

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 2009.

Board members

Members of the Board for the year and up to the date of this report are set out on page 80.

Principal activities

The principal activities of the Urban Renewal Authority (the “Authority”) and its subsidiaries (together, the “Group”) are to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, revitalisation and heritage preservation.

Financial statements

The results of the Group for the year ended 31 March 2009 and the state of affairs of the Group and of the Authority at that date are set out in the financial statements on pages 100 to 137.

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 10 to the financial statements.

Working capital

At 31 March 2009, the working capital of the Group was mainly financed by the Government’s equity injection.

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

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

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

Auditor

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

By order of the Board

Quinn Law Yee-kwan

Deputy Chairman and Managing Director

Hong Kong, 23 June 2009