



Rising Up
To Challenges
With Agility
And Innovation
For Sustainable
Urban Renewal



Rising Up To Challenges With Agility And Innovation For Sustainable Urban Renewal

The Urban Renewal Authority (URA) brings significant benefits to the community by leading urban regeneration with a holistic “Planning-led, District-based” approach. Despite the challenges under the volatile economic environment, we are committed to advancing urban renewal in an orderly manner with innovative ideas, flexibility and resilience.

The cover of this annual report is inspired by the creative techniques of fluid art, symbolising the URA’s ability to adapt to the changing environment and make breakthroughs in urban renewal by employing innovative strategies and tools. The fusion of multiple colours in the artwork signifies the URA’s Integrated Approach, which combines redevelopment, rehabilitation, preservation, and revitalisation to create quality and vibrant urban living in Hong Kong.



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VISION, MISSION AND VALUES

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



OUR VISION

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

OUR MISSION

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

OUR PRIORITIES ARE:

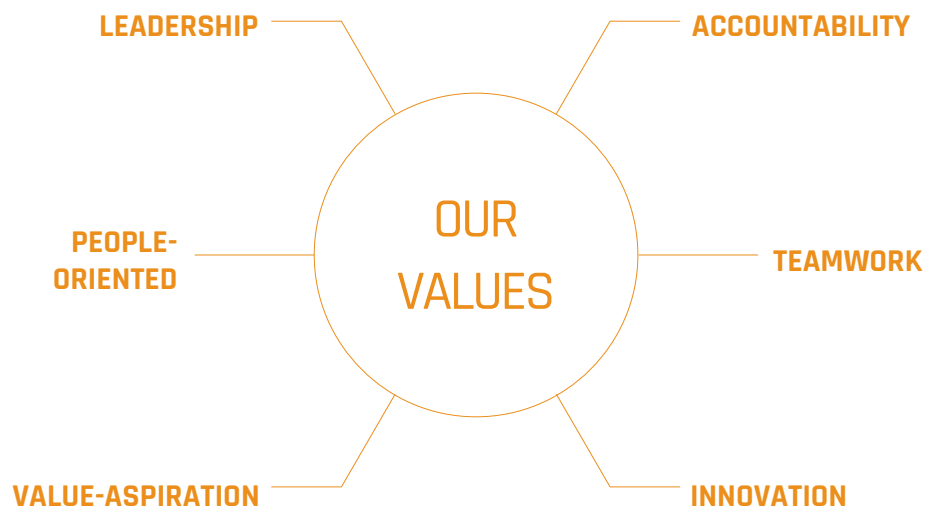
- To accelerate redevelopment by replacing old buildings with new to provide a better living environment and neighbourhood;
- To enable and encourage the rehabilitation of dilapidated buildings to prevent urban decay;
- To preserve by maintaining and restoring buildings of historical and architectural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

OUR PARTNERS ARE:

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

OUR PEOPLE ARE:

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





Mr CHOW Chung-kong, GBM, GBS, JP

CHAIRMAN'S STATEMENT



We employed a multi-pronged and flexible approach in project planning, building rehabilitation, and financial planning to advance urban renewal in an orderly manner. We have achieved many key milestones, and we have prepared ourselves to face future risks.





Rising to Challenges with Flexibility and Creativity to Sustain Urban Renewal

The year 2023/24 was a challenging year for the URA. Against the background of successive interest rate hikes, the global economic and market environment remained volatile. Hong Kong's economy experienced a slower post-pandemic recovery than expected. Increased mortgage pressure reduced the public's purchasing power in the property sector, while rising interest costs on financing prompted developers to exercise greater caution in their land bidding and pricing strategies. All these factors have put URA's project tenders and financials under pressure.

Over the past year, the URA had only one project, Shing Tak Street/Ma Tau Chung Road Development Project in Kowloon City, put out for tender. Awarded at HK\$1.934 billion, the project incurred a loss of nearly HK\$1.5 billion due to the "buy high, sell low" situation arising from the project tender price being lower than the initial acquisition cost amidst the property market downturn. The URA's upfront payment received for the year was 60 percent less compared to the previous year. In property acquisition, the URA in April last year, issued acquisition offers to about 830 property interests of the Kim Shin Lane/Fuk Wa Street Development Project, involving an estimated total acquisition cost of approximately HK\$8 billion.

As of the end of 2023/24, the URA recorded an operating loss of about HK\$830 million. With a provision for impairment on properties and committed projects of around HK\$3.1 billion, the URA reported a net loss of HK\$3.9 billion. Its net asset value stood at HK\$46.4 billion.

To tackle urban decay, redevelopment alone is insufficient. Regular maintenance and rehabilitation of buildings are essential. However, owners of older buildings often lack the necessary capabilities, knowledge and finances for carrying out building rehabilitation, impeding maintenance works and exacerbating potential safety hazards. The URA is therefore committed to promoting building rehabilitation and assisting property owners in fulfilling their repair and maintenance obligations.

In the past year, the URA faced these challenges with determination. We employed a multi-pronged and flexible approach in project planning, building rehabilitation, and financial planning to advance urban renewal in an orderly manner. We have achieved many key milestones, and we have prepared ourselves to face future risks.

CHAIRMAN'S STATEMENT

Innovative Planning to Create Greater Benefits

The URA exercises due care and diligence in the handling of its finance. Under this principle, the URA adopts a strategic planning approach when launching redevelopment projects. Government lands and sites with outdated community facilities are incorporated into projects so as to maximise land resources and yield greater planning benefits. At the same time, we carefully plan the scale of development projects to manage the acquisition costs of property interests.



The strategic planning of Sai Yee Street/Flower Market Road Development Scheme enables the project to maximise land resources and yield greater planning and social benefits. Among them is the building of Waterway Park with an "Urban Waterway" as "blue-green feature" for public enjoyment.

The Sai Yee Street/Flower Market Road Development Scheme, commenced in March 2024, exemplified the application of the aforementioned principles. The project, which involved fewer property interests and was less capital-intensive, adopted the "Single Site, Multiple Use" model for diverse and mixed development to make the full use of lands and to generate substantial benefits. In addition, the development potential of small and scattered sites in the Flower Market area will be consolidated into a strategically located larger site through adopting the Transfer of Plot Ratio ("TPR"), hence optimising the overall development potential and incentivising private developer participation.

In Development Areas 4 and 5 of the Kwun Tong Town Centre Project, the URA introduced the "vertical city" planning concept to enhance development capacity and potential by incorporating residential use into the development. Meanwhile, we adopted the use of "floating planning parameters" to provide developers with increased flexibility in allocating floor space for residential, office, hotel, and other commercial functions, adapting to evolving market conditions. Resubmission of planning applications is unnecessary as long as they are within the development parameters and the total gross floor area of the project remains unchanged. These innovative and flexible planning proposals are devised to enhance the development potential and planning flexibility of the project, making it more attractive to private developers. In April 2024, the Town Planning Board agreed to the amendment of the zoning of Development Areas 4 and 5 and submitted it for approval of the Chief Executive in Council.

The Nga Tsin Wai Road/Carpenter Road Development Scheme in Kowloon City (Nga Tsin Wai Road Project) is another recent project launched under the "planning-led, district-based" approach. This project is distinguished by its sheer scale and complexity, involving over 1,000 property interests and engaging a diverse range of local stakeholders.

In the past year, the URA has been progressing the Nga Tsin Wai Road Project through a comprehensive approach that includes redevelopment, building rehabilitation, preservation and revitalisation. The aim is to enhance the district's overall living environment and landscape by integrating existing aged buildings and community facilities with new developments, fostering a harmonious blend of the old and the new.

The Nga Tsin Wai Road Project also proposed a new Joint-user Government Complex (JUC) within the Carpenter Road Park area to house the relocated Kowloon City Wet Market and adjacent community facilities. Alongside the new JUC, the URA will also upgrade the park's leisure amenities, enhance its connectivity with the surrounding community, and improve accessibility for the public's benefit.

The URA has also introduced the District-based Building Rehabilitation Pilot Scheme, offering financial assistance and technical support to the owners of about 40 buildings located in the vicinity of the project to facilitate timely repair and maintain the buildings that do not require immediate redevelopment.

The Lung Shing area of Kowloon City has long been known for its vibrant market activities and the Chiu-chow and Thai dining culture. To preserve these local characteristics, the URA has consulted with the shop operators to incorporate their perspectives into the project plan and design, enabling the development of suitable relocation or transitional arrangements to accommodate their operational needs. Through these arrangements, we hope to encourage shop operators to sustain their businesses both during and after the completion of the project, thereby preserving the market's atmosphere and local characteristics.

At the end of April this year, the URA extended acquisition offers to over 1,000 owners of domestic and non-domestic properties within the project. By the end of July, more than 70 percent of the owners had accepted the offers. Additionally, we received favourable responses regarding our proposed relocation and transitional arrangements from the shop operators.

Supporting the Government to Implement Policies within our Ability

The URA strives to support the Government's policies and allocates resources to implement various initiatives.

Last year, the URA launched the sale of 260 Starter Homes (SH) units of eResidence Tower 3 in Hung Hom for eligible applicants. Sales of these SH units for first-time home buyers were completed at the end of March this year, with 173 units sold, accounting for 67 percent. Additionally, the demolition works for the redevelopment project of Tai Hang Sai Estate, a joint project with the Hong Kong Settlers Housing Corporation Limited, is expected to commence early next year. This project aims to provide approximately 2,000 SH units upon its completion in 2030/31.

We are also making good progress in the pilot redevelopment project under the Civil Servants' Co-operative Building Society (CBS) Scheme at Kau Pui Lung Road/Chi Kiang Street in Kowloon City, with only one co-operative society, out of a total of nine, remaining to finalise the dissolution procedures. Together with the planned 950 SH units from this project, the URA will deliver about 3,200 SH units in total over the next few years to meet the growing home ownership aspirations of prospective flat buyers.

Last year, the Development Bureau established the Dedicated Office of Support Services for Minority Owners under Compulsory Sale and assigned the URA to set up an independently operated support centre to provide one-stop support services to minority owners at various stages of the compulsory sale process. In view of the lowering of the compulsory sale application thresholds, the URA is exploring enhancing its own Joint Sale Service to provide further assistance to owners in assembling property interests for joint sale. These two measures are expected to expedite the redevelopment of older districts and improve the living environment for residents.



Located at Cheung Sha Wan, the Support Service Centre for Minority Owners under Compulsory Sale offers comprehensive one-stop support services to minority owners at various stages of the compulsory sale process.

CHAIRMAN'S STATEMENT

Multiple Initiatives to Strengthen the Promotion of Building Rehabilitation

As mentioned in the introduction of my statement, building owners often encounter difficulties when they try to organise repair and maintenance work on their own. To address the issue, the URA has, in the past year, enhanced various measures to help owners carry out building rehabilitation. We have also worked closely with various Government departments and professional bodies to promote building rehabilitation and provide support to owners, enabling them to fulfil their responsibilities.

The URA has been assisting the Government in implementing various subsidy schemes for building rehabilitation and facilities improvement. As of June this year, the URA has approved more than 21,000 applications. The URA and the five Government subsidy schemes have benefited over 700,000 flat units, with a total subsidy amount of over HK\$2.8 billion being disbursed.

In April this year, the URA funded a new Preventive Maintenance Subsidy Scheme designed to promote the concept of "preventive maintenance" among property owners of newer buildings. The scheme encourages building owners to develop periodic property maintenance plans and build financial reserves to upkeep their buildings.

The first Building Rehabilitation Resource Centre (BRRC) in Hong Kong was opened to the public in July last year. Serving as a facilitation and educational hub, the BRRC is dedicated to enhancing the awareness and capabilities of building owners in organising building maintenance projects. Additionally, it provides meeting spaces for owners to discuss topics related to building maintenance concerns.

To align with the directive in the Policy Address to review the workflow of Operation Building Bright 2.0 (OBB 2.0), the URA, the Buildings Department and the Home Affairs Department jointly established a regular communication platform. This initiative aimed to help Owners' Corporations (OCs) involved in OBB 2.0 in effectively organising the necessary maintenance works and to facilitate the prompt appointment of registered inspectors and contractors for owners who have not yet complied with Government's mandatory inspection orders.

Additionally, the URA partnered with the Hong Kong Institute of Housing to promote the "Joint Property Management" (JPM) as part of the District-based Building Rehabilitation Pilot Scheme in Kowloon City. By assisting OCs of older single blocks in collectively engaging a service provider in property management, this initiative enables building owners to access property management services at more affordable rates, ultimately contributing to improved building conditions and living environment.

Overcoming Obstacles with Strategic Approaches

As urban renewal requires substantial resources, it is crucial for the URA to devise effective strategies and secure stable financial resources to progress urban renewal in a sustainable manner.

In the financial year 2024/25 and the subsequent year, the URA will initiate acquisition offers for five projects, with an estimated total acquisition cost of about HK\$30 billion. Together with other ongoing projects that commenced in previous years, and the redevelopment of the Tai Hang Sai Estate, the total expenditure on property acquisition and construction is projected to reach around HK\$64.3 billion. Given that the existing cash reserves of approximately HK\$18 billion fall short of covering these expenses, the URA has developed strategies to tackle this challenge.

In terms of securing a steady stream of revenue, the URA plans to put on tender three projects namely Kai Tak Road/Sa Po Road Project, Shantung Street/Thistle Street Project and Development Areas 4 and 5 of the Kwun Tong Town Centre Project in 2024/25. The upfront payments received from these tenders will replenish the required cash flow and support property acquisitions for upcoming redevelopment projects.

The URA is considering some innovative approaches in its project tender terms, aiming to enhance flexibility and appeal to prospective developers. This includes enhancing the criteria for shortlisting qualified developers and changing the payment terms for larger-scale projects like Development Areas 4 and 5 of the Kwun Tong Town Centre Project. We are exploring different options, including enabling developers to pay by instalments with a flexible payment schedule or through profit sharing. By easing the financial burden for potential developers, the URA seeks to attract a broader spectrum of developers to participate in our projects.

The URA has started preparing mitigating measures to address the potential cashflow shortage since it was first anticipated two years ago. Last year, the Financial Secretary increased the URA's borrowing limit from HK\$6 billion to HK\$25 billion. In April this year, Standard & Poor's affirmed URA's rating as "AA+" with a "stable" outlook, enhancing our creditworthiness in the market. The URA has completed update on Medium Term Note Programme which was subsequently listed on the Hong Kong Stock Exchange at the end of June 2024. This facilitates the upcoming multi-currency bond issuances for the fiscal year 2024/25. Concurrently, banking facilities via syndicated loans will also be considered to support the accelerated pace of urban renewal.

The long-term sustainability of our urban renewal efforts hinges on both financial and land resources. Embracing the principle of "making the best use of land resources and maximising development potential", Government lands and sites of community facilities will be incorporated into our development schemes and projects to unlock their development potential and achieve greater planning gains. Moreover, the URA will continue to deploy new planning tools and adopt the "Single Site, Multiple Use" model across additional projects in the old districts. This includes the Master Urban Renewal Concept Plans developed for the Sham Shui Po District Study and the Tsuen Wan District Study to bolster the technical and financial viability of urban renewal initiatives.

The Planning and Project Reserves established several years ago are measures we devised to help the URA navigate the changing market environment. These reserves cover redevelopment projects of different scales, enabling the URA to strategically launch the most suitable initiatives based on its cash flow status.

Unwavering Dedication to Sustain Urban Renewal

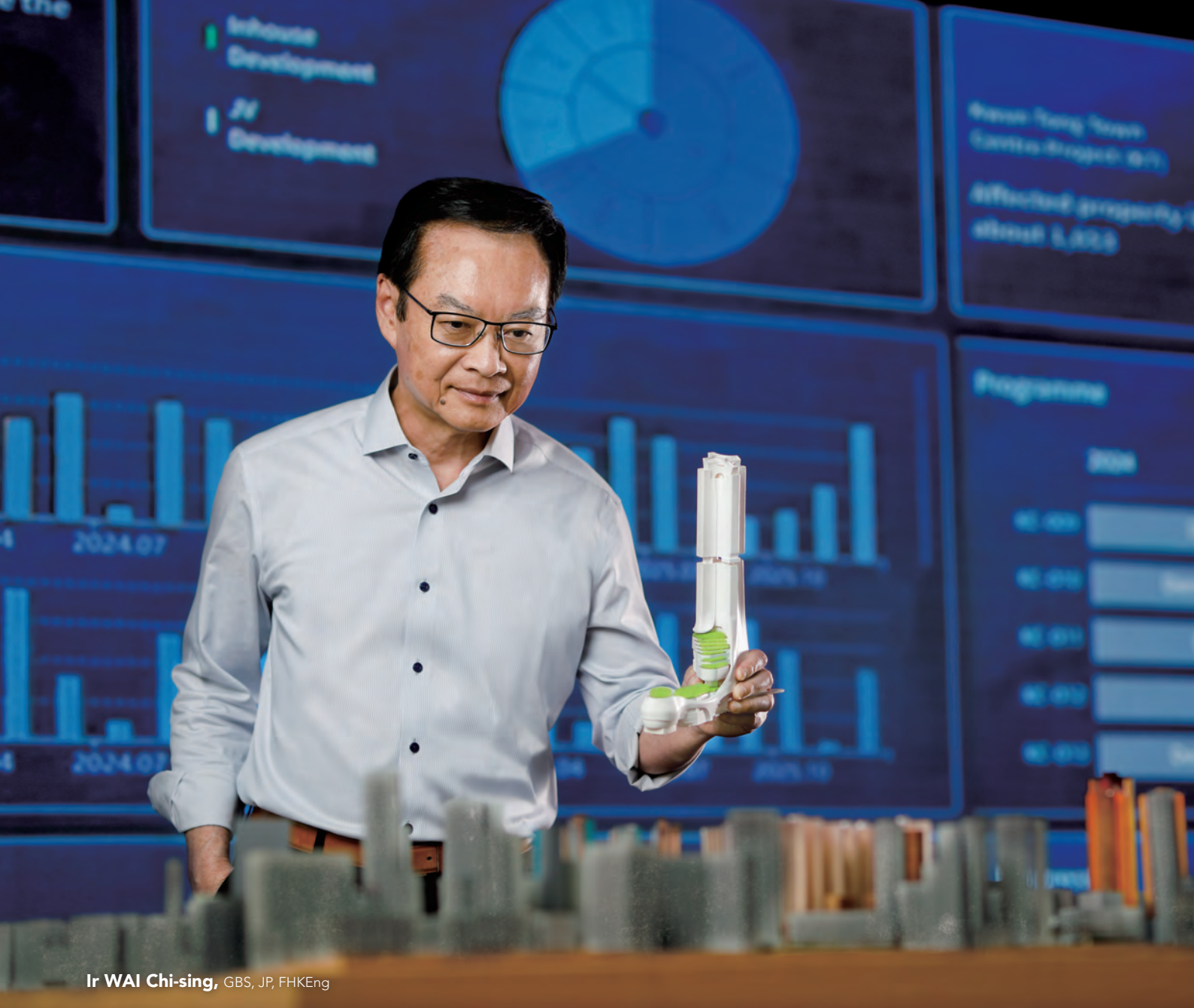
Throughout the past year, the URA team has surmounted numerous challenges to take forward urban renewal efforts in an orderly manner. I would like to extend my gratitude to the Government for its steadfast support and recognition of the URA's work, the invaluable professional guidance provided by Members of the Board, and the tireless efforts of every member of the team.



Presenting the Chairman's Award to one of the URA staff teams for their tireless effort and outstanding performance in the project of eResidence Tower 3.

The external environment is anticipated to continue to be uncertain and volatile in the upcoming year. The URA will adjust its strategies on a timely basis to tackle the challenges arising from the evolving market conditions. Upholding the principle of "making the best and full use of resources", the URA is dedicated to sustaining the momentum of urban renewal with the goal of enhancing the overall built environment and fostering quality living in the older districts for the benefit of the community.

CHOW Chung-kong, GBM, GBS, JP
Chairman
 31 July 2024



Ir WAI Chi-sing, GBS, JP, FHKEng

MANAGING DIRECTOR'S STATEMENT



In the past year, the URA encountered both challenges and opportunities. Our team overcame each challenge with determination, adopting new mindsets that helped us achieve breakthroughs, hurdle obstacles and chart new directions in urban renewal.





Geared up with Thoughtful and Strategic Preparation to Embrace Challenges for a Sustainable Future

The year 2023/24 presented many challenges for the URA. Among these were the volatile socio-economic conditions, unstable property market and high interest rates that prompted developers to exercise greater caution in their bidding and pricing strategies. These factors also affected the revenue we received from the upfront payment of tendered projects such as the Shing Tak Street Development Project in To Kwa Wan, the only project tendered during the year. It was awarded at a price significantly lower than the cost of acquiring that property interests, which resulted in a “buy high, sell low” situation that put URA’s financials under pressure.

When I took on the role of Managing Director in 2016, the economy in Hong Kong was still thriving. At that time, I forewarned that any changes in the global economy, quantitative easing policies and interest rates could have a negative impact on the local property market. This would lead to the “buy high, sell low” situation mentioned above and, in turn, increase the URA’s financial risks.

In response, our team began exploring in advance, appropriate strategies to deal with potential market fluctuations that could hinder the progress of our urban renewal initiatives. The comprehensive strategies formulated by the team encompass overall planning, commencement schedules, implementation models and financial planning for our urban renewal projects. The team also adopted an innovative and pioneering mindset that has enabled us to tackle the challenges arising from the market changes of the past year. This forward-thinking approach will shape our urban renewal efforts and promote their long-term sustainability.

MANAGING DIRECTOR'S STATEMENT

Planning-led Approach to Maximise the Utilisation of Land Resources

One of the key highlights of the year was the commencement of the Sai Yee Street/Flower Market Road Development Scheme, the first project from the development nodes proposed in the Yau Mong District Study (YMDS).

In planning this project, we incorporated Government land and obsolete community facilities into the area for redevelopment in order to enhance the site's development potential and capacity. We also made good use of planning tools such as the Linked Site approach and Transfer of Plot Ratio ("TPR") proposed in the YMDS to restructure and replan the lands of small and scattered sites within the project area. Together with the "Single Site, Multiple Use" model for diverse and mixed-use developments, we plan to build a multi-purpose complex that accommodates existing facilities that will be upgraded to modern standards for both Government and public use. Such an approach aims to maximise the utilisation of land resources and generate significant planning benefits.



Through restructuring and replanning of land use, the Sai Yee Street/Flower Market Road Development Scheme will adopt the "Single Site, Multiple Use" model to construct a multi-purpose complex, and provide more than 200 public parking spaces and other loading/unloading bays to address current issues such as traffic congestion and the blocking of pedestrian walkways by loading/unloading activities (right).



In addition, our team exercised robust control over the scale and area of property acquisition, allowing us to minimise cash expenditures incurred in property acquisitions while enhancing the environment of the old district and maximise planning benefits.

In fact, the URA had earlier established a Planning Reserve for projects similar to the Sai Yee Street/Flower Market Road Development Scheme, where the extent of property acquisition is relatively modest. Planning Reserve refers to holistic urban renewal studies with feasibility and technical assessments in different selected districts. Once these studies are completed, a master concept plan and development parameters will be formulated for potential projects, thereby creating a Project Reserve. Currently, the Project Reserve comprises projects of different scales that can be promptly implemented in tandem with changes in the economy and property markets as well as the URA's cash flow.

Over the past year, the two Reserves have had a positive impact on the URA, allowing us to undertake projects that involve smaller-scale acquisitions yet offer significant development potential in a volatile economy and property market. These projects are expected to generate future cash flow and strengthen the URA's financial reserves, ensuring the sustainability of our urban renewal initiatives.

Planning Ahead for Complex Projects

The URA had anticipated the distinctive nature and intricate issues involved in the redevelopment of buildings under the Civil Servants' Co-operative Building Society (CBS) Scheme. For the Shing Tak Street/Ma Tau Chung Road Project and the Kau Pui Lung Road/Chi Kiang Street Project, the URA discussed practical solutions with different Government bureaux and departments for critical issues such as the dissolution of the CBSs, land premia, stamp duties and compensation packages in order to expedite their implementation. Free legal support was provided for these projects by a dedicated team and lawyers experienced in the dissolution of CBSs. They assisted with procedures such as applications for dissolutions, modification of land leases and approval of Deeds of Mutual Covenant, aiming to expedite the dissolution process and assist CBS members with the acquisition of property interests of their units.

During this exercise, the URA set several precedents in areas such as arrangements for land premia and stamp duties, as well as suitable compensation packages tailored to the unique nature of the projects. These innovative practices have been instrumental in ensuring a smooth implementation of the two CBS projects.

The joint development contract for the Shing Tak Street/Ma Tau Chung Road Project was awarded in December last year, with demolition works completed in March 2024. The site has since been handed over to the joint venture developer to commence construction. As for the Kau Pui Lung Road/Chi Kiang Street Project, only one of the nine CBSs remained in the dissolution process as of June 2024. Upon the completion of the project, 950 units for the Starter Homes (SH) Scheme will be delivered in support of the Government's housing policy.

An Innovative Tendering Approach to Increase Project Attractiveness

In the past year, the URA adopted a flexible and innovative approach to enhance the development potential and attractiveness of Development Areas 4 and 5 of the Kwun Tong Town Centre Project, with the aim of better positioning the project for future re-tendering. We retained the "floating planning parameters" mechanism of the project to give successful tenderers greater flexibility in allocating development floor space for different uses in response to evolving market conditions, without the need to resubmit planning applications or modify the land leasing terms. We also added residential elements to the project and, for the first time, introduced the "vertical city" planning concept. A zoning amendment application was then submitted to the Town Planning Board (TPB) for the mixed-use development featuring residential, office, hotel, and other commercial functions within a landmark building, maximising the planning benefits under the "Single Site, Multiple Use" approach.

The zoning amendment application was agreed by the TPB in April 2024. Given the scale of the project, we are breaking boundaries by promoting the project to both local developers and potential overseas investors to increase their understanding of the project, in particular, the "floating planning parameters" and "vertical city" concepts. After collecting their feedback on the planning and development of the project, we will make appropriate adjustments to the tender terms to accommodate their needs.

Our innovative strategies extend beyond project planning and implementation. We have also been exploring the possibility of revising the payment arrangement for large-scale redevelopment projects such as Development Areas 4 and 5 of the Kwun Tong Town Centre Project. Provided that our cash flow remains stable, we will consider allowing developers to pay in instalments or through other flexible payment schedules or profit sharing, instead of making a one-off lump sum upfront payment. These payment options will help reduce cash flow pressures on developers bidding for larger projects and encourage participation from developers of varying scales.



Incorporating elements of residential, commercial, office and hotel under the planning concept of the "Vertical City", the mixed-use development will shape the Kwun Tong Town Centre Project as an iconic skyscraper in the Eastern Gateway of Hong Kong.

MANAGING DIRECTOR'S STATEMENT

Along with these and other innovative measures, the URA in recent years has been committed to sustaining stable financial and cash flow conditions. With advanced planning and preparation, we are well-positioned to mitigate the impacts and risks arising from the uncertain global economic environment on our urban renewal projects.

To ensure an urban renewal programme is self-financing, about two years ago we began preparations for external financing in anticipation of future cashflow shortages so that the URA has adequate funds to meet current and future business needs. Our efforts in this direction included requesting an increase in the URA's borrowing limit from the Financial Secretary and co-ordinating with the credit rating agency to strengthen the URA's credit rating.

At the end of June, URA's Medium Term Note Programme was successfully listed on the Hong Kong Stock Exchange, paving the way for future bond issuances. At the same time, we are maintaining close liaison with our relationship banks to explore an alternative financing channel via syndicated loans. Together, we will conduct regular reviews of the arrangements under a dynamic management approach to secure the funds required for projects outlined in our Corporate Plan.

Along with external financing, we have also improved our cashflow via internal mechanisms. Over the past year, our team periodically reviewed the scheduled timeline for project tenders, cash flow status and future acquisition needs. Our aim is to enhance the co-ordination of tender and acquisition schedules to ensure that the upfront payments received from tenders can replenish the cashflow needed for upcoming acquisitions of other projects in a timely manner.

Moreover, we have been exploring ways to simplify the terms and conditions of tenders and reduce the complexity involved in project tendering. For example, the provision of Government, Institution or Community (G/IC) facilities is now excluded from tender documents, allowing developers to focus mainly on the development of residential towers and their ancillary facilities. We believe this will enhance their incentive to tender bids and hence improve the competitiveness of the projects.

The above efforts demonstrate that the URA has made comprehensive preparations to take forward urban renewal projects in both favourable and challenging times. We have also sought to overcome constraints through new strategic approaches to address the challenges and potential risks encountered in these projects.

Encouraging Property Owners to Take Responsibility for Building Rehabilitation

As the problem of ageing buildings is worsening, redevelopment alone is no longer sufficient. Effective building rehabilitation is critical for extending the service life of buildings, as this allows time to concentrate resources on the redevelopment of dilapidated buildings and accumulate resources for urban renewal works.

During the past year, the URA continued to promote building rehabilitation in three major areas: providing one-stop services for the implementation of the Government's subsidy schemes, enhancing owners' knowledge of repair and maintenance and offering them technical support, and formulating innovative measures to step up the promotion of building rehabilitation.

The URA also administers five Government-funded building rehabilitation schemes, covering building inspections, repair works of common areas, fire safety improvements, lift modernisation, drainage system repairs, and maintenance of self-use residential properties involving public funding of HK\$19 billion. To date, the URA has approved over 20,000 applications.



As building owners generally lack the knowledge and capability to organise building rehabilitation works, the URA established the first Building Rehabilitation Resource Centre (BRRC) in Hong Kong. Located at the URA's eResidence, the BRRC was officially opened to the public in July 2023. It offers a wide array of information in multimedia formats on building rehabilitation as well as video consultation services to assist owners in their real-time applications for the subsidy schemes. The BRRC further provides meeting venues to Owners' Corporations (OCs) and building owners for discussions of matters relating to building maintenance.

Launched in 2019, the Building Rehabilitation Platform (BRP) website is another resource providing comprehensive guidelines on organising building maintenance works, educational videos and tender document templates for owners' reference. Since the launch of the website, the URA has been enriching its content with new features such as the Cost Reference Centre and the Service Providers Directory. Both of these features familiarise owners with market prices for building maintenance works and help them engage quality building professionals/registered contractors. We believe that the BRP website will alleviate the concerns of building owners arising from a lack of knowledge and understanding and will encourage them to take up the responsibility of organising repair works for their buildings.

To date, the BRP has recorded over 1.8 million page views, highlighting its user-friendliness and popularity. To further enhance the content of the BRP, the URA gathered feedback from around 6,000 users of the platform during an online survey conducted last year. Their feedback will be used to enhance the platform's services for equipping property owners with the confidence and capability to undertake building maintenance on their own.

In 2022, the URA first applied an Integrated Approach to implementing urban renewal projects in the Lung Shing area of Kowloon City. This strategy incorporates redevelopment, building rehabilitation, preservation and revitalisation methods of urban renewal to improve the overall living environment, local streetscape, road network and community facilities in the area, while ensuring the smooth integration of existing structures with new developments.

Against this background we launched the District-based Building Rehabilitation Pilot Scheme, which offers tailored rehabilitation initiatives to building owners in the pilot area, including assistance for the formation of OCs for "three-nil" buildings and a new joint property management (JPM) model for single-block old buildings with OCs. The Scheme also introduces a special subsidy for façade face-lifting and roof waterproofing works, encouraging owners to organise rehabilitation works. Additionally, it provides subsidies for owners to engage work consultants for the preparation of building maintenance manuals and cost estimates for a 10-year maintenance plan. The Scheme also offers incentive interest so that owners are motivated to establish maintenance funds. To assist elderly owner-occupiers who lack financial resources, the Scheme provides maintenance materials and arranges to have volunteers undertake repair works inside their flats.

The URA will utilise the experience gained from the District-based Building Rehabilitation Pilot Scheme to devise a holistic and sustainable urban planning strategy, covering redevelopment and rehabilitation in parallel.



URA staff members promote the new Joint Property Management model to owners of "three-nil" buildings during home visits.

MANAGING DIRECTOR'S STATEMENT

Self-funded Subsidy Scheme for Preventive Maintenance – A New Building Maintenance Concept

At the start of my term as Managing Director, I recognised that the key to achieving sustainable urban renewal hinges on the effectiveness of building rehabilitation. I also believe that the guiding principle of “thinking ahead and taking precautions” is the cornerstone for building maintenance and repair, with the ultimate aim of slowing down the ageing of buildings from the source.

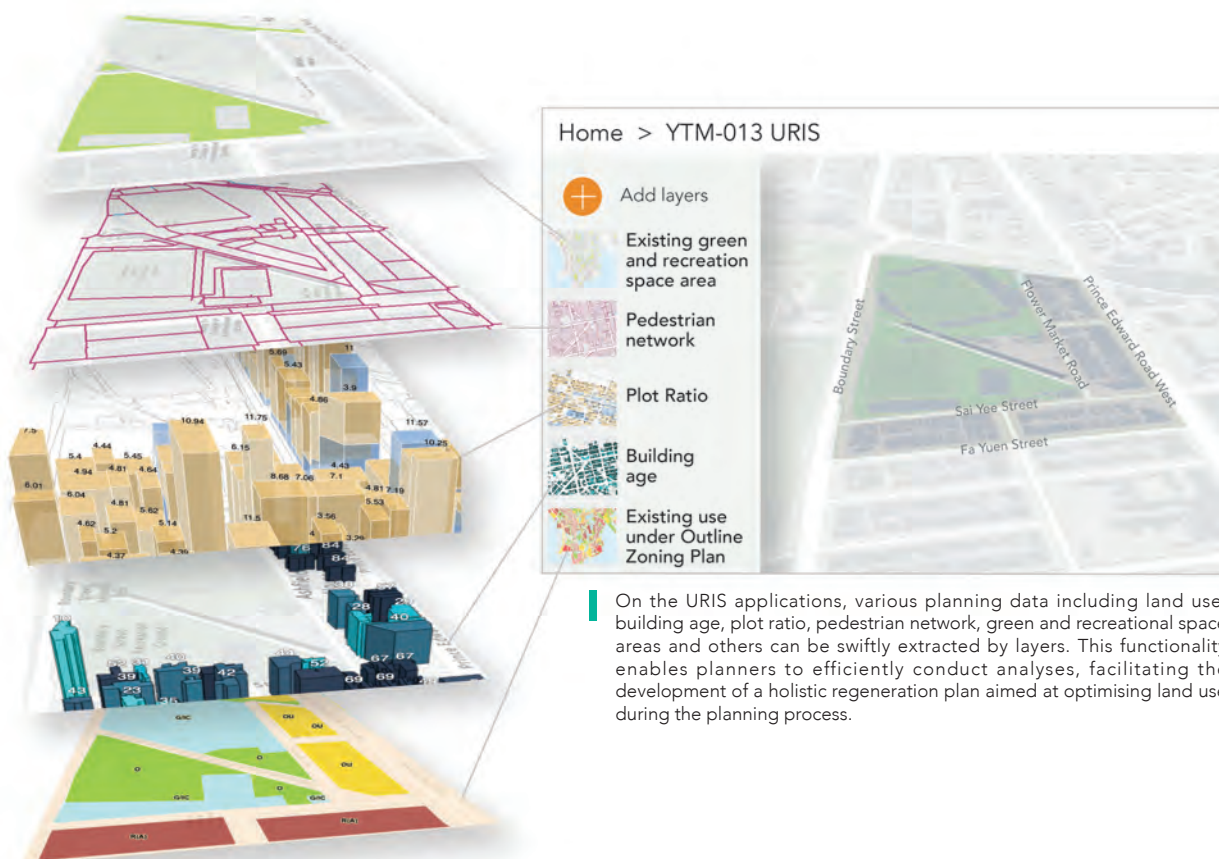
To this end, the URA launched a new Preventive Maintenance Subsidy Scheme in April 2024 that encourages owners to maintain the condition of their buildings by proactively conducting maintenance and repair works from a preventive standpoint. Owners of eligible buildings are also offered subsidies to cover the costs of compiling building maintenance manuals, with guidelines and templates to help them formulate a 10-year maintenance plan and estimate the associated costs. The Scheme also helps owners set up a dedicated fund for future maintenance needs, with interest incentives to motivate regular contributions to the fund.

The Scheme has been well received by owners and property management professionals. In the first quarter after its launch, the URA received a good number of applications, indicating owners’ acceptance of the preventive maintenance concept — an important milestone in promoting building rehabilitation.

Embracing Technology to Meet Future Requirements

The URA has always emphasised the application of innovative technologies to enhance operational and project management efficiency in urban renewal, examine future urban renewal needs and formulate viable strategies.

One example is our self-developed Urban Renewal Information System (URIS), which we have continuously optimised since its launch. This system comes with a series of applications that help strengthen the internal processing and analysis of spatial data and, in turn, improve efficiency in project planning, acquisition and clearance, financial assessment and technical studies.



On the URIS applications, various planning data including land use, building age, plot ratio, pedestrian network, green and recreational space areas and others can be swiftly extracted by layers. This functionality enables planners to efficiently conduct analyses, facilitating the development of a holistic regeneration plan aimed at optimising land use during the planning process.

Since 2021, we have also been utilising Three-Dimensional Intelligent Map (3D iMap) technology for the freezing survey conducted at the onset of our redevelopment projects. This technology provides real-time, on-site monitoring of survey progress and helps us deploy manpower more efficiently. We also analyse the living status and demographic data of households via the 3D iMap to expedite future acquisition and rehousing efforts.

To address the issue of ageing buildings, our Building Rehabilitation Division conducted a series of visual inspections of the interior and exterior common areas in approximately 10,000 buildings that are over 30 years old across Hong Kong. Staircases, corridors, rooftops and external walls were all examined and checked for concrete spalling, cracks and unauthorised building structures, among other potential problems. The data collected was subsequently inputted into the URIS for in-depth analysis of rehabilitation needs.

New applications under URIS are developed to collect data for projecting the condition and degree of deterioration of buildings in different districts. Combined with the URA's database, the system categorises all buildings in Hong Kong into different groups according to their management models, receipt of building inspection or repair orders, and history of building rehabilitation works. This allows us to assess each building's Rehabilitation Tendency and Rehabilitation Need. Through big data analytics, we are able to formulate more comprehensive programmes to promote building maintenance and repairs of targeted categories of buildings, and long-term strategies to prompt building owners to take up building rehabilitation and preventive maintenance, ultimately slowing down the ageing of buildings. I am delighted to note here that the URIS received the Winner of Research and Innovation award in the Building Surveyor Awards 2023 by the Hong Kong Institute of Surveyors, a firm endorsement of our innovative approach to urban renewal.

Artificial Intelligence (AI) has also been leveraged to improve work efficiency and service quality. Applying AI in urban renewal work, such as data and image analysis and speech-to-text conversion, allows us to expedite the processing of acquisition and compensation, building rehabilitation subsidy applications and general enquiries. As the scale and complexity of urban renewal works are expected to grow substantially in future, we are studying and piloting AI applications that automate business flow, accelerate work progress, improve accuracy and analytical power, and enhance data computation to support our decision-making and formulation of optimal solutions. With the application of AI, the URA can better cope with future challenges brought about by changes in the economic environment.



Paying a visit to an Artificial Intelligence (AI) technology company in Science Park with URA management and colleagues, and discussing the potential applications of AI in urban renewal work to address aggravating urban degeneration with more effective solutions.

Change for Good, Prepared for the Future, United in Building a More Colourful City

In the past year, the URA encountered both challenges and opportunities. Our team overcame each challenge with determination, adopting new mindsets that helped us achieve breakthroughs, hurdle obstacles and chart new directions in urban renewal. I extend my heartfelt gratitude to our team for their hard work and to the Chairman and Board members for their guidance and support of our innovative spirit.

Urban renewal is an evolving process. Despite fluctuations in the economic landscape, the URA team is well-prepared to tackle challenges and capitalise on opportunities. Looking ahead, we will continue to adopt innovative ideas to enhance the effectiveness of our urban renewal work and the benefits it brings to the community.

Nevertheless, for long-term sustainability in urban renewal, the involvement of the Government, business sector and the public is indispensable. To accelerate the pace of urban renewal, the Government should consider loosening the regulatory framework and offering incentives to encourage market participation. In the meantime, it is also necessary to strengthen statutory requirements so that property owners are prompted to proactively fulfil their responsibilities in maintaining their buildings in good condition, thus slowing down the ageing process. Only when we have more proactive participation from the private sector and property owners to combat urban decay, can we make steady progress towards the sustainable urban renewal of Hong Kong.

Ir WAI Chi-sing, GBS, JP, FHKEng
Managing Director
 31 July 2024

MAJOR EVENTS OF THE YEAR

APR

To strengthen and retain the cultural characteristics of Kowloon City, URA supported the organisation of the Songkran Festival celebration after a three-year suspension due to the COVID-19 pandemic. A team of URA staff volunteers assisted in the logistics arrangement of the celebration activities, which was highly appreciated by the local and Thai community.



MAY



Enlivened as a hotspot and playground for all, Central Market won the Sustainable Development Award and Grand Award in the Hong Kong Building (Renovation/Revitalisation) category of the Quality Building Award 2022, for its outstanding performance in preserving the heritage building with sustainable, innovative and green design.

JUN

To offer continuous assistance to businesses during the post-pandemic economic recovery period, the URA extended the special rent relief measures for its domestic and commercial tenants until September 2023. Since April 2020, the cumulative amount of rent concessions has reached around HK\$267 million, benefitting approximately 1,100 residential and commercial tenants from different sectors.



JUL

The Building Rehabilitation Resource Centre was opened to offer the public an innovative and engaging experience with its multimedia display of building rehabilitation information. The centre also offers online video consultation and application services for the public to apply for various subsidy schemes with ease.

AUG

● In collaboration with the Hong Kong Federation of Youth Groups (HKFYG) Leadership Institute, URA organised the youth training programme URA Youth Speak to engage the younger generation. About 30 secondary school students participated in training on building rehabilitation and exchanged their ideas on urban renewal with URA senior management.



SEP



● eResidence Tower 3, the URA's Starter Homes (SH) Project for Hong Kong Residents, received 3,670 valid applications for the sales of 260 units. About 67 percent of the SH units were sold to eligible first-time home buyers in March 2024.

OCT

● The URA handed over a 5-storey commercial space in Tung Chau Street/Kweilin Street Project (DL-5:SSP) to the Hong Kong Design Centre for the establishment and operation of the Design and Fashion Base. With an area of approximately 3,600 square metres, the Base serves as a hub for nurturing young designers, fashion designers and startups, while fostering tourism development in the Sham Shui Po district and bringing new vitality to the local economy.

NOV

● The third-round application of the Operation Building Bright 2.0 (OBB 2.0) & Fire Safety Improvement Works Subsidy Scheme concluded with very good responses from property owners. The application number increased by 75 percent compared with that of the second round, reflecting the effectiveness of the URA's stepped-up effort in promoting building rehabilitation.

DEC

● Over 1.3 million visitors and participants soaked up the fun at a variety of events such as the Christmas Carnival at the "Free Space" in Kwun Tong, as the URA collaborated with Government departments to transform the site of Development Areas 4 and 5 at Kwun Tong Town Centre Project (K7) into a temporary activity space for public enjoyment during the preparation of project re-tendering. The URA has also built a temporary children's playground and ballcourts in addition to opening up a public passageway which connects Yue Man Square and Kwun Tong Road to enhance walkability.



MAJOR EVENTS OF THE YEAR

JAN

● To enhance the vibrancy of the Market Block of Peel Street/Graham Street Project (H18) and its adjacent Graham Market, the URA partnered with a local organisation to run the “Graham Vibrancy Market” programme comprising workshops, busking events and a closing ceremony, attracting many participants to the market stalls and bringing businesses to the operators and hawkers.



FEB

● Riding on the implementation of the Nga Tsin Wai Road/Carpenter Road Project (KC-017), URA has commenced the first phase of revitalisation works of the Carpenter Road Park. Upon completion, the park layout will be restructured with new design and upgraded facilities alongside new passageways to enhance walkability and connectivity with its surrounding neighbourhoods.

MAR



● Under the Community Service Partnership Scheme (CSPS), volunteers of the Upcycling Project produced bespoke furniture out of recycled wood materials and offered decluttering services for grassroots families in the old districts, improving the quality of life of the beneficiaries. In addition, CSPS volunteers continued to organise art creation activities and provide gerontechnology applications to improve the physical and mental health of the seniors in elderly homes.

● The Sai Yee Street/Flower Market Road Project (YTM-013) was commenced under the “planning-led, district-based” urban renewal approach to materialise the Development Node of “Nullah Road Urban Waterway” in Mong Kok East as proposed in the Yau Mong District Study with the construction of an “Urban Waterway” and a Waterway Park as a new “blue-green feature”. With the enhancement of the Flower Market, the project aligns with the planning theme of shaping Mong Kok East into an “Exuberant Commercial District” enriched with social, leisure and recreational and diversified shopping attractions.



APR

● The Preventive Maintenance Subsidy Scheme was launched to motivate property owners to carry out preventive maintenance for their buildings. With cash subsidies, owners are encouraged to compile building maintenance manuals to draw up a periodic maintenance plan alongside establishing financial reserves for future maintenance expenses in order to extend the service life of buildings and slow down urban decay.

MAY



● The “Habyt Bridges” co-living spaces, comprising 38 domestic units in the nine buildings acquired by URA, was launched to mark a new chapter of the revitalisation of the Staunton Street/Shing Wong Street neighbourhood. In addition to preserving the old building structures and putting them to adaptive reuses with revised layouts, some spaces within the tenement buildings are also being preserved as “common rooms” for community members to gather, connect and contribute to local development during the process of community making.

● The opening of the Museum of Hong Kong Literature at 7 Mallory Street (M7) in Wan Chai fostered the position of M7 as a place where “Culture Meets Community”. Displaying valuable manuscripts, publications, and autographs of Hong Kong writers through interactive installations, the museum aims to promote Hong Kong literature and writers, inspire a passion for reading and writing among children and youth, as well as foster the inheritance and growth of Hong Kong literature.



JUN

● The Building Drainage System Repair Subsidy Scheme concluded with a record of around 4,500 eligible applications since its inception in 2021. Considering that the COVID-19 pandemic is over and most applicants of the Scheme have concurrently applied for “Operation Building Bright 2.0”, which also covers the maintenance works for common drainage systems, the Government and the URA decided to end the Scheme.

OPERATING HIGHLIGHTS

(Figures are up to 30 June 2024, unless specified otherwise)

REGENERATING URBAN DISTRICTS

79*

Projects have been undertaken since the establishment of URA in 2001

332,500 m²

Urban area improved or to be improved

REDEVELOPMENT

1,785

Dilapidated building blocks redeveloped or to be redeveloped

44,400

Residents benefitting from projects

71,200 m²

Open space

36,400

New flats

188,100 m²

Government, Institution or Community facilities

REHABILITATION

Around

7,800

Building blocks rehabilitated or undergoing rehabilitation with various assistance schemes

Around

720,000

Flat units benefitted from URA's rehabilitation schemes and five Government subsidised schemes

Around

HK\$2,815 million

Building rehabilitation loan and subsidies released

380,000

Flat units benefitted from "Smart Tender"

PRESERVATION & REVITALISATION

81

Buildings/structures preserved or to be preserved

Place-making at Central Market, SPORTS EXPO, 618 Shanghai Street, H6 CONET and M7 (7 Mallory Street) community open space

64,040

Average visitors/day

740

Events held in 2023/24

* 79 projects include 74 redevelopment projects and 5 preservation/revitalisation/retrofitting projects



BRINGING SOCIAL BENEFITS

SUSTAINING THE ECONOMY

About

1,100

Commercial and residential tenants benefitted from COVID-19 pandemic rent relief

Involving about

HK\$267 million

4,700 m²

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

CARING FOR ENVIRONMENT

35

Projects attained final BEAM / BEAM Plus Rating for sustainable building design

CARING FOR PEOPLE

753

Starter Homes flats provided

3,180

People benefitted from Community Service Partnership Scheme

712,000

Participants and visitors engaged in "Arts and Cultural Partnership Programme in Old Urban Districts" since 2011

7,765

Households benefitted from various community programmes to repair or improve home environment

15,800

Volunteering hours attained



OPERATING REVIEW

Against the background of unfavourable economic conditions overcasted by high interest rates and global inflation in the wake of the COVID-19 pandemic, many cities across the globe that undertake urban regeneration are in the face of financial challenges. Hong Kong is no exception.

In the midst of volatile market conditions, URA reaffirms its commitment to comprehensive and effective urban renewal through a holistic “district-based” and “planning-led” approach to unleash development potential and attract private market participation with the ultimate objective of co-creating a salubrious and liveable urban environment.

Other innovative approaches to energising the renewed districts include the trialling of an Integrated Approach which amalgamates the renewal strategies of Redevelopment, Rehabilitation, Preservation and Revitalisation to uplift the overall built environment and inject social and economic vitality into the regenerated areas.

Together with Retrofitting, these “5Rs” strategies interplay to paint a colourful vision and a bright future of Hong Kong – a better home in a world-class city – for many generations.

Riding on insights from the Yau Mong District Study (YMDS), we launched the Sai Yee Street/Flower Market Road Project (YTM-013) in the past year, marking a significant step in realising the first nodal development under YMDS and transforming the Mong Kok East area into a vibrant urban hub.

At the same time, we made strides in building rehabilitation through funding and launching the new Preventive Maintenance Subsidy Scheme that encourages and empowers owners to maintain their properties on a periodic and sustainable basis. The newly established Building Rehabilitation Resource Centre (BRRC) also serves as a one-stop platform to provide support to property owners through the provision of building rehabilitation know-how and assistance.

As the URA navigates the complexities of urban renewal, we are committed to creating a dynamic and sustainable urban environment that embraces the vibrant elements of Hong Kong, much like a fluid art piece coming to life.





Strategic Studies for Effective Urban Renewal

Based on the holistic “district-based” approach, the URA has forged ahead with the recommendations from the District Study for Yau Ma Tei and Mong Kok (YMDS) and the New Strategy on Building Rehabilitation Study (NSBR) while two more district studies were carried out in the past year. To realise the “planning-led” approach for more comprehensive restructuring and replanning of old urban areas, preliminary project feasibility studies were conducted for selected old urban areas to build up the URA’s project reserves.

Yau Mong District Study (YMDS)

YMDS was completed in 2021, providing findings and recommendations to overcome existing challenges in urban renewal. Riding on the findings from YMDS, URA has been exploring appropriate initiatives to facilitate private market participation in urban renewal. Over the past year, the URA has made substantial progress in implementing the proposals outlined in the Master Urban Renewal Concept Plan to unlock development potential. The URA has also been working with the Government to implement the planning tools identified in YMDS, with the aim of encouraging private market participation and implementing urban renewal more effectively. The key achievements are summarised below:

Implementation of the First Nodal Development under YMDS

The first project under YMDS, namely Sai Yee Street/Flower Market Road (YTM-013), commenced in March 2024. It aims to implement the initial phase of the Nullah Road Urban Waterway Development Node (Nullah Node) by replanning and restructuring land use under a flexible mixed-use development model. With the construction of an “Urban Waterway” and a Waterway Park as a new “blue-green feature”, the project targets to enhance the environment of the Flower Market area and support its future development by adopting an integrated approach to urban renewal. It also contributes to the transformation of Mong Kok East into an “Exuberant Commercial District” enriched with social, leisure and recreational and shopping attractions. (More details on YTM-013 Project as noted on page 33 and 34 under Redevelopment.)



According to the proposed planning of the Sai Yee Street/Flower Market Road Project, the on-street portion of the multi-purpose complex facing Sai Yee Street will be set back to allow more product display space for the shops and enhance the pedestrian environment.

Facilitating Private Market Participation

With a view to incentivising greater private market participation to catch up with the pace of urban decay, the URA has been working closely with the Government to take forward Outline Zoning Plan amendments and introduce a suite of new planning tools to unleash development potential in the Yau Mong districts.

Progress of Amending Outline Zoning Plans (OZPs)

The URA supported the Government to initiate amendments to the OZPs of Mong Kok and Yau Ma Tei to permit more flexible interchangeability between domestic and non-domestic plot ratios or to allow more design flexibility for mixed developments along character streets in selected areas, in addition to increasing the plot ratio for the Nathan Road commercial spine and relaxing building height restrictions. The Chief Executive in Council (CE-in-C) approved the Mong Kok OZP in June 2023. Similar amendments to Yau Ma Tei OZP were submitted to the Town Planning Board (TPB) in June 2023 and approval of the CE-in-C was obtained in July 2024.

Application of New Planning Tools

To unleash development potential of small and isolated sites to allow restructuring and replanning in Yau Ma Tei and Mong Kok, new TPB Guidelines were promulgated in July 2023 to pilot Transfer of Plot Ratio (TPR) through processing planning applications. TPR allows the transfer of development rights from sites with limited redevelopment potential to sites with intended growth in intensity, enabling an increase in buildable and saleable areas, thereby encouraging private participation in urban renewal with higher financial returns. A review of these Guidelines will be conducted in 2025 by soliciting views from practitioners/professional institutions.

YMDS has identified small street blocks for amalgamation into more cohesive and sizeable redevelopment sites, along with under-utilised road space for pedestrian and open space use after road closure and traffic route re-division, which are known as Street Consolidation Areas (SCAs). As announced in the 2023 Policy Address, the URA has included redevelopment projects in Yau Ma Tei South utilising SCA concept in the approved 23rd Corporate Plan (CP) for future implementation.

YMDS has also proposed to explore Gross Floor Area concession as an incentive to encourage innovative design to achieve greater planning gains and improve the overall built environment. A consultancy study was commissioned to provide preliminary findings to the Administration for consideration within 2024.

Renewal of Public Facilities: the Nano-Parks System

One of the proposed initiatives under YMDS is the Nano-Parks system, which aims to reinvent the open space network through a collaborative community effort focused on branding and place-making. By connecting and revitalising six small-sized, scattered parks in the densely urban Shantung Street precinct, the initiative will create greater design impacts and provide opportunities for community enjoyment. The pilot implementation is currently in progress with support from the Leisure and Cultural Services Department (LCSD). Distinctive features of the Mong Kok district such as character streets, diverse cultures and the vibrant market environment will be incorporated into the design. By unifying the style, colour scheme and other creative components of the park spaces, the URA aims to provide a refreshing and coherent experience for the general public.

Following the completion of the community engagement programmes in September 2022, the first batch of schematic design covering two of the nano-parks was approved by relevant Government departments with works targeted for completion in 2025/26. The second batch of the schematic design for the remaining four nano-parks, which was commenced in 2023, will be submitted to Government departments for approval.

Sham Shui Po and Tsuen Wan District Studies

In response to the Government's invitation in the 2021 Policy Address, the URA commenced the Sham Shui Po District Study (SSPDS) and Tsuen Wan District Study (TWDS) in August and November 2022 respectively to formulate comprehensive urban renewal strategies for the two old districts.



The study will draw up a long-term blueprint for the Tsuen Wan old town area (above) and its surrounding areas (right) in order to undertake urban renewal more effectively.



Based on a similar approach as the YMDS, the two studies aim to adopt a holistic "district-based" approach to formulate a long-term development blueprint for the districts in the form of Master Renewal Plans (MRPs) to tackle the issues of urban decay, identify restructuring opportunities, explore alternative initiatives to facilitate private market participation and expedite the pace of urban renewal.

The SSPDS has a study area of approximately 130 hectares, while TWDS covers 236 hectares (comprising 79 hectares of Core Area, largely the Tsuen Wan old town area, and 157 hectares of Opportunity Area encompassing a number of under-utilised sites with potential to provide solution spaces to support urban renewal initiatives in the Core Area).



(Left) The URA organises workshops for the Sham Shui Po District Study to understand aspirations of stakeholders on urban renewal.
(Above) One of the objectives of the Sham Shui Po District Study is to improve pedestrian environment in the district through urban restructuring.

To date, baseline reviews for both studies have been completed, and key urban renewal opportunities and constraints have also been identified. Stakeholders consultation through extensive surveys, interviews and workshops were carried out to understand the specific concerns and aspirations of the stakeholders, including property owners, tenants, professionals, and the broader community. These research and analyses will form the basis to guide the preparation of the Planning and Urban Design Framework and formulation of the MRPs, with different planning assumptions and timeframes to provide a blueprint for urban renewal in the future. Technical assessments will be conducted for the MRPs. Comprehensive urban renewal strategies from the two studies are expected to be ready by phases from the second half of 2024.

New Strategy on Building Rehabilitation (NSBR)

The study on NSBR in 2020 identified three major obstacles for owners to organise building repair and maintenance works: the lack of (i) professional knowledge in procurement of consultants/contractors, (ii) financial reserves and (iii) organisational capabilities. Since then, the URA has worked together with professional institutes and practitioners to implement specific strategies and measures using a multi-pronged approach. This is aimed at helping building owners overcome challenges and encouraging them to take charge of building maintenance and management, while also increasing their awareness of preventive maintenance. Progress made in the last year are outlined below:

New Initiatives to Encourage Preventive Maintenance

In April 2024, the URA launched the new Preventive Maintenance Subsidy Scheme (PMSS) to motivate owners of residential and composite properties to carry out preventive maintenance for their buildings. The URA-funded scheme provides owners with subsidies to cover the costs associated with the preparation of the building maintenance manual (MM), which includes a maintenance schedule for common areas and facilities of the building, along with an estimation of maintenance costs for the next 10 years.

To facilitate the setting up of financial reserves for building rehabilitation, PMSS also offers incentive subsidy, equivalent to 10 percent of the owners' total contribution to the Special Fund as recommended by the MM over a period of the first three years (subject to maximum limits based on the number of units of the building), as incentives for building owners to make regular contributions to the building's maintenance fund.

In addition, the URA has completed a trial version of the Guidelines and Templates for preparing Maintenance Manual for Residential and Composite Buildings (GTMM). Subject to the refinement after consultation with various stakeholders, including Government departments, professional institutions and trade associations in 2024, GTMM will provide a framework to help owners' committees/corporations and building professionals develop effective building maintenance and financial plans for preventive maintenance. The GTMM is currently being trialled by a large private estate in the Southern District to prepare its maintenance manual and plan. Upon their successful application, the case will be used as an example of best practice of preventive maintenance for building owners and the property management industry.

The URA undertakes research and studies to analyse the owners' obligations in building maintenance and property management with the objective of strengthening the regulatory regime. Following the Government's approval in August 2023 of the clauses proposed by the URA for carrying out preventive maintenance and enhancing the property manager's right to handle water seepage problems in the Deed of Mutual Covenant (DMC) of eResidence Tower 3, the URA conducted 14 mass briefings with the property management companies and trade associations to introduce the new DMC clauses in fostering preventive maintenance and water seepage handling measures. Recommendations have been submitted to the Lands Department (LandsD) and Home Affairs Department (HAD) for their consideration to incorporate in the Government's DMC Guidelines and Codes of Practice.



Property managers join URA's briefing session to understand the new DMC clauses which foster the implementation of preventive maintenance.

Kowloon City District-based Building Rehabilitation Pilot Scheme

As part of the urban regeneration plan under the Integrated Approach in Kowloon City, a pilot area covering 40 buildings from Nam Kok Road to Tak Ku Ling Road without imminent need for redevelopment has been mapped out as the testing ground for various district-based building rehabilitation initiatives for a period of three years. Extensive promotion activities, such as mass briefings, workshops, tea gatherings and street booths, have been rolled out since 2022 to engage stakeholders, resulting in significant progress.

With the provision of a Special Subsidy for the District-based Building Rehabilitation initiative, seven buildings commenced the process of hiring project consultants to carry out façade face-lifting and roof waterproofing works to improve the built environment in the district. The URA has also incentivised the building owners with consultancy fees and start-up interest subsidies for formulating the building maintenance plan and making regular contributions to the building’s Special Fund for future repair and maintenance.

To enable owners’ corporations of single-block buildings to manage their properties better, the URA has introduced a new operational model known as “Joint Property Management” (JPM), which consolidates the management of two or more single-block buildings without engaging any property management companies to achieve economies of scale. After overcoming the legal, contractual and technical challenges of adopting the JPM model in the past year, a tender exercise for the JPM service was conducted in March 2024. URA is assisting four buildings within the pilot area to jointly engage a single JPM service provider and benefit from property management service for the first time in the third quarter of 2024.

We have taken an integrated approach to holistically improve the existing built environment and highlight the local characteristics of the district. In addition to carrying out improvement works for the streets and the adjoining Tak Ku Ling Road Rest Garden, we have developed a cohesive place-making theme and design that highlights the Chiu-Thai characteristics and the history of the old Kai Tak Airport. This design aims to rejuvenate the building clusters and streetscape in the neighbourhood, including enhancing building façades and entrances, shop fronts, canopies, and signage. The URA will provide subsidies for mural paintings on the external walls of seven buildings that joined the Pilot Scheme. A total of 45 artists have been invited to submit proposals for murals that represent the local Chiu-Thai culture of the district. The first mural, featuring Thai culture, is scheduled to be completed in 2025. Following the approval of the design to revitalise Tak Ku Ling Road Rest Garden in 2023, site works will commence in late 2024. The experiences gained from the implementation of the Pilot Scheme encompassing rehabilitation, revitalisation, and the preservation of local cultures will assist the URA in developing targeted and holistic strategies for renewing local districts in the future.



Artist Impression

Under the District-based Building Rehabilitation Pilot Scheme in Kowloon City, a cohesive place-making theme highlighting the local Chiu-Thai characteristics and the history of old Kai Tak Airport will be incorporated in the mural paintings on the external walls of buildings and the revitalisation work of Tak Ku Ling Road Rest Garden.



Artist Impression

Building Rehabilitation Resource Centre (BRRC)

Commencing its operation in July 2023, the new BRRC located at the eResidence in Hung Hom is the first centre in Hong Kong to provide one-stop building rehabilitation information and assistance services. It is equipped with multimedia displays and digital technology designed to promote the importance of building rehabilitation to visitors in interactive ways. It also provides spaces for mediation of disputes related to building rehabilitation and offers support for building owners to apply for subsidy schemes through video consultation services. As of June 2024, the BRRC has received over 14,000 visitors since its opening.



Equipped with multimedia display and digital technology, the Building Rehabilitation Resource Centre provides one-stop building rehabilitation information to the public to enhance their awareness on proper building maintenance and capabilities to organise maintenance works.

Partnering with Local NGOs for Building Rehabilitation Promotion

URA has been partnering with local NGOs to visit needy buildings to promote building rehabilitation. During the period from November 2021 to April 2024, URA successfully conducted home visits and questionnaire surveys to more than 3,000 needy buildings to promote building rehabilitation; as well as setting up promotion street booths and organising tea gatherings and talks in seven urban ageing districts. 330 buildings were assisted in applying various building rehabilitation subsidy schemes, and 108 "three-nil" buildings (that are buildings which do not have owners' corporations nor any form of residents' organisations, and have not engaged property management companies) were referred to the District Offices of the Home Affairs Department to form owners' corporations. From the fourth quarter of 2024, the local promotion will be extended to all 18 districts.

For owners of "three-nil" buildings who wish to participate in the subsidy schemes but are ignorant of the legal threshold listed under their Deed of Mutual Covenant, URA will provide free legal advisory services to help them understand their eligibility.



URA staff introduces building rehabilitation schemes and information to owners and residents at a street booth in Kowloon City.

REDEVELOPMENT

URA embarked on a new page of redevelopment in the past year as the planning vision of restructuring the Yau Mong District Study area into a liveable, sustainable and vibrant metropolitan hub began to take shape with the commencement of Sai Yee Street/Flower Market Road Project (YTM-013).

By adopting the “planning-led” approach, URA continued to explore every opportunity to unlock development potential for achieving multiple planning and community gains such as enhanced connectivity and walkability with wider open spaces, and the re-provision of community facilities. Concurrently, we are moving forward with the Integrated Approach to rejuvenate the built environment through rehabilitation and revitalisation.

With the application of the innovative planning concepts such as “Single Site, Multiple Use” and “Vertical City”, land resources will be fully utilised which will in turn improve the financial viability of redevelopment projects and incentivise private developers to take part in urban renewal.



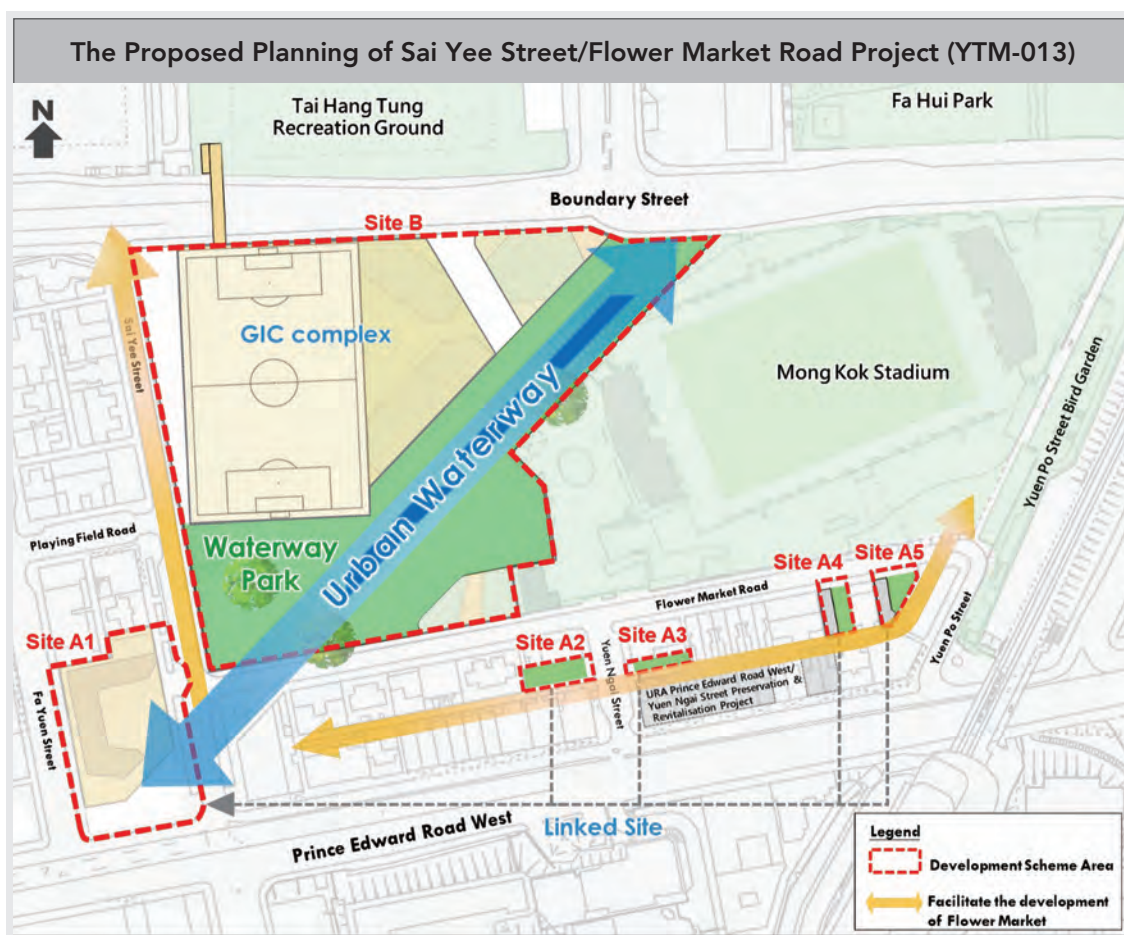
Project commenced in 2023/24

Sai Yee Street/Flower Market Road Project (YTM-013)

YTM-013 was commenced in March 2024 as the first phase of implementation of the Development Node of "Mong Kok East – Urban Waterway" in Yau Mong District Study (YMDS) with a view to addressing multiple local issues including aged recreational facilities with segregated functionality and spaces, the lack of cohesive leisure and resting spaces as well as traffic congestion in the Flower Market area.

To transform the area into a vibrant landmark in Mong Kok East, the URA optimises land uses in the project area through comprehensive restructuring and replanning, while enhancing the environment of the Flower Market area for future development under the integrated approach to urban renewal.

The project comprises two main sites: Site A is composed of one larger site and four smaller sites in the Flower Market vicinity involving buildings of 31 street numbers over 60 years, while Site B covers an area with multiple existing Government facilities and segregated leisure spaces such as Boundary Street Sports Centre No. 1 and No. 2, Boundary Street Recreation Ground, Sai Yee Street Children's Playground and Boundary Street Nursery.



Under the plan, the "Single Site, Multiple Use" model will be adopted in Site B for the diversified and mixed development with residential/retail/office/hotel, and a multi-purpose complex with the provisions of upgraded public facilities including recreation/sports facilities and underground public vehicle parking spaces to meet the community needs. The multi-purpose complex will also be the permanent location of Yau Tsim Mong District Health Centre in the future. In addition, segregated Government land in site B will be integrated where the Waterway Park with blue-green features and a flower viewing hotspot will be built for public enjoyment. It will serve as a connector for amalgamating and creating synergy among the proposed development, the Flower Market precinct and the nearby facilities to create a vibrant leisure and recreational hub.

OPERATING REVIEW

To tackle the problem of piecemeal sites with low redevelopment potentials, the URA will apply the transfer of plot ratio (TPR) concept as recommended in YMDS via a linked site approach to optimise land utilisation of Site A. To enhance street vitality and strengthen local characteristics, the URA will redevelop the four smaller sites in Site A, which are located between Prince Edward Road West and Yuen Ngai Street, into public open spaces with low-rise facilities for social gatherings and commercial activities after transferring their plot ratio to the larger site. Additionally, the back lane linking Flower Market Road and Yuen Ngai Street will be revitalised and transformed into the “Third Street” of the Flower Market, creating a new retail frontage for possible expansion of the local floral businesses.

The planning procedure for YTM-013 is underway. The draft Development Scheme Plan (DSP) has been submitted to the Town Planning Board (TPB) for consideration. The URA will accord to prevailing policies to prepare the issuance of acquisition offers and compensation to the affected owners and tenants of Site A after the approval of the DSP by the Chief Executive in Council (CE-in-C).

Progress of Ongoing Key Projects

Ming Lun Street/Ma Tau Kok Road Project (KC-018) and To Kwa Wan Road/Ma Tau Kok Road Project (KC-019)

The two projects were commenced in October 2022 under a holistic plan to restructure and replan the land uses of the area to improve the living environment and connectivity to the waterfront. KC-018 involves the redevelopment of old and dilapidated buildings covering 101 street numbers in the “Five Streets” area, while the adjoining KC-019 covers two industrial buildings. Under the plan, the “Five Streets” area, the two industrial buildings and the nearby underused streets will be incorporated to optimise land uses to improve the local streetscape, the overall living conditions, and the built environment in the old district.

To help realise the Government’s vision of enhancing the city’s harbourfront environment, the redevelopment will allow a 20-metre-wide setback from the waterfront to create a vibrant space for the waterfront promenade that will connect with a new housing estate under the Hong Kong Housing Society, the adjoining planned waterfront promenade and the Kai Tak Sports Park. This will form part of the continuous waterfront at Kowloon East to achieve the design objective of shaping a world-class harbourfront. In addition, an at-grade waterfront plaza of at least 25 metres wide will be created between the residential blocks and the commercial podium to enhance the visual appeal and walkability between the old districts and the waterfront promenade, while providing space for on-street dining and shops.

To enhance the accessibility to the Kai Tak Development Area, the buildings facing To Kwa Wan Road will be set back upon the completion of the projects to provide sufficient space for widening To Kwa Wan Road from four lanes to six.

Approvals of the draft DSPs of both projects by TPB and CE-in-C were obtained respectively in December 2023 and June 2024. For the industrial building redevelopment project of KC-019, the URA has reviewed the policies for acquiring property interests of the units to facilitate project implementation with the Board’s approval obtained in June 2024.



The two projects will create a waterfront plaza to enhance the walkability between To Kwa Wan Road and the waterfront promenade.

Nga Tsin Wai Road/Carpenter Road Project (KC-017) (synergising with Kai Tak Road/Sa Po Road Project (KC-015))

KC-017 was commenced in May 2022 with the objectives of redeveloping an aged urban district through holistic replanning and restructuring. The project includes a main site, a northern site and an eastern site, covering a total area of about 37,000 square metres. Adopting an integrated approach to urban renewal, the project is set to uplift the living environment and streetscapes to showcase the diverse local culture and dining atmosphere of Kowloon City.

Under the "Single Site, Multiple Use" model, the northern site situated at Carpenter Road Park (CRP) has been replanned to accommodate a new Joint-user Government Complex (JUC) for housing new community facilities as well as re-provisioning existing ones located in the Kowloon City Municipal Services Building and the adjoining Government buildings at the main site. The total Government, Institution or Community (G/IC) facilities floor area proposed in the project is approximately three times the size of the current area.

As the Government's works agent for the new JUC, the URA continued to take the lead in its design and implementation and is coordinating with relevant Government bureaux and departments to secure design and funding approvals for construction. To allow better integration of the new JUC with CRP, prior to JUC works commencement, the URA has planned to carry out revitalisation works at CRP in phases to improve the connectivity and modernise the existing park facilities while enabling the re-provision of the affected amenity facilities of LCSD. Advanced work at CRP was commenced in February 2024 upon receiving Kowloon City District Council's (KCDC) support and LCSD's approval on the schematic design.



URA team interviews shop operators in Nga Tsin Wai Road/Carpenter Road Project to understand their needs in relation to relocation during the interim period and/or return to business in future.

Acquisition offers were issued in April 2024 after obtaining CE-in-C's approval of the draft DSP. To preserve local characteristics, the URA conducted surveys and interviews with wet market stall operators as well as Chiu/Thai food store and restaurant owners in KC-017 to formulate decanting strategies for the affected operators. Special measures will be offered to cater for their relocation needs during the interim period. The URA also provides options for the operators to return to URA's commercial premises in the completed KC-015 and KC-017 redevelopments, achieving the project's overall planning objective of preserving the local characteristics with vibrant market activities and dining experience.

At the eastern site, which acts as a gateway to the Lung Shing area connecting the sunken plaza in the KC-015 Project and the new Kai Tak Development Area in future, a holistic integration with the adjoining built environment will be implemented. Urban renewal strategies including the revitalisation of Tak Ku Ling Road Rest Garden, streetscape improvements and façade beautification will be applied in the surrounding area to strengthen the local characteristics and enhance community facilities. (More details about the rehabilitation and revitalisation initiatives in the nearby focus area as noted on page 30 under the Kowloon City District-based Building Rehabilitation Pilot Scheme.)

OPERATING REVIEW

Queen's Road West/Kwai Heung Street Project (C&W-007) (synergising with Sung Hing Lane/Kwai Heung Street Project (C&W-005))

Commenced in December 2022, the C&W-007 Project involves the redevelopment of old buildings in poor conditions across 15 street numbers. With its proximity to the C&W-005 Project, the two projects are expected to create synergies and bring greater planning benefits for the community through the restructuring of land use, the re-shaping of urban green areas, and improved connectivity.

As a result of the holistic restructuring of the two project sites, the existing Sung Hing Lane Children's Playground area will be expanded by more than 40 percent with improved accessibility from major thoroughfares. Subject to approval from LCSD, the playground facilities will also be upgraded to modern standards to better serve the needs of the public.

Adopting an integrated approach to urban renewal, the URA will extend its effort to improve the surrounding built environment with rehabilitation and revitalisation initiatives. A focus area adjoining the two project sites has been identified. The URA will provide financial and technical assistance to the building owners in the focus area to improve their building conditions through rehabilitation works. Additionally, the URA will carry out beautification works to streets, rear lanes and external walls of buildings to create a cityscape that blends the old elements with the new upon regeneration.

The Secretary for Development (SDEV's) authorisation for the project was obtained in September 2023. An appeal against SDEV's decision was lodged. The decision of the Appeal Board dismissing the Appellants' appeal was handed down in May 2024.

Shantung Street/Thistle Street (YTM-012)

Adopting a "planning-led" urban renewal approach, YTM-012 aims to improve the environment of the old district through restructuring and replanning of the project area to open up the rest garden along Thistle Street, widen its pavement and carry out street improvement and garden beautification works, thereby enhancing connectivity and providing a comfortable pedestrian environment.



A small sunken plaza of about 200 square metres will be provided within the Shantung Street/Thistle Street Project area connecting the re-provisioned rest garden and shops to inject vitality into the community, while buildings will be set back along Thistle Street to widen its pavement.

As of May 2024, vacant possession has been obtained from over 92 percent of occupiers in the project. Site clearance is targeted to be completed by the fourth quarter of 2024, followed by a joint venture tender invitation.

Given its proximity to the Reclamation Street/Shantung Street Project (YTM-010), the Integrated Approach incorporating the "4Rs" urban renewal strategies will be used to enhance its renewal effect. A cluster of Nano-Parks near Shantung Street has been identified for the pilot implementation of the Nano-Parks open space system with support from LCSD. (More details on the Nano-Parks system as noted on page 27 under Yau Mong District Study.)

Kim Shin Lane/Fuk Wa Street Project (SSP-017) and Cheung Wah Street/Cheung Sha Wan Road Project (SSP-018)

Commenced in 2021, the two projects aim to increase public open space and provide public facilities, and redevelop existing dilapidated buildings into modern residential developments with podium commercial/retail spaces, in addition to replanning and restructuring the under-utilised and sub-standard Government facilities and lands to release development potential.

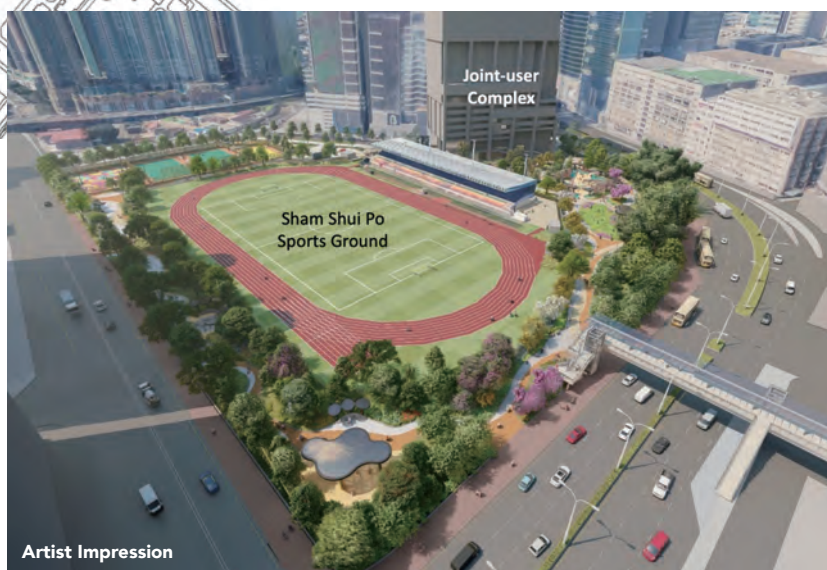
SSP-017 comprises 101 building blocks that are over 50 years old. The congested living environment, with many sub-divided units, demands imminent redevelopment. In April 2023, URA issued acquisition offers for SSP-017, and as of the end of May 2024, over 90 percent of acceptance offers had been received. An application to the Government for the resumption of land was submitted in June 2023.

SSP-018 is composed of two sites. Site A mainly involves Government land occupied by the existing Cheung Sha Wan Sports Centre and a private lot granted to CLP Power for an electricity substation. Site B comprises wholly Government land requiring no acquisition. Site A will be optimised for residential use to increase the housing supply, representing the first project where the Government provides financial support through the provision of land resources to facilitate redevelopment. Site B will be replanned to provide a new JUC with increased community facilities, including the re-provisioning of the existing sports centre at Site A under the concept of "Single Site, Multiple Use". The total G/IC facilities floor area proposed in the project is approximately 33 times the size of the current area.

The DSP of SSP-018 was approved by CE-in-C in February 2023. Application to the Government for resumption of the only one interest being used as an electricity sub-station was submitted in January 2024.



Apart from building a Joint-user Government Complex at Site B of Cheung Wah Street/Cheung Sha Wan Road Project, URA will also undertake revitalisation and improvement works for the adjacent open space to provide more greenery area and upgraded children's play equipment, while enhancing the pedestrian paths and accessibility of the park with more entrances.

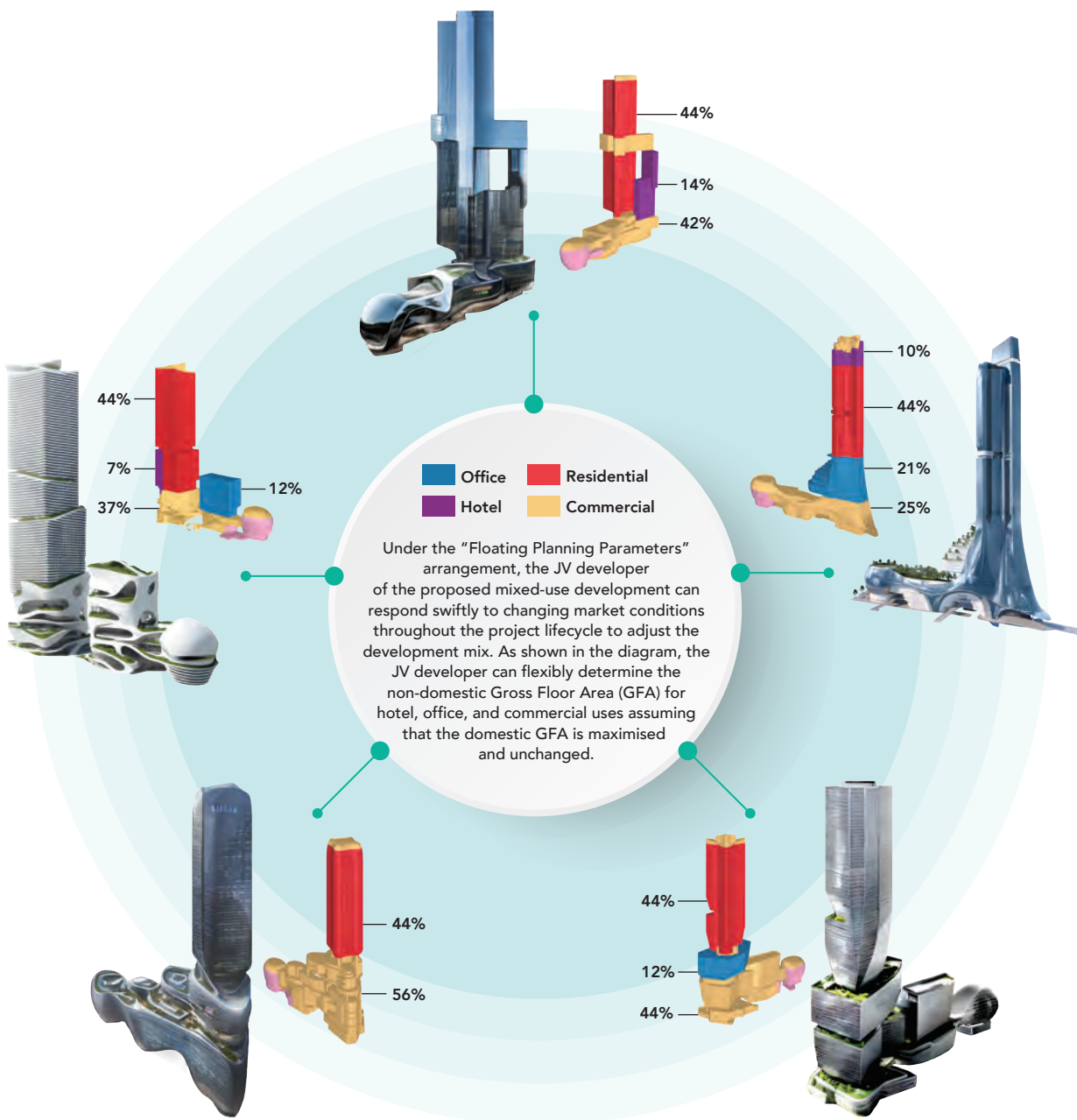


Artist Impression

Development Areas (DAs) 4 and 5 at Kwun Tong Town Centre (K7)

Covering a total site area of 53,500 square metres, the K7 Project is the largest-ever and most complex redevelopment project undertaken by the URA. The project is divided into five development areas (DAs) for implementation in phases. The redevelopment of DA 1 at Yuet Wah Street (Park Metropolitan) was completed in July 2014. Redevelopment of DAs 2 and 3, which comprises four residential towers (Grand Central), the Yue Man Square shopping mall and Hong Kong’s first public transport interchange with an indoor air-conditioned bus waiting area, was completed in April 2021.

Following the issuance of tender invitations for DAs 4 and 5 in November 2022, the URA rejected the tender submission received in February 2023 due to unfavourable market conditions. To enhance the attractiveness of the joint venture (JV) tender and reinforce K7’s positioning as the “town centre”, the URA has integrated the “vertical city” planning concept into the development of DAs 4 and 5, along with the proposal to repackage it from a purely commercial to a mixed-use development by introducing domestic use. To better accommodate fluctuating market conditions, the proposed development provides tenderers with the flexibility to adjust the development mix among residential and non-residential uses under the “Floating Planning Parameters” arrangement without the need to obtain additional planning approval.



The URA prepared a proposal to amend the zoning of DAs 4 and 5 for the Planning Department's submission to TPB in September 2023, which was approved in April 2024 by the TPB. The land grant approval is expected to be obtained in the second half of 2024. To ensure a comprehensive understanding of the project scope and planning flexibility before tendering out, the URA has launched a series of roadshows for local and overseas potential investors/developers to generate market interest. During the interim period in which the planning procedures were carried out, the URA obtained approvals from relevant Government departments in the second quarter of 2023 for the temporary and short-term uses of the Government land in DAs 4 and 5 as a "Free Space" to serve the local community. Recreational facilities including children's playground and ballcourts have been set up since December 2023 for public enjoyment.

Over the past year, a variety of events such as Christmas Carnival, Chinese New Year Night Market and Poon Choi Feast among other activities, have been organised in collaboration with local community organisations and Kwun Tong Home Affairs Department, attracting over 1.3 million participants/visitors to the "Free Space". Additionally, the URA has opened up a public passageway connecting Yue Man Square and Kwun Tong Road to enhance pedestrian walkability. Apart from enriching the passageway with colourful design, the URA also collaborated with local artists to create and showcase a large-scale art installation that symbolised the historical coastline and evolution of Kwun Tong, injecting creativity and vibrancy into the city centre.

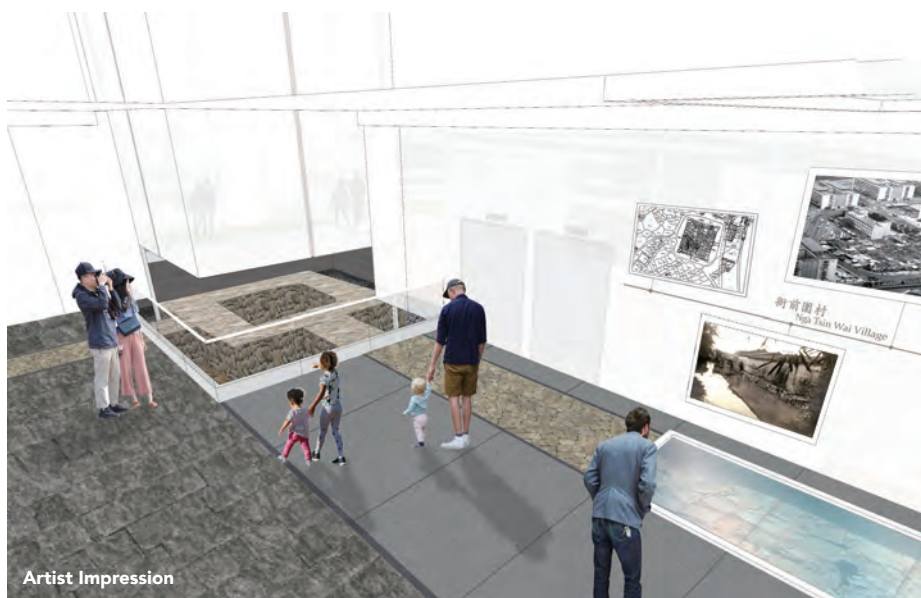


During the course of undertaking relevant planning procedures for K7, URA has transformed the development sites of DAs 4 and 5 along with some Government land into "Free Space" where a series of community events were held for public enjoyment. URA has also provided children's play equipment and large-scale art installation, as well as opened up pedestrian passageways for enhancing accessibility in the town centre.

OPERATING REVIEW

Nga Tsin Wai Village (K1)

K1 is being implemented as a redevelopment-cum-preservation project to preserve the relics found in Nga Tsin Wai Village. A conservation park will be provided at the centre of the site to showcase the preserved archaeological elements. The land grant was executed by the URA and LandsD in June 2023. The archaeological rescue excavation works commenced in October 2023 and were expected to complete in 2025.



Artist Impression

The "Interpretation Corridor" inside the Conservation Park will feature the watch tower foundation remains, display panels and interactive technologies to enhance the public's understanding of the history and evolution of Nga Tsin Wai Village.

Civil Servants' Co-operative Building Society (CBS) Projects

Two pilot projects to redevelop CBS buildings, namely Shing Tak Street/Ma Tau Chung Road Project (CBS-1:KC) and Kau Pui Lung Road/Chi Kiang Street Project (CBS-2:KC), were commenced in May 2020. Site clearance for CBS-1:KC was completed in March 2023 and the JV tender was awarded in December 2023. Demolition works were completed in March 2024 and the JV developer has taken over the site to commence the next phase of works.

For CBS-2:KC, the URA submitted a planning proposal with revised DSP to include the provision of 950 Starter Homes units (among the 2,300 flat units produced within the project) to support the Government's efforts in providing more subsidised sales flats. The project will also provide at least 400 square metres of at-grade open space for public use, an underground public vehicle park, as well as G/IC facilities to serve the community. CE-in-C approved the revised DSP in February 2024.

There were a total of nine undissolved CBSs at the time of the CBS-2:KC project commencement. The URA has offered free legal and administrative support to facilitate the dissolution of these undissolved CBSs. As of June 2024, seven of the nine CBSs have been dissolved while a cancellation order for one CBS was issued. The remaining CBS's application for dissolution is being processed by the Government.

Responding to Redevelopment Request from Owners

Owners Opinion Survey

In 2021/22, a new approach to the Demand-led concept was explored under the Preliminary Project Feasibility Study for Sai Wan Ho through conducting an opinion survey with owners in the study area to solicit their views on urban renewal initiatives covering redevelopment, rehabilitation and retrofitting. The outcomes of the survey were used by the URA to guide the formulation of the Master Renewal Plan for the study area. A similar approach is being undertaken in the District Studies for Sham Shui Po and Tsuen Wan, forming one of the modes of consultation in the study process. (More details about the two district studies as noted on page 28 under District Studies.)

Facilitating Service (FS) Scheme

Launched in 2011 by the Urban Redevelopment Facilitating Services Company Limited (URFSL), a wholly-owned subsidiary of the URA, the Joint Sale (JS) Service aims to help property owners of a building jointly sell their properties to private developers for redevelopment by rendering assistance in procuring and managing property valuations and legal services, as well as facilitating the tendering or auctioning process.

In 2023/24, three JS applications were received. One application from an estate in Kowloon City was accepted by the URA's Facilitating Service Panel (FSP) after careful assessment, and the owners are considering pursuing joint-sale of their properties under the FS Scheme. The other two applications were turned down by FSP as they failed the financial viability or building condition tests.

In anticipation of a reduction of the compulsory sale application threshold upon the passage of the Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 ("the Amendment Bill") by the Legislative Council, the URFSL is planning to implement various measures to enhance the JS Service under the FS Scheme. These include lowering the "basic threshold requirement" for applying for JS Services from 50 percent of the total undivided shares of a lot to 40 percent, as well as lowering the "joint sale threshold requirement" for triggering JS services to align with the reduced compulsory sale application thresholds under the Amendment Bill. In addition, URFSL will explore the feasibility to include lots adjoining the applicant building in a joint-sale when this can increase the redevelopment's financial viability.

Apart from offering free facilitating services to members of undissolved CBSs affected by URA's projects to help them obtain legal titles for their flats through the dissolution of their CBSs, the URFSL also facilitates the redevelopment of under-utilised sites occupied by non-governmental organisations (NGOs) under the "Single Site, Multiple Use" model. (More elaboration as noted on page 43 under the "Single Site, Multiple Use" Facilitation Scheme.)

Flat-for-Flat (FFF) Arrangement

Since its introduction in 2011, FFF arrangement has been offered to affected owners in 31 redevelopment projects¹. Domestic owner-occupiers affected by these projects were offered an additional option to purchase in-situ FFF units in the respective redevelopment sites, FFF units in selected nearby URA development projects, or FFF units in the completed URA's self-developed Kai Tak Development. As of May 2024, a total of 52 owners have taken up the FFF offers, involving 44 units in the Kai Tak Development and eight in-situ units.

¹ Nine of the projects were under the Demand-led Pilot Scheme.

Policy Address Initiatives

Support Service Centre for Minority Owners under Compulsory Sale (SMOCS)

To speed up the redevelopment of old and dilapidated buildings by private sectors, the Government tabled the Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 to the Legislative Council in December 2023 with suggestions to lower the compulsory sale application thresholds and streamline the legal process of compulsory sale regime. The Bill was passed in July 2024 and is expected to be effective at the end of 2024. SMOCS, a wholly-owned subsidiary of the URA, has been incorporated in June 2024 as the executive arm of the Dedicated Office of Support Services for Minority Owners under Compulsory Sale (DOSS) under DEVB to deliver enhanced one-stop support services to minority owners who are subject to compulsory sale applications.

The services will include educational programmes, subsidised mediation, provision of independent third-party property valuation reports at a concessionary cost, as well as referrals to professional services to handle compulsory sale litigation, counselling services and relocation assistance.



The Secretary for Development Bernadette Linn (centre), URA's Chairman Chow Chung-kong (right) and Managing Director Wai Chi-sing (left) officiate at the opening ceremony of the Support Service Centre for Minority Owners under Compulsory Sale.

Provision of Starter Homes (SH)

The 2020 Policy Address entrusted the URA with a new mission to actively provide more SH units in its redevelopment projects, following the success of eResidence Towers 1 and 2. In response, the URA designated a project at Chun Tin Street/Sung Chi Street as eResidence Tower 3. Of the 260 SH units of eResidence Tower 3, 173 (67 percent of the units) were sold at discounted prices to eligible first-time home buyers in March 2024. The URA will roll out the remaining SH units later after seeking approval from the URA Board and discussing with the Government on the sales arrangements.



Interested home buyers visit the show flats and view the building models of eResidence Tower 3.

In collaboration with the Hong Kong Settlers Housing Corporation Limited (HKSHCL), the URA will provide another 2,000 SH units in the redevelopment of Tai Hang Sai Estate, in addition to the 950 SH units supplied by the CBS-2:KC project at Kau Pui Lung Road/Chi Kiang Street.

Redevelopment of Tai Hang Sai Estate (THSE)

Following the Chief Executive's 2020 Policy Address, the HKSHCL and URA signed a Memorandum of Understanding in March 2021 to take forward the redevelopment of THSE. In September 2021, the Government approved the joint redevelopment proposal of HKSHCL and URA on the condition that HKSHCL provides proper rehousing arrangements for existing tenants. The redevelopment of THSE is being implemented in two portions, namely Sites 1 and 2, which will respectively provide rehousing units for the existing residents and SH units to be disposed of by the URA. The URA and the HKSHCL signed a "Project Implementation Agreement" in May 2023.

In June 2023, HKSHCL issued rehousing/compensation offers to existing THSE tenants. As at June 2024, over 98 percent of the tenants have moved out. Demolition works will commence after site clearance scheduled for early 2025. LandsD is currently processing the land grant application. A planning submission is being prepared to accommodate changes in development parameters due to the adoption of Modular Integrated Construction. The THSE Project will take approximately five years to complete after demolition.

Assisting Non-Governmental Organisations (NGOs) in Developing Transitional Housing (TH)

In response to the Government's invitation in the 2019 Policy Address to assist NGOs in developing TH units, the URA collaborated with Yan Oi Tong (YOT) to provide 410 units in the Yan Oi House project located in Hung Shui Kiu. The project adopted the Modular Integrated Construction method with special designs to optimise natural lighting and ventilation. The project was completed and handed over to YOT in the second quarter of 2023.

"Single Site, Multiple Use" Facilitation Scheme

Following the Government's invitation in the 2019 Policy Address, the URA introduced the "Single Site, Multiple Use" (SSMU) Facilitation Scheme to provide consultancy and facilitating services to Non-governmental Organisations (NGOs), with a view to helping NGOs optimise the potential of their sites through redevelopment initiatives under the "SSMU" model.

From 2021 to May 2024, 29 NGOs made inquiries about the Facilitation Scheme and five applications were received. The outcomes of these five applications are as follows:

Outcomes/Status of Assessments	Reasons for Decision	No. of Application(s)	Location of Application Site
Rejected	Did not meet eligibility criteria	2	Yuen Long Sha Tin
No-go for the time being	Infeasible upon assessment	2	Tuen Mun Sham Shui Po
Ongoing	To be confirmed	1	Yau Ma Tei



REHABILITATION AND RETROFITTING

Buildings in Hong Kong, mainly constructed with reinforced concrete, can have a lifespan of over 100 years if they undergo proper maintenance. In the fight against urban decay, rehabilitation plays a crucial role in extending the service life of buildings, thereby reducing the pressures for redevelopment.

In the past year, the URA has placed great emphasis on promoting preventive maintenance. Apart from administering various subsidy schemes for the Government, URA also funded and introduced the new Preventive Maintenance Subsidy Scheme that encourages owners to establish maintenance and financial plans for upkeeping their buildings on a periodic basis.

On the technical support front, we have begun trialling the adoption of a set of guidelines and templates for preparing maintenance manuals among Owners' Corporations (OCs) and building management professionals, in addition to providing a variety of building rehabilitation knowledge, cost references and sample tender documents on our online Building Rehabilitation Platform and at our Building Rehabilitation Resource Centre.

Building Rehabilitation Subsidy Schemes

Since 2018, the Government has allocated significant funding to subsidise eligible owners to carry out inspection and repair for the common parts of old buildings. The URA has been entrusted by the Government to manage such subsidies, including Operation Building Bright 2.0 (OBB 2.0), Building Drainage System Repair Subsidy Scheme (DRS), Fire Safety Improvement Works Subsidy Scheme (FSWS) and Lift Modernisation Subsidy Scheme (LIMSS) among other schemes. Being the sole organisation to manage a public rehabilitation fund involving HK\$19 billion, the URA is responsible for promoting the subsidy schemes to attract applicants, verifying their eligibility, monitoring their application, tender and work progress, and providing technical support, in addition to calculating and releasing subsidy funds to applicants who have completed the rehabilitation works.

Riding on the success of the first and second rounds of OBB 2.0 and FSWS, and estimating that there are still funds available, upon the liaison with the government, URA launched the third round of applications from April to September 2023, receiving good responses with about 1,600 applications for each scheme. Initial eligibility checks and prioritisation assessment for the third round were completed in December 2023. Upon the endorsement of the priority list by the two Steering Committees, notification letters were released to all eligible owners in the first quarter of 2024. Approvals-in-principle (AIPs) were released progressively for eligible applicants in May 2024.

Various support measures have been introduced to expedite the inspection and repair works for the third round of OBB 2.0 applicants. Apart from equipping building owners with pre-qualified lists of consultants and contractors for inviting tenders, the URA takes the initiative to invite consultancy tenders on behalf of the owners if owners fail to meet particular pre-defined milestones. In addition, the URA provides guidelines for tender assessments and sets up progress milestones according to the scale of the applicants' buildings to assist them in proceeding with the rehabilitation works.

The URA also provides and manages its own subsidy schemes to supplement the Government schemes and cover rehabilitation work items that fall outside the scope of the Government programmes. Launched on 1 April 2024, the Preventive Maintenance Subsidy Scheme (PMSS) aims to incentivise building owners to prepare a building maintenance manual, which includes a maintenance schedule for the next 10 years alongside a financial reserve for related expenses. Promotion letters were sent to OCs of recently repaired buildings and related stakeholders. Eligible applications will be assessed and prioritised quarterly with AIPs issued to the successful applicants.

As the works of building inspection and common drainage system maintenance have been covered by OBB 2.0, the URA ceased to accept new applications for the Mandatory Building Subsidy Scheme (MBISS) and Building Drainage System Repair Subsidy Scheme (DRS) in the past year to avoid duplication of efforts.



Scheme Objectives

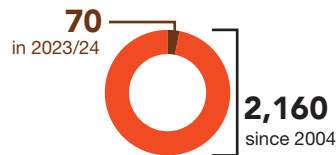
- 1 To promote a new culture of preventive maintenance among owners
- 2 To encourage periodic maintenance of buildings to upkeep their conditions and slow down deterioration
- 3 To motivate owners to establish periodic maintenance plans and financial reserves for related repair expenses

Progress of Various Building Rehabilitation Subsidy Schemes (up to 30 June 2024)

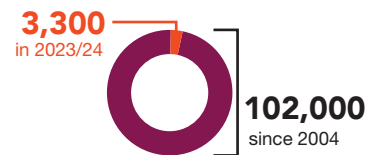


IBRAS
Integrated Building Rehabilitation Assistance Scheme

Building blocks rehabilitated



Units rehabilitated



IBRAS cases in progress: **7,840** (8,260 building blocks)

Managing Government-funded Subsidies



OBB 2.0

Operation Building Bright (OBB) 2.0

43%
(1,327 AIPs issued)



Buildings with repair / improvement works completed

Cat. 1 146
Cat. 2 537

FSWS

Fire Safety Improvement Works Subsidy Scheme

67%
(3,000 AIPs issued)



119 Buildings with improvement works completed

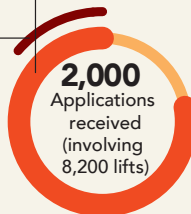


LIMSS

Lift Modernisation Subsidy Scheme

78%
(1,575 AIPs issued involving 5,055 lifts)

368 Applications with work completed (involving 835 lifts)



DRS

Building Drainage System Repair Subsidy Scheme

56%
(1,410 AIPs issued)



1,180 Applications with investigation works commenced

1,470 Category 2 buildings with investigation or repair works commenced



BMGSNO

Building Maintenance Grant Scheme for Needy Owners

57%
(14,300 AIPs granted)



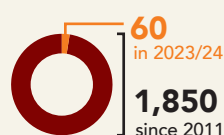
Funding and Managing URA's Own Subsidy Schemes



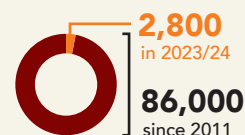
CAS

Common Area Repair Works Subsidy Scheme

Building blocks rehabilitated



Units rehabilitated



2,900 building blocks
Common area repair works in progress

MBISS

Mandatory Building Inspection Subsidy Scheme

Completed inspections since 2012

470 building blocks (19,000 units)

Equipping Owners with Professional Assistance and Technical Knowledge

Smart Tender Building Rehabilitation Facilitating Services Scheme (Smart Tender) and E-Tendering Platform

Launched in 2016, Smart Tender enables building owners to invite tenders for consultancy services and works contracts on an innovative online platform with an aim of minimising risks of collusion and corruption that have long been associated with building rehabilitation works. Smart Tender also covers a suite of independent and professional services during the procurement process, which include rendering pre-tender estimates and tender collection services to OCs, as well as offering a Certified Public Accountant to administer and record the whole tender openings process.

A nominal fee is charged for using the Smart Tender service. Since its launch, around 3,350 valid applications of Smart Tender have been received, among which 3,250 successful applicants have benefitted from the services.

Apart from Smart Tender, the URA also launched the free-of-charge Open E-Tendering platform in 2021 to enable OCs and/or Deeds of Mutual Covenant (DMC) managers to invite tenders online without joining Smart Tender.

Enrichment of Building Rehabilitation Platform (BRP)

Launched in 2019, the BRP at <https://www.brplatform.org.hk> is a comprehensive information hub designed to support building rehabilitation efforts. Since its inception, it has garnered over 1.8 million hits, serving as a testament to its usefulness and popularity. The platform provides building owners and stakeholders with a wide range of information and support services, which include a guidebook detailing the rehabilitation process, approximately 70 sets of tutorial videos available in three languages, and 18 sets of sample tender documents to facilitate the procurement of consultants and contractors. Additionally, the BRP features a cost reference centre that lists the unit rates for common work costs, offering a valuable reference for building owners.

In pursuit of continuous improvement, an online survey targeting individual users was conducted to collect feedback for laying the groundwork for a thorough revamp of the BRP website. The work of analysis of approximately 6,000 responses is currently underway. The results will be used for the development of an enhancement proposal for the BRP website.

Building Rehabilitation Company Registration Scheme (BRCRS)

BRCRS, which has been progressively rolling out in phases since 2021, encompasses distinct databases of consultants and contractors who are interested in providing building rehabilitation works and have their management systems independently assessed by the Hong Kong Quality Assurance Agency (HKQAA). To be registered in the scheme, consultants and contractors must submit an application to authenticate their basic building rehabilitation qualification. The evaluation results of the companies' management systems by the HKQAA will be displayed in the database. The databases for Authorised Persons/Registered Inspectors and Registered General Building Contractors were released in 2022. The application for the Registered Minor Works Contractors (Class I) and Registered Fire Service Installation Contractors (Classes 1 and 2) are scheduled in the fourth quarter of 2024, and the information of the first batch of successful registered companies will be published in the database by the end of first quarter 2025.

Retrofitting Projects

Ex-Mong Kok Market Building (Ex-MKM)

The URA initiated the retrofitting of Ex-MKM into an interim District Health Centre (DHC) to be managed by the Health Bureau. The project began in March 2023, with an anticipated completion in early 2025. The interim DHC is expected to remain operational until the completion of the permanent DHC located at the Joint-user Complex planned under YTM-013 Project adopting the "Single Site, Multiple Use" model.

PRESERVATION AND REVITALISATION

The URA is committed to preserving and revitalising buildings, sites and structures with historical, cultural, or architectural values, particularly when they are located within or adjacent to URA's project areas under the Integrated Approach to urban renewal.

In order to support the sustainable development of the renovated districts, we have implemented place-making and community making programmes. These initiatives aim to rejuvenate and bolster the environmental, economic, and social aspects of the area, while also enhancing the local characteristics by beautifying streetscapes, including building façades and pedestrian walkways.

Our efforts to preserve heritage buildings extend beyond simply maintaining their original structures. In order to breathe new life into these sites, we repurpose them for new social functions and initiatives while preserving their historical and cultural elements. This transformation has successfully turned these historic sites into distinct and welcoming gathering places for everyone.



Community Making at Staunton Street/Shing Wong Street Neighbourhood (With 88-90 Staunton Street as Grade II Historic Building)

To promote sustainable community development, the URA is committed to regenerating the Staunton Street/Shing Wong Street neighbourhood by implementing preservation and revitalisation strategies, as well as pursuing community making initiatives to leverage local community resources to achieve “renewal by the district and for the district”.

Following the completion of revitalisation works of URA’s acquired buildings in the neighbourhood in February 2023 and the appointment of co-living operator in late 2023, the 38 domestic units in the revitalised buildings which have been put to adaptive reuses as co-living spaces under the name “Habyt Bridges”, were opened in 2024.

Working towards the visions of community development suggested in the Community Making Study, in the past year the URA continued to carry out place-making and community engagement activities in the area including community farms, workshops and an exhibition named “Tong Lau Experience” displaying the living environment of old tenement buildings. In September 2023, residents and community stakeholders were invited to gather in the neighbourhood with colourful lanterns decorations and celebrate the Mid-Autumn Festival together. The community making process will move forward with the community visions converged from existing neighbourhood, injecting impetus from new community members including both the operator and the residents.



The new co-living spaces, which were originally domestic units in the old tenement buildings in Staunton Street/Shing Wong Street neighbourhood, are opened for leasing after renovation and revitalisation.



(Left) Community members and stakeholders celebrate the Mid-Autumn Festival in the neighbourhood decorated with colourful lanterns.

(Above) “Tong Lau Experience” features the original layout of old tenement units and an exhibition of vintage furnishings, providing visitors with an immersive experience of the nostalgic charm of the past.

To reinforce the neighbourhood’s distinctive character, artistic elements such as artists’ murals commissioned by the URA have been woven into the built environment. The URA will keep on promoting rehabilitation to building owners in the area and explore opportunities for the creation of artists’ murals with a view to fostering greater synergy with the neighbourhood.

The project was honoured with the Hong Kong Institute of Planners (HKIP) Awards 2023: Silver Award.

OPERATING REVIEW

Central Market (Grade III Historic Building)

Since officially opening to the public in April 2022, Central Market has established itself as a new landmark, attracting a record number of visitors exceeding 40 million. By May 2024, approximately 2,000 events and workshops have been conducted, covering a broad spectrum of themes including intergenerational engagement, education, innovation, social inclusion, environmental awareness, as well as art and culture. To acknowledge its exceptional contribution to creating a sustainable built environment, the project was honoured with the Grand Award in the Existing Building Category for Completed Commercial Projects of the Green Building Award 2023.



(Left) Central Market has become a popular place for hosting various cultural and promotion events, attracting over 40 million visitors since its opening in 2022. (Right) One of the highlights in Central Market – to experience the old market ambience at its preserved fish stall.

Western Market (Declared Monument)

In 2021, the Government granted a 5-year “hold-over” of the land lease for the URA to undertake repair and renovation works of Western Market. To prepare for the revitalisation of Western Market, a consultant was appointed in June 2023 to carry out a comprehensive condition survey of the building and to develop conservation proposals for consultation with the Antiquities and Monuments Office. The repair and renovation works are anticipated to commence in 2025.

M7 (Grade II Historic Buildings)

Positioned as a place where “Culture Meets Community”, this preserved heritage at Mallory Street, Wan Chai, has launched a series of promotional and community outreach programmes since early 2022 to infuse the community with artistic and cultural features, including heritage workshops on the exchanges between new and old generations and other festive programmes. In May 2024, M7 became the new landmark of Hong Kong literature and art with the opening of the Museum of Hong Kong Literature. Celebrated by the opening exhibition “Seek Richness of Literature amidst Flowers” held from May 2024 onwards, the museum has attracted many visitors from local and overseas alike. The museum will continue to host a variety of exhibitions, literary salons and writing workshops to foster the inheritance and development of Hong Kong literature.



The opening of the Museum of Hong Kong Literature enhances the importance of M7 as a cultural and creative space in the district.

618 Shanghai Street (Grade II Historic Buildings)

Since opening in November 2019, 618 Shanghai Street has become a heritage and cultural destination featuring community, innovation and creativity. All shops were leased to restaurants and retail operators, aiming to accentuate the unique historical character of the area and the preserved building cluster while serving the needs of the local community. Cultural activities and a series of market programmes were held to engage the community. 618 Shanghai Street will continue to support the younger generation in their creative endeavours and also in the appreciation of local heritage among their peers and social networks.



With exhibitions, cultural events and workshops taking place at 618 Shanghai Street, the revitalised heritage building has become a popular gathering place for the young generation and families.

Mong Kok Streetscape Improvement

The URA worked with relevant Government departments to enhance the local streetscape, ambience and attractiveness of five themed streets in Mong Kok, which include sections of Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street. All improvement works were completed and taken up by the concerned Government departments in January 2024.

Place-making Initiatives

The URA placed strong efforts in pursuing place-making initiatives in three of its completed projects located within the same locality in the Central and Western District, namely The Center (H6 CONET), the Peel Street/ Graham Street Project (H18) and Central Market forming a "community triangle" under the "CONET"² concept. From January to February 2024, more than 80 tenants participated in the "Graham Vibrancy Market" programme, attracting over 500 participants to join the workshops, busking and closing ceremony with a distribution of 1,600 souvenirs.

At Tung Chau Street/Kweilin Street Project (DL-5), the URA has provided spaces to set up the Sham Shui Po Fashion and Design Hub operated by the Hong Kong Design Centre for nurturing young designers, fashion designers and start-ups, as well as for boosting the local economy and honouring the district local characteristics.



Located at the commercial space of Tung Chau Street/Kweilin Street Project in Sham Shui Po, the Design and Fashion Base aims to nurture young designers and startups while fostering tourism development to bring vitality to the local economy.

² The name "CONET" stands for Community, Open space and NETWORK.

CORPORATE SUSTAINABILITY

Sustainability and Environment, Social and Governance (ESG) matters are embedded in URA's core businesses and daily operations, covering Redevelopment, Rehabilitation, Preservation, Revitalisation and Retrofitting.

In the past year, we have made considerable progress in the sustainability and ESG initiatives, creating profound impacts that ripple through communities and generations.

The Urban Renewal Sustainability Framework has been implemented across URA's projects to assess their sustainability performance. Consisting of five domains, namely, Economy, Environment, Society, Process and People, the framework "measures" the differences in sustainability before and after URA's intervention. The improvements brought by URA's intervention reflect our performance. The first-round results of these assessments will be published in our upcoming Annual Sustainability Report.

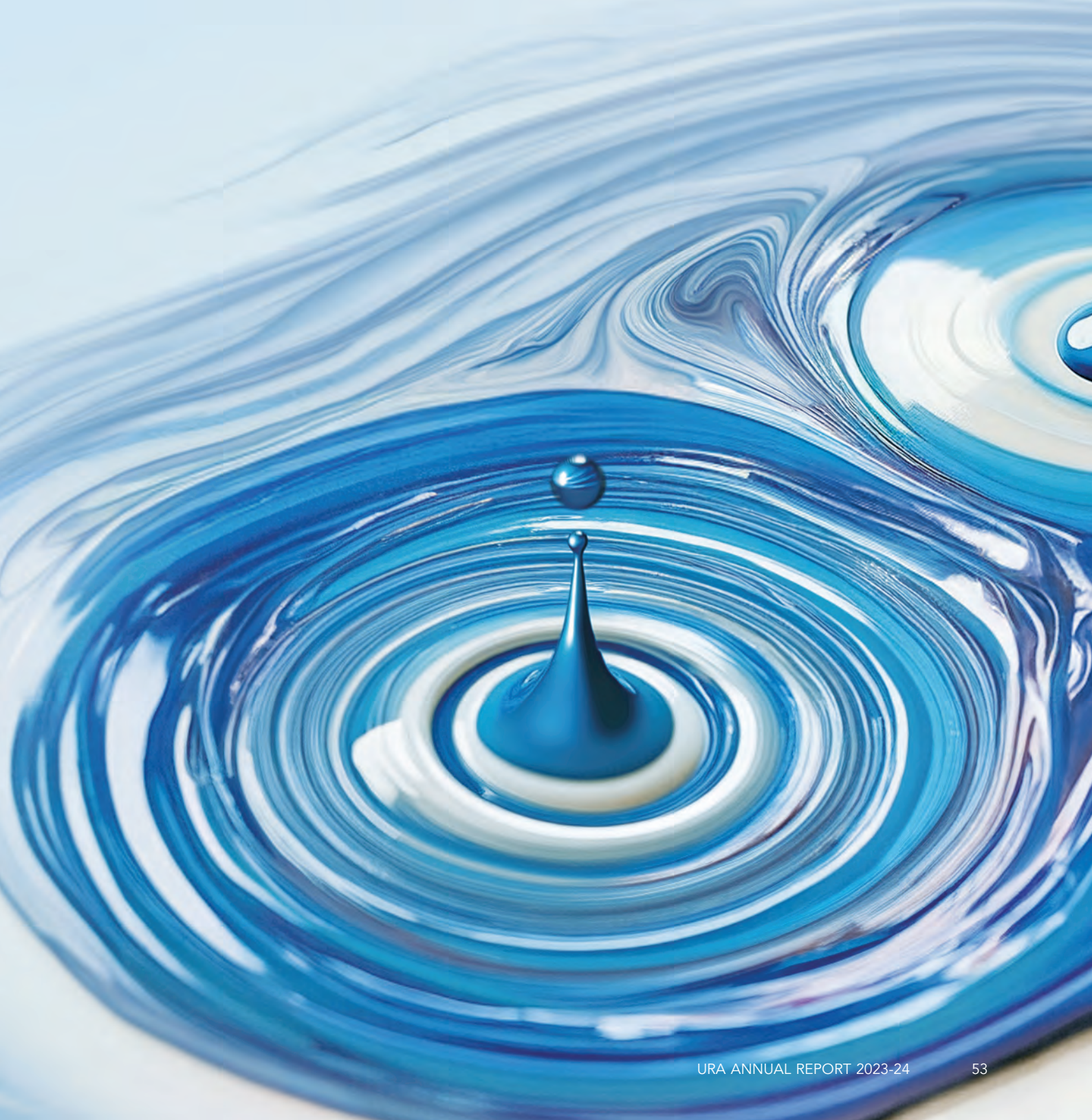
In response to the Government's target to achieve carbon neutrality by 2050, the carbon neutrality study for URA has established the baseline and boundary of its carbon emissions. The URA is drawing up a roadmap for carbon neutrality with short-term, medium-term and long-term emission reduction targets and implementation plans in our operations and 5Rs business activities.

While it is not mandatory for the URA, as a public organisation, to publish a sustainability report, we took the initiative to follow the Global Reporting Initiative (GRI) Standards to prepare future sustainability reports, in order to enhance URA's sustainability reporting standard and showcase our sustainability achievements.

URA's first Annual Sustainability Report for 2023/24, which is expected at the end of 2024, will cover key topics, including governance and business conduct, corporate financial sustainability, diversity, employee health and well-being, responsible procurement, community development, carbon footprint, construction site safety and the sustainability framework.

In 2023/24, we showcase our sustainability outcomes through seven highlight topics covering all URA operations, including planning, acquisition and clearance, building design, construction, property management, rehabilitation and corporate communications.

In the coming year, the URA will further strengthen our ESG governance to underscore our commitment to sustainability. We will also establish our Sustainable Finance Framework and commence the development of our Green Projects and Social Projects Inventories by referencing international standards, including principles set up by the International Capital Market Association and the Loan Market Association.



Highlight 1



Urban Planning for Sustainability



Sustainability in urban renewal and planning extends beyond just energy savings. While generating economic improvement and social benefits for the local community is crucial, it is equally important to address stakeholders’ views and concerns during the planning and design process. The impact on individual homeowners and business operators needs to be taken into account as well. To address these factors, the URA has developed a Sustainability Framework for measuring the sustainability performance of our urban renewal projects under five Sustainability Pillars: Economy, Environment, Society, Process and People.

ECONOMY

In this domain, we examine whether our urban renewal projects can stimulate economic growth in the local community and evaluate their impacts on property values, business operations and employment opportunities. Additionally, the preservation of the distinctive local characteristics that contributes to the vibrancy of the area and prosperity of the local economy are taken into consideration.

ENVIRONMENT

In the planning of URA projects, we focus on microclimate resilience, risk reduction, resource efficiency and environmental quality. A key strategy that we employ is to promote walking as an environmentally-friendly mode of transportation through the strategic planning of pedestrian-friendly infrastructure, including pedestrian routing and the use of wider pavements, footbridges, and subways. Public open spaces are also proposed to improve urban microclimate conditions and combat the urban heat island effect.

SOCIETY

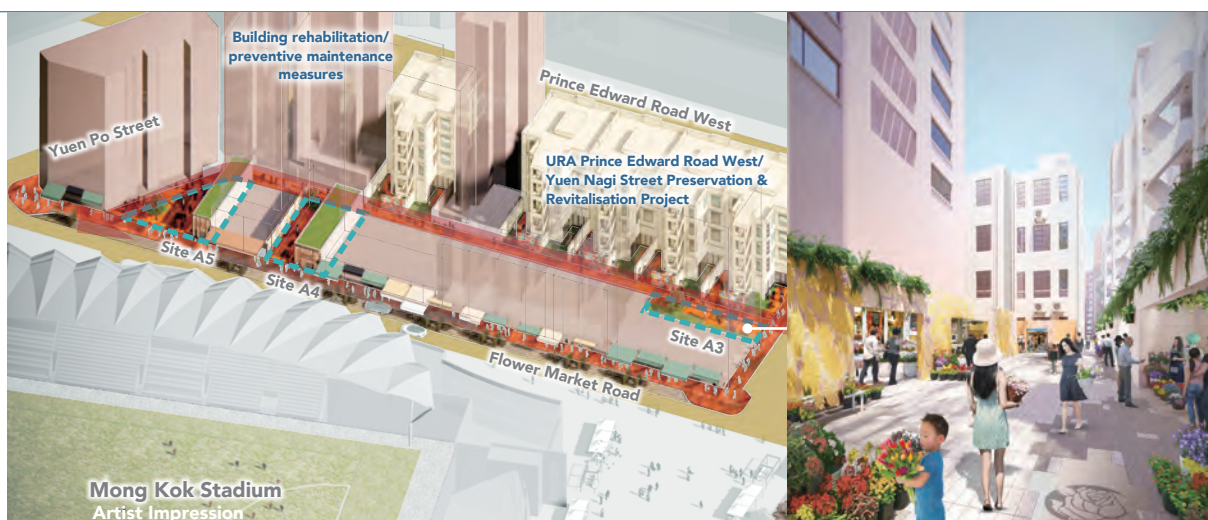
In respect of the Society domain, our urban renewal projects aim at improving the quality of life for residents. Objectives include enhancing the quality of buildings and housing, improving mobility and accessibility, promoting social vibrancy, ensuring safety, encouraging public art, and integrating local culture into the community. Our projects provide various facilities and resources to promote resources access, diversity and inclusion, and community bonding.

PROCESS

The policies, procedures and mechanisms utilised in the planning process of our urban renewal projects must cater for the needs of our stakeholders as well as the community. Alongside the mandatory consultation procedures under the Town Planning Ordinance and Urban Renewal Authority Ordinance, we also conduct extensive engagement and consultations to gather the opinions of our stakeholders. These inputs, in turn, will help refine the design and planning of our urban renewal projects.

PEOPLE

The planning of urban redevelopment has an indirect impact on economic vitality, financial inclusion, living environment, everyday life, community vitality, and resilience and mitigation measures for individual owners, inhabitants and businesses. One of our key objectives is to replace dilapidated buildings while preserving local shop cultures and district characteristics, which is crucial for maintaining the area’s unique identity and charm.



Leveraging renewal opportunities, the back lane linking Flower Market Road and Yuen Ngai Street will be transformed into the “Third Street” of the Flower Market through revitalisation and place-making initiatives. URA will also promote building rehabilitation and preventive maintenance to nearby building owners for the purpose of blending old and new.

Sai Yee Street/Flower Market Road Development Scheme (YTM-013)

Commenced in March 2024, Sai Yee Street/Flower Market Road Development Scheme (YTM-013) (the Scheme) is one of the exemplary models of the URA’s sustainable approach to urban planning under the above five Sustainability Pillars. The mixed-use development is the first urban renewal project in Yau Tsim Mong District following the completion of Yau Mong District Study (YMDS), materialising the Development Node of “Mong Kok East – Urban Waterway” as proposed in YMDS.

Located near the Flower Market precinct in Mong Kok East, the Scheme endeavours to regenerate the area through restructuring and opening up the existing segregated and piecemeal open spaces into a vibrant Waterway Park, serving as a “connector” to the various facilities in the wider area, including the adjoining Mong Kok Stadium and Flower Market precinct. It will become an iconic and sizeable green hub with blue-green feature for public leisure, reviving the previous spatial setting of the nullah through the construction of an Urban Waterway to promote a “water-friendly culture” and rejuvenate the district. To enhance accessibility and promote the “Park n’ Walk” concept, an underground public vehicle park, pedestrian footbridge, and subway connections are proposed in the Scheme.

Complementing the long-established local character of the Flower Market precinct and the initiative to develop a “flower viewing hotspot”, the Waterway Park proposed in the Scheme will facilitate flower viewing activities through cohesive landscape design and place-making opportunities, which would reinforce the local character of the Flower Market. Capitalising on the Scheme’s potential, separate revitalisation initiatives are proposed to transform the back lanes in the vicinity into an attractive and walkable pedestrian route in the area. In addition, the Scheme will provide around 20,000 square metres of non-domestic Gross Floor Area for Government, Institution or Community (G/IC) uses, subject to confirmation of funding and operational arrangement from the relevant Government bureaux/departments. The mixed-use development within the Scheme encompasses sports, leisure, recreation, and cultural facilities that span across multiple realms, fostering a vibrant and inclusive community.

Apart from following the mandatory consultation procedures under the Town Planning Ordinance and Urban Renewal Authority Ordinance, the URA conducted extensive engagement, briefing sessions, and consultations with stakeholders to gather opinions on the planning and design of the Scheme. Before the commencement of the Scheme, two opinion surveys targeting florist operators and customers were conducted in January 2024 to gather insights and enhance the area’s character. The two surveys helped identify the urban renewal needs of the area and the potential social impacts on the stakeholders, which are pivotal to the formulation of necessary mitigation measures. Ongoing consultations are being held with affected business operators to understand their concerns, including possible transitional arrangements and decanting options.

The Scheme also aims to optimise land resources by adopting a linked site approach, leveraging the planning benefits of the Transfer of Plot Ratio (“TPR”) proposed under YMDS. By consolidating the small and isolated sites with limited individual redevelopment potential into a more strategic, sizeable, and accessible location, the Scheme strives to utilise land resources effectively and attain economic sustainability. The Scheme will also make available new retail space to support activities in the Flower Market, thereby enhancing the area’s vibrancy and contributing to the local economy.

Highlight 2



Social Responsibility in Acquisition and Clearance



In the process of replacing old amenities with new, safer and more environmentally-friendly ones for old and dilapidated buildings, the displacement of residents and business operators affected by URA's redevelopment projects is inevitable. Understanding that relocation can be a significant event for many families, individuals and businesses, the URA introduces measures and takes action within the established boundaries of our compensation and rehousing policies to improve the livelihood of those affected by our redevelopment.

It is noteworthy that URA's compensation policies and procedures not only meet the Performance Standards on Environmental and Social Sustainability of International Finance Corporation under the World Bank Group (PS 5: Land Acquisition and Involuntary Resettlement), but also exceed expectations in certain aspects. The objectives of these standards are to minimise displacement by exploring alternative project designs, to avoid forced eviction, to provide fair compensation, to ensure resettlement activities are implemented with appropriate disclosure of information, and to improve the livelihoods and living standards of displaced persons through the provision of adequate housing with security of tenure.

Responsible Acquisition

Home owner-occupiers within URA's redevelopment project sites are offered an amount equivalent to the market value of a seven-year-old residential flat of the same size and in the same district regardless of the original market value of their dilapidated properties. In addition, allowances to cover expenses relating to the purchase of replacement property by the owners are provided.

These owners could utilise the new capital to purchase new homes of much-improved quality and environment either from the private property market or from the URA through the Flat-for-Flat scheme. For investors or landlords of domestic properties, the offer is reduced depending on the number of properties owned within the redevelopment site. Nevertheless, these owners can still use the new capital to purchase investment properties of better quality.

96%
The percentage of home owner-occupiers who accepted URA's acquisition offers in 2023/24

Care for Elderly Home Owners

Acquisition offers made to owners who lease out their properties are typically lower than those offered to owners who reside in their own properties. However, the URA recognises that some elderly property owners may rent out their properties for rental income to support their living. Additionally, some elderly property owners may not be able to reside in their own properties due to a lack of lift services or other health-related reasons.

In acknowledgement of their unique circumstances, the URA provides an additional allowance to enable these elderly owners to purchase replacement flats of a higher quality and standard, such as those with lift services.

The URA always goes the extra mile to take special care of elderly home owners. In the past year, we succeeded in building trust with a depressed old lady who lived alone in a flat affected by our redevelopment project and helping her identify and move to a much-improved accommodation while her husband with dementia continued to stay in a care and attention home.

Care for Tenants

The URA offers rehousing and allowances to domestic tenants who need to vacate from their rented homes due to URA's redevelopment. Instead of receiving a one-off ex-gratia allowance, eligible tenants may opt for rehousing to public rental housing or URA's rehousing blocks. Rehoused tenants will experience a significant improvement in their quality of life with larger and better managed living space, and considerably lower rent. The provision of public rental housing helps resolve tenants' long-term housing needs.

277

The number of tenants in URA redevelopment projects that were rehoused to public housing or URA's rehousing blocks in 2023/24

Care for Affected Businesses

Apart from offering ex-gratia allowances to the affected business operators, the URA provides further assistance on their relocation. In a case of relocating an elderly home business with special re-establishment requirements, the URA sourced replacement properties for the operator, which were scarcely available in the market. The operator eventually relocated their elderly residents smoothly and the residents' living conditions were greatly improved with the provision of new facilities. The operator expressed their gratitude to the URA for our care and efforts.

Engagement with Market-Related Shops, Chiu-chow and Thai Businesses in Kowloon City

Kowloon City is characterised by local shops that offer a diverse range of products and services from market-related food items to Chiu-chow and Thai food supply stalls and restaurants. In anticipation of the URA's major redevelopment projects in Kowloon City, the URA has been conducting surveys and engaging with shop operators with local characters to identify their specific needs and preferences for interim and/or permanent decanting arrangements that allow them to return for business with concessionary rent in the new development. These engagements are ongoing and the findings will be analysed for detailed planning and phasing of project implementation.

100% & 82%

Participation rates of market-related food items vendors and Chiu-chow/Thai restaurant shop owners in URA's small group engagements for Kowloon City Redevelopment

Highlight 3



Green Buildings and Smart Construction for Sustainability and Safety



Our Vision

The URA is committed to creating green and smart buildings that enhance the quality of life for residents while protecting the environment. Our redevelopment projects prioritise sustainability, energy efficiency and resilience through innovative technologies and design solutions. By using green building materials, passive design and smart building systems, we aim to reduce our carbon footprint and create healthier, more liveable communities for future generations. We also strive to achieve a safer, greener and smarter construction environment through strong governance, providing incentives and embracing technologies.

Green Buildings

URA promotes sustainable building design in our redevelopment projects. Green provisions covering energy efficiency, water conservation, construction waste management and use of recycled materials are incorporated into the development agreements of URA’s redevelopment projects to encourage the adoption of sustainable practices in building design and construction. To further its commitment to sustainable development, every URA redevelopment project is required to achieve Gold or above grading according to the BEAM or BEAM Plus standards. Up to June 2024, there have been a total of 14 projects achieving final Hong Kong BEAM Platinum ratings; four projects with final BEAM Plus Platinum ratings and 17 projects with final BEAM Plus Gold ratings, among which one project has obtained their final BEAM Plus Platinum/Gold ratings in 2023/24.

Of the nine projects which have obtained provisional BEAM Plus ratings in the design and construction stage, three projects achieved Platinum ratings. Among these three projects, more than 20 percent reduction in building energy consumption and more than 45 percent reduction in potable water use were achieved. In addition, more than 30 percent of demolition waste was recycled in these projects.



Construction Site Safety

In 2023/24, the URA’s site safety team and our independent safety audit consultants conducted nearly 200 safety audits for 15 active construction sites of the URA’s projects. Through strong governance, the accident rates of URA’s construction sites remained below the territory’s average.



Embracing Good Practices

Since 2023, the URA has mandated the adoption of the Construction Industry Council's (CIC) Construction Safety Guidelines into every URA's works contracts. All contractors are required to adopt at least four "Safety-related Technologies" in their construction activities. Tenderers bidding for URA's works contracts are required to state the costs of these safety and green measures in their pricing. This arrangement aims to encourage and assist construction companies, particularly those of a smaller scale, to enhance their safety and environmental practices through innovative technologies. For example, at the demolition sites, proximity sensors are installed to ensure that mechanical breakers do not encroach outside their "movement and operating zones". At the same time, the mandatory use of smart safety helmets safeguards workers from straying too close to the mechanical breakers. In addition, aerial drones are used to monitor the progress and status of works from a safe vantage point.

URA's Digital Construction Management Platform (DCMP)

The Digital Construction Management Platform (DCMP), which is currently under development, enables the systematic consolidation of data collected from multiple construction sites, thereby facilitating efficient and effective project management. These data include construction master programmes, workforce projection planning, construction progress, environmental monitoring records, site safety monitoring records, supervision/inspection records of work, labour force on site, and material delivery, among other things.



Various construction works data is displayed on the user-friendly dashboard of DCMP for effective tracking of project progress and site performance.

Various modules tailored to specific monitoring concerns have been developed from the DCMP, including the "Environmental Monitoring Module", "Resource Monitoring Module", "Site Safety Monitoring Module", and "Digital Works Supervision System Module (DWSS)". The relevant data for each of these platforms can be extracted, analysed, and compared with the results presented in simple dashboards to enable URA's project managers to monitor the performance and progress of ongoing constructions more efficiently and effectively. The modules developed will be integrated and interlinked into the DCMP.

The DWSS adopted in URA's projects allows site supervisors to access and update inspection data in real time using mobile devices or computers. The inspection data and records significantly boost daily work efficiency, with less reliance on paper printing and photocopying, as all inspection-related information can be digitally shared and distributed.

Artificial Intelligence (AI) cameras are set up at the construction site of eResidence Tower 3 to promptly alert the on-site safety officers and designated personnel through the platform module when dangerous activities such as entrance into the danger zone, smoking and any absence of the use of safety helmet are detected.

In future, additional "modules" can be developed over time to collect data such as that related to construction waste as well as energy and water consumption, for integration into the all-in-one data platform of DCMP to enhance our capabilities to tackle the challenges of climate change.

235,000m²

Total Gross Floor Area of URA projects that will adopt DCMP during construction in 2024/25

Highlight 4



Sustainability in URA Properties



Arts & Culture

M7 (Grade II Historic Buildings)

The URA actively identifies local cultural and innovative operation partners to promote cultural exchanges and uphold local characteristics that create social values and promote community engagement.

The Museum of Hong Kong Literature (the Museum) was opened to the public at M7 in May 2024, marking the debut of its dedicated efforts towards the promotion of Hong Kong literature. The Museum, covering an area of over 2,000 square feet, features a permanent exhibition about the development of Hong Kong literature and a display of manuscripts, publications, and autographed copies by Hong Kong renowned writers, to deepen public understanding of literature. The Museum will also host various literary exchange lectures to foster community connections and promote cultural exchanges.



With the opening of the Museum of Hong Kong Literature, M7 stands as a new landmark of arts and culture.

As the venue partner, URA also provided an additional 4,000 square feet of indoor and outdoor space for hosting the Museum’s opening exhibition titled “Seek Richness of Literature amidst Flowers”.

Interim Use of Land — a Place-making Approach

K7 Development Areas 4 and 5 under Kwun Tong Town Centre 2.0

In parallel with the planning amendment procedure for the captioned project, URA utilised the land within the development areas and transformed it into a highly versatile and flexible “Free Space” that has been open to the public since December 2023, demonstrating a wide spectrum of possible events and functions that could take place in a “vertical city”.

Through the public-participatory place-making approach, URA has worked closely with community stakeholders, Government departments, and local NGOs to deliver various activities such as night markets, carnival festivals, street performances and sports activities, bringing a sense of vibrancy and energetic vibes to Kwun Tong City Centre.

Since its opening, various activities and community engagement programmes have taken place at “Free Space” attracting over 1.3 million visitors.

Facilities of interim use comprising a children’s playground and a 3-on-3 basketball court near the Kwun Tong MTR station have been open to families and children for their enjoyment, drawing over 8,000 users during its first week of opening.



URA fills the “Free Space” with children’s play equipment (left) and a large-scale bamboo art installation (right) created by local artists, infusing the Kwun Tong Town Centre with vibrancy and creativity.

URA also collaborated with local young artists to exhibit a large-scale bamboo-crafted public art installation that epitomised the historical coastline of Kwun Tong, injecting creativity and art into the Kwun Tong City Centre.

URA’s dedicated efforts in the place-making initiatives at “Free Space” have enlivened the Kwun Tong City Centre and received positive feedback from local people and residents, paving the way for the future development of Kwun Tong City Centre 2.0.

Environment and Waste Management

Electric vehicle (EV) charging facilities have been installed at car parking spaces in URA’s newly retained developments. Moreover, our retained properties, namely Central Market, Yue Man Square, and eResidence shopping arcade, have undergone a comprehensive series of energy efficiency upgrades in 2023/24, resulting in a saving of 255 tons of carbon dioxide (CO₂) emissions, equivalent to the planting of 10,200 new trees. The retro-commissioning of Yue Man Square also received the ASHRAE Regional Technology Award 2023/24 (Regional Merit Certificate).

We have actively engaged our tenants by providing food waste collection services at Yue Man Square and the eResidence shopping arcade. The food waste collected was then transported to O · PARK1 for conversion into biogas. Our commitment to recycling also yielded fruitful results in 2023/24.

100%

Car parking spaces with EV charging facilities in newly retained developments (Yue Man Square, eResidence and commercial portion of Reclamation Street/ Shantung Street (YTM-010) & Castle Peak Road/Un Chau Street (SSP-016) Projects)



48 tons
of food waste

Collected from Yue Man Square and eResidence shopping arcade and transported to O · PARK1 in 2023/24



61 tons
of paper



146 kg
of metal



5,791 kg
of plastic



130 kg
of glass

Collected for recycling at Central Market, Yue Man Square & 618 Shanghai Street in 2023/24

Highlight 5

11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

Building Rehabilitation and the People

Sustainability Pillars | ECONOMY | ENVIRONMENT | SOCIETY | PROCESS | PEOPLE



Building Rehabilitation

One of the URA’s missions is to encourage the maintenance and improvement of existing buildings with regards to their structural stability, integrity of external finishes and fire safety. Apart from promoting and administering various Government subsidy schemes to assist property owners in conducting repair and maintenance work, the URA places great emphasis on addressing the needs of individual stakeholders and ensuring that their livelihoods are not disrupted by the maintenance works.

Supporting Owners to Carry Out Repairs

The URA managed various building rehabilitation subsidy schemes that provide financial assistance to eligible owners for repairing the common areas of their buildings. Up to June 2024, the schemes have subsidised a total of 2,160 buildings to carry out rehabilitation works to address issues such as spalling concrete, fire safety installations upgrading works, leaking roofs, and worn-out items like fire-rated doors or metal windows. Additionally, the subsidy also covers security systems or barrier-free access to improve the building’s safety and accessibility.

2,160
Number of buildings benefited from various subsidy schemes with completed works and improved conditions (up to June 2024)

Getting Greener through Rehabilitation

Apart from repairs and improvements, the Common Area Repair Works Subsidy (CAS) also supports flat owners and buildings to adopt environmentally-friendly building materials and installations in their common area rehabilitation works through the Green Item Subsidy (GIS). In 2023/24, 89 buildings involving around 4,400 units made use of this subsidy to adopt VOC-free paint and other green products in their rehabilitation works.

460
Number of buildings that adopted green products in their rehabilitation by making use of GIS since 2016

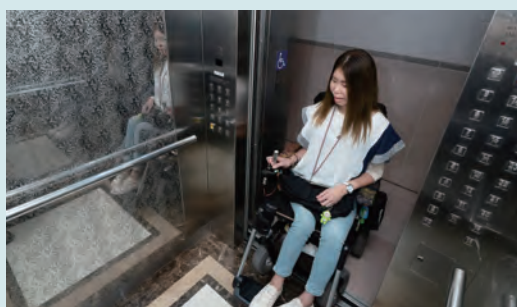
Assistance during Lift Repairs

The URA is responsible for the management of the Government's Lift Modernisation Subsidy Scheme (LIMSS), which provides subsidies to eligible domestic and composite building owners to carry out lift improvement works to ensure safety. Up to June 2024, the URA has handled around 1,600 applications. About 970 application cases have either been completed or are undergoing lift improvement works.

The suspension of lift services during the implementation of improvement works will inevitably restrict the movements of occupants with mobility or health issues. To address this problem, the URA engages various non-governmental organisations (NGOs) to provide social service support to the needy when their buildings undergo lift improvements under LIMSS. These include the stair-climber service, grocery and meal delivery, as well as case management to provide necessary social services.

**Around 3,000
& 980**

Number of stair-climber trips and meal deliveries that were provided through URA to residents of buildings undergoing lift improvements respectively in 2023/24



A story of a muscular dystrophy patient during lift improvement works

The URA went beyond providing basic assistance. In the past year, a building in Mong Kok with lifts serving alternate floors joined LIMSS. Among its residents was Ms Leung, a middle-aged woman with muscular dystrophy disease. As there was only one lift which could reach her floor and the provision of daily stair climbing services was impractical, the URA offered Ms Leung and her husband a temporary apartment in one of the URA's rehousing blocks for a nominal fee during the four-month period of lift service suspension. To ensure the apartment can cater for the needs of Ms Leung, the URA enlisted the help of a professional occupational therapist to recommend essential modifications to the apartment. Additional fixtures and special equipment for assisting her mobility within the flat were installed. The couple resided in the apartment for four months before moving back to their own flat after the completion of the lift modernisation works.

With URA's assistance, Ms Leung was able to live and work as usual without any disruption by the lift improvement works. This is one of many examples that demonstrates URA's commitment to ESG throughout our projects and operations.

Ms Leung, whose electric wheelchair weighs 300 pounds, is unable to use a stair climber for assistance in going up and down stairs. URA then offers Ms Leung and her family a temporary apartment in one of its rehousing blocks during the suspension of lift service due to improvement works on the only lift in her building.

Highlight 6



Diversity and Inclusion, Employee Advancement and Well-Being



Diversity and Inclusion

At URA, diversity and inclusion have always been integral to our culture. Over the past year, we remained committed to fostering an inclusive environment and have continued to implement our Equal Opportunities Policy, which guides our people practices.

Employee Advancement

URA is dedicated to creating a workplace where talent can flourish through a range of training and development programmes. Our commitment to employee growth is reflected in our diverse initiatives. In 2023/24, we offered over 120 training classes covering a wide spectrum of topics such as sustainability, technology, leadership, and compliance, amounting to an average of 27 training hours per employee.

To ensure a future-ready leadership team, we have implemented the High Calibre Programme, designed to build a robust leadership pipeline. Additionally, the Planner Trainer Programme focuses on nurturing young professional employees and preparing them for complex urban renewal challenges.

Our Job Rotation and Job Enhancement Programmes facilitate upskilling and reskilling, while the Award Bearing Programme offers pathways to academic and professional qualifications. Our initiatives extend to offering exposure in the Mainland and Overseas, that enable employees to learn about the best technological practices and develop global insights, fostering a motivated and engaged workforce ready to navigate the evolving business landscape.

In the past year, the URA promoted approximately 10 percent of our total workforce, demonstrating our dedication to recognising and advancing the talents of our employees.



Interns are motivated to learn about urban regeneration and grow professionally during the two-month programme.

Nurturing Next Generation

Empowering the next generation of urban renewal professionals is a cornerstone of URA’s mission. Our Summer Internship Programme provides university students with broad perspectives and hands-on learning opportunities to pursue their aspirations and contribute to sustainable projects. As part of the programme, 27 summer interns are required to complete a capstone project and present their findings to top management. This process not only enhances their problem-solving and leadership skills but also provides valuable reverse learning opportunities for our leadership team, fostering a culture of continuous enhancement and innovation.

Enhanced Employee Well-being

At URA, our steadfast commitment to fostering a work environment that supports and enhances the well-being of our employees is fulfilled by the launch of our comprehensive health protection programmes and "We Care" programmes. Both of them are integral to our sustainable practices.

Comprehensive Health Protection Programmes

The URA offers extensive benefits to safeguard the health and safety of our employees, prioritising their well-being for the long-term success and sustainability of our organisation. The URA provides a wide range of preventive life and health protection schemes, including flu vaccinations for employees and their dependents, and pledges to regularly review and enhance these schemes to ensure they meet the evolving needs of our workforce. In 2023/24, we enhanced the group medical benefits to better support our employees and their dependents to demonstrate our persistent commitment to employee health and sustainability.

"We Care" Programme

Our "We Care" programme focuses on nurturing both the mental and physical health of our staff. In the past year, we successfully organised a range of activities including seven talks and workshops, as well as two specially curated activities.

A Mindfulness Stress Reduction Programme, which included one seminar and four "Mindfulness at Work" Lunch and Learn Series workshops, were organised to equip employees with tools and techniques to foster a positive mindset, enhance mental resilience, and improve their performance at work.



In the Singing Bowl workshop, URA staff members immerse themselves in mindfulness practices to enhance their physical and mental well-being.

The "URA Run Together" initiative stood out as a significant achievement, demonstrating our commitment to promoting exercise and physical health among employees. The initiative has also fostered team spirit among staff members who competed as a team with others with a common goal.

Integrating Sustainability into Employees' Daily Lives

Our commitment to sustainability is demonstrated through the launch of "URA Second-hand", a new digital marketplace platform, which encourages the sharing of used items with others. To date, 146 items have been exchanged. This initiative helps extend the lifespan of the used products and reduces waste, thereby upholding URA's practice of sustainability. We will continue with this programme to encourage more participation from staff members for achieving our sustainability goals together.

Over **590**
and **120**

Number of participants joining the "We Care" programme and "Mindfulness at Work" Lunch and Learn Series workshops

31,790km

The total distance collectively run by 234 staff members

146

Items exchanged in our digital marketplace "URA Second-hand"

Highlight 7



URA and the Society



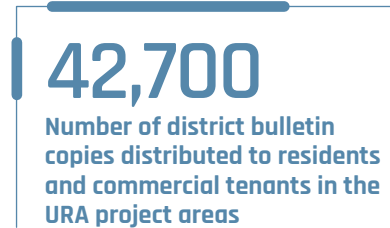
A People-first and Caring Approach to Urban Renewal

With a people-first and caring approach, the URA actively engages with residents and stakeholders to understand their aspirations and address their needs effectively.

Building Trust Through Connections and Active Listening

We establish and nurture trusted relationships with the community through ongoing and transparent dialogues. In 2023/24, the URA held 10 District Advisory Committee meetings to listen to the concerns and aspirations of the community. We also participated in District Council meetings to provide updates on the progress of our projects and seek the support of local representatives.

We conducted briefings and distributed bulletins to keep residents informed of the redevelopment plans, compensation packages and relocation arrangements. We also prioritised the interests of the ethnic minorities, particularly the Thai community in Kowloon City, through communications in their language to promote understanding. We also expanded volunteer services covering counselling and medical consultation to the Thai community to establish goodwill.



Conserving and Supporting Local Arts and Culture

To preserve local cultures and foster inclusive communities, the URA partnered with local groups to organise festive activities including the Songkran Festival, Yue Lan Festival, Thailand’s National Day and Diwali celebration in Kowloon City and Yau Tsim Mong, thereby strengthening the ties between URA and the local communities.

In the past year, the “Arts and Cultural Partnership Programme in Old Urban Districts” (ACPP) supported five programmes which engaged over 28,000 participants and visitors and achieved the purpose of promoting arts and culture in old urban districts.



Grooming our Next Generation

To inspire young people to contribute to urban development in future, the URA collaborated with the Hong Kong Federation of Youth Groups Leadership Institute to launch the URA Youth Speak for 31 local students to acquire knowledge in building rehabilitation and preventive maintenance, and exchange their views with the URA senior management. We also engaged with Sham Shui Po secondary students in the Youth Community Workshop to collect their views on the Sham Shui Po District Study.



oUR Amazing Kid Band strengthens the community network by giving music performance at district events.



Students present their urban regeneration proposals to adjudicators at the URA x TWGHs Young Leaders Programme.

The URA partnered with Tung Wah Group of Hospitals (TWGHs), Esri China (Hong Kong) and Geospatial Lab to organise the URA x TWGHs Young Leaders Programme, in which 144 students from 18 TWGHs secondary schools developed and showcased their creative proposals for promoting the work of URA in revitalisation and preservation.

The oUR Amazing Kid Band, formed to preserve and enhance the social network of underprivileged kids and families in To Kwa Wan, provided free music training sessions, performance opportunities and tailor-made activities to promote the well-being of the 46 band members and their families.

To encourage the younger generation to come up with innovative ideas for improving the living quality of residents in old districts, the URA partnered with the Hong Kong Institute of Vocational Education to organise the Innovative Design Competition to promote the "vertical city" concept in development.

Our Urban Renewal Exploration Centre (UREC) welcomed more than 2,900 visitors from school groups and community organisations, giving them an interactive visitor experience to learn about urban renewal.

Caring for the Needy

The URA provided assistance to under-resourced families and individuals in the old districts. Under the Community Service Partnership Scheme (CSPS), the Upcycling Project mobilised volunteers to deliver decluttering services and produce bespoke furniture out of abandoned wood materials for 10 underprivileged families in Kowloon City and To Kwa Wan. CSPS also provided support to three elderly homes in Sham Shui Po through gerontechnology applications, professional consultation services and volunteer activities. In total, CSPS served over 180 underprivileged residents in old urban districts last year.

Our Home Improvement Community Programme assisted five infirm elderly tenants affected by URA projects by designing and refurbishing their rehoused units in public rental housing estates to accommodate their specific needs and improve their living conditions.

The URA has also collaborated with local organisations to implement the Home Repair Services Community Programme, which provided home repair and maintenance services to a total of 969 households to enhance their living conditions.

From January to May 2024, the URA helped 1,500 households of Kim Shin Lane prepare for relocation to new homes by arranging roadside skips for furniture disposal and packing-up services. The beneficiaries were deeply grateful for our attentive services.



Under the Home Repair Services Community Programme, URA arranges building inspection and minor structural works to enhance the living conditions of elderly individuals (left) residing in old buildings.



MANAGEMENT DISCUSSION AND ANALYSIS

The persistently high interest rates, decreasing appetite for property investment and negative sentiment among homebuyers are casting a shadow over the economy and property market of Hong Kong. This has created pressure on the financial prospects of URA and the momentum of our work in urban renewal. In 2023/24, only one project of the URA was tendered at a price below acquisition cost, resulting in a loss and a shrinking cash flow for funding new projects.

While navigating the headwinds of economic uncertainties and pressing urban decay, the URA is poised to take forward sustainable urban renewal with innovative solutions and an agile mindset. By leveraging collaborative efforts – much like the confluence of rivers symbolising unity and pooling of strengths – the URA strives to overcome urban renewal complexities in partnership with various stakeholders including the Government, community members, professional institutes and private developers.

Apart from creating development capacity and maximising land resource utilisation through innovative planning concepts, the URA has also worked closely with the Government in various aspects to help expedite the renewal process. One of the initiatives is to assist the Government in setting up the Support Service Centre for Minority Owners under Compulsory Sale (SMOCS) to provide assistance to minority owners who are subject to compulsory sale applications.

On the building rehabilitation front, we joined hands with relevant Government Departments, professional institutes and trade associations to complete and refine the trial version of the Guidelines and Templates for preparing the Maintenance Manual for Residential and Composite Buildings (GTMM), intending to facilitate owners to devise preventive maintenance plans more effectively.

Moving forward, the URA is dedicated to maintaining financial prudence while also seeking out new funding sources. Through collaboration and innovative ideas, the URA will fulfil the mission of creating a sustainable and livable urban environment, ensuring the continued prosperity of our city for generations to come.

Challenges

Market Uncertainty Casting Shadows over Urban Renewal Sustainability

In 2023/24, the economy and property market of Hong Kong faced a challenging situation as the post-COVID recovery was slower than expected and uncertainty loomed. This was exacerbated by persistent global inflation, the lagged effects of sharp monetary tightening, high interest rates, and ongoing geopolitical tensions. In February 2024, the withdrawal of the Government's demand-side management measures for residential properties rejuvenated the real estate market temporarily. Yet the Centa-City Leading Index was still down by 16 percent over the year. The sentiment among potential homebuyers was submerged under a deluge of unfavourable economic news and persistently high interest rates. Besides, the supply of residential flats remained sufficient and the disparity between rental yields and interest income continued to dampen property investment demand, impeding the property market from rebounding.

The high interest rate environment not only weakened homebuyers' purchasing power and property investment demand but also made it more difficult for developers to obtain financing at reasonable costs, resulting in developers' more conservative strategies in bidding and pricing for new development sites. As a result, land prices remained sluggish as seen in six failed tender exercises for land sales carried out separately by the Government, MTR Corporation and the URA due to low bidding prices or no submissions received.

Against the aforesaid challenges, the URA had only one project tender awarded in 2023/24, namely Shing Tak Street/Ma Tau Chung Road Development Project (CBS-1:KC) for the redevelopment of Civil Servants' Co-operative Building Society (CBS) buildings. The upfront payment of HK\$1.9 billion from this tender could only cover 56 percent of the project costs, resulting in a loss of nearly HK\$1.5 billion. Amid the sustained property market downturn, the URA is facing high uncertainty in the result of its future project tenders, thereby adversely affecting the funding available for implementation of new projects. The URA will closely monitor the market situation, prudently manage its cashflow, and timely adjust the project implementation programme to ensure financial sustainability.

On the other hand, the "Seven-Year Rule" continues to create a heavy financial burden from its redevelopment projects as it implies hefty acquisition costs of owner-occupied domestic properties calculated based on the value of a notional seven-year-old replacement flat situated in the same locality. The combined forces of a downward market trend and the "Seven-Year Rule" will inevitably put the sustainability of urban renewal work under pressure as the revenue generated from projects cannot cover the acquisition cost.

Urban Renewal Remains a Steep Hill to Climb

As the speed of urban decay continues to outpace our redevelopment efforts, urban renewal remains a steep hill to climb.

Currently, Hong Kong has about 13,000 residential/composite buildings aged 50 years or above, and this number is expected to increase to around 28,000 by 2046. Despite that buildings in Hong Kong are mainly reinforced concrete structures designed to have a serviceable life of around 50 years and more, many buildings, aged below 50 are deteriorating rapidly and in dilapidated conditions of various degrees, threatening public safety, especially for those lacking proper management and maintenance. This was mainly caused by the low level of awareness and commitment to building maintenance due to property owners' lack of knowledge, capability and financial reserve. The situation has been worsened by the prevalence of sub-divided units in many old districts, creating a grave burden for the building structures and sewage systems, and degenerating the overall building conditions and living environment of its residents.

Adding to the aggravating problem is the excessive development intensity and the low redevelopment potential of most of the older building clusters which are unattractive for private developers to pursue redevelopment. Moreover, the pressure on finding sufficient rehousing resources remains high given the high population density, especially in old urban districts and the long waiting time for public housing in general. In view of the pressing and deepening problem of urban decay and the complexity of the situation, the URA would not be able to take on the challenging task of urban renewal alone. Collaborative efforts from all relevant stakeholders including the Government, private developers, building owners and the public are urgently required to make urban renewal sustainable.

Opportunities

A Multi-pronged Approach to Optimise Land Efficiency and Development Potential

To maximise planning and social gains from urban renewal projects for the wider community, the URA has, in recent years, adopted a holistic and forward looking "planning-led" and "district-based" approach to cater for the needs of Hong Kong. Apart from exploring restructuring and replanning opportunities in the project areas under the "planning-led" approach, the URA also applies new planning tools and concepts to optimise land use efficiency and maximise redevelopment potential of the old urban districts, thereby enhancing the financial viability and planning gains of the renewal projects.

One of the examples of maximising land resource utilisation is the Sai Yee Street/Flower Market Road Project (YTM-013). In addition to adopting "Transfer of Plot Ratio" which allows the migration of development potential from the four small lots along Flower Market Road and Yuen Ngai Street to the main site at Sai Yee Street enabling a greater scale development, the "Single Site, Multiple Use" model also permits the building of a multi-purpose complex with upgraded facilities for government and community uses, and mixed residential and commercial uses such as hotel/office/retail to multiply planning gains. In Development Areas 4 and 5 of Kwun Tong Town Centre Project (K7), the innovative planning concept of "Vertical City" enables the integration of multiple uses including domestic uses into one vertical environment, hence optimising the land potential at the strategic location and attracting potential private developers to take part in the joint venture (JV). This mixed-use development is further complemented by "Floating Planning Parameters" which provides the JV developer with the flexibility to determine the actual Gross Floor Area (GFA) within specific ranges for residential, retail, office and hotel uses according to the market situation on the condition that the total GFA would remain unchanged.

To alleviate the financial burden from acquisition under the uncertain market outlook, the URA has focused on implementing projects that do not involve the acquisition of a large number of property rights but will bring significant improvement to the old district's environment. One of the ways is to integrate under-utilised Government land and sub-standard Government, Institution and Community (G/IC) facilities with URA's projects to improve land resource utilisation, maximise planning and social gains, as well as enhancing the financial performance of the redevelopment, as demonstrated in the implementation of YTM-013, Cheung Wah Street/Cheung Sha Wan Road Project (SSP-018) and Nga Tsin Wai Road/Carpenter Road Project (KC-017). Since 2020, around six hectares of Government land have been included in 11 of the URA's redevelopment projects, with around 4.9 hectares expected to be granted in eight of the URA redevelopment projects in the coming five years.

To incentivise private market participation in urban renewal to address the problem of urban decay which the URA alone is unable to do so, since the completion of Yau Mong District Study (YMDS), the URA has been closely collaborating with relevant Government departments and achieved major progress in taking forward the new planning tools identified from YMDS, including the amendment of Outline Zoning Plans in Mong Kok and Yau Ma Tei, the promulgation of new guidelines for application for Transfer of Plot Ratio and proposed mechanisms for piloting Street Consolidation Areas (SCAs). As announced in the 2023 Policy Address, the URA has included redevelopment projects involving SCAs in Yau Ma Tei South in the approved 23rd Corporate Plan for future implementation.

MANAGEMENT DISCUSSION AND ANALYSIS

Expediting the Renewal Process

To speed up the redevelopment of old and dilapidated buildings by private sectors, the Government tabled the Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 (“the Amendment Bill”) to the Legislative Council in December 2023 with suggestions to lower the compulsory sale application thresholds and streamline the legal process of compulsory sale regime. The Bill was passed in July 2024 and is expected to be effective at the end of the year. Such legislation change will help expedite the urban renewal process in the long run.

Commissioned by the Dedicated Office for Support Services for Minority Owners under Compulsory Sale under the Development Bureau, URA assisted in setting up the Support Service Centre for Minority Owners under Compulsory Sale (SMOCS) to provide assistance to minority owners who are subject to compulsory sale applications, in a bid to facilitate the negotiation process between owners and private developers. To align with the new compulsory sale application threshold requirements, the Urban Redevelopment Facilitating Services Company Limited, a wholly-owned subsidiary of the URA, is also considering lowering the threshold requirement for applying for and triggering the Joint Sale services, along with a study to examine the feasibility to include lots adjoining the applicant building in a joint-sale for increasing the redevelopment’s financial viability.

One of the biggest challenges in redevelopment is the various planning, acquisition and clearance processes which often take years to complete. To this end, the URA has been working closely with Government departments to compress the project delivery cycles according to the streamlined public consultation process for planning applications and the streamlined land grant approval process. In addition, the URA has been exploring ways to shorten the acquisition process in verifying tenants’ eligibilities, calculating compensation, and providing assistance for relocation, thereby expediting the relocation process and enabling the clearance of project sites for tender at an appropriate time. This in turn helps expedite the return of funds and reduce future interest expenses. At the same time, the URA is also exploring opportunities to carry out advanced works such as ground investigation, soil decontamination, and underground utilities diversion works to facilitate the early commencement of site works upon taking over the sites by the JV developers.

Fostering Preventive Maintenance with New Initiatives

As Hong Kong currently lacks dedicated land and financial reserves for large-scale urban redevelopments amid the accelerating pace of urban decay, there is an imminent need to extend the service life of existing aged buildings which are still in acceptable conditions, to create a window for focusing resources on redeveloping those dilapidated old buildings that are beyond repair.

In this connection, the URA has taken a proactive approach to encouraging property owners to carry out repair and maintenance works through subsidising rehabilitation works, analysing the legal obligations in building rehabilitation and exploring ways to step up property maintenance and management. To provide a framework for owners to devise building maintenance and financial plans for undertaking preventive maintenance effectively, URA has completed the trial version of the Guidelines and Templates for preparing the Maintenance Manual for Residential and Composite Buildings (GTMM) and is carrying out consultations with over 100 stakeholders including Government departments, professional institutes and trade associations before publishing the GTMM for wider application in 2024. The URA also launched the new Preventive Maintenance Subsidy Scheme (PMSS) in April 2024 to encourage the preparation of maintenance manuals and owners’ regular contributions to a special fund for future maintenance. The GTMM supports applicants of PMSS and other owners to prepare maintenance manuals for their buildings. The proposed clauses for carrying out preventive maintenance and enhancing the property manager’s right to handle water seepage problems in the Deed of Mutual Covenant (DMC) of eResidence Tower 3 was approved by the Legal Advisory and Conveyancing Office of the Lands Department in August 2023. Recommendations have been submitted for the Government’s consideration to incorporate into the DMC Guidelines.

Looking Ahead: The Importance of Ensuring URA's Financial Prudence

Since its establishment, the URA has been backed by a HK\$10 billion injection from the Government to fund its operations. Under the long-term objective of achieving a self-financing urban renewal programme, the URA has been channelling its revenues mainly from the upfront payments of tendered projects to support other redevelopment projects and renewal works. This model allows the URA to carry out its mandate without relying on government funding or taxpayers' money, yet on the other hand, implying its cash flow is susceptible to market fluctuations. To uphold the principle of self-financing and maintain a prudent financial position, the URA has been exercising due care and diligence in the handling of its finance.

To ensure sufficient cash inflow and financial resources to cope with the acquisition expenses of redevelopment projects, the URA flexibly adjusts the programme of its revenue tenders for the project sites, aligning it as much as possible with the timing of project acquisition so that the upfront payment received can provide timely financial support to the project acquisition and minimise any financial risk due to market fluctuation. In order to attract participation from developers of different sizes in larger-scale projects such as Kwun Tong Town Centre Project Development Areas 4 and 5, the URA is exploring feasible proposals to allow more flexibility for the settlement of the upfront payment by developers.

In some cases, the URA may use the surplus generated from individual projects to subsidise projects that incur losses. URA will continue to leverage the District Studies to identify projects with higher development potentials and planning benefits, and explore the opportunity of incorporating under-utilised government land and sub-standard G/IC facilities in the projects for restructuring and replanning in districts such as Tsuen Wan, with a view to generating substantial returns to subsidise projects in other urban areas with expected loss. Such an inter-district financing model will enable the URA to continue to deliver the committed projects even if they may imply financial losses. In the long run, the strategic district studies of Tsuen Wan and Sham Shui Po can help build up more project reserves to realise the URA's holistic "district-based" and "planning-led" approach to urban renewal.

To sustain the momentum of the urban renewal effort, the URA must strive to acquire resources from various channels. With the continuous support from the Government including waiver of land premia for redevelopment sites and the provision of under-utilised Government land and G/IC facilities for incorporation into redevelopment projects, the land resource utilisation and hence the financial viability of projects can be greatly enhanced. With the Government reiterating its commitment to building the Kau Yi Chau Artificial Island to generate new land supply in the next decade, the URA will continue to explore with the Government the decanting opportunities for households affected by urban renewal. This will help facilitate the implementation of urban redevelopment projects without having to exhaust existing land resources for rehousing.

The staunch support from the Government also includes the approval from the Financial Secretary for uplifting URA's borrowing limit from HK\$6 billion to HK\$25 billion for the URA to cope with the anticipated additional capital expenditure requirement arising from the implementation of several large redevelopment projects in coming years. URA intends to partially fund the larger capital expenditure through external financing. Its Medium-Term Note Programme was updated in June 2024 to facilitate upcoming bond issuances. Concurrently, alternative financing channel via syndicated or club loans will also be considered to support the operations and liquidity of URA. The affirmation of URA's rating at AA+ with "Stable" outlook, and an upgrade of URA's "Likelihood of Extraordinary Government Support" from "Extremely High" to "Almost Certain" by S&P Global Ratings (S&P) in 2023/24 fortified URA's credit positioning in implementing sound financial planning so that urban renewal resources are channelled towards the long-term goal of self-financing.

Urban renewal is a complicated and resource-intensive process which cannot be done by the URA alone. It requires the collective wisdom and efforts of all relevant parties, including the Government, property owners, private developers, community groups, and professional institutes. In the coming years, the URA will continue to work with the Government in exploring innovative solutions to motivate participation from the private sector while fostering close collaborations with various stakeholders to sustain the momentum of urban renewal. The ultimate objective of the URA is to create a more sustainable and liveable city for our present and future generations.

Financial Review

(I) Review of 2023/24 Results

(a) Revenue

The revenue for the year ended 31 March 2024 was HK\$3,024 million, which comprised upfront payment from one tendered project, share of surplus from joint development projects and proceeds from sale of properties. The amount was lower than the revenue of HK\$5,513 million in 2022/23 by HK\$2,489 million.

The total upfront payment in 2023/24 of HK\$1,940 million was significantly lower than that in 2022/23 of HK\$4,841 million, primarily attributable to sustained property market downturn and only one project tender awarded in the year. The project tendered in 2023/24 referred to the Civil Servants' Co-operative Building Society (CBS) Scheme site at Shing Tak Street/Ma Tau Chung Road with a site area of about 5,164 square metres. Comparatively, there were three project tenders awarded in 2022/23, which had a total site area of 6,182 square metres.

The share of surplus from joint development projects of HK\$449 million in 2023/24 (2022/23: HK\$476 million), largely contributed by Seaside Sonata (SSP/1/003-005) and Grand Central (K7 Area 2&3), was revenue from the projects where the sales proceeds exceeded the thresholds stipulated in their respective development agreements.

The revenue from sale of properties of HK\$635 million in 2023/24 (2022/23: HK\$196 million) mainly related to the sale of residential units at Kai Tak, L • Living 23 in Tai Kok Tsui and The Harmonie in Sham Shui Po.

(b) Other Income

Of the HK\$1,024 million (2022/23: HK\$575 million) in other income for 2023/24, HK\$890 million (2022/23: HK\$518 million) were interest income from bank deposits and fixed income investments, with an overall yield of 4.54 percent p.a. (2022/23: 2.06 percent p.a.). The higher yield reflected the continued high interest rate throughout the year.

Other income also included rental income, net of rental relief, of HK\$181 million (2022/23: HK\$130 million) from certain properties retained by the URA, and exchange loss of HK\$54 million (2022/23: HK\$76 million) relating to Renminbi deposits due to the fluctuation of exchange rate.

(c) Administrative Expenses

Administrative expenses for 2023/24 of HK\$676 million (2022/23: HK\$637 million) mainly covered staff costs, outsourcing service charges, accommodation costs and office expenses. Cost control measures were implemented whenever possible to minimise administrative expenses.

(d) Provision for Impairment on Properties and Committed Projects

Based on the accounting policy detailed in Notes 2(h) and 2(n) to the financial statements, provision for impairment on properties and committed projects of HK\$3,089 million was made in 2023/24, mainly arose from the declining assessed land value of the committed projects, reflecting the sustained property market downturn.

(e) Result for the Year

For the year 2023/24, the URA recorded an operating deficit of HK\$831 million. After inclusion of the provision for impairment on properties and committed projects, the net deficit was HK\$3,920 million, compared to the net deficit of HK\$3,530 million for 2022/23. The unfavourable performance for 2023/24 mainly attributable to property market downturn, which led to (a) lower upfront payment from the project tender awarded in the year as mentioned in paragraph I)(a) above, and (b) substantial provision for impairment made for committed projects.

(II) Financial Position at 31 March 2024

(a) Properties under Development

Properties under development before provision for impairment was HK\$28,684 million as at 31 March 2024 (31 March 2023: HK\$25,249 million). This sum represented the acquisition and development costs of 10 projects under various states of implementation, out of which Kowloon City Projects, Kwun Tong Town Centre Project and Kim Shin Lane/Fuk Wa Street Project accounted for 85 percent of the total value.

The aforesaid value was off-set against the cumulative provision for impairment totalling HK\$6,514 million (31 March 2023: HK\$4,053 million), resulting in a net value of HK\$22,170 million (31 March 2023: HK\$21,196 million). The increase in the net value was mainly due to the costs incurred for property acquisitions for Kim Shin Lane/Fuk Wa Street Project and the remaining Kowloon City Projects, after offsetting (i) the removal of the development costs of Project CBS-1:KC tendered out in 2023/24 as mentioned in paragraph I)(a) above and (ii) additional provision for impairment on committed projects made for the year as explained in paragraph I)(e) above.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Total Liquidity

As at 31 March 2024, the URA's total liquidity, including cash, bank deposits and debt securities investments, was HK\$18,194 million (31 March 2023: HK\$23,623 million).

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

The liquidity position, off-set by the borrowings of HK\$499 million (31 March 2023: HK\$799 million) mentioned in paragraph II (c) below, resulted in the net liquidity position including the securities holdings as at 31 March 2024 of HK\$17,695 million (31 March 2023: HK\$22,825 million).

(c) Debt Securities Issued

The URA is rated AA+ by Standard & Poor's Rating Services. As at 31 March 2024, the outstanding debt securities issued by the URA under the Medium Term Note (MTN) Programme was HK\$499 million.

(d) Net Asset Value

The URA's net asset value as at 31 March 2024 was HK\$46,360 million (31 March 2023: HK\$50,280 million), representing the Government's capital injection of HK\$10,000 million (31 March 2023: HK\$10,000 million) and an accumulated surplus of HK\$36,360 million (31 March 2023: HK\$40,280 million).

The financial summary of the past 10 years is described on page 109 of this Annual Report.

(III) Capital Injection and Tax Exemption

Following approval by the Finance Committee of the Legislative Council on 21 June 2002, the Government injected HK\$10,000 million of equity capital into the URA in five tranches of HK\$2,000 million each over a five-year period from 2002/03 to 2006/07. The Government continues to exempt the URA from taxation.

(IV) Waiver of Land Premia by the Government

The Government waives the land premia for redevelopment sites granted to the URA. A total of 56 land grants have been waived in respect of all the tendered projects with aggregate land premia totalling HK\$25,304 million up to 31 March 2024.

Without this waiver, the URA's accumulated surplus as at 31 March 2024 would have been lowered by HK\$25,304 million to HK\$11,056 million; and its net asset value as at 31 March 2024 would have been decreased to HK\$21,056 million.

(V) Financial Outlook and Management

The local property and financial markets, which are impacted by external environment factors including sustained interest rate hikes, trade disputes and geopolitical tensions, remain volatile. With the cancellation of all demand-side management measures for residential properties with effect from 28 February 2024, the sentiment among flat purchasers has shown improvement but the developers' appetite for land bids is yet to be tested. The result of URA's future project tenders and related revenue are still uncertain.

On the expenditure side, it is estimated that a total cash outlay of about HK\$82,000 million, excluding operational overheads, will be required to meet both of the URA's currently outstanding commitments and its forthcoming cash outlay in the coming five years for the implementation of all projects included in the latest Corporate Plan. This amount covers the URA's works in redevelopment, rehabilitation, preservation, revitalisation and retrofitting.

According to the latest estimate, a total funding of about HK\$64,300 million is required to complete those ongoing redevelopment projects only. In addition to current net liquidity of HK\$17,695 million, the projected cash outlay will be met by future upfront payments from project tenders, share of surplus sales proceeds from joint development projects and proceeds from sale of properties in the corresponding period. Moreover, external financing will also be arranged to cope with anticipated cash shortfall in coming years.

In July 2023, the Financial Secretary approved the URA's request to raise its borrowing limit to HK\$25 billion. On 19 April 2024, Standard & Poor (S&P) Global Ratings affirmed the URA's long-term issuer credit rating and senior unsecured notes rating at "AA+" with "Stable" outlook, same as the HKSAR Government. At the same time, S&P also affirmed the "Likelihood of Extraordinary Government Support" for the URA from the HKSAR Government at "Almost Certain". The URA has updated its MTN Programme to facilitate bond issuance for 2024/25 and onwards.

As a public sector entity with a sovereign credit rating, the URA is in a strong position to raise sufficient funds from the financial markets. With the approved borrowing limit of HK\$25 billion, the URA plans to borrow in phases to meet the financial requirements at different stages for implementing the latest Corporate Plan.

Facing the financial uncertainties and challenges ahead, the URA will continue to manage its businesses in an agile manner and monitor its financial position closely, with an aim to accomplish its urban renewal missions while maintaining long-term sustainability.

PROJECTS AT A GLANCE

						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	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
1-47 - 47 Ongoing projects commenced by URA												
1 ⁽²⁾	YTM-013	Sai Yee Street / Flower Market Road, Mong Kok	2023/24	March		29,304	17,741	31	580	1,354	123,872	67,746
2 ⁽²⁾	C&W-007	Queen's Road West / Kwai Heung Street, Sai Ying Pun	2022/23	December		1,295	4,908	9	205	186	10,160	8,925
3 ^(2,4)	KC-019	To Kwa Wan Road / Ma Tau Kok Road, Ma Tau Kok	2022/23	October		8,759	27,658	2	0	950	59,120	50,804
4 ⁽²⁾	KC-018	Ming Lun Street / Ma Tau Kok Road, Ma Tau Kok	2022/23	October		11,430	45,284	101	2,970	1,276	79,720	68,224
5 ^(2,5)	KC-017	Nga Tsin Wai Road / Carpenter Road, Kowloon City	2022/23	May		37,061	73,190	96	3,450	4,355	278,718	202,416
6 ⁽²⁾	SSP-018	Cheung Wah Street / Cheung Sha Wan Road, Sham Shui Po	2021/22	September		19,054	1,168	3	0	838	83,068	38,978
7 ⁽²⁾	SSP-017	Kim Shin Lane / Fuk Wa Street, Sham Shui Po	2021/22	September		7,377	50,082	90	3,149	995	55,494	46,245
8 ⁽²⁾	KC-016	To Kwa Wan Road / Wing Kwong Street, To Kwa Wan	2020/21	March		6,592	29,132	32	1,701	900	55,480	41,610
9 ⁽²⁾	YTM-012	Shantung Street / Thistle Street, Mong Kok	2020/21	October		2,796	9,364	16	608	300	17,790	12,450
10 ⁽²⁾	CBS-1:KC	Shing Tak Street / Ma Tau Chung Road, Ma Tau Kok	2020/21	May		5,164	15,446	30	540	640	38,547	32,123
11 ⁽²⁾	CBS-2:KC	Kau Pui Lung Road / Chi Kiang Street, Ma Tau Kok	2020/21	May		16,473	43,447	71	1,200	2,324	143,775	123,800
12 ⁽²⁾	KC-015	Kai Tak Road / Sa Po Road, Kowloon City	2018/19	February		6,106	23,204	41	940	810	48,563	39,802

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
36,126	0	20,000	17,000	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme It is the first project under YMDS to materialise the Development Node of "Nullah Road Urban Waterway" in Mong Kok East as proposed in the YMDS. A new building complex with combination of residential and commercial uses such as hotel/office/retail as well as G/IC (including reprovisioned and new sport facilities and a permanent District Health Centre) and recreation facilities will be provided in Site B under the "Single Site, Multiple Use" concept to multiply planning gains.	Project commencement gazetted on 15-03-24	
1,085	0	150	155	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project commencement gazetted on 02-12-22 SDEV authorised URA to proceed on 05-09-23 Objectors lodged two appeals against SDEV's authorisation Four Appeal Board hearings held on 24-11-23, 14-02-24, 15-02-24 and 19-02-24 respectively Appeal Board decision to dismiss the appeals gazetted on 24-05-24	
7,816	0	500	0	Industrial building, Flat-for-Flat scheme is not applicable	Project commencement gazetted on 07-10-22 Two TPB hearings for comments on DSP held on 15-09-23 and 15-12-23 respectively DSP approved by CE-in-C on 28-05-24	
10,496	0	1,000	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project commencement gazetted on 07-10-22 Two TPB hearings for comments on DSP held on 15-09-23 and 15-12-23 respectively DSP approved by CE-in-C on 28-05-24	
25,302	0	51,000	10,450	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme A standalone G/IC complex will be built at Site B of KC-017 for reprovisioning community facilities in Kowloon City Municipal Services Building, Kowloon City Lions Clubs Health Centre and Lee Kee Memorial Dispensary	Project commencement gazetted on 27-05-22 DSP approved by CE-in-C on 05-09-23 Initial acquisition offers issued on 30-04-24	
5,197	0	38,893	10,395	Project SSP-018 mainly consists of open space and G/IC site. No property acquisition is therefore required A standalone G/IC complex will be built at Site B of SSP-018, which will include indoor sport centre, health service facilities and social welfare facilities	Project commencement gazetted on 24-09-21 DSP approved by CE-in-C on 07-02-23 Resumption application for the land occupied by CLP Power Hong Kong Limited's electricity substation submitted on 18-01-24	
9,249	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Initial acquisition offers issued on 03-04-23 Over 91% acceptances received Resumption application submitted on 06-06-23	
8,322	0	5,548	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Initial acquisition offers issued on 29-06-22 Resumption gazetted on 14-04-23 Site reverted to Government on 15-07-23 Clearance works in progress	
2,490	0	2,850	980	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Initial acquisition offers issued on 10-03-22 Resumption gazetted on 09-12-22 Site reverted to Government on 10-03-23 Clearance works in progress	
6,424	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Subsidised sale flats of Dedicated Rehousing Estates being developed and to be managed by HKHS are also offered to eligible domestic owner-occupiers as an alternative option to URA's Flat-for-Flat units.	Initial acquisition offers issued on 05-08-21 Resumption gazetted on 24-06-22 Site reverted to Government on 25-09-22 Site clearance completed on 20-03-23 Joint Venture Development tender awarded on 14-12-23 Land Grant executed in 18-03-24 Demolition works completed	
15,475	0	4,500	400	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Subsidised sale flats of Dedicated Rehousing Estates being developed and to be managed by HKHS will also be offered to eligible domestic owner-occupiers as an alternative option to URA's Flat-for-Flat units.	Project commencement gazetted on 22-05-20 Draft DSP submitted to TPB on 22-05-20 Revised Scheme submitted to TPB on 03-11-22 1st TPB meeting held on 24-03-23 Draft DSP gazetted on 21-04-23, two-month public consultation period expired on 21-06-23 TPB hearing held on 03-11-23 DSP approved by CE-in-C on 06-02-24	
7,961	0	800	1,000	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Initial acquisition offers issued on 19-10-20 Resumption gazetted on 06-05-22 Site reverted to Government on 07-08-22 Site clearance completed on 30-11-23 Demolition works in progress	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
13 ⁽²⁾	KC-014	Wing Kwong Street / Sung On Street, To Kwa Wan	2018/19	June		3,016	16,874	36	831	506	25,884	21,570
14 ⁽²⁾	YTM-011	Oak Street / Ivy Street, Tai Kok Tsui	2017/18	March		820	2,999	6	205	122	5,571	4,642
15 ⁽²⁾	C&W-006	Queen's Road West / In Ku Lane, Sai Ying Pun	2017/18	March		2,046	4,107	6	160	231	11,992	10,381
16 ⁽²⁾	C&W-005	Sung Hing Lane / Kwai Heung Street, Sai Ying Pun	2017/18	July		1,120	3,984	9	231	210	8,740	8,478
17 ⁽²⁾	KC-013	Kai Ming Street / Wing Kwong Street, To Kwa Wan	2016/17	March		1,749	7,458	12	463	472	22,419	18,682
18 ⁽²⁾	KC-012	Wing Kwong Street, To Kwa Wan	2016/17	June		1,258	5,023	14	388	See Remarks		
19 ⁽²⁾	KC-011	Hung Fook Street / Kai Ming Street, To Kwa Wan	2016/17	June		2,635	12,628	23	813	564	26,523	22,102
20 ⁽²⁾	KC-010	Hung Fook Street / Ngan Hon Street, To Kwa Wan	2016/17	June		4,951	21,495	43	1,468	669	41,229	34,357
21 ⁽²⁾	KC-008(A)	Chun Tin Street / Sung Chi Street, To Kwa Wan	2016/17	May	eResidence Tower 3	2,475	3,738	14	179	260	13,841	12,270
22 ⁽²⁾	KC-009	Bailey Street / Wing Kwong Street, To Kwa Wan	2015/16	March		8,042	39,644	94	2,640	1,296	66,654	55,545
23 ^(2,3)	DL-11:YTM	Ash Street, Tai Kok Tsui	2015/16	May		474	3,228	5	206	61	2,896	2,828
24 ⁽³⁾	DL-10:KT	Hang On Street, Kwun Tong	2014/15	November	Bal Residence	865	5,304	10	387	156	6,661	5,920
25	SSP-016	Castle Peak Road / Un Chau Street, Sham Shui Po	2013/14	February	The Harmonie	1,900	7,335	16	476	337	14,841	12,367
26 ^(2,3)	DL-8:KC	Kai Ming Street, To Kwa Wan	2013/14	December		553	2,467	6	122	See Remarks		
27 ⁽³⁾	DL-6:YTM	Fuk Chak Street / Li Tak Street, Tai Kok Tsui	2013/14	June	Sablier	769	3,461	2	171	144	5,738	5,101
28 ⁽³⁾	DL-5:SSP	Tung Chau Street / Kweilin Street, Sham Shui Po	2013/14	April	The Symphonie	1,490	10,313	1	552	262	13,409	9,355
29 ⁽³⁾	DL-4:SSP	Kowloon Road / Kiu Yam Street, Sham Shui Po	2013/14	April	Madison Park	599	3,817	1	229	100	4,884	4,070
30 ⁽²⁾	SSP-015	Tonkin Street / Fuk Wing Street, Sham Shui Po	2012/13	March		1,268	4,964	13	270	198	9,675	8,062
31 ^(4,6)	IB-2:SSP	Yu Chau West Street, Cheung Sha Wan	2012/13	January		1,393	12,145	1	0	0	12,145	0
32 ⁽³⁾	DL-3:YTM	Pine Street / Oak Street, Tai Kok Tsui	2012/13	April	L • Living 23	865	5,105	11	330	142	6,597	5,608

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
4,314	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Foundation works in progress	
929	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Main contract works in progress	
432	0	1,178	538	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Foundation works in progress	
262	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Foundation works in progress	
3,737	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project KC-013 has combined with Project KC-012 for development under a single land grant	Foundation works in progress	
See Remarks				Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project KC-012 has combined with Project KC-013 for development under a single land grant (please refer to Project KC-013 for the details of development parameters)	Foundation works in progress	
3,871	0	550	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project KC-011 has combined with Project DL-8:KC for development under a single land grant	Foundation works in progress	
6,872	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Foundation works in progress	
1,571	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme The project is developed by URA and all 260 flats are sold as Starter Homes	Main contract works in progress Starter Homes Flat selection completed on 28-03-24 and 173 flats sold	
11,109	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Foundation works in progress	
0	68	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme The project is developed by URA	Foundation works in progress	
222	0	519	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 26-10-23 Certificate of Compliance issued on 22-03-24 Sale of remaining flats in progress	
2,474	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 03-11-22 Certificate of Compliance issued on 12-06-23 Sale of remaining flats in progress	
See Remarks				Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project DL-8:KC has combined with Project KC-011 for development under a single land grant (Please refer to Project KC-011 for the details of development parameters)	Foundation works in progress	
637	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 20-05-21 Certificate of Compliance issued on 28-09-21 Sale of remaining flats in progress	
4,054	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Pre-sale consent issued on 16-05-22 Occupation Permit issued on 12-06-23 Certificate of Compliance issued on 29-11-23	
814	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 20-05-20 Certificate of Compliance issued on 09-11-20 Leasing of shops in progress	
1,613	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme The Joint Venture Partner has adopted the Modular Integrated Construction method for the project	Pre-sale consent issued on 27-02-24 Superstructure works in progress	
12,145	0	0	0	The project is switched from redevelopment to retrofitting	Retrofitting works for acquired properties and common areas of the project completed in 11-21 The refurbished premises occupied by URA, a social enterprise and NGOs Notification of Withdrawal of IB-2:SSP gazetted on 26-08-22	
989	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 30-09-21 Certificate of Compliance obtained on 22-12-21 Sale of remaining flats in progress	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
33	YTM-010	Reclamation Street / Shantung Street, Mong Kok	2011/12	February	One Soho	1,640	10,024	20	637	322	12,507	10,422
34	KC-006	Pak Tai Street / San Shan Road, Ma Tau Kok	2010/11	March	Downtown 38	1,277	6,389	12	296	228	9,783	8,152
35	SSP/3/001	Shun Ning Road, Sham Shui Po	2009/10	June	The Ascent	825	3,820	8	130	157	7,159	5,959
36 ⁽⁶⁾	MK/01	Shanghai Street / Argyle Street, Mong Kok	2008/09	September	618 Shanghai Street	1,128	3,944	14	157	0	5,223	0
37 ⁽⁶⁾	MK/02	Prince Edward Road West / Yuen Ngai Street, Mong Kok	2008/09	September		1,440	4,334	10	31	0	4,334	0
38	TKW/1/001	Chi Kiang Street / Ha Heung Road, Ma Tau Kok	2007/08	February	City Hub	931	5,226	10	302	175	8,378	6,980
39 ^(2,5)	K1	Nga Tsin Wai Village, Wong Tai Sin	2007/08	October		6,013	2,051	116	124	750	37,097	34,778
40 ^(2,5)	H18	Peel Street / Graham Street, Sheung Wan	2007/08	July	One Central Place (Site A) My Central (Site B)	5,267	20,219	47	740	306	67,402	22,638
41 ⁽²⁾	K7	Kwun Tong Town Centre, Kwun Tong	2006/07	March	Park Metropolitan (DA 1) Grand Central (DAs 2&3)	53,500	96,104	63	3,139	4,048	468,330	270,710
42 43 44	SSP/1/003-005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005/06	February	Seaside Sonata	7,507	25,344	70	1,589	876	57,399	50,024
45 ⁽⁷⁾	WC/001	Mallory Street / Burrows Street, Wan Chai	2004/05	March	M7	780	2,687	10	122	0	2,435	0
46	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004/05	December	Park Summit	2,328	11,802	30	518	462	20,952	17,460

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
2,085	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 14-03-23 Certificate of Compliance issued on 20-07-23 Sale of remaining flats in progress	
1,631	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 12-07-19 Certificate of Compliance issued on 24-03-20 Sale of remaining flats in progress	
1,200	0	0	0		Occupation Permit issued on 08-03-18 Certificate of Compliance issued on 27-07-18 Sale of shops in progress	
5,223	0	0	0	Rezoned "Other Specified Uses" annotated "Historic Buildings Preserved for Commercial and/or Cultural Uses"	Occupation Permit issued on 07-05-19 Certificate of Compliance issued on 05-07-19 Operation commenced in November 2019	
4,334	0	0	0	Rezoned "Other Specified Uses" annotated "Historic Buildings Preserved for Commercial and/or Cultural Uses"	Renovation works of acquired properties completed Renovated units leased out	
1,398	0	0	0		Occupation Permit issued on 25-05-17 Certificate of Compliance issued on 15-01-18 Sale of remaining flats in progress	
2,319	0	0	0	At-grade Conservation Park accessible to public will be provided. The village gatehouse, the embedded stone tablet and the Tin Hau Temple, as well as the central axis that connects them, and the foundation remains of old village walls and watchtowers will be preserved	Site clearance completed on 26-01-16 An enhanced conservation proposal reported to AAB in 12-22 with support obtained Land Grant executed on 21-06-23 Demolition and hoarding site works in progress Archaeological Rescue Excavation works in progress	
43,294	210	1,260	2,138	A 1,260m ² multi-purpose activity hall for community use will be provided at Site A. Commercial space includes a Market Block at Site B	Site A Pre-sale consent issued on 22-11-21 Superstructure works in progress Site B Occupation Permit obtained on 28-12-18 Certificate of Compliance obtained on 20-06-19 Completed in 2020-21 Site C Main contract works in progress	
157,904	0	39,716	18,376	Commercial GFA include 66,000m ² for offices and 10,000m ² for hotel G/IC includes 6,200m ² for Kwun Tong Jockey Club Health Centre in YWS Site and 17,200m ² for Government uses in Main Site and 16,316m ² for Public Transport Interchange (PTI) in Main Site Commercial Space includes 1,300m ² for social enterprises Residential flats include 299 flats in Yuet Wah Street site, 1,999 flats in the Main Site (DAs 2 & 3) and 1,750 in the Main Site (DAs 4 & 5) Public space includes a minimum of 9,600m ² at-grade public open space and 8,776m ² podium public open space	YWS Site (DA 1) Occupation Permit obtained on 08-07-14 Certificate of Compliance obtained on 29-10-14 Completed in 2021-22 Main Site (DAs 2 & 3) Occupation Permit issued on 26-11-20 Certificate of Compliance issued on 28-04-21 All flats sold Main Site (DAs 4 & 5) Site clearance of DA 4 completed on 31-03-21 Site clearance of DA 5 completed on 17-05-21 Demolition works completed A revised DSP based on "Vertical City" planning concept submitted to TPB The revised DSP gazetted on 08-12-23 for a 2-month public consultation TPB hearing for comments on revised DSP held on 26-04-24 and TPB agreed to submit the DSP for CE-in-C's approval The site is being temporarily used for sports and other community activities	
5,317	0	2,058	1,500	Three projects taken forward as one G/IC includes 1,900m ² for Special Child Care Centre cum Early Education Centre, Day Care Centre for Elderly and Sub-base for a Neighbourhood Elderly Centre; 150m ² for either social enterprise or non-domestic use	Occupation Permit (Site A) issued on 07-06-21 Occupation Permit (Site B) issued on 10-06-21 Occupation Permit (Site C) issued on 06-07-21 Certificate of Compliance issued on 26-10-21 Sale of shops in progress	
0	2,435	0	300	Rezoned "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	Occupation Permit issued on 20-05-13 Certificate of Compliance issued on 04-08-17 URA took over the management and operation of the project in August 2018	
3,492	0	0	450	Public Open Space not required under lease	Occupation Permit issued on 20-09-12 Certificate of Compliance issued on 27-12-12 Sale of shops in progress	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
47 ⁽⁷⁾	H19	Staunton Street / Wing Lee Street, Sheung Wan	2002/03	March		1,997	3,049	24	98	0	1,828	1,097
1-47 Ongoing Sub-Total (A)						274,332	711,706	1,279	33,347	27,982	1,996,833	1,402,681

0 Ongoing project commenced by HKHS

All projects were completed by HKHS						0	0	0	0	0	0	0
Nil Ongoing Sub-total (B)						0	0	0	0	0	0	0

0 Ongoing project taken over from ex-LDC

All projects were completed						0	0	0	0	0	0	0
Nil Ongoing Sub-Total (C)						0	0	0	0	0	0	0
Ongoing Total (A) + (B) + (C)						274,332	711,706	1,279	33,347	27,982	1,996,833	1,402,681

48-73 - 26 Completed projects commenced by URA⁽⁸⁾

48	H14	Sai Wan Ho Street, Shau Kei Wan	2005/06	September	Monti	710	3,796	2	21	144	5,680	5,680
49 ⁽⁹⁾	DL-1:SSP	229A-G, Hai Tan Street, Sham Shui Po	2012/13	April	Astoria Crest	483	2,547	1	172	87	3,640	3,235
50 ⁽⁹⁾	DL-2:SSP	205-211A, Hai Tan Street, Sham Shui Po	2012/13	April	Hyde Park	470	2,952	1	222	76	3,600	3,132
51	KC-007	Kowloon City Road / Sheung Heung Road, Ma Tau Kok	2011/12	November	Artisan Garden	1,622	7,258	16	475	294	12,456	10,380
52	SSP-014	Fuk Wing Street, Sham Shui Po	2010/11	March	The Amused	649	2,456	6	194	136	5,030	4,471
53	TKW/1/002	Ma Tau Wai Road / Chun Tin Street, To Kwa Wan	2009/10	February	eResidence	3,377	10,393	33	660	493	24,398	20,332
54	MTK/1/002	San Shan Road / Pau Chung Street, Ma Tau Kok	2009/10	May	93 Pau Chung Street	1,171	6,046	14	290	209	10,345	8,778
55	TKT/2/002	Anchor Street / Fuk Tsun Street, Tai Kok Tsui	2007/08	March	iclub Mong Kok Hotel	726	3,855	11	245	0	6,529	0
56	MTK/1/001	Pak Tai Street / Mok Cheong Street, Ma Tau Kok	2007/08	February	My Place	772	3,772	9	229	168	6,944	5,787
57	K28	Sai Yee Street, Mong Kok	2007/08	December	Skypark	2,478	14,434	25	431	439	22,301	17,346
58	K9	MacPherson Stadium, Mong Kok	2005/06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705
59	TKT/2/001	Fuk Tsun Street / Pine Street, Tai Kok Tsui	2005/06	December	Park Ivy	560	4,071	4	273	113	4,843	4,003
60 ⁽⁹⁾	SYP/1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005/06	December	The Nova	2,150	4,140	22	213	255	16,463	16,218
61 62	SSP/1/001-002	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	2004/05	March	Trinity Towers	3,339	13,197	33	551	402	29,720	24,780
63	K31	Larch Street / Fir Street, Tai Kok Tsui	2004/05	December	Lime Stardom	2,195	10,332	29	474	377	19,735	16,425
64 ⁽⁹⁾	H15	Lee Tung Street / McGregor Street, Wan Chai	2003/04	October	The Avenue	8,236	36,534	85	1,613	1,275	79,932	67,939
65	K33	Baker Court, Hung Hom	2003/04	July	Baker Residences	277	834	3	9	68	2,338	2,077
66	K30	Bedford Road / Larch Street, Tai Kok Tsui	2003/04	July	i-home	1,229	6,313	13	280	182	10,363	9,215
67	H17	Queen's Road East, Wan Chai	2002/03	March	Queen's Cube	378	1,806	6	25	96	3,984	3,543
68	H20	First Street / Second Street, Sai Ying Pun	2002/03	November	Island Crest	3,536	15,690	41	777	488	38,178	34,259
69	K27	Reclamation Street, Mong Kok	2002/03	October	MOD 595	535	2,411	7	122	85	4,921	4,119

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
331	400	0	135	The project is switched from redevelopment to revitalisation	Notification of Withdrawal of H19 gazetted on 13-11-20 Revitalisation works completed Co-living operator appointed to operate and manage the revitalised buildings and the community farm	
420,516	3,113	170,522	63,817			
0	0	0	0			
0	0	0	0			
0	0	0	0			
0	0	0	0			
420,516	3,113	170,522	63,817			
0	0	0	0		Project completed in 2023-24	
405	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project completed in 2022-23	
468	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project completed in 2022-23	
2,076	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project completed in 2022-23	
559	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project completed in 2021-22	
3,114	952	0	500	Project commenced at request of Government following collapse of one building and demolition of damaged adjacent one The project was developed by URA All 493 flats were assigned for sale as Starter Homes A new Building Rehabilitation Resource Centre is set up at the project	Project completed in 2021-22	
1,567	0	0	0		Project completed in 2019-20	
6,529	0	0	0	Commercial space is for hotel with 288 rooms	Project completed in 2019-20	
1,157	0	0	0		Project completed in 2016-17	
4,955	0	0	0		Project completed in 2017-18	
2,443	0	5,619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	Project completed in 2018-19	
840	0	0	0		Project completed in 2015-16	
245	0	0	1,304	Commercial space includes 24.9m ² for shop and 84.4m ² other covered areas and 135.5m ² like preserved buildings and covered public open space	Project completed in 2016-17	
4,940	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Project completed in 2015-16	
3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Project completed in 2017-18	
9,405	0	2,588	3,972	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for Elderly/Community Service Support Centre, Refuse Collection Point and Public Toilet	Project completed in 2017-18	
261	0	0	0		Project completed in 2011-12	
1,148	0	0	0		Project completed in 2010-11	
441	0	0	0		Project completed in 2011-12	
1,722	0	2,197	700	G/IC is for Residential Care Home for Elderly	Project completed in 2012-13	
802	0	0	0		Project completed in 2009-10	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
70	K19	Po On Road / Shun Ning Road, Sham Shui Po	2002/03	July	Beacon Lodge	1,394	4,898	14	327	166	12,534	10,451
71	K26	Fuk Wing Street / Fuk Wa Street, Sham Shui Po	2001/02	January	Vista	1,384	5,129	13	246	173	12,453	10,378
72 ⁽⁵⁾	H16	Johnston Road, Wan Chai	2001/02	January	J Residence	1,970	7,640	28	333	381	20,567	17,967
73	K3	Cherry Street, Tai Kok Tsui	2001/02	January	Florient Rise	4,510	14,416	64	1,020	522	43,231	36,466
48-73 Completed Sub-Total (D)						46,551	187,708	481	9,202	6,922	424,952	353,686

74-79 - 6 Completed projects commenced by HKHS ⁽⁹⁾

74	K20	Castle Peak Road / Cheung Wah Street, Sham Shui Po	2004/05	April	Heya Delight	1,003	5,935	22	158	130	9,030	7,525
75	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
76	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
77	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
78	H21	Shau Kei Wan Road / Nam On Street, Shau Kei Wan	2003/04	November	Harmony Place	1,871	9,834	17	400	274	19,555	16,338
79	K25	Po On Road / Wai Wai Road, Sham Shui Po	2003/04	July	Heya Green	2,592	9,923	19	528	327	21,214	17,680
74 - 79 Completed Sub-Total (E)						11,613	58,285	115	2,288	1,531	105,116	87,640

80-89 - 10 Completed projects commenced by ex-LDC and completed by URA ⁽⁹⁾

80	K11	Hanoi Road, Tsim Sha Tsui	⁽¹⁰⁾		The Masterpiece	8,299	27,309	35	220	345	102,625	45,600
81 ⁽⁵⁾	H9	Wanchai Road / Tai Yuen Street, Wan Chai	⁽¹⁰⁾		The Zenith/ One Wanchai	6,793	12,555	41	975	889	62,310	52,539
82	K17	Yeung Uk Road, Tsuen Wan	⁽¹⁰⁾		The Dynasty	7,230	0	0	0	256	44,404	27,031
83	K13	Tsuen Wan Town Centre, Tsuen Wan	⁽¹⁰⁾		Vision City	20,300	56,851	96	7,119	1,466	134,185	107,884
84	H12	New Praya Kennedy Town, Kennedy Town	⁽¹⁰⁾		The Merton	6,075	24,808	65	1,683	1,182	62,904	62,794
85	H13	Ka Wai Man Road, Kennedy Town	⁽¹⁰⁾		Mount Davis 33	728	4,000	1	0	89	7,280	7,280
86	K10	Waterloo Road / Yunnan Lane, Yau Ma Tei	⁽¹⁰⁾		8 Waterloo Road	3,869	6,610	27	444	576	32,012	32,012
87	H1	Queen Street, Sheung Wan	⁽¹⁰⁾		Queen's Terrace	7,964	25,792	86	648	1,148	66,233	60,579
88	K2	Argyle Street / Shanghai Street, Mong Kok	⁽¹⁰⁾		Langham Place	11,976	40,810	108	2,603	0	167,414	0
89	K8	Kwong Yung Street, Mong Kok	⁽¹⁰⁾		Paradise Square	1,607	4,190	19	178	272	15,160	12,746
80 - 89 Completed Sub-Total (F)						74,841	202,925	478	13,870	6,223	694,527	408,465
Completed Total (D) + (E) + (F)						133,005	448,918	1,074	25,360	14,676	1,224,595	849,791
Commenced + Completed						407,336	1,160,624	2,353	58,707	42,658	3,221,428	2,252,472

Note

- (1) This table includes only Public Open Space and not any private open space
- (2) The details of project is yet to be finalised and are still subject to change during the statutory, planning and land grant approval processes
- (3) Demand-led project
- (4) Industrial Building
- (5) Redevelopment project contains some preservation elements
- (6) Preservation project
- (7) Revitalisation project
- (8) Retrofitting project
- (9) In this table, a project is deemed to be fully completed once all residential units have been sold and all commercial and other accommodation, apart from car and motor cycle parking spaces, have been sold or substantially leased out
- (10) The project was commenced by ex-LDC

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
2,083	0	0	251		Project completed in 2010-11	
2,075	0	0	255		Project completed in 2010-11	
2,600	0	0	0		Project completed in 2008-09	
4,916	0	1,849	0	G/IC is for Residential Care Home for Elderly	Project completed in 2014-15	
58,061	952	12,253	7,562			
1,505	0	0	0		Occupation Permit issued on 20-05-15 Certificate of Compliance issued on 30-09-15	
3,921	0	0	150		Occupation Permit issued on 23-08-16 Certificate of Compliance issued on 07-12-16	
448	0	2,753	150	G/IC is for Residential Care Home for the Elderly	Occupation Permit issued on 12-09-16 Certificate of Compliance issued on 01-03-17	
2,098	0	0	0		Occupation Permit issued on 26-08-15 Certificate of Compliance issued on 22-01-16	
3,217	0	0	0		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	Occupation Permit issued on 15-10-13 Certificate of Compliance issued on 30-12-13	
12,146	0	5,330	300			
57,025	0	0	1,219	Commercial space includes 25,816m ² for 381 room hotel	Project completed in 2018-19	
3,453	0	6,318	0	G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Project completed in 2017-18	
17,373	0	0	0		Project completed in 2010-11	
23,221	0	3,080	3,700	G/IC is for transport and community facilities	Project completed in 2010-11	
0	0	110	2,300	G/IC is for public toilet	Project completed in 2007-08	
0	0	0	0		Project completed in 2007-08	
0	0	0	1,650		Project completed in 2007-08	
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 665 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	
264,752	0	21,310	11,169			
334,959	952	38,893	19,031			
755,475	4,065	209,415	82,848			
<p>Glossary of Terms</p> <p>AAB = Antiquities Advisory Board CE-in-C = Chief Executive in Council DA = Development Area DSP = Development Scheme Plan GFA = Gross Floor Area G/IC = Government/Institution and Community HKHS = Hong Kong Housing Society</p> <p>LDC = Land Development Corporation NGO = Non-governmental Organisation SDEV = Secretary for Development TPB = Town Planning Board URA = Urban Renewal Authority YMDS = Yau Mong District Study YWS = Yuet Wah Street</p>						

CORPORATE GOVERNANCE

Introduction

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

Board

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

Constitution

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

As at 30 June 2024, the Board comprised a Chairman and 22 other members. There are three executive Board members who are not public officers, namely the Managing Director (MD), who is by law also the Deputy Chairman, and the two Executive Directors (EDs). The Director of Lands, the Director of Planning, the Director of Buildings and the Deputy Director of Home Affairs (2) are Board members who are Non-Executive Directors (NEDs) and public officers.

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

Chairman and MD

Chairman

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

MD

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

Committees

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

Committees

Function Areas

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

Committees

Function Areas

Planning, Development and Conservation Committee

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

Review Committee

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

Sustainability Committee

- Review of the sustainability frameworks, strategy, plans and targets, and oversee their execution
- Review of the sustainability risks and opportunities, trends in applicable laws and regulations and policies set forth by the Government that are considered material to the Authority
- Review of the sustainability-related disclosures and publications

Decision-making System

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

Internal Audit

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

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

Measures to Promote Transparency of Work

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

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

Corporate decisions and issues discussed by the Board are briefed to the media via management representatives from time to time. These interactive media sessions, together with other media interviews throughout the year, seek to promote better understanding of the mission and role of the URA and the rationale and objectives of its work.

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

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

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

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

	Maximum Response Time
Enquiries and requests	Within 14 working days
Complaints	Within 30 working days

In the year 2023/24, the URA has handled a total of 49,691 cases including enquiries, requests and complaints. All cases were addressed and replied within the response time as pledged.

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

MEMBERS OF THE BOARD AND PROFILES

Chairman & Managing Director



Mr CHOW Chung-kong
GBM, GBS, JP
Chairman



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

Executive Directors



Mr Eric POON Shun-wing, BBS
Executive Director
(Commercial)
(up to 14 July 2023)



Mr Wilfred AU Chun-ho
Executive Director
(Commercial)
(from 15 July 2023)



Ms Carolin FONG Suet-yuen
Executive Director
(Operations)

Non-Executive Directors (Non-Official)



Mr Evan AU YANG Chi-chun
(up to 30 November 2023)



Mr William CHAN Fu-keung, BBS



Dr CHAN Ka-kui, GBS, JP



The Honourable Vincent
CHENG Wing-shun, MH, JP



Ms Ivy CHUA Suk-lin



Mr Andy HO Wing-cheong, MH



The Honourable
KWOK Wai-keung, BBS, JP



Ir Janice LAI Wai-man



Sr Alexander LAM Tsan-wing
(from 1 December 2023)



Mrs Sylvia LAM YU Ka-wai, SBS



Ir The Honourable
Michael LEE Chun-keung, JP
(from 1 December 2023)



Dr LEE Ho-yin
(up to 30 November 2023)



Ms Elaine LO Yuen-man, MH



Professor TANG Bo-sin, MH



Ms Judy TONG Kei-yuk



The Honourable
Tony TSE Wai-chuen, BBS, JP



Ms Yvonne YEUNG Kin-ha

Non-Executive Directors (Official)



Ms Clarice YU Po-mei, JP
Director of Buildings



Mr Andrew LAI Chi-wah, JP
Director of Lands



Mr Ivan CHUNG Man-kit, JP
Director of Planning



Mr TE Chi-wang, JP
Deputy Director of Home
Affairs (2)

MEMBERS OF THE BOARD AND PROFILES

Chairman:

Mr CHOW Chung-kong, GBM, GBS, JP

Managing Director:

Ir WAI Chi-sing, GBS, JP, FHKEng

Executive Directors:

Mr Eric POON Shun-wing, BBS, Executive Director (Commercial) (up to 14 July 2023)

Mr Wilfred AU Chun-ho, Executive Director (Commercial) (from 15 July 2023)

Ms Carolin FONG Suet-yuen, Executive Director (Operations)

Non-Executive Directors (Non-Official):

Mr Evan AU YANG Chi-chun (up to 30 November 2023)

Mr William CHAN Fu-keung, BBS

Dr CHAN Ka-kui, GBS, JP

The Honourable Vincent CHENG Wing-shun, MH, JP

Ms Ivy CHUA Suk-lin

Mr Andy HO Wing-cheong, MH

The Honourable KWOK Wai-keung, BBS, JP

Ir Janice LAI Wai-man

Sr Alexander LAM Tsan-wing (from 1 December 2023)

Mrs Sylvia LAM YU Ka-wai, SBS

Ir The Honourable Michael LEE Chun-keung, JP (from 1 December 2023)

Dr LEE Ho-yin (up to 30 November 2023)

Ms Elaine LO Yuen-man, MH

Professor TANG Bo-sin, MH

Ms Judy TONG Kei-yuk

The Honourable Tony TSE Wai-chuen, BBS, JP

Ms Yvonne YEUNG Kin-ha

Non-Executive Directors (Official):

Ms Clarice YU Po-mei, JP, Director of Buildings

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

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

Mr TE Chi-wang, JP, Deputy Director of Home Affairs (2)

Chairman

Mr CHOW Chung-kong, GBM, GBS, JP

Mr Chow Chung-kong is Chairman of the Advisory Committee on Admission of Quality Migrants and Professionals of the HKSAR, and an independent non-executive director of AIA Group Limited.

Mr Chow was previously a non-official member of the Executive Council of the HKSAR (2012-2022), Chairman of the Board of the Hong Kong Exchanges and Clearing Limited (2012-2018), Chief Executive Officer of the MTR Corporation Limited (2003-2011) and Steward of the Hong Kong Jockey Club (2011-2020). Prior to his return to Hong Kong in 2003, Mr Chow was a global corporate executive managing companies in the United Kingdom, United States, Japan and Australia.

Mr Chow is a Chartered Engineer, with a Bachelor of Science degree and a Master of Science degree from the University of Wisconsin and the University of California respectively. He holds a MBA degree from the Chinese University of Hong Kong and attended the Advanced Management Program of Harvard Business School. He was awarded Honorary Doctor of Engineering degree by the University of Bath. He was knighted in the United Kingdom in 2000, and was awarded the Gold Bauhinia Star in 2015 and the Grand Bauhinia Medal in 2021.

Managing Director

Ir WAI Chi-sing, GBS, JP, FHKEng

Ir Wai Chi Sing has been appointed the Managing Director of the URA since 15 June 2016. By virtue of holding that office, he is also the Deputy Chairman of the Board. He has also been appointed a Director of the Board of Urban Renewal Fund since 13 July 2016 and the Chairman of the Independent Monitoring Panel of the MTR Corporation Limited since 23 December 2022 to oversee the comprehensive review on asset management and maintenance regime.

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

Ir Wai holds a master's degree in transportation engineering from Purdue University in the United States. He has professional experience in civil, structural and geotechnical engineering and is a fellow of the Hong Kong Academy of Engineering Sciences. In recognition of his professional achievements and contributions, he was awarded the Gold Medal 2023 by the Hong Kong Institution of Engineers, Honorary Fellow by the Hong Kong Institute of Surveyors in 2023 and the Lifetime Achievement Award 2022 by the Royal Institution of Chartered Surveyors.

Executive Directors

Mr Wilfred AU Chun-ho

Mr Wilfred Au is a Registered Architect and Authorized Person. He joined the URA in 2008 and assumed the position of Director (Planning and Design) in 2017 to oversee planning strategy and design development of urban renewal projects as well as Urban Renewal Information System development. He was appointed as Executive Director of the URA with effect from July 2023.

Mr Au obtained his master's degrees in Architecture from the University of Hong Kong, and Construction and Real Estate from the Hong Kong Polytechnic University. Other than a qualified architect, he is also a professional member of the Hong Kong Institute of Architectural Conservationists.

Ms Carolin FONG Suet-yuen

Ms Carolin Fong Suet-yuen is a professional architect. She was appointed as Executive Director of the URA with effect from October 2022. Before joining the URA, she was the Director of Estates of the Hong Kong Baptist University from 2019 to 2022, the Director and Head of Sustainability of DLN Architects (HK) Ltd. from 2009 to 2019, and an Assistant Professor in the Department of Architecture of the University of Hong Kong from 2007 to 2009.

Ms Fong obtained her master's degree in Environmental Design in Architecture from the University of Cambridge. She is a Fellow of the Hong Kong Institute of Architects, Registered Architect and Authorized Person, and holds the qualification of the PRC Class 1 Registered Architect.

Non-Executive Directors (Non-Official)

Mr William CHAN Fu-keung, BBS

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

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

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

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

Dr CHAN Ka-kui, GBS, JP

Dr Chan Ka-kui is the Immediate Past Chairman of the Construction Industry Council (CIC). He is a Fellow Member of the Hong Kong Institute of Surveyors with over 40 years of experience in the construction field.

During the tenure of his chairmanship between the years of 2016-2022, the CIC had successfully implemented various initiatives to improve the overall performance of the construction industry. It set up the Construction Industry Innovation and Technology Application Centre to promote adoption of advanced technology and to nurture a culture of innovation within the industry.

Dr Chan was appointed as the first Honorary Supervisor of the Hong Kong Construction Association in 2021 and conferred the degree of Doctor of Social Sciences honoris causa from the Hong Kong Metropolitan University in 2022 for his outstanding contribution to the Hong Kong construction industry.

The Honourable Vincent CHENG Wing-shun, MH, JP

Hon. Vincent Cheng is currently a member of the Legislative Council of the HKSAR for the geographical constituency of Kowloon West. He has been engaging in different public services. He is now the vice-chairman of Major Sports Events Committee, the vice-chairman of the Board of Hong Kong Sports Institute, a member of Advisory Committee on Arts Development, Culture Commission and a member of the Court of the University of Hong Kong. He is also the vice-chairman of the Panel on Housing of the Legislative Council. Hon. Cheng has previously served as an elected member of the Sham Shui Po District Council for 12 years.

MEMBERS OF THE BOARD AND PROFILES

Ms Ivy CHUA Suk-lin

Ms Ivy Chua is a practicing accountant in Hong Kong, a Fellow member of the Hong Kong Chartered Governance Institute and the Taxation Institute of Hong Kong. She is also the past president of the Society of Chinese Accountants & Auditors. Ms Chua holds a Master of Business Administration from University of Warwick and holds a number of overseas professional qualifications, including Fellow member of the Association of Chartered Certified Accountants and Fellow member of the Chartered Governance Institute. Ms Chua was appointed as a member of the Board of Inland Revenue, a committee member of Securities and Futures Commission Process Review Panel, a panel member of Securities and Future Appeals Tribunal, and previously a committee member of Disciplinary Panel of Hong Kong Institute of Certified Public Accountants.

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

Mr Andy HO Wing-cheong, MH

Mr Andy Ho is the Adviser to Mainland Affairs Office of the Hong Kong Federation of Youth Groups (HKFYG). He is also a Member of the 14th National Committee of the Chinese People's Political Consultative Conference.

Mr Ho serves as a Non-Executive Director of the URA, Non-official Member of both the Social Welfare Advisory Committee and the Human Resources Planning Commission of the HKSAR Government.

Previously, Mr Ho served as a Member of the Consultation Panel of the West Kowloon Cultural District Authority, an elected Executive Committee Member of the Hong Kong Council of Social Service, and a Director of the Dragon Foundation, who has a long-term commitment to nurture young people of Chinese origin worldwide to be leaders of tomorrow.

He retired from the Executive Director of the HKFYG after over 36 years of service. This is a reflection of Mr Ho's passion and dedication in the pursuit of relevant, beneficial and quality services for young people that result in social impact. He has long been committed to developing volunteer partnerships, especially intergenerationally in local neighbourhoods. With an eye to the future, he has always stressed the importance of equipping young people with future skills and creativity to meet both opportunities and challenges, with a strong foundation in intellectual, emotional and physical wellness. Ultimately, Mr Ho believes that all young people should be afforded every opportunity that encourages them to good citizenship as responsible, caring and serving members of the community and country.

Mr Ho is a Registered Social Worker in Hong Kong, with a Master of Arts degree from the Hong Kong Polytechnic University and a Bachelor of Social Science Honours degree from the Chinese University of Hong Kong. Mr Ho has extensive management experience and a life-long commitment to serving young people, and has tirelessly worked for their whole person development.

He was awarded the Medal of Honour in 2023 in recognition of his dedicated and valuable contributions to community service, particularly in serving the youth and underprivileged students.

The Honourable KWOK Wai-keung, BBS, JP

Hon. Kwok Wai-keung is currently a member of the Legislative Council of the HKSAR representing the Labour Constituency. Hon. Kwok was a member of the Legislative Council of the HKSAR representing Hong Kong Island Constituency from 2016 to 2021 and Labour Constituency from 2012 to 2016. He has also been a member of the Eastern District Council from 2008 to 2023. Hon. Kwok was also a member of Hong Kong Housing Authority from 2015 to 2021.

Hon. Kwok is now a member of the Lantau Development Advisory Committee, a member of Security and Guarding Service Industry Authority and the Chairman of Hong Kong Youth Power Association.

Ir Janice LAI Wai-man

Ir Janice Lai is a Member of the Hong Kong Institution of Engineers' Civil Discipline and Chartered Civil Engineer. She graduated from the University of California, Berkeley with a Bachelor's Degree and Master's Degree in Civil and Environmental Engineering.

Janice has served on various Hong Kong Government's advisory and statutory bodies including Energy Advisory Committee, Town Planning Board, Harbourfront Commission and Land and Development Advisory Committee since 2010. She currently is also the Vice-chairperson of the Works and Development Committee of the Board of Management of the Chinese Permanent Cemeteries and Director of the Board of the Urban Renewal Fund.

MEMBERS OF THE BOARD AND PROFILES

Sr Alexander LAM Tsan-wing

Sr Alexander Lam is a professional General Practice Surveyor and holds a number of local and international professional qualifications, including Fellow of the Hong Kong Institute of Surveyors (HKIS), Fellow of the Royal Institution of Chartered Surveyors (RICS), Member of the Chartered Institute of Arbitrators, Registered China Real Estate Appraisers and Member of China Institute of Real Estate Appraisers and Agents. Sr Lam has extensive experience in real estate development. He set up ATWL International Consultancy Ltd in 2003 and has been focusing on retail planning for mixed-use development projects in China in recent years.

Sr Lam has been actively serving the HKIS. He has been elected as Honorary Treasurer and Council Member of General Council (2023-2024), Assessment of Professional Competence Assessor of General Practice Division (GPD), Chairman of GPD Annual Conference 2022 Organizing Committee, Chairman of HKIS Best Development and Conservation Awards 2021 Organizing Committee, and Honorary Secretary of General Council (2018-2019). He was a Committee Member of Surveyors Registration Board (2017-2023) and China Institute of Real Estate Appraisers and Agents (2003-2021). He is also a Member of HKSAR Appeal Tribunal Panel (Buildings), External Examiner of SPEED of the Hong Kong Polytechnic University and Fellow Member of Institute of Shopping Centre Management.

He is also the Honorary Advisor of Property and Works Committee of Po Leung Kuk (since 2019) and a Committee Member of the Chinese General Chamber of Commerce (1994-2023).

Mrs Sylvia LAM YU Ka-wai, SBS

Born and educated in Hong Kong, Mrs Lam is an architect by profession and is the former Director of the Architectural Services Department of the HKSAR Government.

After her retirement, Mrs Lam continues to link up with the professional circle, the construction industry and the community in other capacities. Besides being one of the Board Members for the URA, she is also a Board Member for the Hospital Authority, the Vice-Chairperson of the Maryknoll Convent School Foundation, the Honorary Architect of the Chinese University of Hong Kong and the Honorary Auditor of the Hong Kong Institute of Architects.

Ir The Honourable Michael LEE Chun-keung, JP

Ir Hon. Michael Lee has been a member of the Legislative Council of the HKSAR for the constituency of Election Committee since 2022. Ir Hon. Lee has been appointed as member of the 14th National Committee of the Chinese People's Political Consultative Conference and a Justice of the Peace in 2023.

Ir Hon. Lee is serving various public services, including a Member of Appeal Board (Bedspace Apartments) of the Home and Youth Affairs Bureau, a Member of Appeal Panel (Property Management Services) of the Home Affairs Department, a Member of the Committee on Taxi Service Quality and the Consultant of the Hong Kong Taxi Council. He had previously served as an elected member of the Eastern District Council for 8 years.

Ms Elaine LO Yuen-man, MH

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

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

Elaine actively participates in public service. She had previously been appointed by the Chief Executive of the HKSAR to various government's advisory and statutory bodies, including:

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

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

Professor TANG Bo-sin, MH

Prof. Tang Bo-sin is an Honorary Professor at the Department of Urban Planning and Design of the University of Hong Kong and a part-time Principal Research Fellow at the Department of Building and Real Estate of the Hong Kong Polytechnic University.

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

He is now serving as a member of both the Town Planning Board and the Appeal Tribunal of the Buildings Ordinance in Hong Kong.

Ms Judy TONG Kei-yuk

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

MEMBERS OF THE BOARD AND PROFILES

The Honourable Tony TSE Wai-chuen,

BBS, JP

Hon. Tony Tse Wai-chuen is currently a member of the Legislative Council of the HKSAR for the Architectural, Surveying, Planning and Landscape functional constituency. He is a Fellow of the Hong Kong Institute of Surveyors (HKIS), Founding President of Guangdong Property and Facilities Management Association of the Greater Bay Area, the Standing Committee on Disciplined Services Salaries and Conditions of Service. Hon. Tse has been awarded the Bronze Bauhinia Star in 2014 and has been appointed as member of the 13th National Committee of the Chinese People's Political Consultative Conference in 2018 and a Justice of the Peace in 2020.

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

Hon. Tse has been engaged in the property development field for almost 50 years. Besides being active in the development circle, he participates enthusiastically in public affairs and has been appointed to public services by the Government on many occasions, including Chairperson of the Property Management Services Authority, Member of the Land and Building Advisory Committee and Town Planning Board, Vice-Chairman of the Independent Police Complaints Council, Chairman of VTC Real Estate Services Training Board, the Court of Lingnan University and Chairman of HKTDC Infrastructure Development Advisory Committee, etc. He has also been appointed Chairman of the Surveyors Registration Board in 2002-2003, elected as President of the HKIS in 2003-2004, and Member of the 5th Legislative Council of the HKSAR for the Architectural, Surveying and Planning functional constituency in 2012.

Ms Yvonne YEUNG Kin-ha

Ms Yvonne Yeung is the Chief Executive of Hong Kong Young Women's Christian Association (YWCA), and proactively explores innovative services to meet with the ever-changing social needs. Services provided by Hong Kong YWCA include youth development, women service & family service, Christian ministry, membership service, elderly service, early childhood education, career development & continuing education, social business & Y Hospitality etc.

Previously she had worked as a Financial Consultant in banking industry and later established a leading social enterprise to create job opportunities for disadvantaged people. She has been actively engaging in enhancing social impact via cross-sector collaboration. Her volunteer services include Member of Executive Committee, Chairperson of Standing Committee on Sector Development & Finance and Vice-chairperson of Strategy Committee on Talent Development of the Hong Kong Council of Social Service, Council Member of Hong Kong Social Welfare Sector Heart to Heart Joint Action, Non-Official Non-Executive Director of the Board of the URA, Advisor of Our Hong Kong Foundation, Ex-officio Member of Advisory Committee for the Trust-initiated Project for Supporting Elderly's Caregivers, and Ex-officio Member of the Advisory Committee of Jockey Club Community eHealth Care Project of the Hong Kong Jockey Club Charities Trust. She was also Associate Member of the Central Policy Unit, Member of the Women's Commission, Member of the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption and Member of Advisory Committee on Enhancing Self-Reliance Through District Partnership Programme of Home Affairs Department. She was awarded as the JESSICA Most Successful Women 2022.

Ms Yeung holds a Master's degree in Business Administration, a Bachelor's degree in Business Administration, and a Bachelor's degree in Psychology. Afterwards she completed the Executive Education "Strategic Perspective in Non-profit Management" at Harvard Business School, Harvard University and "Measuring & Improving the Impact of Social Organizations" at Singapore National University Business School.

Non-Executive Directors (Official)

Director of Buildings

Ms Clarice YU Po-mei, JP

Ms Clarice Yu has been working in the government for over 20 years, mainly in the administration of the Buildings Ordinance on the control of new private building developments and existing private buildings. Prior to joining the government in 1996, Ms Yu has worked in the private sector as an architect.

Director of Lands

Mr Andrew LAI Chi-wah, JP

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

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

Director of Planning

Mr Ivan CHUNG Man-kit, JP

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

Deputy Director of Home Affairs (2)

Mr TE Chi-wang, JP

Mr Te Chi-wang joined the Administrative Service of the Government of the HKSAR in 2002. He served in various Government bureaux and departments, including the Chief Executive's Office, the Financial Secretary's Office, the Financial Services and the Treasury Bureau, the then Commerce and Industry Bureau, the Transport and Logistics Bureau, the Constitutional and Mainland Affairs Bureau and the Civil Service Bureau. He was seconded to the European Commission in 2009.

Mr Te took up the present post of Deputy Director of Home Affairs in November 2022. His major responsibilities include overseeing the policy on district governance and supervising the work of nine district offices in the urban districts.

Note:

Mr Eric POON Shun-wing served the Board as Executive Director (Commercial) until 14 July 2023.

Mr Evan AU YANG Chi-chun and Dr LEE Ho-yin served the Board as Non-Executive Directors (Non-official) until 30 November 2023.

MEMBERS OF COMMITTEES

AUDIT COMMITTEE

Chairperson

Ms Ivy CHUA Suk-lin

Members

Dr CHAN Ka-kui, GBS, JP
Mr Andy HO Wing-cheong, MH
Ms Yvonne YEUNG Kin-ha

Co-opted Member

Ms Rosanna CHOI Yi-tak, MH

DEVELOPMENT PROJECT OBJECTION CONSIDERATION COMMITTEE

Chairperson

The Honourable Vincent CHENG Wing-shun, MH, JP

Members

The Honourable KWOK Wai-keung, BBS, JP
Sr Alexander LAM Tsan-wing (from 14 December 2023)
Mrs Sylvia LAM YU Ka-wai, SBS
Dr LEE Ho-yin (up to 30 November 2023)
The Honourable Tony TSE Wai-chuen, BBS, JP

Co-opted Members

Mr Patrick LAU Lai-chiu, SBS
Mr Timothy MA Kam-wah, MH, JP
Mrs Karen WONG LAW Kwai-wah

FINANCE COMMITTEE

Chairperson

Mr CHOW Chung-kong, GBM, GBS, JP

Members

Mr Evan AU YANG Chi-chun (up to 30 November 2023)
Ms Ivy CHUA Suk-lin
Sr Alexander LAM Tsan-wing (from 14 December 2023)
Ir The Honourable Michael LEE Chun-keung, JP (from 14 December 2023)
Ms Elaine LO Yuen-man, MH
Professor TANG Bo-sin, MH
The Honourable Tony TSE Wai-chuen, BBS, JP
Ms Yvonne YEUNG Kin-ha (up to 13 December 2023)
Managing Director (Ir WAI Chi-sing, GBS, JP, FHKEng)

Co-opted Member

Sr Alexander LAM Tsan-wing (up to 30 November 2023)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Chairperson

Mr CHOW Chung-kong, GBM, GBS, JP

Members

Mr Evan AU YANG Chi-chun (up to 30 November 2023)
Mr William CHAN Fu-keung, BBS
The Honourable KWOK Wai-keung, BBS, JP
Ir The Honourable Michael LEE Chun-keung, JP (from 14 December 2023)
Ms Elaine LO Yuen-man, MH
Professor TANG Bo-sin, MH
Ms Yvonne YEUNG Kin-ha (from 14 December 2023)
Managing Director (Ir WAI Chi-sing, GBS, JP, FHKEng)

LAND, REHOUSING AND COMPENSATION COMMITTEE

Chairperson

Ms Elaine LO Yuen-man, MH

Members

Mr William CHAN Fu-keung, BBS
Dr CHAN Ka-kui, GBS, JP
The Honourable KWOK Wai-keung, BBS, JP
Ms Judy TONG Kei-yuk
Managing Director (Ir WAI Chi-sing, GBS, JP, FHKEng)
Executive Director (Operations) (Ms Carolin FONG Suet-yuen)

Co-opted Members

Mr Patrick LAU Lai-chiu, SBS
Mr Timothy MA Kam-wah, MH, JP
Assistant Director / Specialist 3, Lands Department (Ms Lily CHIU Lee-lee) (up to 16 August 2023)
(Ms Karen LEUNG Mui-yin) (from 17 August 2023)

PLANNING, DEVELOPMENT AND CONSERVATION COMMITTEE

Chairperson

Dr LEE Ho-yin
(up to 30 November 2023)

Mrs Sylvia LAM Yu Ka-wai, SBS
(from 14 December 2023)

Members

The Honourable Vincent CHENG Wing-shun,
MH, JP

Mr Andy HO Wing-cheong, MH
Ir Janice LAI Wai-man

Sr Alexander LAM Tsan-wing
(from 14 December 2023)

Mrs Sylvia LAM YU Ka-wai, SBS
(up to 13 December 2023)

Professor TANG Bo-sin, MH

Ms Judy TONG Kei-yuk

The Honourable Tony TSE Wai-chuen, BBS, JP

Director of Lands^Δ

(Mr Andrew LAI Chi-wah, JP)

Director of Planning^Δ

(Mr Ivan CHUNG Man-kit, JP)

Managing Director

(Ir WAI Chi-sing, GBS, JP, FHKEng)

Executive Director (Commercial)

(Mr Eric POON Shun-wing, BBS)
(up to 14 July 2023)

(Mr Wilfred AU Chun-ho)

(from 15 July 2023)

Co-opted Members

Sr Alexander LAM Tsan-wing
(up to 30 November 2023)

Mr Andy LEUNG Kit-man

Assistant Director /
New Buildings 1,
Buildings Department
(Ms Karen CHEUNG Yuk-ching, JP)

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

REVIEW COMMITTEE

Chairperson

Mr William CHAN
Fu-keung, BBS

Members

The Honourable Vincent CHENG Wing-shun,
MH, JP

Ir Janice LAI Wai-man

Dr LEE Ho-yin (up to 30 November 2023)

Ms Elaine LO Yuen-man, MH

Co-opted Members

Dr Andrew CHAN Ping-chiu, BBS

Mr Henry CHAN Kai-wing

Mr CHUA Hoi-wai, JP

Dr Amy HO Po-ying
(up to 28 July 2023)

Ms LAM Tze-yan

Dr LEE Yok-shiu (up to 25 July 2023)

Mr Tony LUK Ka-luen

Mr MOK Hing-luen

Mr Dickson PANG Kam-fai

Mr YUNG Ching-tat, BBS, JP

SUSTAINABILITY COMMITTEE

Chairperson

Ms Yvonne YEUNG Kin-ha

Members

Mr Andy HO Wing-cheong, MH

Managing Director

(Ir WAI Chi-sing, GBS, JP, FHKEng)

Executive Director (Commercial)

(Mr Wilfred AU Chun-ho)

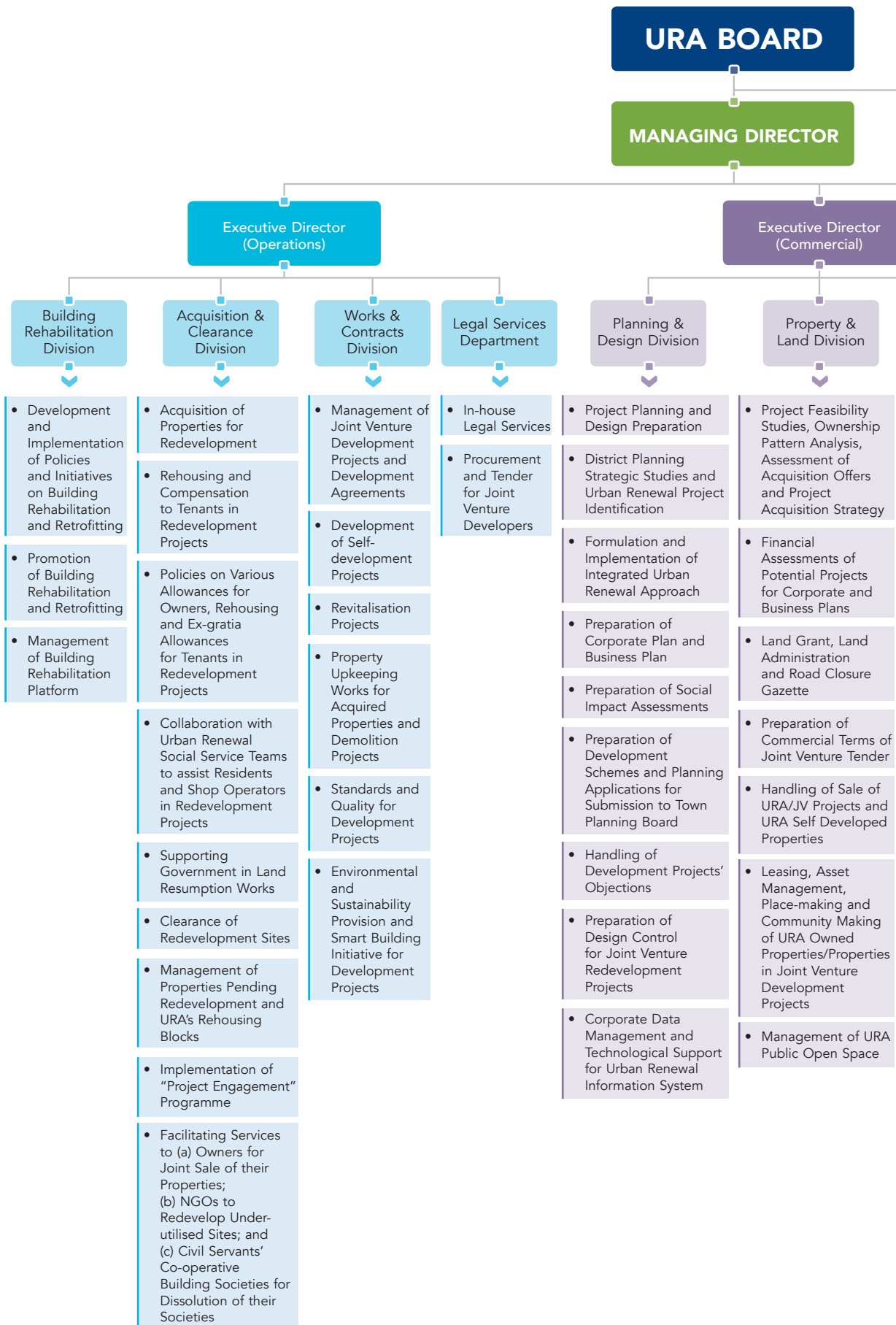
Executive Director (Operations)

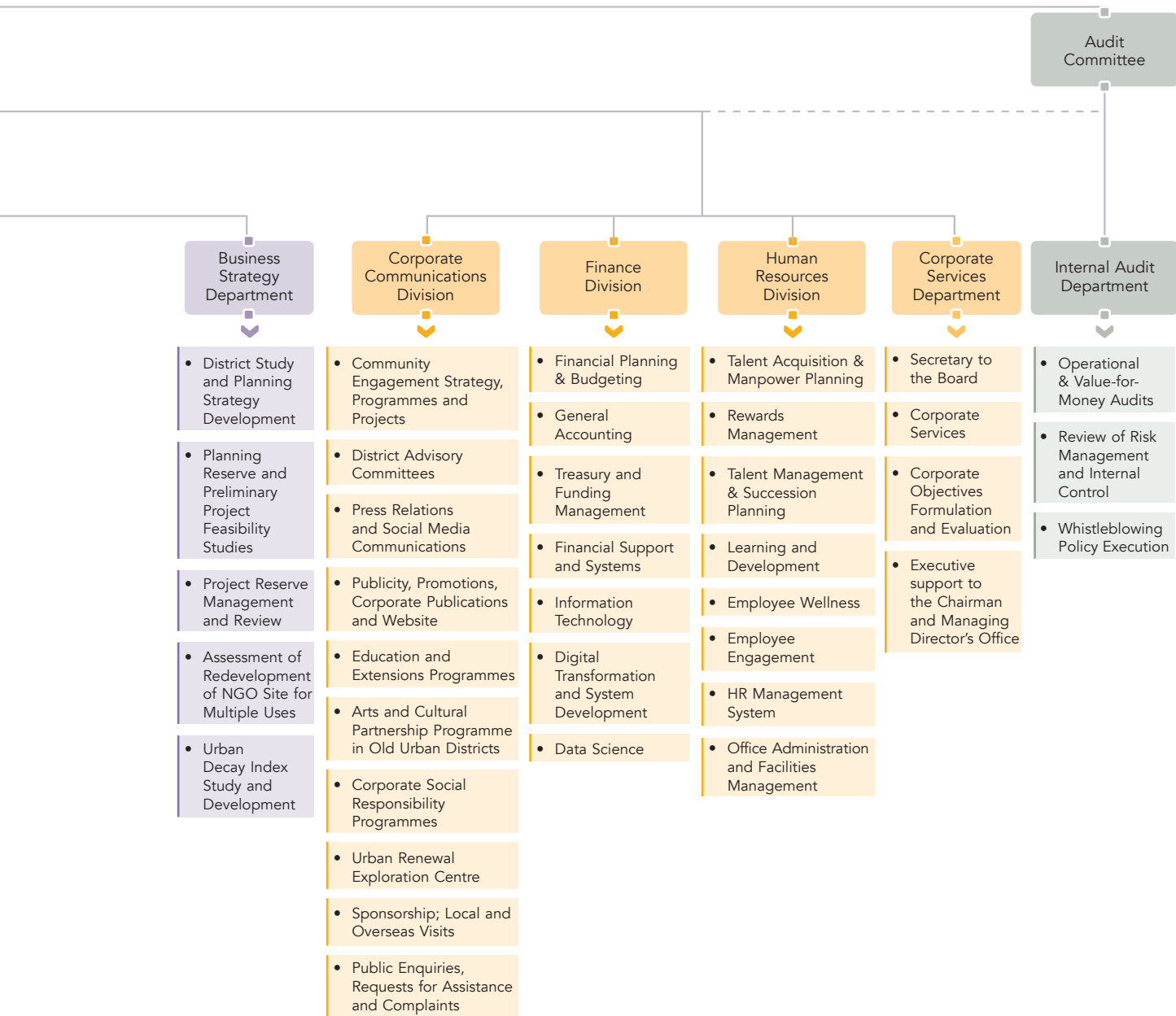
(Ms Carolin FONG Suet-yuen)

Co-opted Member

Ms Loretta FONG Wan-huen

ORGANISATION STRUCTURE





MEMBERS OF DISTRICT ADVISORY COMMITTEES

CENTRAL AND WESTERN DISTRICT ADVISORY COMMITTEE

Chairperson Dr LEE Ho-yin (up to 30 November 2023)

Members Professor Roger CHAN Chun-kwong Mr LUI Hung-pan Mr YEUNG Hok-ming, MH
Mr Owen CHAN Chun-wah Mr MAN Chi-wah, BBS, MH Mr Jeremy YOUNG Chit-on
Mr CHENG Po-hung Mr PANG Ka-ho
Mr Kenneth LEE Fung-nin Ms Anna YEN Lau-fan
District Officer (Central & Western)

KOWLOON CITY DISTRICT ADVISORY COMMITTEE

Chairperson Professor TANG Bo-sin, MH

Members Ms CHAN Wing-lam, Gwyneth Ms LAI LEE Chui-ling Mr TAM Man-chi
Mr CHO Wui-hung, MH Mr LAM Pok Mr WONG Yip-kwan, MH
Mr HO Hin-ming, BBS, MH Mr NG Po-keung, MH Mr YEUNG Chun-yu
Mr KU Ka-yin, MH Mr PUN Kwok-wah, JP
Mr KWAN Ho-yeung Dr SIU Miu-man, MH
District Officer (Kowloon City)

KWUN TONG DISTRICT ADVISORY COMMITTEE

Chairperson Mr Evan AU YANG Chi-chun (up to 30 November 2023)

Members Ms CHAN Siu-hing Ms FU Pik-chun, MH Mr LING Chi-keung, MH
Mr Nelson CHAN Wah-yu, MH, JP Mr KAN Ming-tung, MH Mr Wilson OR Chong-shing, MH
Mr CHEUNG Freeman Mr Patrick LAI Shu-ho, BBS, MH, JP Mr Kevin SO Koon-chung
Mr CHONG Yam-ming, BBS, MH Mr LEUNG Tang-fung Ms SO Lai-chun, MH, JP
Mr CHOW Yiu-ming, BBS, MH Mr LI Hung Sr Gary YEUNG Man-kai
District Officer (Kwun Tong)

SHAM SHUI PO DISTRICT ADVISORY COMMITTEE

Chairperson The Honourable Vincent CHENG Wing-shun, MH, JP

Members Mr CHAN Wai-ming, BBS, MH, JP Mr Aaron LAM Ka-fai, BBS, JP Ms POON Choi-chun
Dr Lennon CHOY Hung-tat Dr LAU Kwok-yu, JP Mr Garrie TAM Wai-man
Mr Waillen CHUI Wai-lan Ms LAU Pui-yuk, MH Mr WAI Woon-nam
Mr CHUM Tak-shing Mr MAK Wai-ming Dr WONG Joseph Francis
District Officer (Sham Shui Po)

YAU TSIM MONG DISTRICT ADVISORY COMMITTEE

Chairperson Ir Janice LAI Wai-man

Members Professor Paul CHU Hoi-shan Mr Edward LEUNG Wai-kuen, JP Mr WONG Kin-san, MH
Mr CHUNG Chak-fai Mr Edward LEUNG Yee-wah Mr Benny YEUNG Tsz-hei, BBS, MH
Mr Frank HO Fu-wing Mr Ernest NG Kwok-wa Dr Simon YUEN Sheung-man
Mr HUI Tak-leung, JP Ir Michelle TANG Ming-sum
Mr LAU Pak-kei, MH Sr Kenny TSE Chi-kin
District Officer (Yau Tsim Mong)

FINANCIAL SUMMARY

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

	In HK\$'million									
Year ended 31 March	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	9,904	7,422	5,035	13,868	3,423	2,107	3,439	22,653	5,513	3,024
Operating surplus/(deficit) (Note 1)	1,779	5,215	2,311	11,512	1,489	1,143	49	7,240	(494)	(831)
Net surplus/(deficit)	1,076	4,451	3,142	12,038	2,330	118	150	6,568	(3,530)	(3,920)
Accumulated surplus	15,013	19,464	22,606	34,644	36,974	37,092	37,242	43,810	40,280	36,360
Capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net assets	25,013	29,464	32,606	44,644	46,974	47,092	47,242	53,810	50,280	46,360
Debt securities issued less unamortised finance charges	4,582	3,285	3,288	2,791	2,793	1,796	1,097	1,098	799	499
Properties under development (Note 2)	20,984	20,199	19,087	25,769	29,609	33,494	33,287	22,501	25,249	28,684
Land premia waived by the Government during the year	(7,785)	(940)	(180)	(4,077)	(190)	(4)	(17)	(1,106)	(2,137)	(2,362)
Surplus/(deficit) if no land premium waiver	(6,709)	3,511	2,962	7,961	2,140	114	133	5,462	(5,667)	(6,282)
Accumulated surplus if no land premium waiver	722	4,233	7,195	15,156	17,296	17,410	17,543	23,005	17,338	11,056

Notes:

1. "Operating surplus/(deficit)" refers to operating results before deducting provision for impairment on properties and committed projects.
2. "Properties under development" represents properties under development before provision for impairment.

REPORT OF THE MEMBERS OF THE BOARD

The members of the Board submit their report together with the audited financial statements for the year ended 31 March 2024.

BOARD MEMBERS

Members of the Board for the year and up to the date of this report are set out on page 94.

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, retrofitting, preservation and revitalisation. 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 2024 and the financial position of the Group and of the Authority at that date are set out in the consolidated financial statements on pages 114 to 161.

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 2024, the working capital of the Group was mainly financed by the Government's equity injection, accumulated surplus and debt securities issued.

BOARD MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND RIGHTS OF ACQUISITION OF SHARES

No contract of significance, to which the Authority or any of its subsidiaries was a party and in which a member of the Board had a material interest, subsisted at the end of the year or at any time during the year other than Note 21 to the consolidated financial statements.

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

AUDITOR

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

By order of the Board
CHOW Chung-kong
Chairman
Hong Kong, 13 June 2024

INDEPENDENT AUDITOR'S REPORT



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

OPINION

We have audited the consolidated financial statements of Urban Renewal Authority (the "Authority") and its subsidiaries (together the "Group") set out on pages 114 to 161, which comprise the consolidated statement of financial position as at 31 March 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE BOARD MEMBERS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 18 of the Urban Renewal Authority Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
13 June 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2024
(expressed in Hong Kong Dollars)

	Note	2024 \$'000	2023 \$'000
Revenue	5(a)	3,023,922	5,513,383
Direct costs		<u>(3,599,198)</u>	<u>(5,454,321)</u>
Gross (deficit)/surplus		(575,276)	59,062
Other income, net	5(b)	1,023,515	575,273
Administrative expenses		(675,779)	(637,089)
Other expenses		<u>(603,490)</u>	<u>(491,332)</u>
Operating deficit before provision for impairment on properties and committed projects		(831,030)	(494,086)
Provision for impairment on properties and committed projects, net	6(a)	<u>(3,089,252)</u>	<u>(3,035,622)</u>
Operating deficit before income tax	6	(3,920,282)	(3,529,708)
Income tax expenses	7(a)	<u>—</u>	<u>—</u>
Deficit and total comprehensive income for the year		<u><u>(3,920,282)</u></u>	<u><u>(3,529,708)</u></u>

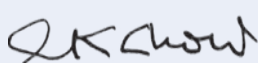
The notes on pages 119 to 161 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

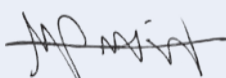
at 31 March 2024
(expressed in Hong Kong Dollars)

	Note	2024 \$'000	2023 \$'000
Non-current assets			
Property, plant and equipment	8	7,883,903	7,149,695
Properties under development	9	21,048,425	19,979,351
Building rehabilitation loans	10	3,354	5,445
Prepayments		604,740	661,867
Investments	11	550,000	1,650,000
Bank deposits	12	–	269,000
		<u>30,090,422</u>	<u>29,715,358</u>
Current assets			
Properties held for sale	13	517,512	868,465
Properties under development for sale	9	1,121,976	1,216,849
Amounts due from joint development projects	14	17,521	27,256
Building rehabilitation loans	10	2,443	3,218
Trade and other receivables	15	447,429	470,100
Investments	11	1,100,000	1,150,000
Cash and bank balances	12	16,543,514	20,554,169
		<u>19,750,395</u>	<u>24,290,057</u>
Total assets		<u><u>49,840,817</u></u>	<u><u>54,005,415</u></u>
Capital and reserve			
Capital	16	10,000,000	10,000,000
Accumulated surplus		36,359,510	40,279,792
		<u>46,359,510</u>	<u>50,279,792</u>
Non-current liabilities			
Trade and other payables	17	400,806	385,155
Debt securities issued	18	499,111	498,622
		<u>899,917</u>	<u>883,777</u>
Current liabilities			
Amounts due to joint development projects	14	256,653	244,404
Trade and other payables	17	2,324,737	2,297,463
Debt securities issued	18	–	299,979
		<u>2,581,390</u>	<u>2,841,846</u>
Total capital, reserve and liabilities		<u><u>49,840,817</u></u>	<u><u>54,005,415</u></u>

Approved by the Board
on 13 June 2024



CHOW Chung-kong
Chairman



WAI Chi-sing
Managing Director

The notes on pages 119 to 161 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2024
(expressed in Hong Kong Dollars)

	Note	2024		2023	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Operating deficit before income tax		(3,920,282)		(3,529,708)	
Adjustments for:					
Interest income	5(b)	(890,008)		(517,922)	
Depreciation	6(a)	227,959		214,777	
Interest expenses	6(a)	1,067		639	
Net foreign exchange loss		29,259		76,208	
Provision for impairment on properties and committed projects, net		<u>3,089,252</u>		<u>3,035,622</u>	
Operating deficit before working capital changes		(1,462,753)		(720,384)	
Changes in balances with joint development projects		21,984		5,289	
Increase in properties under development		(4,940,471)		(2,469,495)	
Decrease in properties held for sale		444,493		106,678	
Decrease in building rehabilitation loans		2,866		3,620	
(Increase)/decrease in prepayments		(18,188)		46,952	
Decrease in other receivables		–		309,527	
Increase in trade and other receivables		(47,411)		(75,516)	
Increase/(decrease) in trade and other payables		<u>11,083</u>		<u>(280,401)</u>	
Cash used in operations		(5,988,397)		(3,073,730)	
Interest received		960,090		283,740	
Interest paid		<u>(20,928)</u>		<u>(32,240)</u>	
Net cash used in operating activities			(5,049,235)		(2,822,230)

The notes on pages 119 to 161 form part of these consolidated financial statements.

	Note	2024		2023	
		\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities					
Decrease in bank deposits with original maturities of more than 3 months		4,109,543		2,562,211	
Payment for purchase of investments at amortised cost		–		(2,150,000)	
Payment for purchase of property, plant and equipment		(9,772)		(75,379)	
Redemption of investments at amortised cost		<u>1,150,000</u>		<u>83,325</u>	
Net cash generated from investing activities			5,249,771		420,157
Cash flows from financing activities					
Redemption of debt securities	12	(300,000)		(300,000)	
Capital element of lease rentals paid	12	(37,825)		(44,456)	
Interest element of lease rentals paid	12	<u>(3,564)</u>		<u>(1,425)</u>	
Net cash used in financing activities			<u>(341,389)</u>		<u>(345,881)</u>
Net decrease in cash and cash equivalents			(140,853)		(2,747,954)
Cash and cash equivalents at 1 April			1,616,755		4,442,366
Exchange loss on cash and cash equivalents			<u>(27,044)</u>		<u>(77,657)</u>
Cash and cash equivalents at 31 March			<u><u>1,448,858</u></u>		<u><u>1,616,755</u></u>
Analysis of cash and bank balances					
Cash and cash equivalents			1,448,858		1,616,755
Bank deposits with original maturities of more than 3 months			<u>15,094,656</u>		<u>19,206,414</u>
Cash and bank balances at 31 March	12		<u><u>16,543,514</u></u>		<u><u>20,823,169</u></u>

The notes on pages 119 to 161 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024
(expressed in Hong Kong Dollars)

	Capital	Accumulated surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2022	10,000,000	43,809,500	53,809,500
Deficit and total comprehensive income for the year	<u>–</u>	<u>(3,529,708)</u>	<u>(3,529,708)</u>
Balance at 31 March 2023	<u>10,000,000</u>	<u>40,279,792</u>	<u>50,279,792</u>
Balance at 1 April 2023	10,000,000	40,279,792	50,279,792
Deficit and total comprehensive income for the year	<u>–</u>	<u>(3,920,282)</u>	<u>(3,920,282)</u>
Balance at 31 March 2024	<u>10,000,000</u>	<u>36,359,510</u>	<u>46,359,510</u>

The notes on pages 119 to 161 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

1. General information

The Urban Renewal Authority (the "Authority") is a statutory body established by the Government of the Hong Kong Special Administrative Region ("Government") under the Urban Renewal Authority Ordinance (Chapter 563). The principal activities of the Authority and its subsidiaries (the "Group") have been to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, retrofitting, preservation and revitalisation. 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. Material accounting policies

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

(a) Basis of preparation of the financial statements

The consolidated financial statements have been prepared under the historical cost convention and in accordance with accounting principles generally accepted in Hong Kong and comply with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") (which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance.

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Material accounting policies (Continued)

(b) Relevant standards effective in the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

HKFRS 17, *Insurance contracts*

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to HKAS 12, *Income taxes: International tax reform — Pillar Two model rules*

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

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the abolition of offsetting mechanism effective from 1 May 2025. The abolition of the offsetting mechanism and the above guidance did not have a material impact on the Group's results and financial position.

(c) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2024

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group.

*Effective for accounting periods
beginning on or after*

Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>	1 January 2024
Amendments to HKAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants</i>	1 January 2024
Amendments to HKFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1 January 2024

2. Material accounting policies (Continued)

(c) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2024 (Continued)

Effective for accounting periods beginning on or after

Amendments to HKAS 7, <i>Statement of cash flows</i> and HKFRS 7, <i>Financial Instruments: Disclosures: Supplier finance arrangements</i>	1 January 2024
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

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

(d) Basis of consolidation

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

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

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

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

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

(e) Revenue recognition

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Material accounting policies (Continued)

(e) Revenue recognition (Continued)

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

- (i) Income from sale of properties developed for sale in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in contract liabilities (see Note 2(f)).
- (ii) Where the Group receives its share of surplus from property development projects undertaken as joint development projects, sharing of such surplus is recognised in accordance with the terms of the joint development agreements, unless the control of the underlying properties under development have not been transferred. Proceeds received in advance from sale of properties of joint development projects prior to their completion are included in trade and other payables.
- (iii) When the developer is obligated to settle the upfront premium to the Group at the inception of joint development agreement, such upfront premium is recognised as revenue when the Group has no further substantial acts to complete. Generally, such revenue is recognised as soon as the Group has performed its obligations in respect of the upfront premium and it has become non-refundable/non-cancellable.
- (iv) Interest income is recognised on a time-proportion basis using the effective interest method.
- (v) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.
- (vi) Income from Urban Redevelopment Facilitating Services Company Limited is recognised upon completion of the sale of the properties by the owners in accordance with the terms of the sale agreement.

(f) Contract liabilities

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

2. Material accounting policies (Continued)

(g) Property, plant and equipment

Building comprises rehousing blocks, preservation properties, retained properties, and commercial premises held for self-use. Rehousing blocks represent properties held by the Group for the intended purpose of providing interim accommodation for affected tenants of development projects who are normally charged a rent which is substantially below the market value, with a view to assist primarily the dispossessed tenants who are yet to obtain public housing units. Preservation properties are properties that are of historical or architectural interest to be preserved by the Group. Retained properties represent redeveloped properties held by the Group for conserving the cultural characteristics of the projects before redevelopment and receives rental income.

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (see Note 2(h)). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Interests in leasehold land	– Over the period of the unexpired lease
Buildings	– 50 years or over the period of the unexpired lease if less than 50 years
Leasehold improvements	– Office: Over 10 years or the life of the respective lease, whichever is the shorter Non-office: 50 years or over the period of the unexpired terms of the leases if less than 50 years
Plant and machinery	– 10 years
Motor vehicles	– 4 years
Furniture and office equipment	– 3 to 5 years
Properties leased for own use	– Over the period of the lease

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Material accounting policies (Continued)

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

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

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

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

Measurement of ECLs

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

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

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

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

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

2. Material accounting policies (Continued)

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

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

ECLs are measured on either of the following bases:

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

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

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

Significant increases in credit risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Material accounting policies (Continued)

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

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

Significant increases in credit risk (Continued)

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

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

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

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

Write-off policy

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

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

(ii) Impairment of other assets

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

2. Material accounting policies (Continued)

(i) Financial assets and liabilities

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Material accounting policies (Continued)

(j) Leased assets

(i) As a lessee

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

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

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

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

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

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

The Group presents right-of-use assets in "property, plant and equipment" and presents lease liabilities under "trade and other payables" in the consolidated statement of financial position.

2. Material accounting policies (Continued)

(j) Leased assets (Continued)

(ii) As a lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the company allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(e)(v).

(k) Properties under development

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

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

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

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

Properties held for sale and properties under development for sale at the end of the reporting period are stated at the lower of cost and net realisable value.

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

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

(n) Provisions, contingencies and onerous contracts

(i) Provisions and contingencies

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Material accounting policies (Continued)

(n) Provisions, contingencies and onerous contracts (Continued)

(i) Provisions and contingencies (Continued)

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

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

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

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

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

(o) Current and deferred income tax

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

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

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

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

The Group recognised deferred income tax assets and deferred income tax liabilities separately in relation to its lease liabilities and right-of-use assets.

2. Material 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 profit or loss in the period in which they are incurred.

(q) Translation of foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(r) Joint development projects

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

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

(s) Cash and cash equivalents

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

(t) Employee benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Material accounting policies (Continued)

(u) Related parties

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

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

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

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

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

3. Financial risk management and fair value of financial instruments

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: cash flow interest rate risk, credit risk, liquidity risk 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 surplus/deficit and operating cash flows are substantially independent of changes in market interest rates.

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

(a) Financial risk factors (Continued)

(ii) Credit risk

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

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

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

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

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

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

(iii) Liquidity risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

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

(a) Financial risk factors (Continued)

(iii) Liquidity risk (Continued)

	2024	2023
	\$'000	\$'000
Less than 1 year		
Trade and other payables	2,214,926	2,234,790
Amounts due to joint development projects	256,653	244,404
Debt securities issued	<u>19,197</u>	<u>320,928</u>
Between 1 to 3 years		
Trade and other payables	56,132	36,203
Debt securities issued	<u>519,250</u>	<u>538,447</u>
Between 3 to 5 years		
Trade and other payables	<u>14,920</u>	<u>14,920</u>
Over 5 years		
Trade and other payables	<u>330,862</u>	<u>334,506</u>

(iv) Foreign exchange risk

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

Foreign exchange risk sensitivity

As at 31 March 2024, if Hong Kong dollar had weakened/strengthened by 1% against foreign currencies with all other variables held constant, the deficit of the Group would increase/decrease by approximately \$11,390,000 (2022/23: \$15,969,000) resulting from the foreign exchange gains/losses on translation of cash and bank balances and investments denominated in foreign currencies.

(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, retrofitting, revitalisation and heritage preservation.

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

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

(c) Fair value measurement

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

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

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.

Impairment of properties and provision for a committed project

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgements (Continued)

Impairment of properties and provision for a committed project sensitivity

As at 31 March 2024, if the respective estimated upfront premium to be received on the projects had been increased/decreased by 5% with all other variables held constant, the deficit of the Group for the year would decrease/increase by approximately \$298,500,000 (2022/23: \$584,000,000) resulting from the change in provision for impairment on properties and committed projects.

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

5. Revenue and other income, net

(a) Revenue

(i) Disaggregation of revenue

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

	2024	2023
	\$'000	\$'000
Revenue recognised outside the scope of HKFRS 15		
– Upfront premium from property developers	1,940,000	4,841,000
– Share of property development surplus on joint development projects	448,976	475,811
Revenue from contracts with customers within the scope of HKFRS 15		
– Sale of properties	634,946	196,572
	<u>3,023,922</u>	<u>5,513,383</u>

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

At 31 March 2024, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of comprehensive income in the future from pre-completion sales contracts entered into in relation to the Group's properties held for sale pending transfer of control amounted to \$969,414,000 (2022/23: \$170,501,000) which will be recognised when the properties are legally assigned to the customers. The Group will recognise the expected revenue in future on the basis that control over ownership of the property has been passed to the customer, which is expected to occur over the next 36 months.

5. Revenue and other income, net (Continued)

(b) Other income, net

Other income, net recognised during the year represents:

	2024	2023
	\$'000	\$'000
Interest income	890,008	517,922
Rental income	181,084	130,202
Miscellaneous income	6,155	3,357
Net foreign exchange loss	(53,732)	(76,208)
	<u>1,023,515</u>	<u>575,273</u>

6. Operating deficit before income tax

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

(a) Other items:

	2024	2023
	\$'000	\$'000
Cost of properties under joint development projects	3,095,501	5,291,465
Cost of properties sold	445,268	105,986
Staff costs* (excluding directors' and senior management's remuneration)	523,424	489,934
Rehabilitation and retrofit expenses	86,808	45,354
Revitalisation and preservation expenses	15,634	17,054
Place making expenses^	6,155	9,482
Outgoings in respect of preservation properties, retained properties and rehousing units	<u>155,231</u>	<u>139,346</u>
Depreciation		
– Depreciation	253,082	242,150
– Less: Depreciation capitalised	(25,123)	(27,373)
	<u>227,959</u>	<u>214,777</u>
Auditor's remuneration		
– Audit services	<u>534</u>	<u>534</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

6. Operating deficit before income tax (Continued)

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

(a) Other items: (Continued)

	2024	2023
	\$'000	\$'000
Impairment on properties		
– Provision for impairment on properties held for sale	2,060	4,398
– Write back of provision for impairment on property, plant and equipment	(14,408)	(42,776)
– Provision for impairment on properties under development	3,101,600	3,074,000
	<u>3,089,252</u>	<u>3,035,622</u>
Interest expenses		
– Interest on lease liabilities	3,564	1,425
– Less: Interest on lease liabilities capitalised	(2,497)	(786)
	<u>1,067</u>	<u>639</u>
– Interest expenses on debt securities issued	19,992	30,914
– Less: Interest expenses capitalised [#]	(19,992)	(30,914)
	<u>–</u>	<u>–</u>
	<u>1,067</u>	<u>639</u>

* Including salaries and other benefits of \$488,010,000 (2022/23: \$457,900,000) and contribution to provident fund scheme of \$35,414,000 (2022/23: \$32,034,000).

^ Excluding depreciation of \$942,000 (2022/23: \$942,000) and interest expenses of \$35,000 (2022/23: \$58,000) for properties leased for own use.

The borrowing costs have been capitalised at rates ranging from 2.15% to 3.85% per annum (2022/23: 2.15% to 3.85% per annum).

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

6. Operating deficit before income tax (Continued)

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

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

	<u>2024</u>	<u>2023</u>
Their remuneration fell within the following bands:	No. of Individuals	No. of Individuals
\$1 to \$500,000	–	1
\$1,000,001 to \$1,500,000	2	–
\$1,500,001 to \$2,000,000	–	2
\$2,000,001 to \$2,500,000	2	–
\$3,000,001 to \$3,500,000	4	3
\$3,500,001 to \$4,000,000	2	2
\$4,000,001 to \$4,500,000	2	3
\$4,500,001 to \$5,000,000	1	1
\$6,000,001 to \$6,500,000	1	1
Total	<u>14</u>	<u>13</u>

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

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

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

6. Operating deficit before income tax (Continued)

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

(c) Other members of the Board

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

	2024	2023
	\$'000	\$'000
Chairman		
Mr Chow Chung-kong, GBM, GBS, JP	100	100
Non-Executive Directors (non-public officers)		
Mr Evan Au Yang Chi-chun (<i>up to 30 Nov 2023</i>)	43	65
Mr William Chan Fu-keung, BBS	65	65
Dr Chan Ka-kui, GBS, JP (<i>from 1 May 2022</i>)	65	60
Ms Judy Chan Ka-pui (<i>up to 30 Apr 2022</i>)	–	5
The Honourable Vincent Cheng Wing-shun, MH, JP	65	65
Ms Ivy Chua Suk-lin	65	65
Mr Andy Ho Wing-cheong, MH	65	65
The Honourable Kwok Wai-keung, JP	65	65
Ir Janice Lai Wai-man (<i>from 1 May 2022</i>)	65	60
Sr Alexander Lam Tsan-wing (<i>from 1 Dec 2023</i>)	22	–
Mrs Sylvia Lam Yu Ka-wai, SBS (<i>from 1 May 2022</i>)	65	60
Ir The Honourable Michael Lee Chun-Keung, JP (<i>from 1 Dec 2023</i>)	22	–
Dr Lee Ho-yin (Note) (<i>up to 30 Nov 2023</i>)	–	22
Ms Elaine Lo Yuen-man, MH	65	65
Mr Roger Luk Koon-hoo, BBS, JP (<i>up to 30 Apr 2022</i>)	–	5
Professor Tang Bo-sin, MH	65	65
Ms Judy Tong Kei-yuk	65	65
The Honourable Tony Tse Wai-chuen, BBS, JP	65	65
Mrs Cecilia Wong Ng Kit-wah (<i>up to 30 Apr 2022</i>)	–	5
Mr Michael Wong Yick-kam, MH, JP (<i>up to 30 Apr 2022</i>)	–	5
Mr Stephen Wong Yuen-shan (<i>up to 28 Dec 2022</i>)	–	48
Ms Yvonne Yeung Kin-ha (<i>from 1 May 2022</i>)	65	60
	<u>1,032</u>	<u>1,080</u>

Note: The Non-Executive Director ceased to receive any fees from the Authority with effect from 4 August 2022.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

6. Operating deficit before income tax (Continued)

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

(d) Five highest paid individuals

	2024	2023
	\$'000	\$'000
The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2024 include the Managing Director, two Executive Directors and two senior management staff (2022/23: the Managing Director, Executive Director and three senior management staff).		
The total emoluments earned by the five highest paid individuals during the year are as follows:		
Fixed – Salaries	17,271	16,827
– Provident fund scheme contributions	1,105	1,426
Sub-total	18,376	18,253
Variable pay	4,969	4,941
Total**	<u>23,345</u>	<u>23,194</u>

Their remuneration fell within the following bands:

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

** For the year ended 31 March 2024, compensation in lieu of leave of \$240,000 (2022/23: \$696,000) were excluded from the aggregate sum.

7. Income tax expenses

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

No provision for Hong Kong profits tax has been made for the Group's subsidiaries as they have no estimated assessable profits for the year (2022/23: Nil).

- (b) As at 31 March 2024, the subsidiaries of the Group have unrecognised deductible temporary differences arising from capital allowance of \$2,702,000 (31 March 2023: \$2,796,000) and tax losses of \$54,090,000 (31 March 2023: \$51,326,000) to carry forward against future taxable income. These tax losses have no expiry date.

8. Property, plant and equipment

(a) Reconciliation of carrying amount

	Other property, plant and equipment							Total
	Retained properties ¹	Preservation properties	Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipment and motor vehicles	Properties leased for own use	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 31 March 2022								
Cost	4,116,560	3,310,823	2,057,183	312,832	133,643	32,216	149,370	10,112,627
Accumulated depreciation	(188,122)	(308,203)	(378,021)	(74,232)	(59,318)	(22,189)	(90,896)	(1,120,981)
Accumulated impairment	(25,709)	(1,302,810)	(412,430)	–	–	–	–	(1,740,949)
Net book value	<u>3,902,729</u>	<u>1,699,810</u>	<u>1,266,732</u>	<u>238,600</u>	<u>74,325</u>	<u>10,027</u>	<u>58,474</u>	<u>7,250,697</u>
Year ended 31 March 2023								
Opening net book value	3,902,729	1,699,810	1,266,732	238,600	74,325	10,027	58,474	7,250,697
Additions/Adjustments ²	83	14,468	–	45,601	4,773	10,454	23,025	98,404
Disposal	–	–	–	–	–	–	(32)	(32)
Depreciation	(92,444)	(41,757)	(32,379)	(17,147)	(9,400)	(5,256)	(43,767)	(242,150)
Write back of provision/ (provision) for impairment	5,500	37,753	(477)	–	–	–	–	42,776
Closing net book value	<u>3,815,868</u>	<u>1,710,274</u>	<u>1,233,876</u>	<u>267,054</u>	<u>69,698</u>	<u>15,225</u>	<u>37,700</u>	<u>7,149,695</u>
At 31 March 2023								
Cost	4,116,643	3,325,291	2,057,183	358,433	138,416	41,323	141,082	10,178,371
Accumulated depreciation	(280,566)	(349,960)	(410,400)	(91,379)	(68,718)	(26,098)	(103,382)	(1,330,503)
Accumulated impairment	(20,209)	(1,265,057)	(412,907)	–	–	–	–	(1,698,173)
Net book value	<u>3,815,868</u>	<u>1,710,274</u>	<u>1,233,876</u>	<u>267,054</u>	<u>69,698</u>	<u>15,225</u>	<u>37,700</u>	<u>7,149,695</u>
Year ended 31 March 2024								
Opening net book value	3,815,868	1,710,274	1,233,876	267,054	69,698	15,225	37,700	7,149,695
Additions/Adjustments ²	–	1,126	–	3,186	273	5,187	73,610	83,382
Transfer from properties under development	889,500	–	–	–	–	–	–	889,500
Depreciation	(105,811)	(42,125)	(33,393)	(18,188)	(8,952)	(5,501)	(39,112)	(253,082)
Write back of provision for impairment	553	11,866	1,989	–	–	–	–	14,408
Closing net book value	<u>4,600,110</u>	<u>1,681,141</u>	<u>1,202,472</u>	<u>252,052</u>	<u>61,019</u>	<u>14,911</u>	<u>72,198</u>	<u>7,883,903</u>
At 31 March 2024								
Cost	5,329,743	3,326,417	2,057,183	361,619	138,689	44,833	214,692	11,473,176
Accumulated depreciation	(386,377)	(392,085)	(443,793)	(109,567)	(77,670)	(29,922)	(142,494)	(1,581,908)
Accumulated impairment	(343,256)	(1,253,191)	(410,918)	–	–	–	–	(2,007,365)
Net book value	<u>4,600,110</u>	<u>1,681,141</u>	<u>1,202,472</u>	<u>252,052</u>	<u>61,019</u>	<u>14,911</u>	<u>72,198</u>	<u>7,883,903</u>

Notes:

1. The Group receives rental income for the retained properties and their aggregate fair value as at 31 March 2024 was \$5,251,000,000 (31 March 2023: \$4,587,525,000).
2. Adjustments represent the changes in estimated resumption and construction costs of properties and leasehold improvements.

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

8. Property, plant and equipment (Continued)

(b) Right-of-use assets

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

	31 March 2024	31 March 2023
	<u>\$'000</u>	<u>\$'000</u>
Properties leased for own use, carried at depreciated cost, with remaining lease term of less than 5 years	<u>72,198</u>	<u>37,700</u>

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

	2024	2023
	<u>\$'000</u>	<u>\$'000</u>
Net depreciation charge of right-of-use assets by class of underlying asset:		
– Properties leased for own use	<u>13,989</u>	<u>16,393</u>
Interest on lease liabilities (Note 6(a))	<u>1,067</u>	<u>639</u>

9. Properties under development

As at 31 March 2024, the properties under development are analysed as follows:

	2024	2023
	<u>\$'000</u>	<u>\$'000</u>
Cost, including Home Purchase Allowance ("HPA") (Note (i))		
At 1 April	25,248,900	22,500,967
Add: Additions during the year*	8,174,368	8,015,493
Less: Charged to profit or loss during the year	(3,430,367)	(5,267,560)
Transferred to property, plant and equipment	(1,213,100)	–
Transferred to properties held for sale	(95,600)	–
At 31 March**	<u>28,684,201</u>	<u>25,248,900</u>
Provision for impairment at 31 March	<u>(6,513,800)</u>	<u>(4,052,700)</u>
Balance as at 31 March	<u>22,170,401</u>	<u>21,196,200</u>

* The amount includes depreciation of \$25,123,000 (2022/23: \$27,374,000) and interest expense of \$2,497,000 (2022/23: \$786,000) for properties leased for own use.

** The amount includes accumulated interest and other borrowing costs capitalised of \$265,261,000 (31 March 2023: \$252,251,000).

9. Properties under development (Continued)

As at 31 March 2024, the properties under development are analysed as follows:

	2024	2023
	\$'000	\$'000
Non-current portion	21,048,425	19,979,351
Current portion (development for sale)	1,121,976	1,216,849
	<u>22,170,401</u>	<u>21,196,200</u>

Notes:

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

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 2024, the Group's estimated cash outflow in respect of project under acquisition and resumption as well as construction cost for self-developed projects was \$7.2 billion (31 March 2023: \$4.5 billion), without accounting for any future cash inflow for the projects.

- (ii) The Group launched the Flat-for-Flat ("FFF") Scheme to provide domestic owner-occupiers affected by the Group's redevelopment projects commenced after 24 February 2011 with an alternative option to cash compensation. The owner-occupier taking the option of FFF will have to top up if the price of the new flat is higher than the cash compensation for his old flat. The domestic owner-occupiers could have a choice of "in-situ" flats on the lower floors of the new development or flats in an FFF Scheme at Kai Tak.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

10. Building rehabilitation loans

As at 31 March 2024, the building rehabilitation loans are analysed as follows:

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Non-current portion	3,354	5,445
Current portion	<u>2,443</u>	<u>3,218</u>
	<u><u>5,797</u></u>	<u><u>8,663</u></u>

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

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

11. Investments

As at 31 March 2024, the debt securities investments are analysed as follows:

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Investments at amortised cost		
– Non-current portion	550,000	1,650,000
– Current portion	<u>1,100,000</u>	<u>1,150,000</u>
	<u><u>1,650,000</u></u>	<u><u>2,800,000</u></u>

As at 31 March 2024, the Group's debt securities investments represent high quality corporate bonds.

12. Cash and bank balances

	2024	2023
	\$'000	\$'000
Bank deposits		
Original maturities of 3 months or less	1,361,698	1,495,202
Original maturities of more than 3 months	15,094,656	19,206,414
	<u>16,456,354</u>	<u>20,701,616</u>
Less: Amounts held in trust for joint development projects	(1,244)	(1,219)
	<u>16,455,110</u>	<u>20,700,397</u>
Cash at banks and in hand	88,404	122,772
	<u>16,543,514</u>	<u>20,823,169</u>
Maximum exposure to credit risk	<u>16,543,514</u>	<u>20,823,169</u>
Representing:		
	2024	2023
	\$'000	\$'000
Non-current portion		
– Bank deposits	–	269,000
	<u>–</u>	<u>269,000</u>
Current portion		
– Cash at banks and in hand	88,404	122,772
– Bank deposits	16,455,110	20,431,397
	<u>16,543,514</u>	<u>20,554,169</u>

As at 31 March 2024, cash and bank balances of the Group are denominated in Hong Kong Dollars except for an amount of \$662,547,000 and \$476,477,000 (31 March 2023: \$628,682,000 and \$968,231,000) which are denominated in USD and Renminbi respectively.

The average effective interest rate of time deposits with banks was 4.75% per annum (2022/23: 2.01% per annum). These deposits have an average maturity of 103 days (2022/23: 169 days).

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

12. Cash and bank balances (Continued)

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

	2024	2023
<u>Rating (Moody's)</u>	<u>\$'000</u>	<u>\$'000</u>
Aa1 – Aa3	9,768,829	9,007,886
A1 – A3	6,260,446	11,322,914
Others	514,239	492,369
	<u>16,543,514</u>	<u>20,823,169</u>

Reconciliation of liabilities arising from financing activities:

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

	<u>Debt securities issued</u>	
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
At 1 April	798,601	1,097,775
Changes from financing cash flows:		
– Redemption of debt securities	(300,000)	(300,000)
Other changes:		
– Amortisation of debt securities issuing costs	510	826
At 31 March	<u>499,111</u>	<u>798,601</u>

12. Cash and bank balances (Continued)

Reconciliation of liabilities arising from financing activities: (Continued)

	Lease liabilities	
	2024	2023
	\$'000	\$'000
At 1 April	41,529	62,960
Changes from financing cash flows:		
– Capital element of lease rentals paid	(37,825)	(44,456)
– Interest element of lease rentals paid	(3,564)	(1,425)
Total changes from financing cash flows	(41,389)	(45,881)
Other changes:		
– Increase in lease liabilities from entering into new leases during the year	73,610	23,025
– Interest expense (Note 6(a))	3,564	1,425
Total other changes	77,174	24,450
At 31 March	<u>77,314</u>	<u>41,529</u>

13. Properties held for sale

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

	2024	2023
	\$'000	\$'000
In Hong Kong, with remaining lease term of:		
– 50 years or more	5,674	5,674
– between 10 and 50 years	511,838	862,791
	<u>517,512</u>	<u>868,465</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

14. Balances with joint development projects

	2024	2023
	\$'000	\$'000
Amounts due from joint development projects	17,521	27,256
Amounts due to joint development projects	<u>(256,653)</u>	<u>(244,404)</u>
	<u><u>(239,132)</u></u>	<u><u>(217,148)</u></u>

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

The Group has the following active joint development projects as at 31 March 2024:

Project Name/Location	Land use	Total gross floor area	Actual completion date	Expected completion date
		(m ²)	(calendar year)	(calendar year)
The Zenith/One Wanchai (Wan Chai)	Commercial/Residential	62,310	2006 (Site A & B) 2013 (Site C)	–
* Vision City/Citywalk (Tsuen Wan)	Commercial/Residential	137,885	2007	–
* The Dynasty/Citywalk 2 (Tsuen Wan)	Commercial/Residential	44,404	2008	–
* Vista (Sham Shui Po)	Commercial/Residential	12,708	2009	–
Lime Stardom (Tai Kok Tsui)	Commercial/Residential	19,735	2011	–
* Park Summit (Tai Kok Tsui)	Commercial/Residential	21,402	2013	–
Park Metropolitan (Kwun Tong)	Residential	27,830	2014	–
Park Ivy (Tai Kok Tsui)	Commercial/Residential	4,843	2014	–

14. Balances with joint development projects (Continued)

The Group has the following active joint development projects as at 31 March 2024: (Continued)

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
* The Avenue/Lee Tung Avenue (Wan Chai)	Commercial/Residential	83,898	2015	–
My Place (Ma Tau Kok)	Commercial/Residential	6,944	2016	–
* SKYPARK/The Forest (Mong Kok)	Commercial/Residential	22,301	2017	–
City Hub (To Kwa Wan)	Commercial/Residential	8,378	2018	–
The Ascent (Sham Shui Po)	Commercial/Residential	7,159	2018	–
93 Pau Chung Street (Ma Tau Kok)	Commercial/Residential	10,345	2018	–
Downtown 38 (Ma Tau Kok)	Commercial/Residential	9,783	2020	–
Monti (Sai Wan Ho)	Residential	5,680	2020	–
Madison Park (Sham Shui Po)	Commercial/Residential	4,884	2020	–
Artisan Garden (Ma Tau Kok)	Commercial/Residential	12,456	2021	–
Grand Central (Kwun Tong)	Commercial/Residential	179,248	2021	–
Seaside Sonata (Sham Shui Po)	Commercial/Residential	58,899	2021	–
Sablir (Tai Kok Tsui)	Commercial/Residential	5,738	2021	–

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

14. Balances with joint development projects (Continued)

The Group has the following active joint development projects as at 31 March 2024: (Continued)

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
L • LIVING 23 (Tai Kok Tsui)	Commercial/Residential	6,597	2021	–
One Soho (Yau Ma Tei)	Commercial/Residential	12,510	2023	–
The Symphonie (Sham Shui Po)	Commercial/Residential	13,409	2023	–
Bal Residence (Kwun Tong)	Commercial/Residential	6,661	2023	–
The Harmonie (Sham Shui Po)	Commercial/Residential	14,841	2023	–
One Central Place (Sheung Wan)	Commercial/Stadium and Youth Centre/Residential	9,630	–	2024
Peel Street/Graham Street — Site C (Sheung Wan)	Commercial/Office/Hotel	41,460	–	2024
Tonkin Street/ Fuk Wing Street (Sham Shui Po)	Commercial/Residential	9,675	–	2025
Oak Street/Ivy Street (Yau Tsim Mong)	Commercial/Residential	5,571	–	2026
Bailey Street/ Wing Kwong Street (Kowloon City)	Commercial/Residential	66,654	–	2027
Hung Fook Street/ Ngan Hon Street (Kowloon City)	Commercial/Residential	41,229	–	2027

14. Balances with joint development projects (Continued)

The Group has the following active joint development projects as at 31 March 2024: (Continued)

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
Hung Fook Street/ Kai Ming Street/ Wing Kwong Street (Kowloon City)	Commercial/Residential	48,942	–	2027
Sung Hing Lane/ Kwai Heung Street (Central & Western)	Commercial/Residential	8,804	–	2027
Wing Kwong Street/ Sung On Street (Kowloon City)	Commercial/Residential	25,713	–	2027
Queen's Road West/ In Ku Lane (Central & Western)	Commercial/Residential	11,828	–	2028
@ Shing Tak Street/ Ma Tau Chung Road (Kowloon City)	Commercial/Residential	38,547	–	2029

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

@ Newly awarded projects during the year

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

In respect of the commercial portions of certain projects, the Group has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issuance of the occupation permits. The Group shares certain percentage of any net proceeds derived from the operation of the commercial portions before the sale and includes it as surplus for the year and would also share the future sales proceeds at the same ratio. The Group would account for its share of sales proceeds as surplus from the joint development projects when these commercial portions are sold in the future.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

15. Trade and other receivables

As at 31 March 2024, the trade and other receivables are current in nature and analysed as follows:

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Trade receivables and prepayments	219,932	168,748
Interest receivables	197,372	267,454
Other receivables and deposits	<u>30,125</u>	<u>33,898</u>
Balance at 31 March	<u><u>447,429</u></u>	<u><u>470,100</u></u>

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

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

16. Capital

On 21 June 2002, the Finance Committee of the Legislative Council approved a commitment of \$10 billion for injection as equity into the Authority. The Government injected the equity into the Authority in phases over the five financial years from 2002/03 to 2006/07. At 31 March 2024, the Authority had received all five tranches of equity injection of \$10 billion in total.

17. Trade and other payables

As at 31 March 2024, the trade and other payables are analysed as follows:

	Note	2024	2023
		\$'000	\$'000
Contract liabilities	(a)	112,592	61,561
Lease liabilities		77,314	41,529
Trade payables		83,708	78,121
Rental and other deposits received		90,848	163,633
Proceeds received in advance from sale of properties of joint development projects		–	2,033
Other payables		3,383	4,504
Accrued expenses		2,357,698	2,331,237
		<u>2,725,543</u>	<u>2,682,618</u>
Representing:			
		2024	2023
		\$'000	\$'000
Non-current portion		400,806	385,155
Current portion		2,324,737	2,297,463
		<u>2,725,543</u>	<u>2,682,618</u>

Note:

(a) Contract liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

17. Trade and other payables (Continued)

Note: (Continued)

(a) Contract liabilities (Continued)

Movements in contract liabilities

	2024	2023
	\$'000	\$'000
Balance at 1 April	61,561	6,255
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(18,721)	(3,750)
Increase in contract liabilities as a result of receiving forward sales deposits and instalments during the year in respect of property sales not yet completed as at 31 March	69,752	59,056
Balance at 31 March	<u>112,592</u>	<u>61,561</u>

18. Debt securities issued

As at 31 March 2024, the Group has issued the following fixed rate notes under a Medium Term Note programme.

	2024	2023
	\$'000	\$'000
Non-current portion		
HK dollar Fixed rate notes with coupon of 3.85% due 2026	500,000	500,000
Less: Unamortised debt securities issuing costs	(889)	(1,378)
	<u>499,111</u>	<u>498,622</u>
Current portion		
HK dollar Fixed rate notes with coupon of 2.15% due 2023	–	300,000
Less: Unamortised debt securities issuing costs	–	(21)
	<u>–</u>	<u>299,979</u>

19. Provident fund scheme

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

The total amount contributed by the Group into the Schemes for the year ended 31 March 2024 was \$38,541,000 (2022/23: \$34,821,000), net of forfeitures of \$2,917,000 (2022/23: \$3,434,000), which has been charged to the Group's profit or loss for the year.

20. Commitments

(a) Capital commitments

Capital commitments in respect of acquisition of property, plant and equipment at 31 March 2024 are as follows:

	2024	2023
	\$'000	\$'000
Contracted but not yet incurred	<u>4,800</u>	<u>110</u>

(b) Operating lease rental receivable

As at 31 March 2024, undiscounted lease payments under non-cancellable operating leases in place in respect of properties will be receivable by the Group in future periods, except for those commercial portions jointly developed by the developer and the Group, are as follows:

	2024	2023
	\$'000	\$'000
Within 1 year	128,041	127,537
After 1 year but within 2 years	87,159	84,030
After 2 years but within 3 years	21,736	58,056
After 3 years but within 4 years	8,873	8,952
After 4 years but within 5 years	5,026	393
	<u>250,835</u>	<u>278,968</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

21. Significant related party transactions

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

During the year, the Authority reimbursed the Government an amount of \$53,533,000 (2022/23: \$48,599,000) 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 2024, there was an amount of \$4,506,000 (31 March 2023: \$4,039,000) due to the Lands Department yet to be settled. The amount is unsecured, interest-free and repayable on demand and included in trade and other payables.

In 2011/12, the Authority has contributed \$500,000,000 to Urban Renewal Trust Fund (the "Fund"). During the year, the Authority provided administrative and support services to the Fund for \$2,418,000 (2022/23: \$2,282,000).

During the year, the Authority charged the said Fund \$26,000 (2022/23: \$174,000, including office fitting out) for office accommodation expenses.

As at 31 March 2024, there was an amount of \$126,889,000 (31 March 2023: \$174,841,000) remained in the Fund. The Authority has committed to make further contribution to the Fund in future in the event that its fund balance is fully utilised.

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

22. Statement of Financial Position of the Authority

In accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Authority as at 31 March 2024 is set out as follows:

	Note	2024 \$'000	2023 \$'000
Non-current assets			
Property, plant and equipment		7,844,728	7,109,349
Properties under development		21,048,425	19,979,351
Interest in subsidiaries	22(a)	40,320	40,320
Loan to a subsidiary		14,600	14,600
Building rehabilitation loans		3,354	5,445
Prepayments		604,740	661,867
Investments		550,000	1,650,000
Bank deposits		–	269,000
		<u>30,106,167</u>	<u>29,729,932</u>
Current assets			
Properties held for sale		517,512	868,465
Properties under development for sale		1,121,976	1,216,849
Amounts due from joint development projects		17,521	27,256
Building rehabilitation loans		2,443	3,218
Trade and other receivables		450,512	473,814
Investments		1,100,000	1,150,000
Cash and bank balances		16,543,514	20,554,169
		<u>19,753,478</u>	<u>24,293,771</u>
Total assets		<u><u>49,859,645</u></u>	<u><u>54,023,703</u></u>
Capital and reserve			
Capital		10,000,000	10,000,000
Accumulated surplus		36,378,641	40,298,403
	22(b)	<u>46,378,641</u>	<u>50,298,403</u>
Non-current liabilities			
Trade and other payables		400,806	385,155
Debt securities issued		499,111	498,622
		<u>899,917</u>	<u>883,777</u>
Current liabilities			
Amounts due to joint development projects		256,653	244,404
Trade and other payables		2,324,434	2,297,140
Debt securities issued		–	299,979
		<u>2,581,087</u>	<u>2,841,523</u>
Total capital, reserve and liabilities		<u><u>49,859,645</u></u>	<u><u>54,023,703</u></u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

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

(a) Interest in subsidiaries

	2024	2023
	\$'000	\$'000
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	85,344	82,022
Less: Provision for impairment	(45,025)	(41,703)
	<u>40,320</u>	<u>40,320</u>

Note:

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

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

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

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

(b) Statement of Changes in Equity

	Capital	Accumulated surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2022	10,000,000	43,827,477	53,827,477
Deficit and total comprehensive income for the year	–	(3,529,074)	(3,529,074)
Balance at 31 March 2023	<u>10,000,000</u>	<u>40,298,403</u>	<u>50,298,403</u>
Balance at 1 April 2023	10,000,000	40,298,403	50,298,403
Deficit and total comprehensive income for the year	–	(3,919,762)	(3,919,762)
Balance at 31 March 2024	<u>10,000,000</u>	<u>36,378,641</u>	<u>46,378,641</u>

23. Approval of financial statements

The financial statements were approved by the Board on 13 June 2024.



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