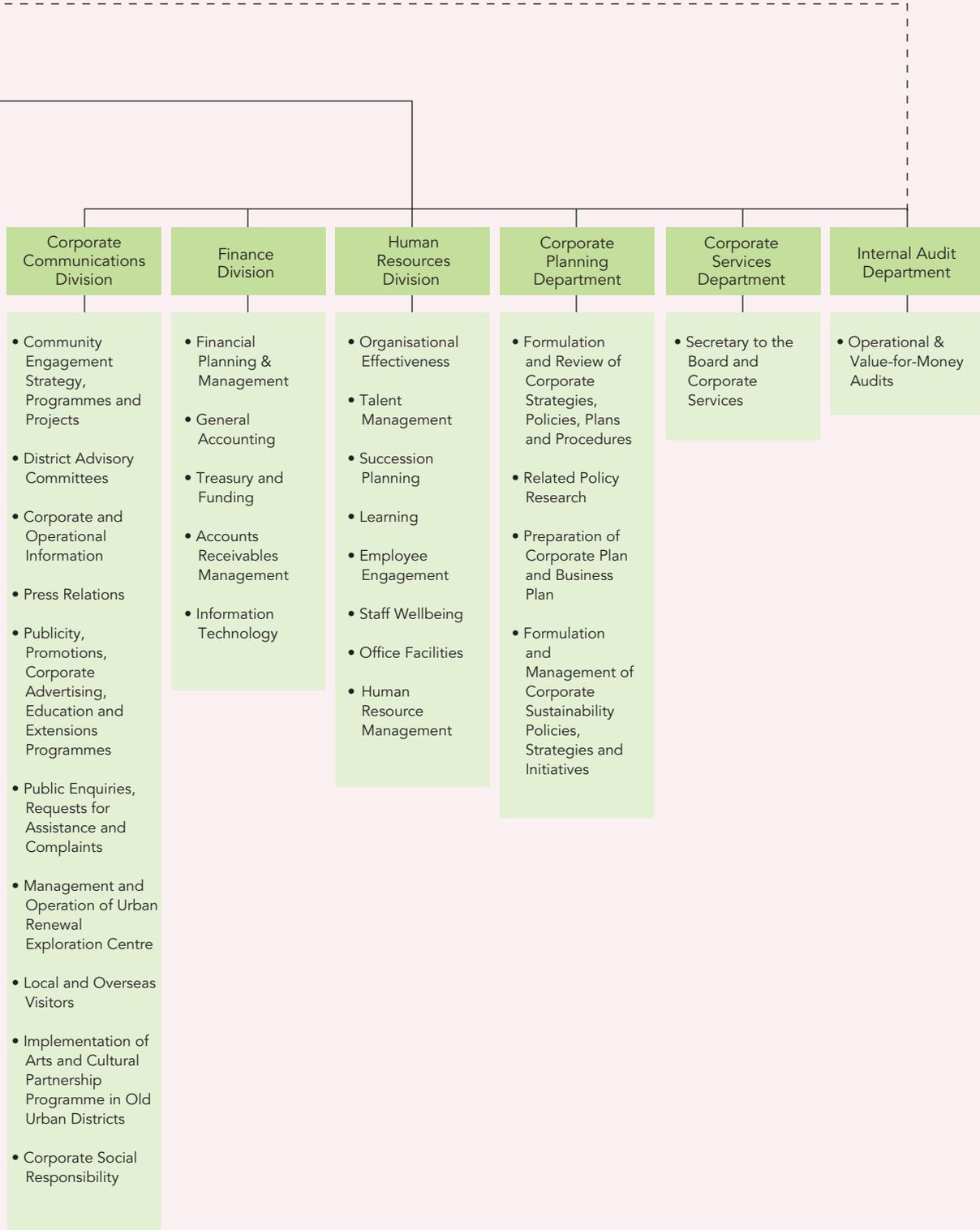
Property & Land Division

- Project Feasibility Studies and Assessment of Acquisition Offers
- Policies on Acquisition Offers
- Valuations for Property Assets, Corporate and Business Plans
- Land Grant and Administration
- Joint Venture Commercial Terms
- Project Sales and Leasing
- Management and Maintenance of URA - Owned Properties
- Compliance with Ordinance on Sale of First-hand Residential Properties

Legal Services Department

- In-house Legal Services

Organisation Structure



Central & Western District Advisory Committee

Chairperson

Mr Edward CHOW Kwong-fai, JP

Members

Dr Roger CHAN Chun-kwong
Mr CHAN Hok-fung, MH
Ms CHENG Lai-king
Mr Jackie CHEUNG Yick-hung
Mr Paul CHU Hoi-shan
Mr LAM Yiu-man
Mr Sidney LEE Chi-hang
Mr Kenneth LEE Fung-nin

Ir LEE Ping-kuen, JP
Mr Tommy LI Ying-sang, BBS, MH, JP
Mr MAN Chi-wah, MH
Mr Thomas NG Siu-keung, MH, JP
Mr Nelson WONG Kin-shing

Central & Western District Officer

Wan Chai District Advisory Committee

Chairperson

Mr Laurence HO Hoi-ming

Members

Mr CHEUNG Tat-tong
Mr CHUA Hoi-wai
Mr LAM Sek-kong, MH
Ms Kenny LEE Kwun-yee
Ms Peggy LEE Pik-yee
Mr Stephen NG Kam-chun, BBS, MH, JP
Mr Kent SHUM Kin

Mr SUEN Yat-hau
Ms WONG Mei-ling
Mr Ivan WONG Wang-tai, MH
Mr Stephen YAU How-boa, SBS, JP

Wan Chai District Officer

Yau Tsim Mong District Advisory Committee

Chairperson

Dr Billy MAK Sui-choi

Members

Mr CHAN Siu-tong, MH, JP
Mr CHENG Po-hung
Mr Benjamin CHOI Siu-fung
Mr CHOW Chun-fai, BBS, JP
Mr HUI Tak-leung
(up to 5 May 2015)
Mr Chris IP Ngo-tung
Mr LAU Pak-kei

Mr Eric LEE Chung-ming
Mr SUEN Leung-kwong
Mr John WONG Chung
Mr WONG Kin-san
Ms WONG Shu-ming

Yau Tsim Mong District Officer

Members of District Advisory Committees

Kowloon City District Advisory Committee

Chairperson

Professor Eddie HUI Chi-man, MH

Members

Ms CHEUNG Ling

Ir KAM Kwai-ki

Ms Rosanda MOK Ka-han

Mr NG Po-keung

Mr NGAN Siu-lun

Mr SHUM Wai-chuen

Dr SIU Miu-man

Ms SIU Yuen-sheung, BBS, JP

Mr WONG Yun-cheong

Mr Pius YUM Kwok-tung

Kowloon City District Officer

Sham Shui Po District Advisory Committee

Chairperson

Mr Nelson LAM Chi-yuen

Members

Mr CHAN Wai-ming, MH

Mr Vincent CHENG Wing-shun

Mr CHUM Tak-shing

Ms Winnie LAI Yuk-ling

Mr Aaron LAM Ka-fai, JP

Mr Zstephen LAU Kin-shing

Ms LAU Pui-yuk

Mr LEE Wing-man

Dr LEUNG Kai-chi

Ms Daphne LUI Yat-ching

Mr WAI Woon-nam

Sham Shui Po District Officer

Tsuen Wan District Advisory Committee

Chairperson

Mr Laurence LI Lu-jen, JP

Members

The Honourable Ben CHAN Han-pan, JP

Mr Richard CHAN Kam-lam, MH, JP

Mr CHAN Wai-ming, MH, JP

Mr CHOW Ping-tim

Mr CHUNG Wai-ping, SBS, MH

Mr Peter LO Siu-kit

Ms TO Kwai-ying, JP

Ms Minia WAH Mei-ling

Mr WONG Ka-wa

Mr Louis WONG Yui-tak, MH

Mrs Helina YUK FUNG Yin-king

Tsuen Wan District Officer

Kwun Tong District Advisory Committee

Chairperson

Mr Timothy MA Kam-wah, JP

Members

Mr Nelson CHAN Wah-yu, MH

Mr Jimmy CHAN Yiu-hung

Mr CHONG Yam-ming

Mr HSU Hoi-shan

Mr Kin HUNG Kam-in

Mr KAN Ming-tung

Mr KWOK Lit-tung, JP

Dr LAM Kin-wah, BBS, MH

Mr LAU Ting-on

Mrs LEUNG CHAN Siu-hing

Ms LEUNG Fu-wing, BBS, MH

Mr LI Hung

Mr LING Chi-keung

Mr LIU Chung-ming
(up to 24 September 2014)

Mr Wilson OR Chong-shing, MH

Ms SO Lai-chun, MH, JP

Mr WONG Kai-ming

Kwun Tong District Officer

Financial Highlights

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

	In HK\$'million									
Year ended 31 March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues for the year	2,766	536	5,266	1,413	9,663	3,647	3,690	5,341	1,169	9,904
Surplus / (deficit) for the year (before interest income)	1,397	423	1,718	(4,685)	6,993	2,159	2,431	4,292	(2,387)	918
Surplus / (deficit) for the year	1,579	766	2,095	(4,459)	7,018	2,209	2,584	4,437	(2,270)	1,076
Accumulated surplus / (deficit)	1,557	2,323	4,418	(41)	6,977	9,186	11,770	16,207	13,937	15,013
Capital	8,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net assets	9,557	12,323	14,418	9,959	16,977	19,186	21,770	26,207	23,937	25,013
Debt securities issued less unamortised finance charges	-	-	-	-	1,497	1,498	1,699	3,288	4,777	4,582
Properties under development (Note 1)	3,674	4,602	4,779	8,289	14,114	15,956	19,066	22,431	28,113	21,516
Land premia waived by the Government during the year	(605)	-	(90)	(216)	(3,177)	(922)	(64)	(1,018)	-	(7,785)
Surplus / (deficit) for the year if no land premium waiver	974	766	2,005	(4,675)	3,841	1,287	2,520	3,419	(2,270)	(6,709)
Accumulated surplus / (deficit) if no land premium waiver	538	1,304	3,309	(1,366)	2,475	3,762	6,282	9,701	7,431	722

Note:

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

The members of the Board submit their report together with the audited financial statements for the year ended 31 March 2015.

Board members

Members of the Board for the year and up to the date of this report are set out on page 74.

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 2015 and the state of affairs of the Group and of the Authority at that date are set out in the consolidated financial statements on pages 96 to 135.

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 2015, the working capital of the Group was mainly financed by the Government's equity injection, accumulated surplus and debt securities issued.

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

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

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

Report of the Members of the Board

Auditor

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

By order of the Board

Daniel LAM Chun

Managing Director

Hong Kong, 16 June 2015



To The Members Of The Board Of The Urban Renewal Authority

We have audited the consolidated financial statements of the Urban Renewal Authority (the "Authority") and its subsidiaries set out on pages 96 to 135, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Authority's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

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

Independent Auditor's Report

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Authority and its subsidiaries as at 31 March 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 16 June 2015

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2015
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2015</u> \$'000	<u>2014</u> \$'000
Revenues	5(a)	9,903,682	1,168,639
Direct costs		<u>(7,773,224)</u>	<u>(46,746)</u>
Gross surplus		2,130,458	1,121,893
Other income, net	5(b)	195,174	126,827
Administrative expenses		(448,862)	(400,581)
Other operating expenses		(97,946)	(107,461)
Provision for impairment on properties and committed projects, net		<u>(703,248)</u>	<u>(3,010,458)</u>
Operating surplus/(deficit) before income tax	6	1,075,576	(2,269,780)
Income tax expenses	7(a)	<u>-</u>	<u>-</u>
Surplus/(deficit) and total comprehensive income/(loss) for the year		<u>1,075,576</u>	<u>(2,269,780)</u>

The notes on pages 100 to 135 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

at 31 March 2015
(expressed in Hong Kong Dollars)

	Note	2015 \$'000	2014 \$'000
Non-current assets			
Property, plant and equipment	8	1,199,011	872,033
Properties acquired pending redevelopment	9	-	7,933
Properties under development	10	16,288,908	21,430,462
Receivables from property developers	11	1,716,000	-
Building rehabilitation loans	12	24,005	34,344
Prepayments		403,906	241,675
Other receivables	13(a)	524,716	387,319
		<u>20,156,546</u>	<u>22,973,766</u>
Current assets			
Properties held for sale	14	15,270	15,270
Receivables from property developers	11	2,996,000	-
Jointly controlled development projects	15	725,563	627,747
Building rehabilitation loans	12	13,041	16,124
Trade and other receivables	13(b)	103,152	59,008
Financial assets at fair value through profit or loss	16	3,030,454	1,862,713
Cash and bank balances	17	9,595,135	6,145,018
		<u>16,478,615</u>	<u>8,725,880</u>
Total assets		<u>36,635,161</u>	<u>31,699,646</u>
Capital and reserves			
Capital	18	10,000,000	10,000,000
Accumulated surplus and reserve		15,012,752	13,937,176
		<u>25,012,752</u>	<u>23,937,176</u>
Non-current liabilities			
Trade and other payables	19	1,198,500	-
Debt securities issued	20	3,281,788	4,577,232
		<u>4,480,288</u>	<u>4,577,232</u>
Current liabilities			
Jointly controlled development projects	15	192,916	191,629
Trade and other payables	19	5,190,338	2,388,616
Debt securities issued	20	1,299,867	199,993
Provision for committed projects	21	459,000	405,000
		<u>7,142,121</u>	<u>3,185,238</u>
Total capital, reserves and liabilities		<u>36,635,161</u>	<u>31,699,646</u>

Approved by the Board
on 16 June 2015



Victor SO Hing-woh
Chairman



Daniel LAM Chun
Managing Director

The notes on pages 100 to 135 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2015
(expressed in Hong Kong Dollars)

	Note	2015		2014	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Operating surplus/(deficit) before income tax		1,075,576		(2,269,780)	
Adjustments for:					
Interest income		(157,773)		(117,058)	
Depreciation and amortisation		44,067		32,372	
Loss on disposal of property, plant and equipment		129		16	
Net foreign exchange losses		738		8,607	
(Gain)/loss on financial assets at fair value through profit or loss		(13,430)		1,579	
Provision for impairment on properties and committed projects		<u>703,248</u>		<u>3,010,458</u>	
Operating surplus before working capital changes		1,652,555		666,194	
(Increase)/decrease in receivables from property developers		(4,712,000)		2,240,340	
Changes in balances with jointly controlled development projects		(96,529)		(625,061)	
Decrease/(increase) in properties under development		4,224,608		(5,455,375)	
Decrease/(increase) in properties acquired pending redevelopment		7,933		(200)	
Decrease in building rehabilitation loans		13,422		14,623	
(Increase)/decrease in prepayments		(162,231)		55,108	
Increase in other receivables		(137,397)		(330,600)	
(Increase)/decrease in trade and other receivables		(19,201)		159	
Decrease in properties held for sale		-		150	
Increase in trade and other payables		4,005,204		510,770	
(Increase)/decrease in financial assets at fair value through profit or loss		<u>(1,154,312)</u>		<u>116,713</u>	
Cash generated from/(used in) operations		3,622,052		(2,807,179)	
Interest received		132,831		108,051	
Interest paid		<u>(89,112)</u>		<u>(57,467)</u>	
Net cash generated from/(used in) operating activities			3,665,771		(2,756,595)
Cash flows from investing activities					
(Increase)/decrease in bank deposits with maturities more than 3 months		(2,966,300)		2,034,300	
Purchase of property, plant and equipment		(14,959)		(25,541)	
Proceeds from sale of property, plant and equipment		<u>43</u>		<u>5</u>	
Net cash (used in)/generated from investing activities			(2,981,216)		2,008,764
Cash flows from financing activity					
Redemption of debt securities		(200,000)		-	
Proceeds from issuance of debt securities		<u>-</u>		<u>1,500,000</u>	
Net cash (used in)/generated from financing activity			<u>(200,000)</u>		<u>1,500,000</u>
Net increase in cash and cash equivalents			484,555		752,169
Cash and cash equivalents at 1 April			4,775,318		4,031,756
Exchange loss on cash and cash equivalents			<u>(738)</u>		<u>(8,607)</u>
Cash and cash equivalents at 31 March			<u>5,259,135</u>		<u>4,775,318</u>
Analysis of cash and bank balances					
Cash and cash equivalents			5,259,135		4,775,318
Other bank deposits with maturities more than 3 months			<u>4,336,000</u>		<u>1,369,700</u>
Cash and bank balances at 31 March	17		<u>9,595,135</u>		<u>6,145,018</u>

The notes on pages 100 to 135 form part of these consolidated financial statements.

Consolidated Statement of Changes In Equity

for the year ended 31 March 2015
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>Capital</u> \$'000	<u>Accumulated</u> <u>Surplus</u> \$'000	<u>Reserve for</u> <u>Facilitation</u> <u>Service</u> \$'000	<u>Total</u> \$'000
Balance at 1 April 2013		10,000,000	16,206,956	-	26,206,956
Total comprehensive loss for the year		-	(2,269,780)	-	(2,269,780)
Transfer from Accumulated Surplus to Reserve for Facilitation Service for the year	22	<u>-</u>	<u>(4,781)</u>	<u>4,781</u>	<u>-</u>
Balance at 31 March 2014		<u>10,000,000</u>	<u>13,932,395</u>	<u>4,781</u>	<u>23,937,176</u>
Balance at 1 April 2014		10,000,000	13,932,395	4,781	23,937,176
Total comprehensive income for the year		-	1,075,576	-	1,075,576
Transfer from Reserve for Facilitation Service to Accumulated Surplus for the year	22	<u>-</u>	<u>662</u>	<u>(662)</u>	<u>-</u>
Balance at 31 March 2015		<u>10,000,000</u>	<u>15,008,633</u>	<u>4,119</u>	<u>25,012,752</u>

The notes on pages 100 to 135 form part of these consolidated financial statements.

(expressed in Hong Kong Dollars)

1. General information

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

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

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

2. Significant accounting policies

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

(a) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with accounting principles generally accepted in Hong Kong and comply with all applicable Hong Kong Financial Reporting Standards (which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations ("HKFRSs")) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to the presentation and disclosures of certain information in the consolidated financial statements.

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

In current year, the Group has adopted the following new standards, amendments and interpretations which are relevant to the Group's operations and are mandatory for the financial year ended 31 March 2015:

HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures - Mandatory Effective Date of HKFRS 9 and Transition Disclosures
Annual Improvements Project	Annual Improvements 2010-2012 and 2011-13 Cycle
HKFRS 9 (2013)	Financial Instruments

The application of the above standards, amendments to standards and interpretations in the current year had no material impact on the Group's consolidated financial statements.

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

The HKICPA has issued certain new standards, amendments to standards and interpretations which are not yet effective as at 31 March 2015. Those which are relevant to the Group's operation are as follows:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendments)	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 9 (2014)	Financial Instruments	1 January 2018
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
Annual Improvements 2010-2012 Cycle	Improvements to HKFRSs	1 January 2015
Annual Improvements 2011-2013 Cycle	Improvements to HKFRSs	1 January 2015
Annual Improvements 2012-2014 Cycle	Improvements to HKFRSs	1 January 2016

The Group has not early adopted the above standards, amendments to standards and interpretations in the consolidated financial statement for the year ended 31 March 2015. The Group will apply the above standards, amendments and interpretations from 1 April 2015, and has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

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

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

(e) Revenue recognition

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

- (i) Income from sale of properties is recognised upon the risks and rewards of ownership have been passed.
- (ii) Where the Authority receives its share of surplus from property development projects undertaken as jointly controlled development projects, sharing of such surplus is recognised in accordance with the terms of the joint development agreements, unless the significant risks and rewards of ownership of the underlying properties under development have not been transferred. Proceeds received in advance from sale of properties of jointly development projects prior to their completion are included in current liabilities.
- (iii) Where the Authority receives a distribution of the assets of a joint venture, surplus is recognised based on the fair value of such assets at the time when agreement to distribute the assets has been reached.
- (iv) When the developer is obligated to settle the upfront premium to the Authority at the inception of joint development agreement, surpluses arising from such upfront premium are recognised when the Authority has no further substantial acts to complete. Generally, such surpluses are recognised as soon as the Group has performed its obligations in respect of the upfront premium, the events leading to the possible cancellation of the joint development agreements have lapsed, and the upfront premium have become non-refundable/non-cancellable.
- (v) Interest income is recognised on a time-proportion basis using the effective interest method.
- (vi) Rental income net of any incentives given to the lessee is recognised on a straight line basis over the periods of the respective leases.
- (vii) Income from Urban Redevelopment Facilitating Services Company Limited ("Facilitating Services") is recognised upon completion of the sale of the properties by the owners in accordance with the terms of the sale agreement.

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(f) Property, plant and equipment

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

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

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

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

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

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

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

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

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

(h) Financial assets and liabilities

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

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

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

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

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

(ii) Loans and receivables

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

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

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(i) Leases

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

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

(j) Properties acquired pending redevelopment

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

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

(k) Properties under development

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

(l) Properties held for sale

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

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(n) Provisions and contingencies

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

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

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

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

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

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

(o) Current and deferred income tax

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

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

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(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 the profit or loss in the period in which they are incurred.

(q) Translation of foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(r) Jointly controlled development projects

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

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

(s) Cash and cash equivalents

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

(t) Employee benefits

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

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

(expressed in Hong Kong Dollars)

3. Financial risk management

(a) Financial risk factors

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

(i) Cash flow interest rate risk

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

Interest rate sensitivity

As at 31 March 2015, if interest rates had been increased/decreased by 0.5% and all other variables were held constant, the surplus of the Group would increase/decrease by approximately \$47,976,000 (2013/14: the deficit of the Group would decrease/increase by approximately \$30,725,000) resulting from the change in the interest income generated from the cash and bank balances (exclude cash and bank balances held under investment at fair value through profit or loss).

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

(ii) Credit risk

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

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

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

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

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk

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

Management monitors rolling forecasts of the Group's cash and bank balances (Note 17) on the basis of expected cash flow.

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

	2015 \$'000	2014 \$'000
Less than 1 year		
Trade and other payables	2,363,838	2,388,616
Amounts due to jointly controlled development projects	192,916	191,629
Debt securities issued	<u>1,376,863</u>	<u>289,136</u>
Between 1 to 3 years		
Trade and other payables	552,900	-
Debt securities issued	<u>643,291</u>	<u>1,450,363</u>
Between 3 to 5 years		
Trade and other payables	189,800	-
Debt securities issued	<u>1,127,037</u>	<u>635,563</u>
Over 5 years		
Trade and other payables	455,800	-
Debt securities issued	<u>1,969,122</u>	<u>3,030,388</u>

(expressed in Hong Kong Dollars)

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iv) Price risk

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

Price risk sensitivity

As at 31 March 2015, if the respective market price of the quoted investments had been increased/decreased by 1% and all other variables held constant, the surplus of the Group would increase/decrease by approximately \$29,949,000 (2013/14: the deficit of the Group would decrease/increase by approximately \$17,924,000) resulting from the change in fair value of the financial assets at fair value through profit or loss.

(v) Foreign exchange risk

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

Foreign exchange risk sensitivity

At 31 March 2015, if Hong Kong dollar had weakened/strengthened by 1% against the Renminbi with all other variables held constant, the surplus of the Group would increase/decrease by approximately \$4,147,000 (2013/14: the deficit of the Group would decrease/increase by approximately \$4,753,000) resulting from the foreign exchange gains/losses on translation of Renminbi-denominated cash and bank balances.

(b) Capital risk management

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

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

(c) Fair value estimation

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgements

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

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

Estimated impairment of properties under development and provision for committed projects

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

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

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

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

As at 31 March 2015, if the respective estimated upfront premium to be received on the projects had been increased/decreased by 5% and all other variables held constant, the surplus of the Group would increase by approximately \$299,000,000 (2013/14: the deficit of the Group would decrease by approximately \$482,000,000)/decrease by approximately \$299,000,000 (2013/14: the deficit of the Group would increase by approximately \$511,000,000) resulting from the change in provision written back/charge for impairment on properties under development and provision for committed projects.

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

(expressed in Hong Kong Dollars)

5. Revenues and other income, net

(a) Revenues

Revenues recognised during the year represents:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Upfront premium from property developers	9,167,433	-
Share of property development surplus on jointly controlled development projects	605,378	1,168,489
Sale of properties	<u>130,871</u>	<u>150</u>
	<u>9,903,682</u>	<u>1,168,639</u>

(b) Other income, net

Other income, net recognised during the year represents:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Interest income	157,773	117,058
Rental income	24,838	15,181
Facilitating Services income	-	4,790
Gain/(loss) on financial assets at fair value through profit or loss	13,430	(1,579)
Loss on disposal of property, plant and equipment	(129)	(16)
Net foreign exchange losses	<u>(738)</u>	<u>(8,607)</u>
	<u>195,174</u>	<u>126,827</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

6. Operating surplus/(deficit) before income tax

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

(a) Other items

	<u>2015</u> \$'000	<u>2014</u> \$'000
Cost of properties under jointly controlled development projects charged	7,714,271	-
Depreciation	44,067	32,372
(Write back of)/provision for impairment on property, plant and equipment	(115,552)	259
Provision for impairment on properties under development	399,800	2,605,200
Provision for committed projects	419,000	405,000
Operating lease charges in respect of rental of office premises	21,870	17,332
Outgoings in respect of properties	31,331	28,941
Staff costs (excluding directors' remuneration)*	339,308	306,214
Auditor's remuneration		
- Audit services	639	588
- Non-audit services	<u>51</u>	<u>49</u>

* Including salaries and allowance of \$272,445,000 (2013/14: \$243,874,000).

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

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

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

	<u>2015</u>	<u>2014</u>
	<u>No. of individuals</u>	<u>No. of individuals</u>
Their remuneration fell within the following bands:		
\$1,000,001 to \$1,500,000	-	1
\$2,000,001 to \$2,500,000	2	-
\$2,500,001 to \$3,000,000	2	-
\$3,000,001 to \$3,500,000	2	4
\$3,500,001 to \$4,000,000	4	5
\$4,500,001 to \$5,000,000	<u>1</u>	<u>1</u>
Total	<u>11</u>	<u>11</u>

There were no payments made or benefit 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 URA was a party, and in which a director of URA had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(expressed in Hong Kong Dollars)

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

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
<u>Chairman</u>		
Mr Barry Cheung Chun-yuen, GBS, JP (<i>up to 24 May 2013</i>)	-	14
Mr Victor So Hing-woh, JP (<i>from 15 June 2013</i>)	100	79
<u>Non-Executive Directors (non-public officers)</u>		
Mr Victor Chan Hin-fu (<i>up to 30 April 2013</i>)	-	5
Mr Walter Chan Kar-lok, SBS, JP (<i>up to 30 April 2013</i>)	-	5
Dr Hon. Ann Chiang Lai-wan, JP (<i>from 1 May 2013</i>)	65	60
Mr Edward Chow Kwong-fai, JP (<i>from 1 May 2013</i>)	65	60
Mr Andrew Fung Wai-kwong (<i>from 1 May 2013 to 14 Dec 2013</i>)	-	40
Mr Laurence Ho Hoi-ming (<i>from 1 May 2013</i>)	65	60
Professor Ho Pui-yin (<i>up to 30 April 2013</i>)	-	5
Mr Lester Garson Huang, JP (<i>from 1 May 2013</i>)	65	60
Professor Desmond Hui Cheuk-kuen (<i>up to 30 Nov 2014</i>)	43	65
Professor Eddie Hui Chi-man (<i>from 1 May 2013</i>)	65	60
The Honourable Ip Kwok-him, GBS, JP (<i>up to 30 April 2013</i>)	-	5
Mr Philip Kan Siu-lun	65	65
The Honourable Dennis Kwok	65	65
Mr Nelson Lam Chi-yuen (<i>from 1 May 2013</i>)	65	60
Mr Daniel Lam Chun, BBS, JP	65	65
Mr Philip Liao Yi-kang	65	65
Dr Gregg Li G. Ka-lok (<i>from 1 Dec 2014</i>)	22	-
Mr Laurence Li Lu-jen, JP (<i>from 1 May 2013</i>)	65	60
Mr Timothy Ma Kam-wah, JP (<i>from 1 May 2013</i>)	65	60
The Honourable Alice Mak Mei-kuen (<i>from 1 Dec 2014</i>)	22	-
Dr Billy Mak Sui-choi	65	65
Dr Isaac Ng Ka-chui (<i>up to 30 April 2013</i>)	-	5
Mr Ng Shui-lai, BBS, MBE, JP (<i>up to 30 April 2013</i>)	-	5
Dr Lawrence Poon Wing-cheung, JP (<i>from 1 Dec 2014</i>)	22	-
Mr David Tang Chi-fai (<i>from 1 May 2013</i>)	65	60
The Honourable James To Kun-sun (<i>up to 30 Nov 2014</i>)	43	65
Mr Peter To (<i>up to 30 April 2013</i>)	-	5
The Honourable Wong Kwok-kin, SBS (<i>up to 30 Nov 2014</i>)	43	65
Dr John Wong Yee-him (<i>up to 30 Nov 2014</i>)	43	65
Mr Stanley Wong Yuen-fai, SBS, JP (<i>from 1 May 2013</i>)	65	60
The Honourable Wu Chi-wai, MH (<i>from 1 Dec 2014</i>)	22	-
Mr Douglas Young Chi-chiu (<i>up to 30 April 2013</i>)	-	5
	<u>1,335</u>	<u>1,358</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

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

(d) Five highest paid individuals

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2015 include the Managing Director, Executive Director and three Directors.		
The total emoluments earned by the five highest paid individuals during the year are as follows:		
Fixed - Salaries	15,509	15,052
- Provident fund scheme contributions	428	397
Sub-total	<u>15,937</u>	<u>15,449</u>
Variable pay	4,075	4,081
Total **	<u><u>20,012</u></u>	<u><u>19,530</u></u>

Their remuneration fell within the following bands:

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

** For the year ended 31 March 2015, no compensation in lieu of leave and other benefit (2013/14: \$59,000) were excluded from the aggregate sum.

7. Income tax expenses

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

No provision for Hong Kong profits tax has been made for the Group's subsidiaries as there are no estimated assessable income for the year (2013/14: Nil).

- (b) As at 31 March 2015, the subsidiaries of the Group have unrecognised deductible temporary differences arising from capital allowance and tax losses of \$8,785,000 and \$9,167,000 respectively (31 March 2014: \$9,590,000 and \$6,677,000 respectively) to carry forward against future taxable income. These tax losses have no expiry date.

(expressed in Hong Kong Dollars)

8. Property, plant and equipment

	Other properties, plant and equipment					Total
	Preservation properties	Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipments and motor vehicle	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2013						
Cost	180,284	622,204	65,189	46,049	23,446	937,172
Accumulated depreciation	(66,479)	(274,441)	(25,720)	(34,846)	(16,545)	(418,031)
Accumulated impairment	(21,734)	-	-	-	-	(21,734)
Net book amount	92,071	347,763	39,469	11,203	6,901	497,407
Year ended 31 March 2014						
Opening net book amount	92,071	347,763	39,469	11,203	6,901	497,407
Additions	201,675	-	9,184	9,004	4,678	224,541
Transfer from properties under development	182,737	-	-	-	-	182,737
Disposals	-	-	-	-	(21)	(21)
Depreciation	(8,782)	(9,284)	(7,597)	(3,349)	(3,360)	(32,372)
Impairment	(259)	-	-	-	-	(259)
Closing net book amount	467,442	338,479	41,056	16,858	8,198	872,033
At 31 March 2014						
Cost	646,696	622,204	68,895	52,753	26,662	1,417,210
Accumulated depreciation	(75,261)	(283,725)	(27,839)	(35,895)	(18,464)	(441,184)
Accumulated impairment	(103,993)	-	-	-	-	(103,993)
Net book amount	467,442	338,479	41,056	16,858	8,198	872,033
Year ended 31 March 2015						
Opening net book amount	467,442	338,479	41,056	16,858	8,198	872,033
Additions	10,301	-	1,409	605	2,644	14,959
Transfer from properties under development	240,706	-	-	-	-	240,706
Disposals	-	-	(31)	(13)	(128)	(172)
Depreciation	(16,264)	(9,284)	(10,222)	(4,647)	(3,650)	(44,067)
Write back of provision for impairment	73,955	41,597	-	-	-	115,552
Closing net book amount	776,140	370,792	32,212	12,803	7,064	1,199,011
At 31 March 2015						
Cost	996,688	661,588	68,083	52,165	26,913	1,805,437
Accumulated depreciation	(91,525)	(290,796)	(35,871)	(39,362)	(19,849)	(477,403)
Accumulated impairment	(129,023)	-	-	-	-	(129,023)
Net book amount	776,140	370,792	32,212	12,803	7,064	1,199,011

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

9. Properties acquired pending redevelopment

	<u>2015</u> \$'000	<u>2014</u> \$'000
At 1 April	7,933	7,733
Add: Additions during the year	158	200
Less: Sales during the year	<u>(8,091)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>7,933</u>

10. Properties under development

	<u>2015</u> \$'000	<u>2014</u> \$'000
Cost of properties acquired, including Home Purchase Allowance ("HPA") (Note)	17,648,315	25,657,133
Development expenditure	<u>3,335,473</u>	<u>2,011,591</u>
Total cost (includes accumulated interest and other borrowing costs capitalised of \$182,037,000 (31 March 2014: \$187,224,000))	20,983,788	27,668,724
Provision for impairment	<u>(4,694,880)</u>	<u>(6,238,262)</u>
Balances as at 31 March	<u>16,288,908</u>	<u>21,430,462</u>

At 31 March 2015, the properties under development are analysed as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Redevelopment projects	9,842,385	16,314,861
Kai Tak development	2,027,898	1,668,125
Self-developed projects	1,473,321	1,389,338
Preservation projects	627,182	913,752
The Authority's retention properties	<u>2,318,122</u>	<u>1,144,386</u>
	<u>16,288,908</u>	<u>21,430,462</u>

Note:

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

(expressed in Hong Kong Dollars)

10. Properties under development (Continued)

Note (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 2015, the Authority's estimated cash outflow in respect of project under acquisition and resumption as well as construction cost for Kai Tak Site stood at \$13.3 billion (31 March 2014: \$13.4 billion), without accounting for any future inflow for the projects.

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

11. Receivables from property developers

At 31 March 2015, the upfront payment receivables from property developers are analysed as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Non-current portion	1,716,000	-
Current portion	<u>2,996,000</u>	<u>-</u>
	<u>4,712,000</u>	<u>-</u>

The balances are interest-free, secured and with fixed terms of repayment. As of 31 March 2014 and 2015, no receivables from property developers were past due.

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

12. Building rehabilitation loans

At 31 March 2015, the building rehabilitation loans are analysed as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Non-current portion	24,005	34,344
Current portion	<u>13,041</u>	<u>16,124</u>
	<u>37,046</u>	<u>50,468</u>

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

As of 31 March 2015, instalments of building rehabilitation loans of \$499,000 (31 March 2014: \$93,000) were past due but not impaired. These relate to a number of borrowers for whom there are no recent history of bad debt. The aging analysis of these building rehabilitation loans is as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Less than 3 months	43	24
3 to 6 months	101	8
6 to 12 months	17	13
Over 1 year	<u>338</u>	<u>48</u>
Balance at 31 March	<u>499</u>	<u>93</u>

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

13. Trade and other receivables

(a) Other receivables

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

(expressed in Hong Kong Dollars)

13. Trade and other receivables (Continued)

(b) Trade and other receivables

At 31 March 2015, the trade and other receivables are current in nature and analysed as follows:

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
Trade receivables and prepayments	24,160	17,800
Interest receivables	52,641	27,699
Other receivables and deposit	<u>26,351</u>	<u>13,509</u>
Balance at 31 March	<u>103,152</u>	<u>59,008</u>

As of 31 March 2015, trade receivables of \$1,134,000 (31 March 2014: \$2,101,000) were past due but not impaired. These relate to a number of tenants for whom there are no recent history of bad debt. The aging analysis of these trade receivables is as follows:

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
3 months or less	716	1,534
3 to 6 months	121	163
6 to 12 months	94	210
Over 1 year	<u>203</u>	<u>194</u>
Balance at 31 March	<u>1,134</u>	<u>2,101</u>

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

14. Properties held for sale

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
At 1 April	15,270	15,420
Less: Sales during the year	<u>-</u>	<u>(150)</u>
At 31 March	<u>15,270</u>	<u>15,270</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

15. Jointly controlled development projects

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
Amounts due from jointly controlled development projects	725,563	627,747
Amounts due to jointly controlled development projects	<u>(192,916)</u>	<u>(191,629)</u>
	<u>532,647</u>	<u>436,118</u>

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

The Group have the following active jointly controlled development projects as at 31 March 2015.

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

(expressed in Hong Kong Dollars)

15. Jointly controlled development projects (Continued)

<u>Project Name / Location</u>	<u>Land use</u>	<u>Total gross floor area (m²)</u>	<u>Actual completion date (calendar year)</u>	<u>Expected completion date (calendar year)</u>
The Nova (Sai Ying Pun)	Commercial / Residential	17,765	-	2015
The Avenue (Wan Chai)	Commercial / Residential	83,900	-	2015
Chi Kiang Street / Ha Heung Road (To Kwa Wan)	Commercial / Residential	8,378	-	2016
My Place (Ma Tau Kok)	Commercial / Residential	6,944	-	2016
Peel Street / Graham Street (Sheung Wan)	Commercial / Residential	18,240	-	2017
Sai Yee Street (Mong Kok)	Commercial / Residential	22,301	-	2017
@ Shun Ning Road (Sham Shui Po)	Commercial / Residential	7,159	-	2018
@ San Shan Road / Pau Chung Street (Ma Tau Kok)	Commercial / Residential	10,356	-	2018
@ 229A-G Hai Tan Street (Sham Shui Po)	Commercial / Residential	3,611	-	2018
@ Hai Tan Street/Kweilin Street/ Pei Ho Street (Sham Shui Po)	Commercial / Residential	58,900	-	2019
@ Kwun Tong Town Centre Areas 2 and 3 (Kwun Tong)	Commercial / Residential	178,600	-	2021

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

Owner participation project

@ Newly awarded project during the year

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

In respect of the commercial portions of certain projects, the Authority has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issuance of the occupation permits. The Authority 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. As at 31 March 2015, by reference to the valuation of the open market value of these commercial portions carried out by internal professional valuer, the gross fair value of the commercial portions (before the Group's share) was \$6,497,152,000 (31 March 2014: \$6,315,052,000) in aggregate and the Authority would account for its share of sales proceeds as surplus from the jointly controlled development projects when these commercial portions are sold in the future.

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

16. Financial assets at fair value through profit or loss

	<u>2015</u> \$'000	<u>2014</u> \$'000
Debt securities, listed		
- Overseas	84,554	114,297
- Hong Kong	418,332	319,073
Debt securities, unlisted	<u>2,492,000</u>	<u>1,259,884</u>
	2,994,886	1,693,254
Structured deposits	-	99,179
Cash and bank deposits	<u>35,568</u>	<u>70,280</u>
	<u>3,030,454</u>	<u>1,862,713</u>

As at 31 March 2015, the Group's debt securities represent high quality corporate and government bonds.

The following table presents the Group's assets that are measured at fair value at 31 March 2015. The different fair value hierarchy of the Group's investments have been defined as follows:

- Quoted prices in active markets for identical assets or liabilities (level 1). No adjustments are made to the quoted price for these investments.
- Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotation or alternative pricing sources supported by observable inputs are classified as "level 2".
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) as they trade infrequently (level 3).

	<u>Level 1</u>		<u>Level 2</u>		<u>Total</u>	
	<u>2015</u> \$'000	<u>2014</u> \$'000	<u>2015</u> \$'000	<u>2014</u> \$'000	<u>2015</u> \$'000	<u>2014</u> \$'000
Debt securities	502,886	433,370	2,492,000	1,259,884	2,994,886	1,693,254
Structured deposits	-	-	-	99,179	-	99,179
Total assets	<u>502,886</u>	<u>433,370</u>	<u>2,492,000</u>	<u>1,359,063</u>	<u>2,994,886</u>	<u>1,792,433</u>

(expressed in Hong Kong Dollars)

17. Cash and bank balances

	<u>2015</u> \$'000	<u>2014</u> \$'000
Time deposits with banks		
Maturities of 3 months or less	5,205,189	4,735,685
Maturities of more than 3 months	4,336,000	1,369,700
	<u>9,541,189</u>	<u>6,105,385</u>
Less: Amounts held in trust for jointly controlled development projects	(3,533)	(3,539)
	9,537,656	6,101,846
Cash at banks and in hand	57,480	43,173
Less: Amounts held in trust for jointly controlled development projects	(1)	(1)
	<u>57,479</u>	<u>43,172</u>
	<u>9,595,135</u>	<u>6,145,018</u>
Maximum exposure to credit risk	<u>9,595,120</u>	<u>6,145,003</u>

As at 31 March 2015, cash and bank balances of the Group are denominated in Hong Kong Dollars except for an amount of \$414,665,000 (31 March 2014: \$475,334,000) which is denominated in Renminbi.

The average effective interest rate of time deposits with banks was 1.57% per annum (2013/14: 1.40% per annum). These deposits have an average maturity of 119 days (2013/14: 75 days).

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

<u>Rating (Moody's)</u>	<u>2015</u> \$'000	<u>2014</u> \$'000
Aa1 – Aa3	4,315,209	3,277,796
A1 – A3	5,242,331	2,845,246
Baa1 – Baa2	754	-
Others	<u>36,826</u>	<u>21,961</u>
	<u>9,595,120</u>	<u>6,145,003</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

18. 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 2015, the Authority had received all five tranches of equity injection of \$10 billion in total.

19. Trade and other payables

At 31 March 2015, the trade and other payables are analysed as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Trade payables	67,750	64,169
Proceeds received in advance from sale of properties of jointly development projects	2,826,500	-
Rental and other deposit received	410,387	455,712
Other payables	14,980	15,532
Accrued expenses	<u>3,069,221</u>	<u>1,853,203</u>
Balance at 31 March	<u>6,388,838</u>	<u>2,388,616</u>
Non-current portion	1,198,500	-
Current portion	<u>5,190,338</u>	<u>2,388,616</u>
	<u>6,388,838</u>	<u>2,388,616</u>

(expressed in Hong Kong Dollars)

20. Debt securities issued

As at 31 March 2015, the Authority has issued the following fixed rate notes under a Medium Term Note programme.

	<u>2015</u> \$'000	<u>2014</u> \$'000
<u>Non-current portion</u>		
HK dollar Fixed rate notes with coupon of 1.15% due 2015	-	1,300,000
HK dollar Fixed rate notes with coupon of 1.50% due 2017	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.75% due 2019	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.64% due 2020	300,000	300,000
HK dollar Fixed rate notes with coupon of 1.65% due 2020	500,000	500,000
HK dollar Fixed rate notes with coupon of 2.92% due 2021	400,000	400,000
HK dollar Fixed rate notes with coupon of 2.18% due 2023	300,000	300,000
HK dollar Fixed rate notes with coupon of 2.15% due 2023	300,000	300,000
HK dollar Fixed rate notes with coupon of 3.85% due 2026	500,000	500,000
Less: Unamortised finance charges	<u>(18,212)</u>	<u>(22,768)</u>
	<u>3,281,788</u>	<u>4,577,232</u>
<u>Current portion</u>		
HK dollar Fixed rate notes with a coupon of 1.45% due 2014	-	200,000
HK dollar Fixed rate notes with coupon of 1.15% due 2015	1,300,000	-
Less: Unamortised finance charges	<u>(133)</u>	<u>(7)</u>
	<u>1,299,867</u>	<u>199,993</u>

21. Provision for committed projects

	<u>2015</u> \$'000	<u>2014</u> \$'000
Balance at 1 April	405,000	447,000
Utilised during the year	(365,000)	(447,000)
Charged to the profit or loss	<u>419,000</u>	<u>405,000</u>
Balance at 31 March	<u>459,000</u>	<u>405,000</u>

The amount represents the provision for committed projects where acquisition was commenced before financial year end. The provision charge is recognised in the profit or loss. The balance at 31 March 2015 is current in nature.

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

21. Provision for committed projects (Continued)

As at 31 March 2015, the total provision for impairment on projects are analysed as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Provision for impairment classified under properties under development as set out in Note 10	4,694,880	6,238,262
Provision for committed projects as set out above	<u>459,000</u>	<u>405,000</u>
Total provision for projects	<u>5,153,880</u>	<u>6,643,262</u>

22. Reserve for Facilitation Service

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

23. 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 2015 was \$24,486,000 (2013/14: \$21,404,000), net of forfeitures of \$1,514,000 (2013/14: \$1,601,000), which has been charged to the Group's profit or loss for the year.

(expressed in Hong Kong Dollars)

24. Commitments

(a) Capital commitments

Capital commitments in respect of property, plant and equipment at 31 March 2015 are as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Contracted but not yet incurred	<u>355</u>	<u>816</u>

(b) Operating lease commitments

At 31 March 2015, the total future minimum lease payments under non-cancellable operating leases in respect of office premises, in which \$60,848,000 (31 March 2014: \$65,409,000) is related to costs to be incurred for accommodating certain Government offices in a project site pursuant to a re-provision arrangement with the Government, are payable as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Within 1 year	45,001	36,310
After 1 year but within 5 years	51,706	65,022
After 5 years	<u>-</u>	<u>1,154</u>
	<u>96,707</u>	<u>102,486</u>

(c) Operating lease rental receivable

At 31 March 2015, the total future aggregate minimum lease rental receipts under non-cancellable operating leases in respect of properties, except for those commercial portions jointly held by the Developer and the Authority, are receivable as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Within 1 year	20,417	11,238
After 1 year but within 5 years	<u>20,334</u>	<u>19,993</u>
	<u>40,751</u>	<u>31,231</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

25. Significant related party transactions

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

During the year, the Authority reimbursed the Government an amount of \$47,833,000 (2013/14: \$44,310,000) 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 2015, there is an amount of \$3,985,000 (31 March 2014: \$3,615,000) due to the Lands Department yet to be settled. The amount is unsecured, interest free and repayable on demand and included in trade and other payables.

In 2011/12, the Authority has contributed \$500,000,000 to Urban Renewal Trust Fund (the "Fund"). During the year, the Authority provided administrative and support services to the Fund valued at \$1,011,000 (2013/14: \$515,000). This is a memorandum record and the Authority will not charge the said Fund for the services provided. During the year, the Authority received \$739,000 from the said Fund for rental of an office premise (2013/14: \$737,000).

As at 31 March 2015, there is an amount of \$468,242,000 (31 March 2014: \$481,390,000) remained in the Fund. The URA has committed to make further contribution to the Fund in future in the event that its fund balance is fully utilised.

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

26. Commitments for revitalisation projects

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

In October 2009 CE policy address, the Authority was tasked by the Development Bureau to revitalise the Central Market into "Central Oasis" under "Conserving Central". Planning approval from Town Planning Board obtained in July 2013 and general building plans, based on the planning approval, was submitted to and approved by Building Department in August 2014.

As at 31 March 2015, the cost incurred for these revitalisation projects has been accounted for in the current year, with no significant financial impact to the Group.

(expressed in Hong Kong Dollars)

27. Statement of Financial Position of Urban Renewal 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 2015 is set out as follows:

	<u>Note</u>	<u>2015</u> \$'000	<u>2014</u> \$'000
Non-current assets			
Property, plant and equipment		1,193,253	870,643
Properties acquired pending redevelopment		-	7,933
Properties under development		16,288,908	21,430,462
Subsidiaries	(a)	5,324	1,038
Receivables from property developers		1,716,000	-
Building rehabilitation loans		24,005	34,344
Prepayments		403,906	241,675
Other receivables		<u>524,716</u>	<u>387,319</u>
		<u>20,156,112</u>	<u>22,973,414</u>
Current assets			
Properties held for sale		15,270	15,270
Receivables from property developers		2,996,000	-
Jointly controlled development projects		725,563	627,747
Building rehabilitation loans		13,041	16,124
Trade and other receivables		103,098	58,352
Financial assets at fair value through profit or loss		3,030,454	1,862,713
Cash and bank balances		<u>9,590,666</u>	<u>6,140,549</u>
		<u>16,474,092</u>	<u>8,720,755</u>
Total assets		<u>36,630,204</u>	<u>31,694,169</u>
Capital and reserves			
Capital		10,000,000	10,000,000
Accumulated surplus		<u>15,008,930</u>	<u>13,933,000</u>
	(b)	<u>25,008,930</u>	<u>23,933,000</u>
Non-current liabilities			
Trade and other payables		1,198,500	-
Debt securities issued		<u>3,281,788</u>	<u>4,577,232</u>
		<u>4,480,288</u>	<u>4,577,232</u>
Current liabilities			
Jointly controlled development projects		192,916	191,629
Trade and other payables		5,189,203	2,387,315
Debt securities issued		1,299,867	199,993
Provision for committed projects		<u>459,000</u>	<u>405,000</u>
		<u>7,140,986</u>	<u>3,183,937</u>
Total capital, reserves and liabilities		<u>36,630,204</u>	<u>31,694,169</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

27. Statement of Financial Position of Urban Renewal Authority (Continued)

(a) Subsidiaries

	<u>2015</u> \$'000	<u>2014</u> \$'000
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	43,316	35,822
Less: Provision	<u>(37,993)</u>	<u>(34,785)</u>
	<u>5,324</u>	<u>1,038</u>

Note:

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

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

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

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

(expressed in Hong Kong Dollars)

27. Statement of Financial Position of Urban Renewal Authority (Continued)

(b) Statement of Changes in Equity for the year ended 31 March 2015

	<u>Capital</u> \$'000	Accumulated <u>Surplus</u> \$'000	<u>Total</u> \$'000
Balance at 1 April 2013	10,000,000	16,206,956	26,206,956
Total comprehensive loss for the year	<u>-</u>	<u>(2,273,956)</u>	<u>(2,273,956)</u>
Balance at 31 March 2014	<u>10,000,000</u>	<u>13,933,000</u>	<u>23,933,000</u>
Balance at 1 April 2014	10,000,000	13,933,000	23,933,000
Total comprehensive income for the year	<u>-</u>	<u>1,075,930</u>	<u>1,075,930</u>
Balance at 31 March 2015	<u>10,000,000</u>	<u>15,008,930</u>	<u>25,008,930</u>

(c) The consolidated surplus for the year includes a surplus of \$1,075,930,000 (2013/14: deficit of \$2,273,956,000) which has been dealt with in the financial statement of the Authority.

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

28. Approval of financial statements

The financial statements were approved by the Board on 16 June 2015.



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