

Tackling Urban Decay: Partnership for Progress

annual report 2012 - 2013

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Establishment

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

Community-focused, balanced approach

In February 2011, a new Urban Renewal Strategy was promulgated by the Hong Kong Special Administrative Region Government. The new strategy places greater emphasis on community engagement and broadens the URA's role in urban renewal.



The URA is committed to:

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

Chairman's Statement



"A key feature of this partnership is the URA's success in adapting its mission to Hong Kong's changing expectations about careful protection of the interests of those affected by URA projects; accountability to the public and commitment to wider consultation; and sensitive respect for heritage and environmental issues."

Mr Barry CHEUNG Chun-yuen, GBS, JP

I am pleased to present the Annual Report of the Urban Renewal Authority (URA) for the year 2012-2013. This is my last report as Chairman, and I believe that I should provide the public with an account of the Authority's performance during the last six years when I have been responsible for its affairs. In particular, I feel an obligation to the community to explain how the authority has tried to respond to the changing attitudes and aspirations of the people of Hong Kong in this period.

In 2007, the URA faced a serious challenge. Within the community, there was much mistrust of its work. Urban renewal, it was widely believed, was being carried out in a way that was insensitive to the needs and aspirations of the families and neighborhood businesses that were affected. When the URA launched its project to redevelop Lee Tung Street in Wanchai, for example, the opposition was considerable. The URA itself was sure that the project would prove highly beneficial to this badly run-down area with its generally unhealthy and unsafe dilapidated buildings. The local community thought differently, and we faced objections, including a petition from shop operators.

The protest activities could be unpleasant, as I personally experienced. Yet, this opposition had a positive impact on the development of the URA's corporate culture. It was a reminder that to be truly successful, every project should begin with a sustained effort to address the public's misgivings, to respond constructively to critics and to leave the community convinced that the goal of all URA activities was to transform the lives of the residents of blighted areas and worn-out buildings.

The URA's staff accepted this responsibility for winning public trust with enthusiasm. In April this year, the URA launched a scheme to renew another, similarly dilapidated area, with a demand-led redevelopment project in Shamshuipo. This time, the URA team arrived to find a banner put up by residents welcoming the project.



The demand-led redevelopment project (pilot scheme) of the URA is widely welcomed by residents of the Tung Chau Street/Kweilin Street project.

Cultural change was not confined to the URA. Public understanding of urban renewal and its potential benefits had also matured. There had been a growing awareness that the URA's programmes were not about improving our built environment and still less about property development. Their justification was the contribution they could make to end the disgrace that some 100,000 individuals suffer, many of them vulnerable and deprived, because they are forced to make their homes in buildings not fit for human habitation in a city as prosperous and sophisticated as Hong Kong.

The URA is convinced that its efforts to inform the public of the urgency of the problem have created a solid foundation for our partnership with the community to clear Hong Kong's slums once and for all. A key feature of this partnership is the URA's success in adapting its mission to Hong Kong's changing expectations about

careful protection of the interests of those affected by URA projects; accountability to the public and commitment to wider consultation; and sensitive respect for heritage and environmental issues.

The URA's formal mission statement has been revised to highlight three key principles.

- **To ensure full and fair compensation for owners and tenants.** Owners can now opt for cash compensation or choose to buy a replacement flat in-situ or in the Kai Tak "flat-for-flat" development. Qualified tenants are offered new homes in public housing units within the urban areas.
- **To preserve the social and historical fabric of the areas affected by URA programmes.** For example, special efforts were made to preserve the Graham Street market (although it is outside the project boundary) and the two clusters of Cantonese verandah buildings on Prince Edward Road West and Shanghai Street. The same priority was given to revitalising the Central Market building. The results have been widely praised.
- **To make the URA's work truly "community based".** This goal involved creating new strategies for redevelopment. URA projects today are being designed and managed with greater involvement of the occupants of dilapidated buildings and expanded opportunities for them to rehabilitate neglected buildings, thanks to the introduction of "demand-led" and "facilitation" schemes.

No small problem

Thanks to the URA's hard-working Board and dedicated and highly professional staff, progress in the last six years has been substantial. But what has been accomplished is not enough to overcome the threat created by Hong Kong's large and increasing stock of neglected and worn-out buildings, whose original construction was to the lowest standards and whose fabric and facilities have been allowed to deteriorate to danger point.

The alarming scale of urban blight in Hong Kong was revealed by an investigation of the urban building stock that the URA had conducted earlier. This survey showed that the city had some 16,000 blocks which were already over 30 years old and which had substandard or no property management at all. Another 4,000 blocks were over 50 years old and at the end of their designed life span, with three-quarters of them already classified as substandard. With the number of buildings aged more than 50 years set to quadruple in 20 years, around 110,000 Hong Kong families would be left living in the most appalling conditions unless decisive action were taken without delay.

The URA has to transform slums while remaining sensitive to the community, so its response to this crisis was necessarily complex and called for adopting a range of strategies. To redevelopment, the URA added rehabilitation, preservation and revitalisation programmes. The URA's work also requires a strong mandate, something that can only be achieved through effective community participation. That is why we actively supported the Government's Urban Renewal Strategy (URS) Review, which took two years to complete between 2008 and 2010. This was one of the most comprehensive public consultations in Hong Kong's history, involving focus groups, policy studies and community hall meetings.

Urban Renewal Strategy sets clear direction

The new URS was promulgated on 24 February 2011, introducing a new era of urban renewal to meet the enormous challenges of the current decade.

The URA responded quickly and creatively. The residents themselves are being encouraged to originate redevelopment proposals, with the URA stepping in to carry out projects on their behalf in cases where two-thirds of building owners request us to do so. The results have been promising. The past two rounds of this demand-led approach saw 59 applications, and seven such projects are now underway. This approach has the additional benefit of shortening the time required for redevelopment, as consensus is achieved well in advance. In similar fashion, we are also acting as facilitator on three projects, helping residents to manage the redevelopment of their buildings themselves.

Fair compensation has been central to the URA's thinking. We introduced "flat-for-flat" compensation as an alternative to monetary compensation. We are building 500 such flats as part of a renewal scheme in Kai Tak, but we also have in-situ flats for those who wish to stay in their old neighborhoods.

We are responding to the need for more homes by exploring the redevelopment of industrial buildings, taking us into an entirely new area that is beyond our traditional focus on residential buildings.

We are expanding our services to help residents rehabilitate their own buildings. This year we have extended our efforts to cover the whole Kowloon urban area. Target buildings to be served have increased by

two times. By 2015, the URA's rehabilitation schemes will cover the whole of Hong Kong.

Meeting expectations

To meet the community's expectations of respect for cultural heritage, the URA has increased its commitment to preservation and revitalisation work. For example, the planning application for the Central Oasis was submitted and approved earlier this year, following two years of extensive community engagement. The revitalisation of two clusters of Cantonese verandah buildings on Prince Edward Road West and Shanghai Street has made good progress. Nearby, the first phase of Mong Kok Street's revitalisation has been completed, while in Tai Kok Tsui, the first two phases of the street revitalisation have also been finished. We are now hard at work on Phase III of this ambitious scheme, which will see 13 entire streets of this run-down district completely transformed.

Overall, during the past six years, the URA has commenced 48 redevelopment projects, which have helped or will help some 30,000 residents to enjoy improved living conditions. Over the same period, our rehabilitation schemes, including those under the Government's Operation Building Bright programme, have made 78,000 units in 1,400 ageing blocks much more fit for human habitation.

Throughout, we have taken every possible step to minimise any adverse social impact of our projects. In Kwun Tong, for example, a temporary marketplace was built to ensure licensed hawkers' operations were not disturbed during our building works. Similarly, at Peel Street and Graham Street, special measures were

taken to ensure that the street market could continue to operate, even though technically it lays outside our project boundary.

Our actions have probably saved lives too, since the dilapidated buildings that are our concern pose real threats to the safety of occupants and passers-by. This was sadly demonstrated in 2010 at Ma Tau Wai, where the sudden collapse of a building resulted in loss of life. The URA had to step in to ensure that the remaining residents were able to quickly find new homes, an initiative that possibly prevented a further tragedy.



Mr Barry Cheung was keen to visit the old areas and meet with the residents.

Hong Kong model

In developing our approach to urban renewal, we have not only listened carefully to people in the community but also to overseas as well as local experts. During the URS Review process, the URA studied how urban renewal was being managed in other major Asian cities. In its turn, the URA itself has since become something of a role model. In the past two years, we have received delegations from neighbouring cities on a weekly basis, keen to understand how urban renewal can be carried out within a framework that is fair, sustainable and yet effective.

The Hong Kong model we have developed has a number of features that make it unique. There is a strong and fair legal framework that covers everything from planning to compensation and the resumption of occupation, which protects the interest of those affected. The renewal strategy is driven by a strong sense of mission, underpinned by the involvement of statutory powers. An important part of this mission is a commitment to the underprivileged in society, adding weight to the justice of our cause and thus building consensus for action. Finally, all projects are assessed carefully to ensure financial prudence and overall sustainability, including environmental and social sustainability, all of which is rightly expected by the wider community.

No room for complacency

Despite the strong mandate it enjoys and its track-record of success in past years, the URA faces daunting challenges in the coming decade. As our surveys have shown, the number of ageing buildings is rising rapidly, so the need for redevelopment and rehabilitation increases day by day. However, the prospects for the property market in the shorter term are uncertain, which may affect the viability of our new projects.

With Hong Kong's population growing, and affordability of housing an issue, there is a pressing need to use urban renewal to provide additional accommodation to ease market constraints. Combined with the ageing urban fabric, this naturally means that the URA is being asked to do more, more quickly and hence to undertake ever-larger projects. These need support from many different stakeholders, and creating the necessary partnerships is far from straightforward.

Nonetheless, I am confident that the URA will

overcome these challenges and continue to succeed in its mission. Although I am no longer part of the team, so to speak, I will continue to be an enthusiastic supporter of the URA. I will remain fervently dedicated to the cause of improving the living conditions of the large number of unfortunate people in our society without decent homes, and of making Hong Kong visibly a city everyone can be proud of.

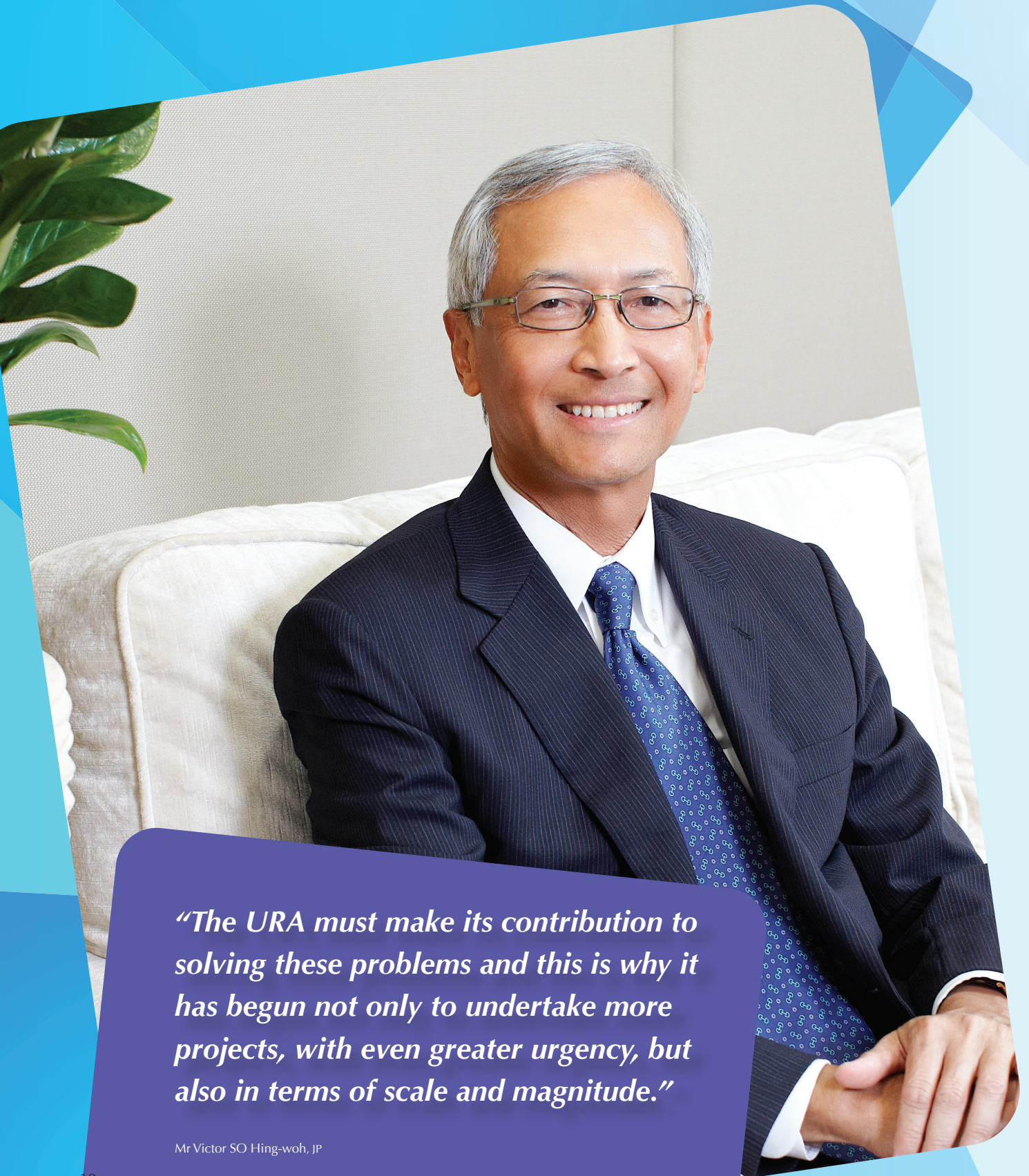
I therefore extend a very warm welcome to the new Chairman, Mr Victor So Hing-Woh, whose valuable experience and deep understanding of the URA's role make him an ideal choice. I have every confidence that under his guidance, the URA will build on the very solid foundations the organisation has in place, and effectively address Hong Kong's acute problem of urban decay as well as improving the living conditions of residents in dilapidated urban areas.

Barry CHEUNG Chun-yuen

Chairman

24 May 2013

Message from New Chairman



“The URA must make its contribution to solving these problems and this is why it has begun not only to undertake more projects, with even greater urgency, but also in terms of scale and magnitude.”

Mr Victor SO Hing-woh, JP

As the newly appointed Chairman of the Urban Renewal Authority (URA), I must firstly offer my heartfelt gratitude to the outgoing Chairman Mr Barry Cheung Chun-yuen for his exemplary leadership and guidance to the Authority over the past six years, as well as the other members of the Board for their contributions.

Since the establishment of the URA taking over the work of the former Land Development Corporation, the Authority has gone a long way towards improving the city fabric of Hong Kong and helping tens of thousands of Hong Kong people to enjoy much better living environment.

However, urban decay and the associated problems that it brings along remain a daunting task to deal with. Within the framework of the Urban Renewal Strategy promulgated in 2011, the Authority formulates

its Five-year Corporate Plan and Annual Business Plan laying out the strategic direction and effective work programmes. The broader mandate requires the URA to ensure that it has the resources and capacity to deliver on our commitments.

In addition, I will seek to build further on the excellent partnerships that the URA already enjoys with the Government and our stakeholders. In this, I have no doubt I can count on the support of the Board and URA's dedicated management team.

Urban decay remains a major problem

In Hong Kong, buildings over 50 years will increase by four folds in 2030 to 16,000 blocks. According to the most recent report commissioned by the Government, some 170,000 people are still living in sub-divided units. There is therefore a pressing need to increase the supply of flats for Hong Kong's growing population



Mr Victor So visits a sub-divided unit resident in Sham Shui Po before taking up his appointment.

and changing demographic profile. According to a recent opinion survey conducted by a local university, redevelopment is regarded as the most desired means to increase flat supply in urban areas.

The URA must make its contribution to solving these problems and this is why it has begun not only to undertake more projects, with even greater urgency, but also in terms of scale and magnitude.

I would like to see redevelopment picking up a quicker momentum and will push for an early start on the URA's two largest projects to date: the Kwun Tong Town Centre project, which will provide 1,700 flats, a public transport interchange and a number of public facilities; and the Hai Tan Street project in Sham Shui Po, which will deliver another 800 flats.

In order to achieve its ambitious goals, the URA needs the support of a wide variety of stakeholders. With my many years of experience working in the land and housing sector, in both public and private organisations, I know that securing such support needs great patience, but I believe it can be achieved.

Near-term challenges

I am also very conscious that as the URA's work expands to meet the growing challenges of the current decade, we will have to carefully manage our resource needs, covering areas such as project management, financial planning, training and process re-engineering. In particular, we should develop our human resources, not



Mr Victor So is briefed on the conceptual design of the Central Oasis.

only taking on new talent as needed, but also providing adequate training for the URA team to carry out more complex projects.

There are also financial challenges. In the near future, our projects may be clouded by a downturn in the property market caused by the possibility of a gradual end to the loose monetary conditions that have prevailed over the five years since the global financial crisis. Given that URA projects typically offered minimal plot ratio gains yet require substantial compensation outlay, more would become financially non-viable. It is of

paramount importance to manage our cash flow with prudent financial planning.

Our prime concern will always be to arrest the problem of urban decay, which we will pursue to the best of our ability. I will stay as dedicated as ever to make sure we deliver on our commitments. We are ready to stand up for the challenges ahead.

Victor SO Hing-woh

Chairman

15 June 2013



Mr Victor So and URA management attend a meeting of the Development Panel of the Legislative Council.

Managing Director's Statement



“Urban renewal is an ongoing process as well as a race against time, and URA’s modus operandi and various schemes must continue to evolve in order to cope with changing circumstances.”

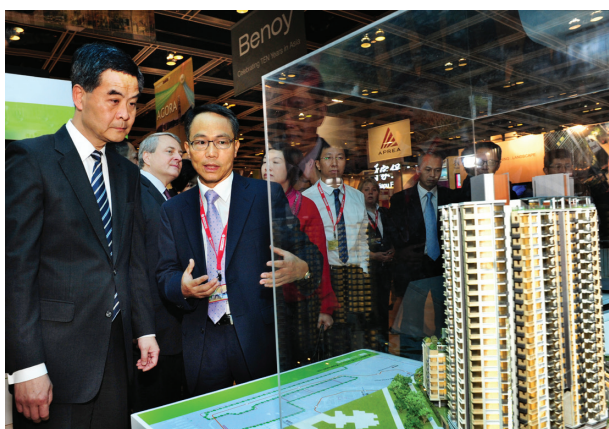
Mr Quinn LAW Yee-kwan, JP

As the outgoing Managing Director, it is only fitting that my last official statement should articulate some of my thoughts on urban renewal which were formed during my past seven years of service at the URA, including five years at the helm of its Management team.

It is no exaggeration to say that urban renewal is a microcosm of Hong Kong itself - many issues and changes that affect our city can also be found in the urban renewal process. This is not surprising as our projects directly affect the livelihoods of many people, specifically those living in old and dilapidated areas. On a daily basis, my colleagues come into contact with those we are committed to help, and we come to know first-hand the anxieties, concerns, and aspirations of these stakeholders. We are very privileged to have our finger on their collective pulse, and are positioned at a vantage point in witnessing social movements that invariably begin as project-specific or issue-oriented but which may eventually gain territory-wide attention. A good example is the community engagement process which has now become a widely-accepted mode of public participation in Hong Kong. The URA was amongst the first public body to fully embrace this new process, and its crucial part in facilitating our Kwun Tong Town Centre redevelopment project (the largest and most complex project ever undertaken by the URA), and the review led by the Development Bureau of the Urban Renewal Strategy which expanded the URA's mandate on the back of extensive public support cannot be stressed enough.

Urban renewal is an ongoing process as well as a race against time, and URA's modus operandi and various schemes must continue to evolve in order to cope with changing circumstances. In Hong Kong, there are presently more than 4,000 buildings primed for redevelopment and its sheer scale points to an obvious fact that the URA cannot tackle them on its own. The private sector has always been a major contributor to urban renewal, and will continue to be in the time to come. That there is an enduring misconception of the URA as a "public developer" of sorts which only pursues financially viable projects cannot be further from the truth. The URA never strives to compete with the private sector. Neither is profit maximization our organisation's credo. An analogy that perhaps best illustrates the role of the URA is the "Invisible Hand of the Market" metaphor that was made famous by the renowned economist, Adam Smith. It is the central tenet of his theory that the market is inherently perfect, and its invisible hand (through interactions between buyers and sellers) will ultimately channel all ambitions toward socially desirable ends. The idea of a perfect market is of course appealing but in the field of urban renewal, this theory is often put to the test where there are clearly certain projects that the private sector is not prepared to or cannot handle for a variety of reasons. There is a vacuum that needs to be filled, and the social element involved warrants the intervention of the URA, be it by way of being an implementer or facilitator. With the Authority taking the lead, the private sector is not precluded from participating in our projects and indeed

they are encouraged to participate by way of submission of bids to become our joint venture partners through the open tender process. The leveraging of private sector resources allows us to implement as many projects as we are currently undertaking which would otherwise be impossible if we were to implement projects on our own, exposing us to such risks associated with lengthy development periods, high holding costs and the vagaries of the property market.



Mr Quinn Law explains the “flat-for-flat” scheme to the Chief Executive of HKSAR Government in an exhibition.

Partnership with the private sector also enables the Authority to act as a catalyst and ensure better community-focused planning as we can actively influence the design of a development by, for example, requiring environmentally sustainable features and other public facilities that can benefit the community. The URA can also set a good example for other new developments like our “Modest Design Concept” adopted in the Kai Tak Development which eschews luxurious trappings that have become par for the course for new developments. Instead, practicality and durability are emphasised. The unique role that URA plays in our joint venture partnerships, and the holistic approach that we take to shape the urban renewal process ensure that accompanying planning gains and people-centred measures can be implemented - which would not happen if URA were merely a site assembly agent for the Government.

Challenges faced by the URA are many and the issue of compensation has always been a politically sensitive one. The Home Purchase Allowance policy based on

the notional value of a seven-year old replacement flat has been well-received by affected domestic owner-occupiers, and is generally accepted by the public as a fair basis for calculating compensation. However, in most of our recent projects in old urban areas, there has been a notable change in the ownership makeup where the number of domestic owner-occupiers has substantially decreased with investors taking their places. This remarkable shift contributed to the increase in the number of objections received during the publication period of each project and/or appeals lodged during the statutory appeal period. Objections invariably centre on the lower level of compensation to which owner-investors are entitled, albeit already significantly above market value. Objections also come from owners of commercial/industrial premises whose compensations are calculated using different bases and who tend to decry the differentiation between domestic and non-domestic/industrial compensation policies as unfair and out of sync with the rising property market in recent years. While such challenges are in fact not new, and there are indeed very good reasons in support of our current policies, resistance posed by these owners have significant implications on the implementation timetable of each project.

The cost of property acquisition has been and will remain the URA's singularly biggest cash outflow item, and with more redevelopment projects coming on stream, and invariably of the type that had been built to their development limits, it is inevitable that such costs will continue to rise and prudent financial management will be even more crucial than before. Being a responsible public body utilizing public funds, and given that the sustainability of urban renewal is paramount, apart from leveraging on our joint venture partnerships, the URA should also maintain a comfortable level of financial gearing to ensure sufficient resources are available to enable us to carry out and expand, where appropriate, our work.

From time to time, there have been calls for the URA to undertake bigger projects comparable to our five-hectare Kwun Tong Town Centre project. Without the Government's important support and its robust

financial position, the URA could not have commenced this project which is planned for completion in 13 years and which involves phased development and the resolution of many complex logistic issues. From a holistic planning perspective, mega developments do provide greater latitude in providing quality open space, more diverse land use mix and community facilities, as well as transport infrastructure. However, one has to recognise that the changes they bring about to a neighbourhood are also more substantial. Disruption to the social fabric, and loss of vibrancy in the district concerned for extended periods are real concerns. So too is the pressure being put on local private and public housing supply during the redevelopment period with large number of affected owners and tenants clamouring for replacement accommodation. Taking on too many mega urban renewal projects frequently or more than one such project in a district has to be carefully considered.



A Yue Man Square Display Gallery has been set up for the Kwun Tong Town Centre Redevelopment project.

Normal concrete buildings have a design life of around 50 years. Without proper property management and continuing maintenance, the deterioration rate of buildings will get worse with each passing year of neglect. Even though it cannot reverse the deterioration process entirely, rehabilitation is an effective way of deferring redevelopment, and indeed owners have a responsibility to keep their buildings in good repair. I am very pleased to see that with higher level of property prices in recent years, the mindset of many owners has changed and they are now more aware of the need for building care. The Government's mandatory building and window inspection schemes launched late last year have added an extra impetus to rehabilitation efforts.

The URA is proud to be able to lend a helping hand to responsible owners through our various rehabilitation and assistance schemes.

Urban renewal is an evolving process, and innovative "out-of-the-box" solutions are continuously needed to tackle changing needs and public aspirations. Over the years, the URA has proved itself responsive and adaptable and has, in line with the Urban Renewal Strategy, come up with a number of practical schemes that are well-received by the public. The Demand-led Redevelopment Project (Pilot Scheme) is a very good example, and this bottom-up, community-driven initiative has the real potential to significantly change the urban renewal landscape in Hong Kong by expediting the whole redevelopment process. That said, such projects tend to be relatively small in scale and therefore there is an enduring need to maintain a good balance of URA-initiated and demand-led projects.

In closing, I would like to register my sincere thanks to the wise counsel and unwavering support of the Chairman, Mr. Barry Cheung, and the Board of the URA. My deep appreciation is also due to the Management team and all our staff whose professionalism and dedication to serving the community have enabled the Authority to make great strides in the past years.

I am also indebted to the former Chairman, Mr. Edward Cheng and my predecessor, Mr. Billy Lam for their visionary leadership during their tenures, and the solid foundation that they had laid, standing us in good stead in our transition to the new era of urban renewal in Hong Kong.

Last but not least, I would also like to wish my successor, Ms. Iris Tam the very best. I am confident that under her leadership, the URA is set to scale greater heights.

Quinn LAW Yee-kwan
Managing Director

28 February 2013

Message from New Managing Director



“The people-centred approach (以人為本) must be put in the right context for it to be properly understood, such context being the need for URA’s decisions and actions to be legal, reasonable and guided by compassion (合法, 合理, 合情).”

Ms Iris TAM Siu-ying, JP

I am most honoured and humbled to be entrusted with the leadership of the Urban Renewal Authority (URA). In carrying out our public mandate, my team and I will continue to be guided by our firm commitment to discharging our duties conscientiously, fairly, and with the utmost integrity.

The people-centred approach (以人為本) has been the cornerstone of the URA since its inception. It humanises the urban renewal process, bringing into sharp focus its prime objective of serving the people. But like many adages that have found their way into our popular vernacular, there have been different interpretations of what it actually entails. Consequently, this can create some misunderstanding and tension at times which are not conducive to the advancement of urban renewal in Hong Kong.

In formulating and applying our policies, and in the implementation of our various projects and schemes, we are always mindful of the human factor in urban renewal. The needs and circumstances of people affected by the URA's projects can be as diverse as they can get. By and large, we believe that most cases can be adequately dealt with by our established policies. Occasionally, some special ones may come along that warrant compassionate consideration and which we feel can be justified. However, it remains a fact that not all needs can be satisfied in the way that an affected person might want, nor do we believe that a request or demand should be deemed to be justified on the basis of a liberal interpretation of the people-centred approach – one that eschews compromises and limits.



Ms Iris Tam visits residents in the old district under the URA's Community Service Partnership Scheme.

The people-centred approach (以人為本) must be put in the right context for it to be properly understood, such context being the need for URA's decisions and actions to be legal, reasonable and guided by compassion. I believe the Chinese adage “合法, 合理, 合情,” says it best. All three elements of “law”, “reason” and “compassion” are indispensable for they complement and temper each other. Any action or decision made that is devoid of any one element simply cannot be considered as fair, sound nor responsible, and hence,

contrary to public interest. In fact, even where all three elements are taken into account in the course of any consideration, there is still the matter of weighting that should be given to each. It is a constant balancing act, and a very fine one indeed, that the URA strives to tackle on a daily basis.

Just as redevelopment has become synonymous with the URA over the years, many people have come to look upon our people-centred approach as being exclusive to this mode of urban renewal. This is a somewhat limiting perspective and one which I believe should be broadened to take into account our other efforts, in particular, rehabilitation.

Prior to its confirmation as a core business of the URA by the new Urban Renewal Strategy in 2011, the URA's rehabilitation efforts have already been enjoying substantial recognition from the public. From a very modest beginning that saw us offering material incentives such as free paint and drain pipes to building owners, our rehabilitation initiatives have evolved into different schemes that provide a whole spectrum of technical and financial assistance to building owners. In devising these schemes, we have kept pace with and fully supported the Government's initiatives in promoting building safety like Operation Building Bright and the Mandatory Building Inspection Scheme. In terms of our reach, we are extending beyond our original rehabilitation scheme areas and are progressively taking over the rehabilitation portfolio of the Hong Kong Housing Society in Kowloon and the rest of the territory.

All the above would not have been possible without the adoption of a people-centred approach. The initial introduction of rehabilitation as part of URA's work entailed the reconciliation of two fundamental issues, namely, that rehabilitation is a non-revenue



Ms Iris Tam hosts a media tour to the site of the Kai Tak "flat-for-flat" project.

generating and labour-intensive activity, and that building maintenance is the prime responsibility of building owners. As a responsible public body utilising public money, the URA has to justify its involvement in assisting private property owners to discharge their basic duties. Taking a pragmatic and people-oriented view, we accept that there are myriad reasons for building dilapidation. Laying the blame squarely on the lack of will of building owners is a gross generalisation that does not recognise the challenges many owners face in rehabilitating their multi-owned buildings - the most obvious being that rehabilitation is a collective decision involving strong commitment and financial contributions from owners. By offering a helping hand, the URA is not usurping the duties of building owners, but is instead empowering those who have the necessary resolve but may not have adequate means or guidance to fulfill their obligations. In a wider context, rehabilitation plays a crucial role in arresting urban decay by improving the living conditions of residents concerned and extending the useful life of buildings.

The URA has also been endeavouring to ensure successful applicants to our various schemes would obtain value-for-money for rehabilitation work commissioned through reducing opportunities for dubious practices such as tender-rigging by unscrupulous contractors. We are very grateful to the Police and the Independent Commission Against Corruption for their joint efforts in this respect.

The inroads which have been made in the past years will stand us in good stead to face the challenges ahead. I would like to take this opportunity to register my special appreciation for the former Chairman, Mr. Barry Cheung and my predecessor, Mr. Quinn Law, for their wise counsel and guidance during their tenure. My thanks are also due to former Board members whose invaluable contributions have laid a solid foundation for the URA to build on, and to aspire further in the advancement of urban renewal.

Iris TAM Siu-ying
Managing Director

1 March 2013

Redevelopment



The vertical green wall featured in URA redevelopment project "One Wanchai".

2012/13 saw a substantial increase in the number of new redevelopment projects undertaken by the URA with the launching of six projects.

Up until 31 March 2013, a total of 48 redevelopment projects, two preservation projects¹ and one revitalisation project² had been commenced by the URA. The 48 redevelopment projects provide around 13,500 new flats, 262,700 square metres of commercial space, 53,000 square metres of Government Institutional and Community (GIC) facilities, 100,000 square metres for other uses including offices and hotels, and 26,000 square metres of open space.

¹ **'Blue House' project:** The 'Blue House' Stone Nullah Lane/Hing Wan Street project commenced by the URA is no longer included as a preservation project since being handed over to the Commissioner for Heritage Office on 19 June 2012.

² **Mallory Street project:** Previously classified as a preservation project, the Mallory Street/Burrows Street project now falls in the revitalisation project category in view of the extensive renovation works involved and the invigorative character of the proposed use.

Commencement of New Redevelopment Projects

The six new redevelopment projects include the three projects launched under the URA's Demand-led Redevelopment Project Pilot Scheme (Demand-led Scheme), the two pilot projects under the Redevelopment of Industrial Buildings Pilot Scheme and one URA-initiated project as detailed below.

Demand-led Projects

It is a prerequisite of the Demand-led Scheme that once commenced, the actual implementation of Demand-led projects depends on the satisfaction of two conditions precedent, namely the acceptance by the owners of not less than 80% of the undivided shares of each lot within a project site of the relevant conditional acquisition offers and the authorisation of the Secretary for Development for the project to proceed. All the three Demand-led projects selected in the first round of Demand-led project applications conducted in late 2011 managed to meet the conditions precedent within 2012/13 and are being actively implemented.

229A-C and 205-211A Hai Tan Street, Sham Shui Po

Situated in close proximity to each other, these two modest scale projects (483 square metres and 470 square metres respectively) were built in the early 1960s comprising two buildings of eight and nine storeys each. Some 160 households will benefit from their redevelopment and around 140 flats and 940 square metres of commercial space will be provided.



A resident enjoys the improved living condition after moving to a public housing unit.

Pine Street/Oak Street, Tai Kok Tsui

With buildings of between six and nine storeys erected between 1963 and 1967, the project covers around 865 square metres and is populated by 125 households. The project is expected to produce around 115 flats and 705 square metres of commercial space.

During the second round of Demand-led project applications conducted in late 2012, four Demand-led projects were chosen. Two were commenced in April 2013 and two more in June 2013.



URA staff conducts briefing for affected residents of the demand-led redevelopment project.

Kowloon Road/Kiu Yam Street, Sham Shui Po

The project site comprises an eight-storey building built in 1959 of around 600 square metres in size and occupied by around 120 households. Redevelopment can produce around 80 flats and 815 square metres of commercial space.



Existing view of the Kowloon Road / Kiu Yam Street project.

Tung Chau Street/Kweilin Street, Sham Shui Po

A nine-storey building built in 1964 of around 1,640 square metres in size and inhabited by some 280 households. It can be redeveloped for about 190 flats and around 2,100 square metres of commercial space. The heavily trafficked elevated West Kowloon Corridor with its attendant noise and fume nuisances runs adjacent to the site. These environmental impacts will be given due consideration in the project design.

Fuk Chak Street/Li Tak Street, Tai Kok Tsui

This project is made up of two eight-storey buildings built in 1964, each fronting separate streets. The site covers around 716 square metres and is occupied by around 100 households. It can be redeveloped for about 96 flats and 643 square metres of commercial space.

Wong Chuk Street, Sham Shui Po

With a nine-storey building built in 1963, this project site is around 485 square metres in size and accommodates an estimated 96 households. Redevelopment can produce around 69 flats and around 424 square metres of commercial space.



Press conference to announce the commencement of the Fuk Chak Street / Li Tak Street and the Wong Chuk Street project.

Redevelopment of Industrial Buildings Pilot Scheme

The URA commenced two projects under this scheme in October 2012 and January 2013 respectively.

12P, Smithfield, Kennedy Town

This project comprises a 12-storey industrial block built in 1972 with a site area of 944 square metres. Zoned for residential use, the project has the potential of producing around 180 flats and 200 square metres of commercial space. However, all of the owners within the project have objected to redevelopment by the URA and have confirmed their intention to redevelop the site themselves. Their objections had been upheld by the URA's Development Project Objection Consideration Committee. Subsequent to URA's recommendation, SDEV declined to authorise the URA to proceed with the project and the decision was gazetted on 5 July 2013.



URA staff conducts freezing survey at the project site.

Yu Chau West Street, Sham Shui Po



URA Director (Acquisition and Clearance) – Industrial Building Mr Joseph Lee meets an owner of the industrial building.



Existing view of the project.

This project comprises a 10-storey industrial building built in 1962 and occupying a site area of 1,393 square metres. The site can be redeveloped to provide about 16,700 square metres of office and retail floor space in conformity with the zoning plan.

A submission had been made to the Secretary for Development to authorise the project to proceed.

URA-initiated Redevelopment Projects

Tonkin Street/Fuk Wing Street, Sham Shui Po

This project covers an area of over 1,200 square metres and includes buildings in generally poor condition of five to seven storeys built between 1955 and 1958 and occupied by around 140 households. This sizeable project can be redeveloped to provide 175 flats and around 1,490 square metres of commercial floor space.



Residents attend a briefing session conducted by URA staff.

Other Projects of Note

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

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

This is the first ever project that the URA has undertaken without private sector involvement as a joint venture partner. Following gazettal of the land resumption in January 2013, the site had reverted to Government in April 2013.

Sai Yee Street, Mong Kok

A joint venture tender was awarded in September 2012 for this sports themed redevelopment where under a special local sports-shop arrangement, former sports-shop operators will be offered priority to lease space within the retail portion of the future development. Foundation works commenced in May 2013.

Kwun Tong Town Centre, Kwun Tong

URA's largest project to date, the Kwun Tong Town Centre project covers a total site area of 5.3 hectares and affects around 1,300 households. The project is expected to produce around 2,000 new flats, 112,000 square metres of commercial space, and 13,400 square metres of public open space.

This complex project is being implemented in three phases, with the site divided into five Development Areas. As at 31 March 2013, Development Areas 2, 3 and 4 have been reverted to the Government and clearance is continuing while superstructure works are in progress for Development Area 1. The phased development approach will enable the early reprovision of the existing Kwun Tong Jockey Club Health Centre to Development Area 1. In addition, this approach has required the temporary reprovision of existing Government offices in Development Area 4 to premises nearby which was completed in May 2012, thereby vacating the site for use as interim GIC facilities to reprovision the hawkers bazaars, Public Light Bus terminus and public toilet from Development Areas 2 and 3.



Overall master layout plan of the Kwun Tong Town Centre Project.

Peel Street/Graham Street, Sheung Wan



The URA has helped some hawkers to re-build their run-down pitch adjacent to the Graham Street/Peel Street project.



Existing view of the century old wet market.

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

The joint venture development tender for Site B was awarded during the year. Acquisition of outstanding interests in Sites A and C is continuing.

Lee Tung Street/McGregor Street, Wan Chai

This residential and commercial redevelopment project in Wan Chai will –

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

This is also the first URA project that comes with a formalised comprehensive environmentally-friendly policy. It has been planned to reduce greenhouse gas emissions from the project by about 23%.

Construction is now underway and completion is targeted for 2015.

Facilitating Services

Under its 'facilitator' role, the URA has so far provided services to three facilitation projects during 2012-13. A fourth project has also been taken up in April 2013.

Staunton Street/Wing Lee Street, Sheung Wan

The original Site A of the project comprising the Wing Lee Street area and the Bridges Street Market site was excised from the Development Scheme Plan (DSP) following the URA's proposed alternative implementation concept for conserving Wing Lee Street. Corresponding amendments to the approved DSP and the approved Sai Ying Pun and Sheung Wan Outline Zoning Plan were gazetted in July 2011 and approved by the Executive Council in May 2012. Subsequently, the Town Planning Board (TPB) endorsed a revised Planning Brief for Sites B and C based upon which the URA prepared a Master Layout Plan which was approved by the TPB in May 2013.

Kai Tak Flat-for-Flat Development

Construction of the URA's first ever self-developed housing estate for the site designated for provision of Flat-for-Flat units at Kai Tak, commenced in July 2012. Piling is complete with basement excavation and superstructure works underway since April 2013. The URA has adopted modest design features for the development which has recently obtained a provisional BEAM Platinum Award. The development is called “煥然壹居” in Chinese, a name chosen in a territory-wide naming competition. The English name “De Novo” is used for the development.



An artist impression of the Kai Tak Flat-for-Flat development.

Rehabilitation



Rehabilitated buildings in Tai Kok Tsui.

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

During 2012-13, the URA has continued its rehabilitation efforts through Operation Building Bright (OBB) and the Integrated Building Maintenance Assistance Scheme (IBMAS). In addition, technical and financial assistance to building owners have also been offered under the Mandatory Building Inspection Subsidy Scheme (MBISS). The various schemes remain very popular.

Operation Building Bright

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

The URA has given full support to the Government's OBB programme since it began in 2009. At the end of 2012/13, 830 buildings (around 31,600 units) out of the 1,450 target buildings within the URA's Rehabilitation Scheme Areas (RSAs) had either been rehabilitated or rehabilitation works were nearly complete. Through conscientious efforts and collaboration with the ICAC and the HKHS, guidelines and procedures have also been published and implemented to tighten requirements on service providers in the building renovation industry aimed at mitigating malpractices and promoting public education.



The seminar on Integrated Building Maintenance Assistance Scheme is well received by the owners.

Integrated Building Maintenance Assistance Scheme

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

coordination meetings are held between the URA and the HKHS.

A publicity programme has been implemented to raise awareness of IBMAS including a TV Announcement in the Public Interest which commenced airing in August 2012. The TV publicity will continue until April 2014.

The URA's Material Incentives Scheme (MIS) (including the Common Area Repair Works Subsidy (CAS)) and Loan Scheme (LS) (including the Common Area Repair Works Interest Free Loan (CAL)) are now operated under IBMAS. Since the launch of the MIS and LS, and up to the end of 2012-13, about 325 buildings (25,300



Mee Wah Building in Tsuen Wan before and after rehabilitation.



Press conference on the new arrangements of URA's building rehabilitation service areas.

units) have been rehabilitated under the MIS and 230 buildings (19,160 units) under the LS. Currently, there are a total of 187 IBMAS cases in progress, including 97 CAS and 6 CAL cases. The financial assistance, technical advice and coordination services provided by the URA to Owner's Corporations are welcomed judging by the enthusiastic response.

Mandatory Building Inspection Subsidy Scheme

The BD launched the Mandatory Building Inspection Scheme (MBIS) in June 2012 requiring owners to regularly inspect and repair their buildings in the interests of safety. On 7 August 2012, the URA launched the Mandatory Building Inspection Subsidy Scheme (MBISS) in conjunction with the HKHS. Under the MBISS, the URA will assist building owners to arrange inspections of buildings within its RSAs and which are subject to inspection notices issued by BD. Since the launch, the URA's staff have been attending district briefing sessions organised by BD to brief and attend to owners of target buildings on the subsidy and assistance available under the MBISS. Buildings which on inspection are found to require rehabilitation may apply for rehabilitation works assistance under IBMAS,

with URA providing a one-stop continual building care service.



Advertisement on bus to promote the Mandatory Building Inspection Subsidy Scheme.

Revitalisation and Preservation



URA's Mallery Street/Burrows Street Revitalisation Project "Comix Home Base".



Children participate in a drawing workshop at “Comix Home Base”.



URA Chairman Mr Victor So, Chief Secretary for Administration Mrs Carrie Lam, Secretary for Development Mr Paul Chan and comics industry celebrities at the Grand Opening of “Comix Home Base”.

The URA’s revitalisation work has enjoyed solid progress during 2012/13.

Wanchai

The Hong Kong Arts Centre will operate a “Comix Home Base” at the Mallory Street/Burrows Street revitalisation project which will provide a platform for local and international art exchange. Alteration and addition works to this rare cluster of pre-war tenement houses are complete, and the official opening is scheduled for mid-2013.

During 2012/13, works that were commenced by the now dissolved Old Wan Chai Revitalisation Initiative Special Committee had been completed. Electricity supply meters and bollards had been handed over to 130 hawkers on Tai Yuen Street and Cross Street for use. In addition, open space and street improvements under the “Public Private Partnership on Revitalisation for Old Wan Chai” had been completed.

Central Oasis

The URA is steering the international design consultancy to prepare the conceptual design for the Central Oasis for green recreation and leisure use. Major modifications of the building and the vertical extension of additional storeys to create space for diverse uses and rooftop greenery have necessitated the submission



An artist impression of the "Central Oasis".

of a section 16 application for the Town Planning Board (TPB)'s approval. With the withdrawal of a legal action in January 2013, the then draft Central District Outline Zoning Plan has now been approved by the TPB. The Section 16 application was submitted to the TPB in May 2013.

Based on the feedback from the 'Request for Information' exercise for the main operator of the Central Oasis, an invitation for Expression of Interest to become the main operator returned nine submissions (plus one late submission) in January 2013. The URA expects to award the tender in mid 2014.

Pak Tsz Lane

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



The Refuse Collection Point at Gage Street.

Mong Kok

The URA is enhancing the unique local characteristics and ambience of a number of themed streets involving streetscape and pedestrian walkway improvements and greening. The first phase at Flower Market Road is almost complete now. Site works for streetscape improvement works at Tung Choi Street will commence in 2013/14, subject to relevant Government departments' approval, and the detailed design for the remaining streets will be developed.



Street beautification work in the Flower Market Road.

Tai Kok Tsui

Following the completion of the Phases 1 and 2 works along Beech Street and the Cherry Street roundabout, the Phase 3 landscape improvement measures cover several streets in Tai Kok Tsui. Works for stage 1 of Phase 3 which involved improvement works mainly in parts of Fuk Tsun Street and Tai Kok Tsui Road started in 2012/13 and will be completed in 2013/14.



Landscape improvement work in Tai Kok Tsui.

Shophouse Preservation Projects

The acquisition of interests is continuing for the Prince Edward Road West project where partial conservation works have commenced on two blocks of the acquired buildings. The Shanghai Street project had reverted to the Government and clearance is in progress.



Conservation work in two acquired blocks of the Prince Edward Road West project.



Existing view of the Shanghai Street project.

Western Market

The term of the land grant for the century old Western Market which is a declared monument has been held over up to February 2015. Following the completion of a structural survey, a consultancy to identify the character-defining elements of the Western Market had also been completed. The URA is discussing with the Government on the way forward for the market.



Existing view of the century old Western Market.

Corporate Sustainability



The URA's Flat-for-Flat project at Kai Tak has achieved BEAM Plus Provisional 'Platinum' rating from the Hong Kong Green Building Council for its sustainable building design.

Sustainability is URA's corporate commitment. It interweaves the various stages of urban renewal as well as being a tenet that drives our policies and operations. In addition to environmental sustainable efforts, we are also committed to ensuring social sustainability in our work. In the latter half of 2012, a dedicated team was set up to coordinate our sustainability efforts.

Project planning and design – The redevelopment of Kwun Tong Town Centre illustrates a comprehensive and forward-looking planning process that includes optimisation of the disposition and form of buildings to ensure adequate noise mitigation and air ventilation; preservation of 25 old trees and the employment of vertical and rooftop greenery techniques to provide a green coverage of around 30% (making it one of the greenest spots in the city); utilisation of water-cooled chillers and mixed-mode air-conditioning system in the commercial portion to lower the energy consumption.

A number of public engagement workshops and roadshows were organised in the past few years to collect stakeholders' views.



The first banyan tree is transplanted in the Kwun Tong Town Centre project.

Open Space	26,000 m ²
GIC Area	53,000 m ²

(Based on 48 redevelopment projects commenced by the URA up to March 2013)

Acquisition and Rehousing – The URA's acquisition policy comprises cash compensation or rehousing, both of which can improve the living standards of affected households. For example, among the respondents in a social impact tracking study commissioned by the URA and undertaken by the Chinese University of Hong Kong for the Kwun Tong Town Centre project, more than 70% of affected domestic respondents feel satisfied with their improved quality of living after relocation while 85% of non-domestic respondents have continued business in better premises in the district after relocation.

No. of tenant households compensated with cash	244
No. of tenant households rehoused to PRH flats	107
Percentage rehoused within urban areas	98%

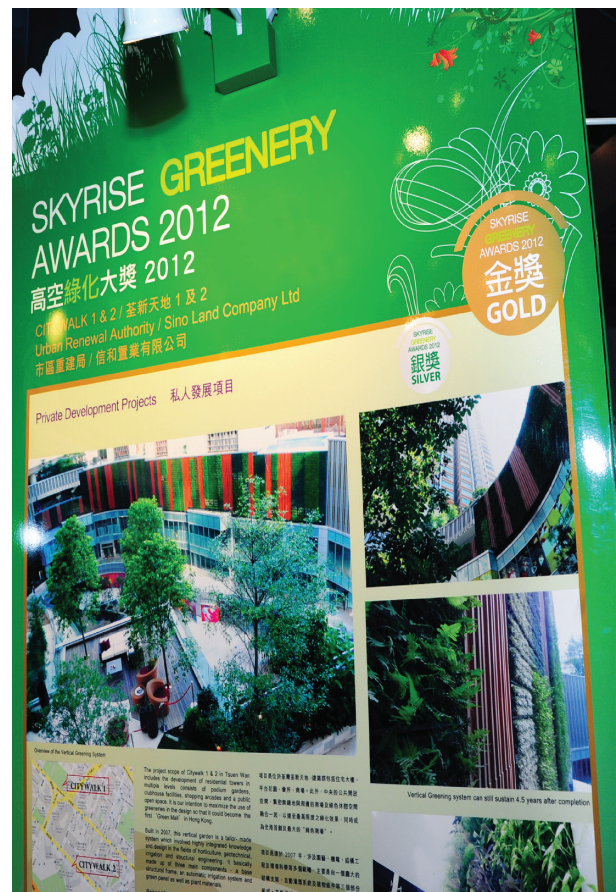
(For projects in progress during 2012/13 financial year)

Works and Contract Management – URA recognises that it is in a position to be an advocate of green building design as part of urban renewal, and high environmental standards are therefore imposed on both our self-developed projects and projects that are implemented through joint ventures. Eight redevelopment projects have achieved the Hong Kong BEAM Platinum (Final) rating as of March 2013. Setting a high green building standard for these eight projects has motivated the respective designs to optimise use of resources through various measures. It also propagates an important supply chain effect on the downstream consumers as the residential flats were installed with energy-efficient and water-efficient appliances.

Annual Energy Reduction	7% - 20%
Annual Water Saving	30% - 41%
Construction Waste Recycling	50% - 98%

(Based on 8 Projects attaining BEAM Platinum (Final) Rating as of March 2013)

As the URA's first self-developed project, the Flat-for-Flat development at Kai Tak has been tailor-designed from the perspective of end users, with practical flat layout, facilities conducive to community building, and environmentally-friendly features that lessen the residents' long term management and maintenance costs. Cross ventilation, double-glazed low-e windows, and high efficiency air conditioners were built into the design to lower the annual energy use by around 16%, while low flow water fixtures coupled with rainwater harvesting and grey water recycling systems would reduce annual water consumption by over 40%. Targeted for completion in 2016, the project is one of the first two residential projects in Hong Kong that achieved the provisional Platinum standard under the new BEAM Plus green building accreditation scheme.



The Citywalk 1 & Citywalk 2 projects in Tsuen Wan win the Gold Award of the Skyrise Greenery Awards 2012.

Property Management – To embrace more diversified uses of the urban space, the URA has offered concessionary tenancy to non-governmental organizations (NGOs) and social enterprises (SEs) both in our acquired properties and dedicated preserved historical buildings, e.g. Hong Chi Association, Hong Kong Federation of Youth Groups and New Life Psychiatric Rehabilitation Association.



A social enterprise “rwb 330” at the ground floor shop, 192 Prince Edward Road West.

Rental to NGOs and SEs in URA properties	2080 m ²
Rental to NGOs in managed GIC areas	3890 m ²

(For 2012/13 financial year)

URA also provides space for various Government Departments and organisations to carry out a wide range of activities, training, displays and exhibitions, including the arts, youth activities, education, tourism, hobbies and so on. A total of 20 events with URA's assistance/sponsorship had been staged at venues operated by the URA and its joint-venture partners such as Central Oasis, Urban Renewal Resource Centre and Citywalk.

Building Rehabilitation – Being a means to delay urban dilapidation and to provide timely relief to people living in dilapidated buildings, building rehabilitation is a vital part of urban renewal. By extending the useful life of the buildings concerned, rehabilitation effectively contributes to the reduction of solid waste that may otherwise be generated during buildings demolition, thereby lessening the burden on our landfills which are nearing their capacities.

Loan and Subsidies Released	over \$166 million
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(For 2012/13 financial year)

Greener Operations

Carbon Audit – URA recognises the value of leading by example, and in that connection has conducted the first corporate carbon audit in late 2012 covering our own operations and managed properties. It enables us to better understand the environmental performance of our operations and identify ways to reduce our corporate carbon footprint. Based on the assessment, the energy intensity of our offices is lower than the average in Hong Kong for similar type of occupancy. Nevertheless, an action plan has been prepared with a greenhouse gas (GHG) reduction target of 3-5% (compared with the baseline year 2011/12). The relevant measures comprising delamping, relamping to more energy efficient lightings, Managed Print System, and so on will be implemented in phases in our offices and managed properties beginning from the third quarter of 2013.

At the same time, more data will be collected in ensuing years to gradually expand the scope of our carbon audit for more comprehensive environmental management.

Reaching Out



A dancing performance supported by the "Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme".



Students visit URA's Urban Renewal Exploration Centre.

In touch with the young people

Engaging and reaching out to the community are integral part to URA's work on urban renewal. Efforts have been put to reinforce the public understanding of the problem of urban decay and URA's mission of regenerating the city.

During the year, a wide range of education and extension programmes have been organised for primary, secondary and tertiary students, such as guided visits to

the Urban Renewal Exploration Centre, docent tours of URA projects, field trips in old districts, as well as inter-school competitions related to urban renewal. A mobile App “UR City Fun” has been launched to facilitate experiential learning of secondary school students.



Education and extension programmes organised for primary and secondary students.



Community arts and culture in urban renewal

The URA believes integrating community arts and culture elements in urban renewal would help underscore its vision of enhancing the quality of living of residents in old urban areas.

In 2012/13 we have supported 13 local groups in organising arts and cultural programmes, benefitting over 60,000 residents in old districts. We also supported some 20 events in Oasis Gallery, a temporary exhibition venue in the Central Market building, which will be turned into the “Central Oasis” for the people of Hong Kong. One acquired block on Wing Lee Street continued to be used by Hong Kong Arts Centre for its artist-in-residence programme.



Participants of a tea appreciation workshop serve tea for the local community in the Kowloon Walled City Park.



A dancing performance supported by the “Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme”.

Serving the community

Adhering to URA's mission of caring the people living in the old districts, the Community Service Partnership Scheme has been introduced since September 2012. This is a tripartite scheme in which URA has partnered with nine tertiary institutions and local non-Government organisations to serve those in need at various old districts. Over 1,200 service hours have been achieved for the year.



Various programmes under the URA's Community Service Partnership Scheme.



A group photo taken at the Award Ceremony of the Community Service Partnership Scheme.

Our People



URA staff members participate in team building activities.

Our People

With the increasing demand from the community for higher efficiency and effectiveness with more projects of greater diversity and complexity, the URA is challenged to equip itself with manpower resources of high quality and appropriate talents. To this end, strategies and initiatives to attract, retain and motivate our people are taken.

We recognise the importance of communication with all staff to ensure cohesiveness and mutual understanding, maintain morale, instill a sense of belonging and, thereby, optimise both performance and job satisfaction. This is crucial especially at a time when the organisation is growing. Communication with our people at all levels in different formats such as small group feedback sessions, regular briefings on operation updates and consultation on specific topics form the regular internal communication mechanism.

In order to equip our people with the skillset and mindset to face the challenges and to keep them abreast of the prevailing environment, we have provided training and development for frontline staff, managers and selected group with good potential. Initiatives and activities to upkeep the well-being of our people in the form of recreational activities, voluntary work as well as events and activities to exemplify corporate social responsibilities are organized. As a caring organization, we continue to run an Employee Assistance Program, which offers counseling and other services to staff through a professional external services provider.



Various staff communication and volunteer programmes to strengthen the team spirit.

Highlights of the Year

May 2012

- Issue acquisition offers and Flat-for-Flat (FFF) option to eligible owners of the Fuk Wing Street project.



- Invite tender for joint development of Pak Tai Street / Mok Cheong Street project.
- Invite applications for the second round of demand-led redevelopment projects (pilot scheme).
- The Citywalk 1 & Citywalk 2 projects in Tsuen Wan win the Gold Award of the Skyrise Greenery Awards 2012.

April 2012

- Invite Expression of Interest (EOI) for joint development of Pak Tai Street / Mok Cheong Street project in Ma Tau Kok.



- Commence three demand-led redevelopment projects in Sham Shui Po and Tai Kok Tsui.
- The Urban Renewal Resource Centre in Tai Kok Tsui opens.
- Award contract for joint development project of Peel Street / Graham Street project (Site B) to a wholly-owned subsidiary of Cheung Kong (Holdings) Limited.

June 2012



- Land resumption for San Shan Road / Pau Chung Street project in Ma Tau Kok gazetted.
- Award contract for joint development of Pak Tai Street / Mok Cheong Street Project to a wholly-owned subsidiary of China Overseas Land & Investment Limited.
- Government announces the re-appointment of Ms Iris Tam as URA's Executive Director.
- Report to Legislative Council's Panel on Development on URA's work during 2011/12 and disclose financial results of two completed development projects.

July 2012

- Issue acquisition offers to owners of the demand-led project at 229A-G Hai Tan Street.



- Government gives authorisation to Kowloon City Road / Sheung Heung Road project.
- Invite EOI for joint development of Sai Yee Street project.
- Commence the foundation work of the FFF scheme at Kai Tak development.

August 2012

- Land resumption for the implementation of a preservation cum revitalisation project at Shanghai Street / Argyle Street gazetted.



- URA and Hong Kong Housing Society jointly launch the Mandatory Building Inspection Subsidy Scheme to provide financial and technical assistance to eligible building owners.
- Invite tender for joint development of Sai Yee Street project.

September 2012

- The first demand-led redevelopment project in Sham Shui Po attains the stipulated 80 percent threshold for acceptance of conditional acquisition offers within the offer period.
- Award contract for joint development project of Sai Yee Street to a wholly-owned subsidiary of New World Development Company Limited.

October 2012

- Commence the first industrial building redevelopment pilot scheme project in Kennedy Town.
- Issue acquisition offers and FFF option to eligible owners of the Kowloon City Road / Sheung Heung Road project.



- Announce FFF fixed unit prices for the first demand-led project in Sham Shui Po and conditional acquisition offers for two other demand-led projects in Sham Shui Po and Tai Kok Tsui.

November 2012



- Government gives authorisation to Reclamation Street / Shantung Street project.
- Invite EOI for the Main Operator contract of Central Oasis revitalisation project.

December 2012

- Both the second and third demand-led redevelopment projects in Sham Shui Po and Tai Kok Tsui attain the stipulated 80 percent threshold for acceptance of conditional acquisition offers within the offer period.
- Government announces the appointment of Ms Iris Tam as URA's Managing Director, effective 1 March 2013.

January 2013



- Commence the second industrial building redevelopment pilot scheme project in Cheung Sha Wan.
- Land resumption for Ma Tau Wai Road / Chun Tin Street project in To Kwa Wan gazetted.

February 2013

- Land resumption for Shun Ning Road project in Sham Shui Po gazetted.

March 2013



- Invite the public to propose name for the FFF scheme at Kai Tak development.
- Commence the Tonkin Street / Fuk Wing Street project, the 15th URA-initiated redevelopment project in Sham Shui Po.
- Government gives authorisation to two demand-led redevelopment projects in Sham Shui Po and Tai Kok Tsui.
- The FFF scheme at Kai Tak development achieves BEAM Plus Provisional 'Platinum' rating for its sustainable building.

April 2013

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

May 2013



- Submit planning application for the Central Oasis revitalisation project to the Town Planning Board and stage a public exhibition to showcase the conceptual design.
- Organise an award presentation ceremony for the Community Service Partnership Scheme to commend the participating tertiary students, Non-government organisations and URA staff.

June 2013



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

July 2013



- Invite applications for the third round of demand-led redevelopment projects (pilot scheme).
- Issue acquisition offers to owners of Reclamation Street / Shantung Street redevelopment project in Mong Kok.
- Opening ceremony of Comix Home Base, a revitalization project at Mallory Street.

Project Highlights

							Development Information before Redevelopment			Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	GFA (m ²)	Buildings	Population	Residential Flat Number	Total GFA (m ²)	Residential GFA (m ²)	
1 to 41 - 41 still ongoing projects commenced by URA												
1 ^(3, 4)	DL-6: YTM	Fuk Chak Street / Li Tak Street, Tai Kok Tsui	2013-14	June		716	3,689	2	250	96	5,788	5,145
2 ^(3, 4)	DL-7: SSP	Wong Chuk Street, Sham Shui Po	2013-14	June		485	3,420	1	240	69	3,821	3,397
3 ^(3, 4)	DL-4: SSP	Kowloon Road / Kiu Yam Street, Sham Shui Po	2013-14	April		599	3,817	1	280	80	4,887	4,072
4 ^(3, 4)	DL-5: SSP	Tung Chau Street / Kweilin Street, Sham Shui Po	2013-14	April		1,640	10,313	1	760	190	12,582	10,485
5 ⁽⁴⁾	SSP-015	Tonkin Street / Fuk Wing Street, Sham Shui Po	2012-13	March		1,268	4,964	6	275	145	8,955	7,462
6 ^(2, 4)	IB-2: SSP	Yu Chau West Street, Cheung Sha Wan	2012-13	January		1,393	12,145	1	0	0	16,700	0
7 ^(2, 4)	IB-1: CW	12P, Smithfield, Kennedy Town	2012-13	October		944	9,290	1	0	180	8,200	8,000
8 ^(3, 4)	DL-1: SSP	229A-G, Hai Tan Street, Sham Shui Po	2012-13	April		483	2,547	1	184	69	3,672	3,192
9 ^(3, 4)	DL-2: SSP	205-211A, Hai Tan Street, Sham Shui Po	2012-13	April		470	3,335	1	233	69	3,600	3,139
10 ^(3, 4)	DL-3: YTM	Pine Street / Oak Street, Tai Kok Tsui	2012-13	April		865	5,105	11	311	115	6,345	5,640
11 ⁽⁴⁾	YTM-010	Reclamation Street / Shantung Street, Mong Kok	2011-12	February		1,640	9,406	9	682	189	12,280	10,432
12 ⁽⁴⁾	KC-007	Kowloon City Road / Sheung Heung Road, Ma Tau Kok	2011-12	November		1,622	7,258	8	550	200	12,456	10,380
13 ⁽⁴⁾	SSP-014	Fuk Wing Street, Sham Shui Po	2010-11	March		649	2,456	6	195	92	5,038	4,478
14 ⁽⁴⁾	KC-006	Pak Tai Street / San Shan Road, Ma Tau Kok	2010-11	March		1,277	6,389	12	380	161	9,782	8,152
15 ⁽⁴⁾	TKW/1/002	Ma Tau Wai Road / Chun Tin Street, Ma Tau Kok	2009-10	February		3,377	10,393	17	770	435	24,127	20,330
16 ⁽⁴⁾	SSP/3/001	Shun Ning Road, Sham Shui Po	2009-10	June		836	3,820	5	159	110	6,961	6,188

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)		
643	0	0	0	Second round "Demand-led" Scheme project Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 28/06/13
424	0	0	0	Second round "Demand-led" Scheme project Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 28/06/13
815	0	0	0	Second round "Demand-led" Scheme project Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/04/13 Initial acquisition offers issued on 27/06/13
2,097	0	0	0	Second round "Demand-led" Scheme project Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/04/13 Initial acquisition offers issued on 27/06/13
1,493	0	0	0	Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 08/03/13
16,700	0	0	0	Pilot project on Redevelopment of Industrial Building	Project commencement gazetted on 18/01/13
200	0	0	0	Pilot project on Redevelopment of Industrial Building	Project commencement gazetted on 26/10/12 SDEV declined to authorise the URA to proceed with the project and the decision was gazetted on 05/07/13
480	0	0	0	First round "Demand-led" Scheme project Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offers issued on 04/07/12 80% threshold for ASP reached on 03/09/12 SDEV authorised URA to proceed on 13/09/12 Resumption application submitted on 01/02/13 Land Grant application submitted on 19/02/13
461	0	0	0	First round "Demand-led" Scheme project Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offers issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 19/02/13
705	0	0	0	First round "Demand-led" Scheme project Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offers issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 12/03/13
1,848	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 10/02/12 SDEV authorised URA to proceed on 30/10/12
2,076	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 25/11/11 SDEV authorised URA to proceed on 26/06/12 Initial acquisition offers issued on 29/10/12 Resumption application submitted on 24/06/13 Land Grant application submitted on 24/06/13
560	0	0	0	Small sized flats of 40 to 60 square metres Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 25/03/11 SDEV authorised URA to proceed on 09/03/12 Initial acquisition offers issued on 04/05/12 Resumption application submitted on 14/09/12 Land Grant application submitted on 03/10/12
1,630	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owners-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 25/03/11 SDEV authorised URA to proceed on 05/01/12 Initial acquisition offers issued on 27/02/12 Resumption application submitted on 14/9/12 Land Grant application submitted on 11/12/12
2,800	0	1,000	500	URA has taken the initiative to commence the project following the collapse of one building and the demolition of a damaged adjacent one	SDEV authorised URA to proceed on 10/12/10 Decision of Appeal Board to uphold authorisation gazetted on 29/04/11 Initial acquisition offers issued on 30/05/11 Resumption gazetted on 11/01/13 Land Grant application submitted on 22/11/12 Site reverted to Government on 11/04/13 Clearance in progress
773	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Land Grant application submitted on 03/10/12 Resumption gazetted on 22/02/13 Site reverted to Government on 22/05/13 Clearance in progress

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Development Information before Redevelopment			Project Development Information		
							GFA (m ²)	Buildings	Population	Residential Flat Number	Total GFA (m ²)	Residential GFA (m ²)
17 ⁽⁴⁾	MTK/1/002	San Shan Road / Pau Chung Street, Ma Tau Kok	2009-10	May		1,170	6,046	7	344	144	10,534	8,778
18 ^(4,5)	MK/01	Shanghai Street / Argyle Street, Mong Kok	2008-09	September		1,128	3,944	14	170	0	3,944	0
19 ^(4,5)	MK/02	Prince Edward Road West / Yuen Ngai Street, Mong Kok	2008-09	September		1,440	4,334	10	31	0	6,126	0
20 ⁽⁴⁾	TKT/2/002	Anchor Street / Fuk Tsun Street, Tai Kok Tsui	2007-08	March		726	3,348	6	257	0	6,529	0
21	TKW/1/001	Chi Kiang Street / Ha Heung Road, Ma Tau Kok	2007-08	February		931	5,226	5	302	186	8,374	6,980
22	MTK/1/001	Pak Tai Street / Mok Cheong Street, Ma Tau Kok	2007-08	February		771	3,772	5	229	168	6,847	5,787
23	K28	Sai Yee Street, Mong Kok	2007-08	December		2,478	14,434	14	431	290	22,302	17,346
24 ^(4,5)	K1	Nga Tsin Wai Village, Wong Tai Sin	2007-08	October		4,637	2,051	36	118	750	37,097	34,778
25 ^(4,5)	H18	Peel Street / Graham Street, Sheung Wan	2007-08	July		5,267	20,219	37	823	293	67,528	22,818
26 ⁽⁴⁾	K7	Kwun Tong Town Centre, Kwun Tong	2006-07	March	Park Metropolitan (YWS site)	53,500	96,104	24	4,440	1,979	401,250	160,610

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)		
1,756	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption gazetted on 15/06/12 Site reverted to the Government on 15/09/12 Clearance in progress Provisional basic terms offer of Land Grant accepted by URA on 27/11/12
3,944	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption gazetted on 03/08/12 and site has been reverted to the Government on 03/11/12 Clearance in progress Land Grant application submitted on 05/12/12
6,126	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption application submitted on 27/01/11
6,529	0	0	0	Commercial space is for hotel with about 184 rooms	Site reverted to Government on 12/11/11 Clearance in progress Provisional basic terms offer of Land Grant accepted by URA on 12/11/12
1,394	0	0	0		Joint venture development tender awarded on 27/02/12 Land Grant executed on 18/05/12 Foundation work commenced
1,060	0	0	0		Joint Venture development tender awarded on 18/06/12 Land Grant executed on 17/10/12 Foundation work in progress
4,956	0	0	0		Joint venture development tender awarded on 24/09/12 Land Grant executed on 21/12/12 Foundation work in progress
2,319	0	0	0	At-grade conservation park accessible to public will be provided. Commercial space includes preserved buildings-elements, temple office, village committee's office, reprovisioning of public toilet and other covered areas but actual area still subject to detailed design	Demolition of vacated properties in progress Land grant application submitted on 07/01/10 Resumption gazetted on 15/07/11 Site reverted to Government on 15/10/11 Clearance in progress In principle approval for draft Land Grant conditions for K1 obtained at DLC on 26/07/12
43,450	0	1,260	2,060	G/IC is a 1,260m ² multi-purpose activity hall Commercial space includes retail space for relocating wet trade market shops, office space and 9,280m ² for a 182 room-hotel; 180m ² non-domestic GFA is used for the covered POS at Site A	Site B: Joint venture development tender awarded on 30/04/12 Land Grant executed on 24/07/12 Site B handed over to JVP on 10/10/12 Sites A & C: Property acquisition in progress Class A amendments at MLP parameters approved by PlanD on 07/03/13
111,780	97,860	31,000	13,400	Other uses include 65,860m ² for offices and 32,000m ² for hotel G/IC includes 6,200m ² for Kwun Tong Jockey Club Health Centre in Yuet Wah Street (YWS) Site and 8,100m ² for Government uses in Main Site and 16,700m ² for Public Transport Interchange in Main Site Commercial Space includes some space for social enterprises About 2,000 units will be produced Public space includes min 8,700m ² at-grade public open space and min 4,700m ² streetscape area- pedestrian deck	YWS Site: Superstructure works in progress Accommodation for G/IC facilities expected to be completed by end of 2013 with occupation to follow thereafter Main Site: Resumption and phased reversion application for Main Site submitted on 13/07/09 LandsD consulted District Council about resumption of DAs 2, 3 and 4 on 03/05/11 Resumption for DAs 2, 3 and 4 gazetted on 02/03/12 and reverted to the Government on 02/06/12 Clearance of DAs 2,3 and 4 in progress General revised offers for DAs issued on 27/06/13 In-principle approval for draft Land Grant conditions for DAs 2&3 obtained at DLC on 28/07/11 Interim government offices relocation completed on 01/05/12 Hoarding works for construction of interim GIC at Kwun Tong District Branch Office Building site completed in Jan 2013 Road closure for DAs 2 and 3 gazetted on 27/04/12 and authorised on 03/08/12 Class B amendments to fulfill SBD Guidelines approved by PlanD on 24/10/12

							Development Information before Redevelopment			Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	GFA (m ²)	Buildings	Population	Residential Flat Number	Total GFA (m ²)	Residential GFA (m ²)	
27 ⁽⁴⁾	H14	Sai Wan Ho Street, Shau Kei Wan	2005-06	September		712	3,796	2	21	120	5,791	5,160
28	K9	MacPherson Stadium, Mong Kok	2005-06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705
29 ⁽⁴⁾ 30 ⁽⁴⁾ 31 ⁽⁴⁾	SSP/1/003-005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005-06	February		7,515	25,344	37	1,277	845	57,400	50,100
32	TKT/2/001	Fuk Tsun Street / Pine Street, Tai Kok Tsui	2005-06	December	Park Ivy	560	4,071	3	273	113	4,843	4,003
33 ⁽⁵⁾	SYP/1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005-06	December		2,150	4,140	14	213	255	16,457	16,212
34 ⁽⁶⁾	WC/001	Mallory Street / Burrows Street, Wan Chai	2004-05	March		780	2,687	5	122	0	2,435	0
35 36	SSP/1/001-002	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	2004-05	March		3,339	13,197	17	551	402	29,720	24,780
37	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004-05	December	Park Summit	2,328	11,802	12	518	462	20,952	17,460
38	K31	Larch Street / Fir Street, Tai Kok Tsui	2004-05	December	Lime Stardom	2,195	10,332	12	594	377	19,735	16,425
39 ⁽⁵⁾	H15	Lee Tung Street / McGregor Street, Wan Chai	2003-04	October	The Avenue	8,236	36,534	52	1,613	1,275	79,930	67,937
40 ^(4, 5)	H19	Staunton Street / Wing Lee Street, Sheung Wan	2002-03	March		2,175	3,049	16	98	154	6,117	5,247
41	K3	Cherry Street, Tai Kok Tsui	2001-02	January	Florient Rise	4,510	14,416	33	1,020	522	43,231	35,466
1 to 41 Launched Sub-Total (A)						127,212	389,981	445	18,714	10,828	1,027,103	628,084

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)		
631	0	0	0		Project returned by HKHS to URA with effect from 23/11/11 Property acquisition in progress Land Grant application submitted on 29/04/13 Resumption application submitted on 03/05/13
2,443	0	5,619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	Occupation permit issued on 31/12/12
5,249	0	2,051	1,500	Three projects taken forward as one G/IC includes 1,900m ² for Special Child Care Centre cum Early Education Centre, Day Care Centre for Elderly and Sub-base for a Neighbourhood Elderly Centre; 150m ² for either social enterprise or non-domestic use	Resumption gazetted on 19/11/10 Site reverted to Government on 19/02/11 Clearance in progress Road Closure-Road Works Scheme authorisation gazetted on 16/12/11 Provisional basic terms offer issued on 26/06/13 Demolition in progress
840	0	0	0		Joint-venture development tender awarded on 22/11/10 Land grant executed on 25/01/11 GBP approved on 18/01/13 Construction in progress Modified consent issued on 19/04/13
245	0	0	1,309	Commercial space includes 26.2m ² for shop and 82.1m ² other covered areas and 136.4m ² like preserved buildings and covered public open space	Joint-venture development tender awarded on 27/09/10 Land Grant executed on 07/01/11 GBP approved on 15/03/12 Construction in progress
0	2,435	0	300	Zoned 'Other specified uses' annotated 'Open space and historical buildings preserved for cultural and commercial uses' GFA includes retained façade at Burrows Street and two elevated walkways	Tender for Main Operator awarded on 15/04/11 Land Grant executed on 13/10/11 Construction and alteration works in progress Occupation Permit issued on 20/05/13
4,940	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Joint-venture development tender awarded on 22/01/10 Land Grant executed on 16/03/10 Construction in progress
3,492	0	0	450		Flat sale launch on 20/04/12 Occupation Permit issued on 20/09/12 Certificate of Compliance issued on 27/12/12
3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Occupation Permit issued on 29/8/2011 Certificate of Compliance issued on 24/11/11 Sales of remaining shops in progress
9,405	0	2,588	3,967	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for Elderly / Community Service Support Centre, Refuse Collection Point and Public Toilet	Land grant executed on 25/02/10 Construction works in progress Modification letter for additional commercial GFA executed on 29/08/11 The MTR Johnston Rd Pedestrian Subway works gazetted on 7/9/12, 4 objections were received during the gazettal period. THB panel heard objections on 29/5/13 Modification Letter for receiving Hopewell's proposed subway was executed and returned to LandsD by URA on 25/06/13
870	0	0	474	Development parameters for Site B and Site C	Amendments to approved DSP to excise Site A published on 08/07/11 TPB decided not to uphold representations received; excising of Site A and zoning as separate CDA retained The revised DSP with Wing Lee Street area and the Bridges Street Market site excised was gazetted on 18/05/12 following approval by CE in C Draft revised Planning Brief (excluding Site A) endorsed by TPB on 26/09/12. MLP for Sites B and C was approved by TPB on 24/05/13
4,916	0	1,849	0	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Sales of remaining parking spaces in progress
253,360	100,295	45,367	24,540		

						Development Information before Redevelopment			Project Development Information			
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	GFA (m ²)	Buildings	Population	Residential Flat Number	Total GFA (m ²)	Residential GFA (m ²)	
42 to 47 - 6 Projects commenced by HKHS												
42	K20	Castle Peak Road / Cheung Wah Street, Sham Shui Po	2004-05	April	Heya Delight	1,003	5,935	10	158	130	9,030	7,525
43	K21	Castle Peak Road / Un Chau Street, Sham Shui Po	2004-05	April	Heya Star	2,614	14,193	24	496	350	23,520	19,575
44	K22	Un Chau Street / Fuk Wing Street, Sham Shui Po	2004-05	April	Heya Aqua	2,134	10,114	22	362	275	19,200	15,975
45	K23	Castle Peak Road / Hing Wah Street, Sham Shui Po	2004-05	April	Heya Crystal	1,399	8,286	11	344	175	12,586	10,488
46	H21	Shau Kei Wan Road, Shau Kei Wan	2003-04	November		1,871	9,834	17	400	274	19,540	16,323
47	K25	Po On Road / Wai Wai Road, Sham Shui Po	2003-04	July	Heya Green	2,592	9,923	19	528	327	21,266	17,680
42 to 47 Commenced Sub-Total (B)						11,613	58,285	103	2,288	1,531	105,142	87,566
48 to 49 - 2 Ongoing projects taken over from ex-LDC												
48	K11	Hanoi Road, Tsim Sha Tsui	(8)		The Masterpiece	8,299	27,309	20	220	345	102,625	45,600
49 ⁽⁵⁾	H9	Tai Yuen Street / Wan Chai Road, Wan Chai	(8)		The Zenith (Site A & B) One Wanchai (Site C)	6,793	12,555	31	975	889	62,310	52,539
48 to 49 Commenced Sub-Total (C)						15,092	39,864	51	1,195	1,234	164,935	98,139
Commenced Total (A) + (B) + (C)						153,917	488,130	599	22,197	13,593	1,297,180	813,789
50 to 57 - 8 Completed projects commenced by URA⁽⁷⁾												
50	K19	Po On Road / Shun Ning Road, Sham Shui Po	2002-03	July	Beacon Lodge	1,394	4,898	8	327	166	12,534	10,451
51	K30	Bedford Road / Larch Street, Tai Kok Tsui	2003-04	July	i-home	1,229	6,313	7	280	182	10,363	9,215
52	K26	Fuk Wing Street / Fuk Wa Street, Sham Shui Po	2001-02	January	Vista	1,384	5,129	8	246	173	12,453	10,378
53	K27	Reclamation Street, Mong Kok	2002-03	October	MOD 595	535	2,411	4	122	85	4,921	4,119
54 ⁽⁵⁾	H16	Johnston Road, Wan Chai	2001-02	January	J Residence	1,970	7,640	21	333	381	20,567	17,967
55	H17	Queen's Road East, Wan Chai	2002-03	March	Queen's Cube	378	1,806	5	25	96	3,984	3,543
56	K33	Baker Court, Hung Hom	2003-04	July	Baker Residences	277	834	2	9	68	2,338	2,077
57	H20	First Street / Second Street, Sai Ying Pun	2002-03	November	Island Crest	3,536	15,690	30	777	488	38,178	34,259
50 to 57 Completed Sub-Total⁽⁷⁾ (D)						10,730	44,721	85	2,119	1,639	105,338	92,009
0 Completed project commenced by HKHS⁽⁷⁾												
Nil Completed Sub-Total⁽⁷⁾ (E)						0	0	0	0	0	0	0

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)		
1,505	0	0	0		Construction in progress
3,958	0	0	150		Construction in progress
459	0	2,741	150	G/IC is for Residential Care Home for the Elderly	Construction in progress
2,098	0	0	0		Construction in progress
3,217	0	0	0		Construction in progress
957	0	2,577	0	G/IC is for Residential Care Home for the Elderly	Construction in progress Sale of residential units commenced end May-12
12,194	0	5,318	300		
31,209	25,816	0	1,219	Other use is for 381-room hotel	Leasing of commercial space in progress Hotel in operation Sales of remaining flats in progress
3,453	0	6,318	0	G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Sales of residential units of Sites A and B completed Occupation Permit (Site C) issued on 10/09/12 Certificate of Compliance (Site C) issued on 10/01/13 Sale of residential units (Site C) in progress Leasing of the commercial portion in progress
34,662	25,816	6,318	1,219		
300,216	126,111	57,003	26,059		
2,083	0	0	251		Project completed in 2010/11 Sales of parking spaces in progress
1,148	0	0	0		Project completed in 2010/11 Sales of shops and parking spaces in progress
2,075	0	0	255		Project completed in 2010/11 Leasing of shops in progress
802	0	0	0		Project completed in 2009/10 Sales of remaining parking spaces in progress
2,600	0	0	0		Project completed in 2008/09
441	0	0	0		Project completed in 2011/12 Occupation Permit obtained in April 10 Certificate of Compliance obtained in July 10 Assignment for unsold units completed on 26/08/11
261	0	0	0		Project completed in 2011/12 Occupation Permit issued on 29/07/11 Certificate of Compliance issued on 28/10/11 Sale of residential units completed
1,722	0	2,197	700	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Project completed in 2012/13 Certificate of Compliance obtained in June 2010 All residential units, commercial accommodation and residential and commercial car parking spaces sold out
11,132	0	2,197	1,206		
0	0	0	0		

						Development Information before Redevelopment			Project Development Information																										
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	GFA (m ²)	Buildings	Population	Residential Flat Number	Total GFA (m ²)	Residential GFA (m ²)																								
58 to 65 - 8 Completed projects commenced by ex-LDC⁽⁷⁾																																			
58	K17	Yeung Uk Road, Tsuen Wan	(8)		The Dynasty	7,230	NA	0	0	256	44,404	27,031																							
59	K13	Tsuen Wan Town Centre, Tsuen Wan	(8)		Vision City	20,300	56,851	22	7,119	1,466	134,185	107,884																							
60	H12	Kennedy Town New Praya, Kennedy Town	(8)		The Merton	6,075	24,808	15	1,683	1,182	62,904	62,794																							
61	H13	Ka Wai Man Road, Kennedy Town	(8)		Mount Davis 33	728	4,000	1	0	89	7,280	7,280																							
62	K10	Waterloo Road / Yunnan Lane, Yau Ma Tei	(8)		8 Waterloo Road	3,869	6,610	19	444	576	32,012	32,010																							
63	H1	Queen Street, Sheung Wan	(8)		Queen's Terrace	7,964	25,792	50	648	1,148	66,233	60,579																							
64	K2	Argyle Street / Shanghai Street, Mong Kok	(8)		Langham Place	11,976	40,810	58	2,603	0	167,414	0																							
65	K8	Kwong Yung Street, Mong Kok	(8)		Paradise Square	1,607	4,190	10	178	272	15,160	12,746																							
58 to 65 Completed Sub-Total⁽⁷⁾ (F)						59,749	163,061	175	12,675	4,989	529,592	310,324																							
Completed Total⁽⁷⁾ (D) + (E) + (F)						70,452	207,782	260	14,794	6,628	634,930	402,333																							
Commenced + Completed						224,369	695,912	859	36,991	20,221	1,932,110	1,216,122																							
<p>Note (1) This table includes only Public Open Space and not any private open space. (2) Industrial Building Redevelopment project. (3) Demand-led project. (4) The details of projects 1 to 20, 24 to 27 and 29 to 31 have yet to be finalised and are still subject to change during the statutory, planning and land grant approval processes. (5) Projects 18 and 19 are purely preservation projects. All other projects are redevelopment projects, with redevelopment projects 24, 25, 33, 39, 40, 49 and 54 containing some preservation elements. (6) Revitalisation project. (7) In this table, a project is deemed to be fully completed once all residential units have been sold and all commercial and other accommodation, apart from car and motor cycle parking spaces, have been sold or substantially leased out. (8) The project was commenced by ex-Land Development Corporation.</p>																																			
<p>Glossary of Terms</p> <table> <tr> <td>ASP = Agreement for Sale and Purchase</td> <td>G/IC = Government / Institution and Community</td> <td>SBD = Sustainable Building Design</td> </tr> <tr> <td>CE in C = Chief Executive in Council</td> <td>HKHS = Hong Kong Housing Society</td> <td>SDEV = Secretary for Development</td> </tr> <tr> <td>CDA = Comprehensive Development Area</td> <td>LandsD = Lands Department</td> <td>THB = Transport & Housing Bureau</td> </tr> <tr> <td>DA = Development Area</td> <td>LDC = Land Development Corporation</td> <td>TPB = Town Planning Board</td> </tr> <tr> <td>DLC = District Lands Conference</td> <td>MLP = Master Layout Plan</td> <td>URA = Urban Renewal Authority</td> </tr> <tr> <td>DSP = Development Scheme Plan</td> <td>OU = Other Specified Use</td> <td>YWS = Yuet Wah Street</td> </tr> <tr> <td>GBP = General Building Plan</td> <td>OZP = Outline Zoning Plan</td> <td></td> </tr> <tr> <td>GFA = Gross Floor Area</td> <td>R(A) = Residential (Group A)</td> <td></td> </tr> </table>												ASP = Agreement for Sale and Purchase	G/IC = Government / Institution and Community	SBD = Sustainable Building Design	CE in C = Chief Executive in Council	HKHS = Hong Kong Housing Society	SDEV = Secretary for Development	CDA = Comprehensive Development Area	LandsD = Lands Department	THB = Transport & Housing Bureau	DA = Development Area	LDC = Land Development Corporation	TPB = Town Planning Board	DLC = District Lands Conference	MLP = Master Layout Plan	URA = Urban Renewal Authority	DSP = Development Scheme Plan	OU = Other Specified Use	YWS = Yuet Wah Street	GBP = General Building Plan	OZP = Outline Zoning Plan		GFA = Gross Floor Area	R(A) = Residential (Group A)	
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Project Development Information					
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽¹⁾ GFA (m ²)	Remarks	Status
17,373	0	0	0		Project completed in 2010/11 Leasing of commercial space in progress
23,221	0	3,080	3,700	G/IC is for transport and community facilities	Project completed in 2010/11 Sales of parking spaces in progress Leasing of commercial space in progress
0	0	110	2,300	G/IC is for public toilet	Project completed in 2007/08
0	0	0	0		Project completed in 2007/08
0	0	0	1,650		Project completed in 2007/08
400	0	5,254	1,200	G/IC includes Single-person Hostel, Care & Attention Home, Day Nursery, Social Centre for the Elderly, Hostel for Moderately Mentally Handicapped and Cooked Food Centre	Project completed in 2007/08
160,866	0	6,548	1,100	Commercial space includes 41,933m ² for 686-room hotel, 65,793m ² for offices and 53,140m ² for retail G/IC includes Cooked Food Centre and transport and community facilities	Project completed in 2005/06
2,414	0	0	0		Project completed in 2005/06
204,274	0	14,992	9,950		
215,406	0	17,189	11,156		
515,622	126,111	74,192	37,215		
					Planning process
					Acquisition & Clearance
					Demolition & Tendering
					Construction
					Sales & Leasing
					Completion

Management Discussion & Analysis

(I) Review of 2012/13 Results

(a) Revenues

Revenues for the year ended 31 March 2013, comprising mainly upfront payments from tendered projects and share of surpluses from jointly controlled development projects, amounted to \$5.3 billion. This represents an increase of \$1.6 billion compared to the last financial year's revenue of \$3.7 billion. The aggregate value of upfront amounts concluded by the URA in 2012/13 was much higher than 2011/12 as the three redevelopment project sites tendered and awarded during the year, namely Peel Street / Graham Street, Pak Tai Street / Mok Cheong Street and Sai Yee Street, with 4,940 m² in total area, were more in number and larger in size than the one site tendered and awarded in 2011/12 with total area of only 931 m². Also included in the \$5.3 billion revenues were shares of sales proceeds totaling \$0.6 billion (2011/12: \$3.2 billion) from certain jointly controlled development projects with the proceeds exceeding certain thresholds stipulated in the development agreements. The thresholds were set years ago when the URA arranged the relevant revenue tendering exercises in a market where property market values were relatively lower. The projects contributed to the surplus during the year included Lime Stardom in Tai Kok Tsui, Island Crest in Sai Ying Pun, Florient Rise in Tai Kok Tsui, Vision City in Tsuen Wan and The Zenith / One Wanchai in Wan Chai, with development agreements executed in 2007, 2005, 2004 and 2002 respectively, and The Zenith / One Wanchai project which was executed in 1996 by the Land Development Corporation, the predecessor of the URA.

(b) Other net income

Of the \$183 million (2011/12: \$190 million) included as other net income for the year, \$144 million (2011/12: \$153 million) was interest income earned from the investment portfolio managed in-house which included bank deposits and fixed income products, with an average yield of 1.72% p.a. (2011/12: 1.68% p.a.). There were also gains of \$20 million (2011/12: \$12 million), principally from funds managed by the investment manager with a gross yield of 1.47% p.a. (2011/12: 1.27% p.a.).

(c) Administrative expenses

Administrative expenses mainly covered staff costs, accommodation costs and depreciation charges. Administrative expenses before depreciation for the financial year was \$316 million (2011/12: \$278 million). The increase was largely due to the headcount growth required to meet the workload of the URA's planned projects and activities. The depreciation charge for office capital expenditure was \$21 million (2011/12: \$19 million) for the financial year 2012/13.

To cope with the expansion of the urban renewal activities, the staffing level was increased by 49 from 449 in 31 March 2012 to 498 in 31 March 2013. Of the 498 staff, 82 (31 March 2012: 96) were employed on contracts of less than three years in duration. It is expected that the headcount will increase further to cope with the planned expansion in future years of the building rehabilitation works including the expanded geographical coverage. The URA will progressively take over the rehabilitation work from the Hong Kong Housing Society by assuming its responsibilities in

Kowloon, Tsuen Wan and Kwai Tsing Districts in 2013, and then the whole territory by 2015.

(d) Urban Renewal Trust Fund (URTF)

In 2011/12, the URA contributed \$0.5 billion funding as an endowment for the establishment of the URTF, one of the initiatives under the new Urban Renewal Strategy (URS).

(e) Write back of / provision for impairment on properties and committed projects

The URA's properties and committed projects are valued by in-house professionals at the end of each financial year. Based on its accounting policy detailed in Notes 2(g) and 2(n) to its financial statements, a net write back of provision for loss aggregating \$1.7 billion was made in this financial year. The said amount was largely due to the write back of the provision for loss for the Kwun Tong Town Centre project resulting from the modification of assumptions made to certain Government/Institution and Community's (GIC's) and the project's overall development plan during the year, in addition to the increase in the assessed development values as compared with those in the previous year. The write back was offset by the provision for loss made for Kowloon City Road / Sheung Heung Road project and the provision for loss on three demand-led projects which started acquisition during the year.

(f) Operating surplus for the year

For the year ended 31 March 2013, the URA recorded a net operating surplus of \$4.4 billion being increased in revenues as explained in paragraph (I) (a) above less

expenditure, reflecting an increase of \$1.8 billion or 69% compared to the \$2.6 billion net operating surplus reported in 2011/12.

(II) Financial Position at 31 March 2013

(a) Properties under development

The value of "Properties under development" as at 31 March 2013 was at a historically high level of \$22.4 billion (31 March 2012: \$19.2 billion), representing the acquisition costs for projects for redevelopment or preservation purposes at various stages of implementation, comprising five projects under acquisition; five projects pending completion of resumption process; two projects with over 90% ownership of interests acquired pending reversion to the Government; and seven projects with ownership reverted to the Government pending final clearance. The aforesaid cost was set off against the cumulative provision for loss on 15 projects of \$3.3 billion (31 March 2012: \$5.6 billion for nine projects) giving rise to a net cost of \$19.1 billion (2011/12: \$13.6 billion). The increase in the net cost reflects mainly the higher number of projects now being implemented, the overall higher levels of acceptance of offers and higher acquisition costs for acquisition of properties in these projects. During 2012/13, the URA commenced acquisition of five redevelopment projects, three located in Sham Shui Po, one located in Tai Kok Tsui and another one in Kowloon City. Among these five projects, three of them are demand-led projects.

In accordance with the URS, the URA launched the Flat-for-Flat (FFF) Scheme to provide domestic owner-occupiers affected by the URA's redevelopment projects commenced after 24 February 2011 as an alternative option to cash compensation. The Government has provided a site at Kai Tak for the URA to develop about 500 small to medium sized flats for the FFF Scheme. As at 31 March 2013, land premium and construction cost totalling \$1.5 billion for Kai Tak development were also recorded as "Properties under development".

(b) Cash and bank balances

As at 31 March 2013, the URA's cash and bank balances and the fair value of the funds managed by the investment manager totaled \$9.4 billion (31 March 2012: \$10.6 billion).

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

Off-set by the borrowings of \$3.3 billion (31 March 2012: \$1.7 billion) mentioned in paragraph II (c) below, the net cash position including the fair value of the financial assets at 31 March 2013 was \$6.1 billion (31 March 2012: \$8.9 billion).

(c) Debt securities issued

In December 2010, in conjunction with the upgrading of the Government of HKSAR's rating, the URA's rating was also upgraded by Standard & Poor's (S&P) to AAA

from AA+. This rating was reaffirmed after an annual review in February 2013.

As at 31 March 2013, the debt securities issued by the URA was \$3.3 billion. In May 2013, additional debt securities totaling \$0.6 billion were issued under its US\$1 billion Medium Term Note (MTN) Programme.

(d) Net assets value

The URA's net assets value as at 31 March 2013 was \$26.2 billion (31 March 2012: \$21.8 billion), representing the Government's capital injection of \$10 billion (31 March 2012: \$10 billion) and an accumulated surplus from operations of \$16.2 billion (31 March 2012: \$11.8 billion).

The financial highlights of the past ten years are summarized on page 97 of this Annual Report.

(III) Capital Injection, and Tax Exemption

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

(IV) Waiver of Land Premia by the Government

Under the URS, the Government waives the land premia for redevelopment sites granted to the URA. In 2012/13, the land premia waived by the Government on four

land grants amounted to \$1.0 billion. Since May 2001, a total of 21 land grants, including land premia under the four land grants made in 2012/13 have been waived in respect of all the tendered projects with aggregate land premia totalling \$6.5 billion.

Without this waiver, the URA's net operating surplus for 2012/13 of \$4.4 billion for the year would have been lowered by \$1.0 billion to \$3.4 billion; its accumulated surplus since May 2001 would have been lowered by \$6.5 billion to \$9.7 billion; and its net assets value as at 31 March 2013 would have been decreased to \$19.7 billion.

(V) Financial Resources, Liquidity and Commitments

As at 31 March 2013, the URA's net cash position including the fair value of the funds managed by the investment manager totaled \$6.1 billion as mentioned in paragraph II (b) above. At the same date, the URA's accruals and estimated outstanding commitments to the commenced projects based on the valuation carried out by the URA's in-house professionals stood at \$14.3 billion.

In addition to the US\$1 billion MTN Programme mentioned in paragraph II (c) above, the URA maintained a total of \$1.0 billion and \$0.7 billion in committed and uncommitted bank facilities as at 31 March 2013. Securing the external funding and the credit facilities ensured that the URA will have sufficient financial resources to carry out its urban renewal programme as planned.

When implementing its urban renewal programme, the URA is necessarily exposed to financial risks arising from property market fluctuations. Individual projects with various development potentials are launched for tender at different times during property cycles after the site clearance. Subject to the market conditions prevailing at the time of tender submission, the upfront payments may be higher or lower than the URA's acquisition costs. As at 31 March 2013, the total costs of properties under development was \$22.4 billion. Taken together with the outstanding commitments, the URA's exposure to the property market was at a historically high level.

The URA estimates in its latest Corporate Plan that from 1 April 2013, a total cash outlay of about \$26.0 billion, excluding operational overheads, will be required in the next five years to meet the costs of both its currently outstanding commitments and its forthcoming expenditure on implementation of the projects contained in the Plan. This expenditure covers the URA's work in redevelopment, rehabilitation, preservation and revitalisation. It should be noted that while the Corporate Plan has been drawn up taking into full account of the new initiatives under the URS promulgated in February 2011, expenditure may nevertheless vary subject to the levels of interest shown in these initiatives, including in particular, demand-led redevelopment, flat for flat scheme, the expanded programme of building rehabilitation and other additional initiatives which may be added subsequent to the preparation of the Plan.

To ensure that its urban renewal programme is sustainable for the longer term, the URA is tasked to maintain a highly prudent financial position and have due regard for commercial principles in its operations.

Introduction

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

Board and Committees

The URA is governed by a Board appointed by the Chief Executive under Section 4 of the URAO, currently comprising a Chairman and 27 other members. There are three executive Board members who are not public officers, namely the Managing Director, who is by law also the Deputy Chairman, and the two Executive Directors. The Director of Lands, the Director of Planning, the Director of Buildings and the Director of Home Affairs are Board members who are non-executive directors and public officers. In addition, the current Board includes four legislative councilors plus professionals and academics from various fields, including finance, property, planning, surveying, architecture and social work who are non-executive directors and not public officers. The Board met on nine occasions between April 2012 and March 2013.

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

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

Decision Making System

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

Internal Audit

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

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

Measures to Promote Transparency of Work

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

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

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

Bilingual press statements are issued after Board meetings and/or on other important occasions as appropriate. They are uploaded to the URA's website, which 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.

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

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

Members of the Board and Profiles



MEMBERS OF THE BOARD (Photo taken in July 2012)

FROM LEFT

Front row : The Honourable IP Kwok-him, Mr Quinn LAW Yee-kwan (Managing Director),
The Honourable Barry CHEUNG Chun-yuen (Chairman), Mr NG Shui-lai, Dr Isaac NG Ka-chui

Middle row : Professor Desmond HUI Cheuk-kuen, Mr Daniel LAM Chun, The Honourable James TO Kun-sun,
Ms Annie TAM Kam-lan, Mrs Pamela TAN Kam Mi-wah, The Honourable Tanya CHAN,
Professor HO Pui-yin, Ms Iris TAM Siu-ying (Executive Director), Mr Philip LIAO Yi-kang

Back row : Dr Billy MAK Sui-choi, Mr Victor CHAN Hin-fu, Mr Philip KAN Siu-lun, Dr John WONG Yee-him,
Mr Calvin LAM Che-leung (Executive Director), Mr Douglas YOUNG Chi-chiu,
The Honourable WONG Kwok-kin, Mr Walter CHAN Kar-lok

Members not in the group photo : Mr Peter TO, Mr Jimmy LEUNG Cheuk-fai, Mr AU Choi-kai



MEMBERS OF THE BOARD (Photo taken in July 2013)

FROM LEFT

Front row : Dr John WONG Yee-him, Ms Iris TAM Siu-ying (Managing Director), Mr Victor SO Hing-woh (Chairman)
Mr Philip KAN Siu-lun, Dr Billy MAK Sui-choi

Middle row : Mr Andrew FUNG Wai-kwong, Mr Laurence LI Lu-jen, Dr the Honourable Ann CHIANG Lai-wan
Mr LING Kar-kan, Mr Stanley WONG Yuen-fai, Mr AU Choi-kai, The Honourable James TO Kun-sun
Professor Eddie HUI Chi-man, The Honourable Dennis KWOK

Back row : Mr Nelson LAM Chi-yuen, Mr Laurence HO Wing-him, The Honourable WONG Kwok-kin
Mr David TANG Chi-fai, Mr Philip LIAO Yi-kang, Mr Edward CHOW Kwong-fai
Mr Calvin LAM Che-leung (Executive Director), Mr Lester Garson HUANG

Members not in the group photo : Professor Desmond HUI Cheuk-kuen, Mr Daniel LAM Chun
Mr Timothy MA Kam-wah, Mrs Pamela TAN Kam Mi-wah
Ms Bernadette LINN Hon-ho

Chairman : Mr Barry CHEUNG Chun-yuen, GBS, JP (up to 24 May 2013)
Mr Victor SO Hing-woh, JP (from 15 June 2013)

Managing Director : Mr Quinn LAW Yee-kwan, JP (up to 28 February 2013)
Ms Iris TAM Siu-ying, JP (from 1 March 2013)

Executive Directors : Ir Calvin LAM Che-leung
Ms Iris TAM Siu-ying, JP (up to 28 February 2013)

Non-Executive Directors : Mr Victor CHAN Hin-fu (up to 30 April 2013)
(**non-official**) Mr Walter CHAN Kar-lok, SBS, JP (up to 30 April 2013)
The Honourable Tanya CHAN (up to 30 November 2012)
Dr the Honourable Ann CHIANG Lai-wan, JP (from 1 May 2013)
Mr Edward CHOW Kwong-fai, JP (from 1 May 2013)
Mr Andrew FUNG Wai-kwong (from 1 May 2013)
Professor HO Pui-yin (up to 30 April 2013)
Mr Laurence HO Wing-him (from 1 May 2013)
Mr Lester Garson HUANG, JP (from 1 May 2013)
Professor Desmond HUI Cheuk-kuen
Professor Eddie HUI Chi-man (from 1 May 2013)
The Honourable IP Kwok-him, GBS, JP (up to 30 April 2013)
Mr Philip KAN Siu-lun
The Honourable Dennis KWOK (from 1 December 2012)
Mr Nelson LAM Chi-yuen (from 1 May 2013)
Mr Daniel LAM Chun, BBS, JP
Mr Laurence LI Lu-jen (from 1 May 2013)
Mr Philip LIAO Yi-kang
Mr Timothy MA Kam-wah, JP (from 1 May 2013)
Dr Billy MAK Sui-choi
Dr Isaac NG Ka-chui (up to 30 April 2013)
Mr NG Shui-lai, BBS, MBE, JP (up to 30 April 2013)
Mr David TANG Chi-fai (from 1 May 2013)
The Honourable James TO Kun-sun
Mr Peter TO (up to 30 April 2013)
The Honourable WONG Kwok-kin, BBS
Dr John WONG Yee-him
Mr Stanley WONG Yuen-fai, SBS, JP (from 1 May 2013)
Mr Douglas YOUNG Chi-chiu (up to 30 April 2013)

Non-Executive Directors : Mr AU Choi-kai, JP Director of Buildings
(**official**) Mrs Pamela TAN Kam Mi-wah, JP Director of Home Affairs
Ms Annie TAM Kam-lan, JP Director of Lands (up to 30 June 2012)
Ms Bernadette LINN Hon-ho, JP Director of Lands (from 31 July 2012)
Mr Jimmy LEUNG Cheuk-fai, JP Director of Planning (up to 8 December 2012)
Mr LING Kar-kan, JP Director of Planning (from 9 December 2012)

Chairman

Mr Barry CHEUNG Chun-yuen, GBS, JP
(up to 24 May 2013)

Mr Cheung, Chairman of Hong Kong Mercantile Exchange, was Chairman of the URA from 1 May 2007 to 24 May 2013. He has been a board member of URA since 2001.

Mr Cheung was a Non-official Member of the Executive Council of Hong Kong, Vice-chairman of the Commission on Strategic Development, Chairman of the Standing Committee on Disciplined Services Salaries and Conditions of Service, an Alternate Chairman of the Pay Trend Survey Committee, a member of the Standing Commission on Civil Service Salaries and Conditions of Service, a member of the Honours Committee, a member of the Long Term Housing Strategy Steering Committee, a member of the Non-official Justices of the Peace Selection Committee, and Chairman of the Corruption Prevention Advisory Committee of the ICAC. He was a full-time member of the Central Policy Unit on secondment from McKinsey & Company. He was a consultant with McKinsey & Company in the United States and Asia. Mr Cheung was also Chairman of the Board of Directors of UC RUSAL and an independent non-executive director of AIA Group.

Mr Cheung received a Bachelor of Science degree with First Class Honours in Mathematics and Computer Science from the University of Sussex and an MBA from the Harvard Business School.

Mr Victor SO Hing-woh, JP
(from 15 June 2013)

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

Managing Director

Mr Quinn LAW Yee-kwan, JP
(up to 28 February 2013)

Mr Law was Managing Director of the Urban Renewal Authority from 1 March 2008 to 28 February 2013. He served as an Executive Director of the Authority from November 2005 to February 2008.

Mr Law is a Certified Public Accountant in Hong Kong. He has been serving on a committee in the Hong Kong Institute of Certified Public Accountants, a member of the Advisory Board of Accounting Studies of the Chinese University of Hong Kong, a Council member of the Hong Kong University of Science and Technology and Vice President and Director of the Association of Hong Kong Professionals. Mr Law is also a Chartered Secretary.

He completed his professional training with a Big-Four accounting firm and was qualified in 1977; and joined a listed group (a constituent stock in Hang Seng main index) in 1983 after working for the then Securities Commission in Hong Kong and two international shipping companies.

Prior to joining the Authority, Mr Law had overseen different areas of operation in a variety of businesses and industries including property investment and development; corporate and operation management, strategic and business planning, finance and administration, corporate services, investor relation, statutory and internal audit.

Ms Iris TAM Siu-ying, JP
(from 1 March 2013)

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

Non-Executive Directors (non-official)

Mr Victor CHAN Hin-fu

Mr Chan joined the MTR Corporation in 1992 as the General Manager – Property Development. He was responsible for the development of properties above and adjacent to railway stations and depots. He led a multi-disciplinary team of managers involved in the planning and tendering of large-scale joint venture property developments. Mr Chan was also involved in the marketing, sales and letting of completed units in these developments. Since 2012, Mr Chan has been appointed as the General Manager – China Property of the Corporation. Prior to joining the MTR, he held a directorate post in the Lands Department. Mr Chan qualified in 1976 as a chartered surveyor in Hong Kong and since 2004 also qualified as a member of the China Institute of Real Estate Appraisers. Mr Chan is currently a Supervisory Board Member of the Hong Kong Housing Society as well as a Property Advisory Committee Member of the Salvation Army.

Mr Walter CHAN Kar-lok, SBS, JP

Mr Chan has been a practising lawyer for nearly 30 years and is a consultant with Rowland Chow, Chan & Co., Solicitors and So, Lung & Associates, Solicitors. He is also a China-Appointed Attesting Officer.

Mr Chan was previously a member of the Housing Authority for 10 years (up to March 2006) and served as Chairman of Home Ownership Committee, Commercial Property Committee and Supervisory of Divestment Committee (Linkreit) consecutively. At present, he is a member of the Executive Committee of Hong Kong Housing Society, Appeal Tribunal (Buildings), Education Commission, Committee on Free Kindergarten Education and Panel of Review Boards on School Complaints.

For social service, Mr Chan is a Council Member of the Hong Kong Federation of Youth Groups and Director of Oxfam Hong Kong. He is also an honorary legal advisor of a number of non-profit making/charitable organizations.

Dr the Honourable Ann CHIANG Lai-wan, JP

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

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

Mr Edward CHOW Kwong-fai, JP

Mr Edward Chow, JP is the founder of China Infrastructure Group and a chartered accountant. He is a core member of the OECD/World Bank Asian Corporate Governance Roundtable, a council member of the Institute of Chartered Accountants in England and Wales and a vice chairman of the Business and Professionals Federation of Hong Kong. He is also a member of the Chinese People's Political Consultative Conference of Zhejiang Province and an Election Committee member of Hong Kong SAR. Mr Chow was a past president of the Hong Kong Institute of Certified Public Accountants, a past chairman of the Professional Accountants in Business Committee of the International Federation of Accountants, a past deputy chairman of the Hong Kong Institute of Directors and a former expert advisor of the Accounting Standards Committee of the Ministry of Finance, the PRC. In business, Mr Chow served as an independent non-executive director of COSCO Pacific Limited from 2005 to 2013 and China Merchants Bank from 2006 to 2012 respectively. In 2010, Mr Chow was the awardee of Directors of the Year Award 2010 in the non-executive director of listed companies (SEHK – Hang Seng Index Constituents) category, awarded by the Hong Kong Institute of Directors.

Mr Andrew FUNG Wai-kwong

Mr Andrew Fung is the founder of a financial communications company which provides public relations consultancy services to companies in Hong Kong and the Mainland China on IPOs and issuance of bonds. Mr Fung has more than 20 years' experience in the public relations industry.

Mr Fung is the founding treasurer of the Democratic Party (1994). He was elected a district councilor in the Southern District in 2007 and was re-elected in 2011. He is currently a co-opted member of the Trade Practices Committee of the Consumer Council.

Mr Fung received a Bachelor degree in Social Science from the University of Hong Kong and a Master degree in Business Administration from the Shanghai University of Finance & Economics. He is currently a PhD research student in the School of History and Culture in Central China Normal University.

Professor HO Pui-yin

Professor Ho is a social and economic historian who previously worked as a research consultant at the Organisation for Economic Co-operation and Development (OECD) in Paris. She is professor of the Department of History at the Chinese University of Hong Kong. She authors numerous books and articles on Hong Kong and social and economic history of modern China. Her current researches are mainly on the urbanisation of modern-day Hong Kong.

Concurrently, she is Chevalier dans l'Ordre des Palmes Académiques (Knighthood in the Order of Academic Palms), Director of Leung Po Chuen Research Centre for Hong Kong History and Humanities, Director of Lee Woo Sing Hong Kong History Resource Centre of Shaw College of the Chinese University of Hong Kong and Member of the Board of Trustees of the same College; Member of the Antiquities Advisory Board; Chairman of the Hong Kong War Memorial Pensions Advisory Committee of the Labour and Welfare Bureau; Museum Expert Adviser and Member of the History Museum Advisory Panel of the Leisure and Cultural Services Department; Expert Adviser of the Legislative

Council Library; and Visiting Professor Chaire Dupront of Université Paris-Sorbonne.

Mr Laurence HO Wing-him

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

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

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

Since 2003, Mr Ho has been teaching part time at HKU Space, Chinese University of Hong Kong, Hong Kong Polytechnic University, and other educational institutes for training programs for visiting mainland officials and senior executives.

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

Mr Lester Garson HUANG, JP

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

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

Professor Desmond HUI Cheuk-kuen

Professor Desmond Hui is a cultural consultant and architect. He is currently Visiting Professor at the University of Hong Kong. Formerly, he was Associate Dean of Arts (External and General Affairs) and Professor in the Department of Cultural and Religious Studies of the Chinese University of Hong Kong. He was Founding Director of BA in Cultural Management, Centre for Culture and Development and Taiwan Research Centre at CUHK. Prior to this, he taught architecture at the University of Hong Kong and was Director of the Centre for Cultural Policy Research. He obtained Bachelor of Architecture from Cornell University and Master cum Doctor of Philosophy from University of Cambridge.

Professor Hui is Museum Expert Advisor of the Leisure and Cultural Services Department and assessor for CreateSmart Initiative under the Commerce and Economic Development Bureau. He was formerly a member of the Antiquities Advisory Board, the Commission on Strategic Development, co-opted member of the Advisory Committee on Revitalization of Historic Buildings and advisor to the Hong Kong Arts Development Council.

Professor Eddie HUI Chi-man

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

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

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

The Honourable IP Kwok-him, GBS, JP

The Honourable Ip Kwok-him is a member of the Legislative Council (LegCo) representing the district council (First) functional constituency. He is presently a deputy to the 12th National People's Congress of the PRC for Hong Kong SAR, Chairman of LegCo Panel on Security, Convenor of the Legislative Council Caucus of the Democratic Alliance for the Betterment and Progress of Hong Kong, member of Central & Western District Council (Kwun Lung) and Deputy Chairman of Hon Wah Education Organisation. He is also a member of the Hong Kong Housing Authority and a non-executive director of the Management Board of the Mandatory Provident Fund Schemes Authority.

The Honourable Ip had been a member of the Hong Kong Legislative Council between 1995 and 1997, a member of the Provisional Legislative Council between 1997 and 1998, a member of the Legislative Council of the Hong Kong SAR representing the district council functional constituency between 2000 and 2004, 2008 and 2012 and an elected member of the Central and Western District Council between 1992 and 2003.

Mr Philip KAN Siu-lun

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

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

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

The Honourable Dennis KWOK

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

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

Mr Nelson LAM Chi-yuen

Mr LAM is a Certified Public Accountant practising in Hong Kong and has his own professional accountancy and consulting firms. He is currently Chairman of Accounting Development Foundation Limited, President of the Society of Chinese Accountants and Auditors, Council Member of the Hong Kong Institute of Certified Public Accountants, and Independent Non-executive Director of China Resources Cement Holdings Limited, a publicly-listed company in Hong Kong.

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

Mr Daniel LAM Chun, BBS, JP

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

Mr Lam has been elected as a Chartered Arbitrator and listed on the London Panel of Arbitrators of the Chartered Institute of Arbitrators. He is also listed on similar panels in Hong Kong and Vancouver, and is appointed as

Arbitrator to the China International Economic Trade Arbitration Commission. He is a council member of the Hong Kong International Arbitration Centre and Fellow and Past Chairman of the Hong Kong Institute of Arbitrators (1997-2000).

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

Mr Laurence LI Lu-jen

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

Mr Philip LIAO Yi-kang

Mr Philip Liao graduated from Cornell University (USA) and Eton College (UK) and has more than 24 years of experience in the field of architecture, planning and interiors design. Mr Liao has participated in award winning commercial, residential, hotel, heritage and community projects and has practiced in North America, Europe and Asia. Mr Liao worked with SOM, Moffat Kinoshita (where he was Vice President) and Wong Tung International (where he was Associate Director - Design) prior to establishing Philip Liao and Partners in 2002.

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

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

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

Mr Timothy MA Kam-wah, JP

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

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

Dr Billy MAK Sui-choi

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

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

Dr Isaac NG Ka-chui

Dr Ng obtained his PhD in Land Economy at the University of Aberdeen (Scotland) and is currently Lecturer at the City University of Hong Kong. He received extensive training in Public Administration with particular interest in Urban Renewal and Housing Policy. Some of his writings and articles are found in different local and international publications. He had also been engaged in consultancy work and has been the Vice-chairperson of the Education and Training Committee of the Chartered Institute of Logistics and Transport (Hong Kong Branch). Dr Ng is also a Corporate Member of the Chartered Institute of Housing of UK, a Fellow Member of the Hong Kong Institute of Real Estate, as well as a Fellow Member of the Chartered Institute of Logistics and Transport of UK.

Mr NG Shui-lai, BBS, MBE, JP

Mr Ng is a part-time lecturer of the Chinese University of Hong Kong, Honorary President of the Hong Kong

Social Workers Association and School Supervisor of the Hong Kong Council of the Church of Christ in China. He was the Vice President (President for Asia Pacific) of the International Federation of Social Workers and President of the Hong Kong Social Workers Association.

He was a member of the Housing Authority for 10 years and served as the Chairman of the Subsidised Housing Committee. He was also a member of the Town Planning Board, Transport Advisory Committee, Social Welfare Advisory Committee, and Hospital Authority, and a part-time consultant of the Central Policy Unit.

Mr Ng is also actively involved in the development of social welfare and social work in the Mainland.

Mr David TANG Chi-fai

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

The Honourable James TO Kun-sun

The Hon To is a Solicitor, and currently a Legislative Councillor, Vice-Chairman of the Panel on Security of the Legislative Council, and a Member of the Yau Tsim Mong District Council. He received a Bachelor of Law degree from the University of Hong Kong.

The Hon To is a Court Member of the University of Hong Kong and was a Member of the Managing Board of the then Land Development Corporation (1996-2001). He

was Member of the Sham Shui Po District Council and Yau Tsim Mong District Council in 1991-1994 and 1999-2007 respectively.

Mr Peter TO

Mr To has worked in the property development and investment sector for more than 30 years. He was a former President of the Hong Kong Institute of Housing and has previously served as a member of the Commercial Properties Committee of the Hong Kong Housing Authority and a member of the Vetting Committee of the Professional Services Development Assistance Scheme. He is currently an independent non-executive director of Kosmopolito Hotels International Limited.

The Honourable WONG Kwok-kin, BBS

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

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

Dr John WONG Yee-him

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

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

Mr Stanley WONG Yuen-fai, SBS, JP

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

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

Mr Douglas YOUNG Chi-chiu

Mr Douglas Young was trained as an Architect in Sheffield University and the Architectural Association in the UK. Since 1991, Mr Young has worked in Hong Kong on projects ranging from residential to retail interiors.

In 1996, Mr Young co-founded GOD which retails contemporary furniture, homeware and lifestyle accessories with a contemporary Chinese twist. Most of the merchandise is designed in-house by a multi-disciplinary design team led by Mr Young.

Mr Young was Member of the Advisory Committee (2001–2002) and Member of the design task force (2002) of the School of Design of Hong Kong Polytechnic University. He was Art Advisor to the Hong Kong Arts Development Council (HKADC) and Examiner of applications for HKADC grants in 2003. Presently, he is Director of Hong Kong Fringe Club, Member of Hong Kong Arts Centre, Member of Hong Kong Ambassadors of Design, Member of RTHK Programme Advisory Panel, Director of Zuni Icosahedron Limited, Member of Business Facilitation Advisory Committee and Member of the Art Museum Advisory Panel.

Non-Executive Directors (official)

Mr AU Choi-kai, JP

Director of Buildings

Mr C K Au is a professional building surveyor. He is a Fellow of the Hong Kong Institute of Surveyors, Fellow of the Royal Institution of Chartered Surveyors of U.K. and Member of the Society of Fire Protection Engineers of USA. After completing his education in the Hong Kong Polytechnic, he joined the Hong Kong Government in 1974. He has held a number of positions in the then Buildings Ordinance Office, Building Development Department, Buildings and Lands Department and Buildings Department. He is now the Director of the Buildings Department. He has over thirty years of experience in building control, especially in the review and formulation of statutory standards in the design and construction of buildings. He was the chief drafter of a number of Codes of Practice, including the Codes of Practice for “Means of Access for Fire Fighting and Rescue 2004”, “Means of Escape 1996”, “Fire Resisting Construction 1996”, “Overall Thermal Transfer Value in Buildings 1995” and “Building Works for Lifts and Escalators 1993”.

Mrs Pamela TAN Kam Mi-wah, JP

Director of Home Affairs

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

Ms Bernadette LINN Hon-ho, JP

Director of Lands

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

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

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

Mr LING Kar-kan, JP

Director of Planning

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

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

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

Executive Director

Ir Calvin LAM Che-leung

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

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

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

Members of Committees

Audit Committee

Chairperson

Mr NG Shui-lai, BBS, MBE, JP
(up to 30 April 2013)

Mr Philip KAN Siu-lun
(from 1 May 2013)

Members

Professor HO Pui-yin
(up to 30 April 2013)

Mr Philip KAN Siu-lun
(up to 30 April 2013)

Mr Nelson LAM Chi-yuen
(from 1 May 2013)

Mr Timothy MA Kam-wah, JP
(from 1 May 2013)

Co-opted Member

Ms Rosanna CHOI

Finance Committee

Chairperson

Mr Barry CHEUNG Chun-yuen, GBS, JP
(up to 24 May 2013)

Mr Victor SO Hing-woh, JP
(from 20 June 2013)

Members

Mr Walter CHAN Kar-lok, SBS, JP
(up to 30 April 2013)

The Honourable Tanya CHAN
(up to 30 November 2012)

Mr Edward CHOW Kwong-fai, JP
(from 1 May 2013)

Professor Eddie HUI Chi-man
(from 1 May 2013)

Mr Philip KAN Siu-lun

Dr Billy MAK Sui-choi

Mr Stanley WONG Yuen-fai, SBS, JP
(from 1 May 2013)

Mr Peter TO
(up to 30 April 2013)

Mr Quinn LAW Yee-kwan, JP
(up to 28 February 2013)

Ms Iris TAM Siu-ying, JP
(from 1 May 2013)

Co-opted Members

Mr Albert IP
(from 1 August 2012)

Mr KUNG Kuo-Chuan

Mr Alexander LAM

Land, Rehousing & Compensation Committee

Chairperson

Dr Isaac NG Ka-chui
(up to 30 April 2013)

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

Members

Mr Victor CHAN Hin-fu
(up to 30 April 2013)

Mr Laurence HO Wing-him
(from 1 May 2013)

Mr Lester Garson HUANG, JP
(from 1 May 2013)

Professor Eddie HUI Chi-man
(from 1 May 2013)

Mr Daniel LAM Chun, BBS, JP

Dr Billy MAK Sui-choi
(up to 30 April 2013)

Mr NG Shui-lai, BBS, MBE, JP
(up to 30 April 2013)

Mr Laurence LI Lu-jen
(from 1 May 2013)

Mr Timothy MA Kam-wah, JP
(from 1 May 2013)

Mr David TANG Chi-fai
(from 1 May 2013)

The Honourable James TO Kun-sun

Dr John WONG Yee-him

Mr Quinn LAW Yee-Kwan, JP
(up to 28 February 2013)

Ir Calvin LAM Che-leung

Ms Iris TAM Siu-ying, JP

Co-opted Members

Ms Crystal CHENG
(from 1 August 2012)

Mr Albert IP
(from 1 May 2013)

Mr Patrick LAU, SBS

Mr WONG Kit-loong
(up to 30 April 2013)

Assistant Director, Lands Department
(Mr LAW Hin-wing, JP)

Development Project Objection Consideration Committee

Chairperson

Mr Daniel LAM Chun, BBS, JP
(from 1 May 2013)

Vice Chairperson

Mr Philip KAN Siu-lun
(from 1 May 2013)

Members

Mr Edward CHOW Kwong-fai, JP
(from 1 May 2013)

Mr Andrew FUNG Wai-kwong
(from 1 May 2013)

The Honourable Dennis KWOK

Mr Neleon LAM Chi-yuen
(from 1 May 2013)

The Honourable James TO Kun-sun

Co-opted Members

Ms Crystal CHENG Lai-ling
(from 1 May 2013)

Mr Albert IP
(from 1 May 2013)

Mr Alexander LAM

Mr Patrick LAU, SBS

Mr Andy LEUNG

Planning, Development and Conservation Committee

Chairperson

Mr Peter TO
(up to 30 April 2013)

Professor Desmond HUI Cheuk-kuen
(from 1 May 2013)

Members

Mr Victor CHAN Hin-fu
(up to 30 April 2013)

The Honourable Tanya CHAN
(up to 30 November 2012)

Mr Andrew FUNG Wai-kwong
(from 1 May 2013)

Mr Laurence HO Wing-him
(from 1 May 2013)

Professor HO Pui-yin
(up to 30 April 2013)

Professor Desmond HUI Cheuk-kuen
(up to 30 April 2013)

The Honourable IP Kwok-him, GBS, JP
(up to 30 April 2013)

The Honourable Dennis KWOK
(from 1 May 2013)

Mr Laurence LI Lu-jen
(from 1 May 2013)

Mr Philip LIAO Yi-kang

Mr NG Shui-lai, BBS, MBE, JP
(up to 30 April 2013)

The Honourable James TO Kun-sun

The Honourable WONG Kwok-kin, BBS

Mr Stanley WONG Yuen-fai, SBS, JP
(from 1 May 2013)

Mr Douglas YOUNG Chi-chiu
(up to 30 April 2013)

Director of Lands*
(Ms Annie TAM Kam-lam, JP)
(up to 30 June 2012)

(Ms Bernadette LINN Hon-ho, JP)
(from 31 July 2012)

Director of Planning*
(Mr Jimmy LEUNG Cheuk-fai, JP)
(up to 8 December 2012)
(Mr LING Kar-kan, JP)
(from 9 December 2012)

Mr Quinn LAW Yee-kwan, JP
(up to 28 February 2013)

Ir Calvin LAM Che-leung

Ms Iris TAM Siu-ying, JP

Co-opted Members

Mr CHEUNG Hau-wai, SBS
(up to 30 April 2013)

Ms Betty HO
(up to 30 April 2013)

Mr Andy LEUNG

Assistant Director / New Buildings 1
Buildings Department
(Mr HO Kwok-hung)
(up to 3 December 2012)
(Mr YU Tak-cheung)
(from 4 December 2012)

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

Remuneration Committee

Chairperson

Mr Barry CHEUNG Chun-yuen, GBS, JP
(up to 24 May 2013)

Mr Victor SO Hing-woh, JP
(from 20 June 2013)

Members

Professor Desmond HUI Cheuk-kuen
(from 1 May 2013)

Mr Philip KAN Siu-lun
(from 1 May 2013)

The Honourable IP Kwok-him, GBS, JP
(up to 30 April 2013)

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

Dr Isaac NG Ka-chui
(up to 30 April 2013)

Mr NG Shui-lai, BBS, MBE, JP
(up to 30 April 2013)

Mr Peter TO
(up to 30 April 2013)

Dr John WONG Yee-him
(from 1 May 2013)

Mr Quinn LAW Yee-kwan, JP
(up to 28 February 2013)

Ms Iris TAM Siu-ying, JP
(from 1 May 2013)

Review Committee

Chairperson

The Honourable IP Kwok-him, GBS, JP
(up to 30 April 2013)

Dr John WONG Yee-him
(from 1 May 2013)

Members

Dr The Honourable Ann CHIANG Lai-wan, JP
(from 1 May 2013)

Mr Daniel LAM Chun, BBS, JP

Mr Philip LIAO Yi-kang

Mr Timothy MA Kam-wah, JP
(from 1 May 2013)

Dr Isaac NG Ka-chui
(up to 30 April 2013)

The Honourable James TO Kun-sun

Dr John WONG Yee-him
(up to 30 April 2013)

Mr Douglas YOUNG Chi-chiu
(up to 30 April 2013)

Co-opted Members

Mr Andrew CHAN Ping-chiu

Mr Henry CHAN Kai-wing

Mr CHUA Hoi-wai

Dr Ernest CHUI Wing-tak

Dr Amy HO Po-ying

Ms LAM Tze-yan

Dr LAU Kwok-yu, JP

Ir Kenneth T K LAU

Ms Elizabeth LAW, MH, JP
(up to 30 April 2013)

Dr LEE Yok-shiu

Mr Tony LUK Ka-luen

Mr MOK Hing-luen

Rev Dr Paul C C NG
(up to 30 April 2013)

Mr Dickson PANG Kam-fai

Mr Eddie SO

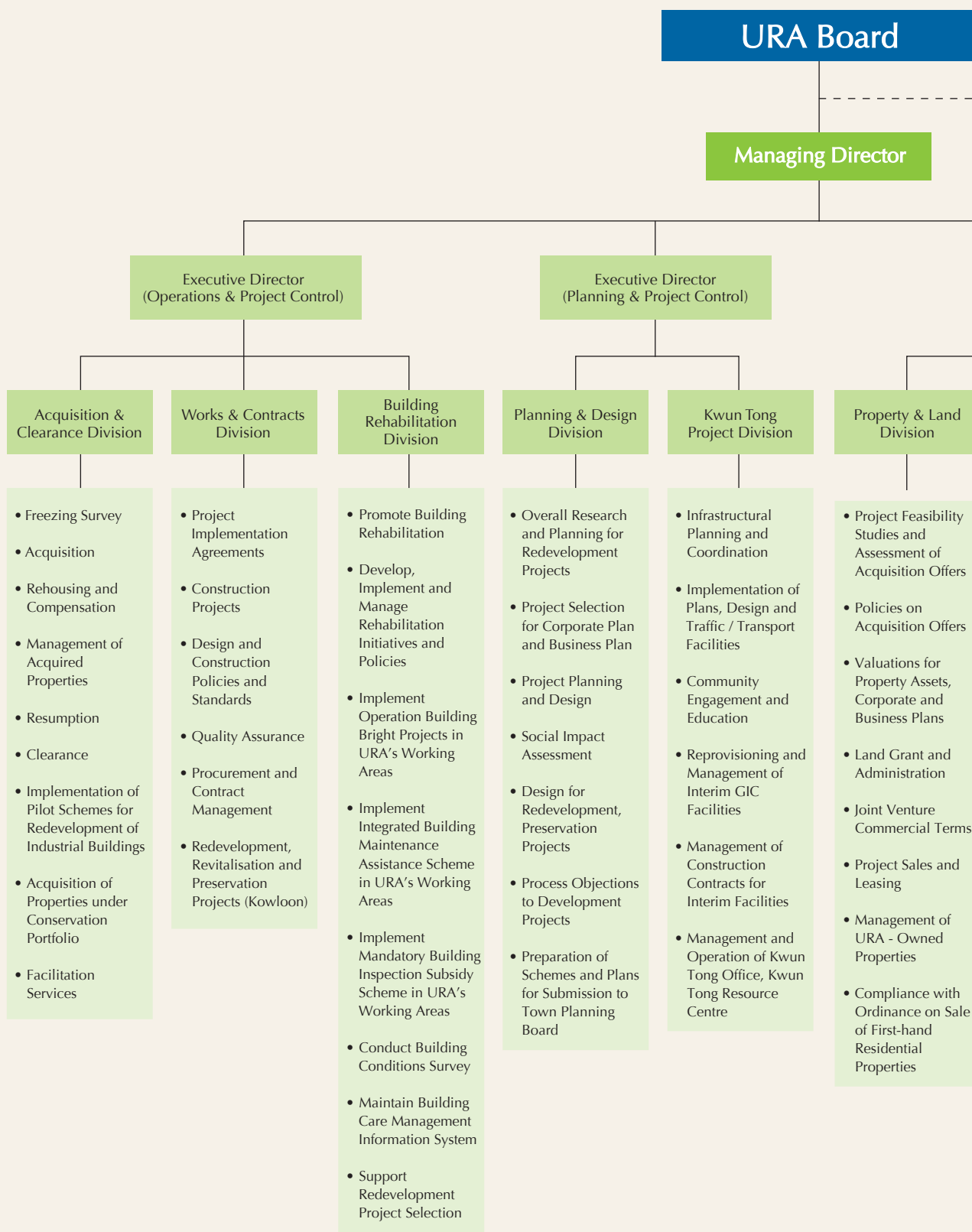
Mr TAI Hay-yu

Mr TSE Siu-kwong
(up to 30 April 2013)

Dr Patrick L T WONG, BBS, JP
(up to 30 April 2013)

Mr YUNG Ching-tat, BBS, JP

Organisation Structure



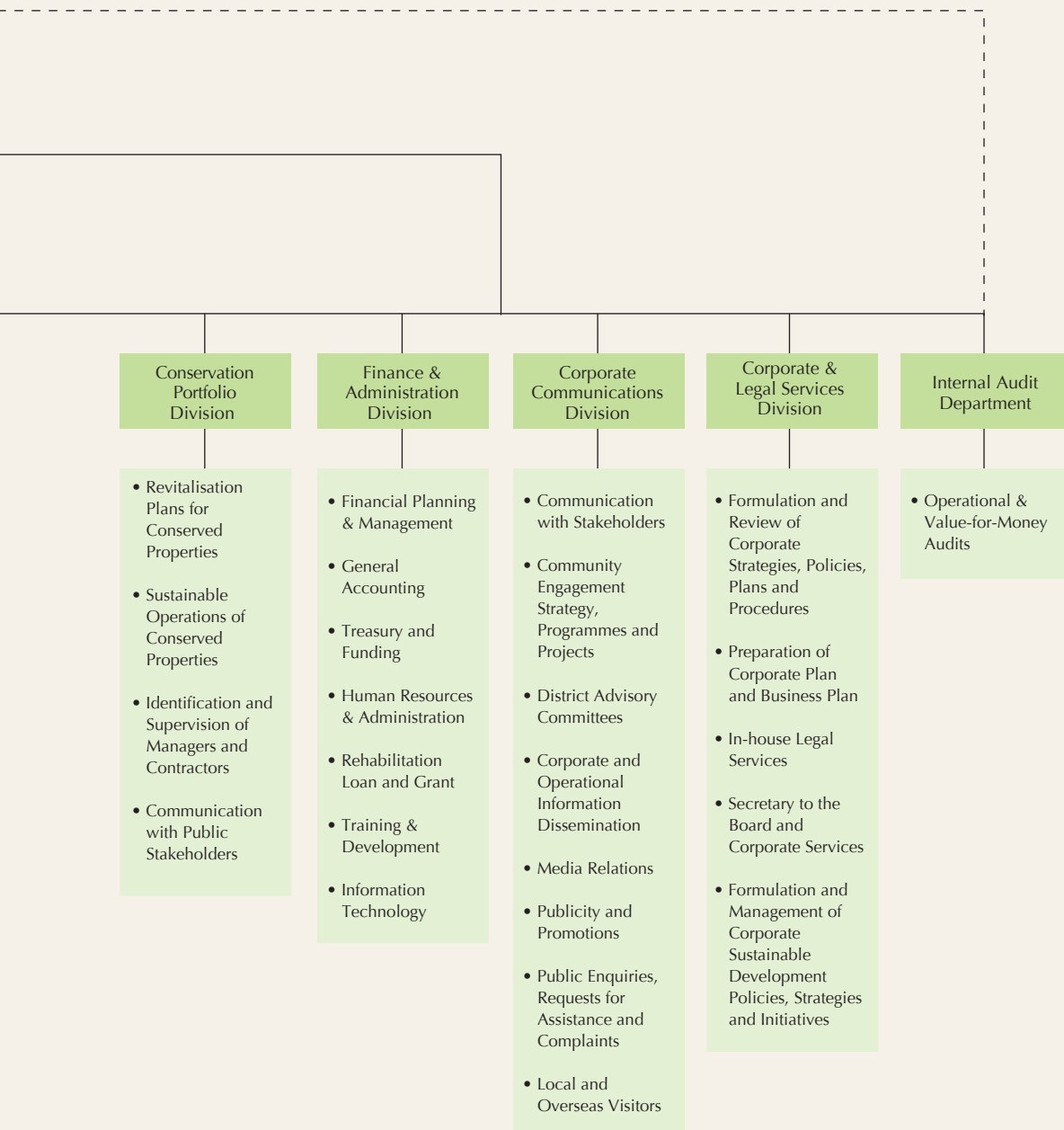




Photo taken at Urban Renewal Exploration Centre in February 2013

FROM LEFT

Michael MA (Director, Planning and Design), Ian WONG Wai-kuen (Director, Acquisition & Clearance),
William WAN Shiu-wah (Director, Property and Land), Stephen LAM Wai-nang (Director, Works and Contracts),
Iris TAM Siu-ying (Executive Director, Planning and Project Control), Quinn LAW Yee-kwan (Managing Director),
Calvin LAM Che-leung (Executive Director, Operations and Project Control), Felicia WAI Sik-yin (Director, Finance and Administration),
Joseph LEE King-chi (Director, Acquisition and Clearance-IB), Lawrence YAU Chung-hok (Director, Corporate Communications),
Pius CHENG Kai-wah (Director, Legal Services), Ernest LEE Shu-wing (Director, Kwun Tong Project)



Photo taken at the Mallory Street/Burrows Street Revitalisation Project in July 2013

FROM LEFT

Front row :

Joseph LEE King-chi (Director, Acquisition and Clearance-IB), Iris TAM Siu-ying (Managing Director),
Calvin LAM Che-leung (Executive Director, Operations and Project Control)

Back row :

Ernest LEE Shu-wing (Director, Kwun Tong Project), William WAN Shiu-wah (Director, Property and Land),
Ian WONG Wai-kuen (Director, Acquisition & Clearance), Felicia WAI Sik-yin (Director, Finance and Administration),
Pius CHENG Kai-wah (Director, Legal Services), Lawrence YAU Chung-hok (Director, Corporate Communications),
Stephen LAM Wai-nang (Director, Works and Contracts), Michael MA (Director, Planning and Design)

Other Members of Management Team

Ghulam Rasul BUTT General Manager, Corporate Planning	Herman FUNG Wan-yeung Head of Conservation Portfolio	Edward LAW Kwok-wah General Manager, Corporate Services	Lawrence TANG Kwan-lam General Manager, Building Rehabilitation
Eric CHOI Yan-sang Head of Community Development	Daniel HO Chi-wai General Manager, Works and Contracts	LEE Chin-chye General Manager, Financial Planning and Accounting	Roger TANG Man-hung General Manager, Kwun Tong Project
Kelvin CHUNG Kin-keung General Manager, Acquisition and Clearance	Julia HO Yuk-lan General Manager, Property and Land	Lawrence MAK Chung-kit General Manager, Planning and Design	Angela TANG Sin-yu General Manager, External Relations
Jeannie Ching-ye FONG General Manager, Human Resources & Administration	Hiroshi IKEGAYA General Manager, Planning and Design	Bruchi NAM Chi-kwong General Manager, Property and Land	Francis WONG Iu-ming General Manager, Internal Audit
Paul FUNG Po-kwong General Manager, Building Rehabilitation	Winnie KOO Wai-ye General Manager, Property and Land	Eric POON Shun-wing General Manager, Works and Contracts	Ellen WONG Lai-kuen General Manager, Acquisition and Clearance

Members of the URA Staff Club 2013/2014 together with URA senior management



FROM LEFT

Front row :

Louie CHAN, Peter WONG, Quincy HUI, Iris TAM (Managing Director), Joseph LEE (Director, Acquisition and Clearance-IB)
Jeannie FONG (General Manager, Human Resources & Administration), Ken WONG

Back row :

Christopher WONG, Terence SIT, Moon MAK, Karman LAI, Eric LAU, Christine LIU, Tango LAW, Gary LAM, Paul CHAN

Members of District Advisory Committees

Central & Western District Advisory Committee

Chairperson

Professor Desmond HUI Cheuk-kuen

Members

Mr Stephen CHAN Chit-kwai, BBS, JP
(up to 31 March 2013)

Associate Professor Roger CHAN Chun-kwong
(from 22 May 2013)

Mr CHAN Hok-fung

Mr CHENG Po-hung

Mr Jackie CHEUNG Yick-hung

Dr Ernest CHUI Wing-tak
(up to 31 March 2013)

Mr HUI Chi-fung

Mr LAM Yiu-man

Mr Sidney LEE Chi-hang

Mr Kenneth LEE Fung-nin
(from 22 May 2013)

Mr LEE Ping-kuen, JP

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

Mr LIU King-tong

Mr MAN Chi-wah, MH

Mr Thomas NG Siu-keung, MH, JP

Mr Nelson WONG Kin-shing
(from 22 May 2013)

Mr Samson WONG San
(up to 31 March 2013)

Mr Albert YOUNG Siu-chuen, MH
(up to 31 March 2013)

Central & Western District Officer

Wan Chai District Advisory Committee

Chairperson

Mr Daniel LAM Chun, BBS, JP

Members

Mr CHEUNG Tat-tong

Mr CHUA Hoi-wai
(from 22 May 2013)

Ms Annie HO Cheuk-man

Mr Albert LAM Kwok-ming

Mr LAM Sek-kong, MH

Mrs Fanny LAI IP Po-ping, BBS, JP
(up to 31 March 2013)

Mr Michael LAI Kam-cheung, BBS, MH, JP
(up to 31 March 2013)

Ms Kenny LEE Kwun-yee

Ms Peggy LEE Pik-yee

Mr Stephen NG Kam-chun, MH, JP

Mr Kent SHUM Kin
(from 22 May 2013)

Dr Paul SIU Che-hung

Mr SUEN Yat-hau

Ms Anna TANG King-yung, BBS, MH

Ms WONG Mei-ling
(from 22 May 2013)

Mr Ivan WONG Wang-tai, MH

Mr Stephen YAU How-boa, SBS, BBS, MH, JP

Wan Chai District Officer

Yau Tsim Mong District Advisory Committee

Chairperson

Dr Billy MAK Sui-choi
(from 22 May 2013)

Dr Isaac NG Ka-chui
(up to 31 March 2013)

Members

Mr CHAN Siu-tong, MH

Mr Benjamin CHOI Siu-fung

Mr Francis CHONG Wing-charn
(up to 31 March 2013)

Mr CHOW Chun-fai, BBS, JP

Mr HUI Tak-leung

Mr Chris IP Ngo-tung

Ms KWAN Sau-ling
(from 22 May 2013)

Mr LAU Pak-tei

Mr Edward LEUNG Wai-kuen, JP
(up to 31 March 2013)

Mr SIU Yin-wai
(up to 31 March 2013)

Mr SUEN Leung-kwong

Mr TONG Chun-wan
(up to 31 March 2013)

Mr WONG Kin-san

Ms WONG Shu-ming

Yau Tsim Mong District Officer

Kowloon City District Advisory Committee

Chairperson

Professor Eddie HUI Chi-man
(from 22 May 2013)

Professor HO Pui-yin
(up to 31 March 2013)

Members

Mr CHAN Lo-kin

Ms CHEUNG Ling

Ir CHEUNG Yan-hong
(up to 31 March 2013)

Mr Paul CHU Hoi-shan
(up to 31 March 2013)

Ir KAM Kwai-ki

Ms Rosanda MOK Ka-han

Mr NG Po-keung

Mr NGAN Siu-lun

Mr SHUM Wai-chuen
(from 22 May 2013)

Dr SIU Miu-man
(from 22 May 2013)

Ms SIU Yuen-sheung, BBS, JP

Dr TANG Bo-sin

Mr WONG Yun-cheong

Mr Pius YUM Kwok-tung

Kowloon City District Officer

Kwun Tong District Advisory Committee

Chairperson

Mr Timothy MA Kam-wah, JP
(from 22 May 2013)

Mr NG Shui-lai, BBS, MBE, JP
(up to 31 March 2013)

Members

Mr Nelson CHAN Wah-yu, MH

Mr Jimmy CHAN Yiu-hung

Mr CHONG Yam-ming

Mr HSU Hoi-shan

Mr Kin HUNG Kam-in

Mr KAN Ming-tung

Mr KWOK Lit-tung, JP

Dr LAM Kin-wah, MH

Mr LAU Ting-on

Mrs LEUNG CHAN Siu-hing

Ms LEUNG Fu-wing, BBS, MH

Mr LI Hung

Mr LING Chi-keung

Mr LIU Chung-ming

Mr Wilson OR Chong-shing, MH

Ms SO Lai-chun, MH

Mr WONG Kai-ming

Kwun Tong District Officer

Sham Shui Po District Advisory Committee

Chairperson

Dr John WONG Yee-him

Members

Mr CHAN Wai-ming, MH

Mr Vincent CHENG Wing-shun

Mr CHUM Tak-shing

Mr Nelson HO Siu-leung
(up to 31 March 2013)

Ms LAI Yuk-ling
(from 22 May 2013)

Mr Aaron LAM Ka-fai, JP

Mr Zstephen LAU Kin-shing

Ms LAU Pui-yuk

Mr LEE Wing-man

Dr LEUNG Kai-chi

Ms Daphne LUI Yat-ching
(from 22 May 2013)

Professor SIU Kwok-kin
(up to 31 March 2013)

Mr WAI Woon-nam

Sham Shui Po District Officer

Tsuen Wan District Advisory Committee

Chairperson

Mr Philip KAN Siu-lun

Members

The Honourable Ben CHAN Han-pan

Mr Richard CHAN Kam-lam, MH, JP

Mr CHAN Wai-ming, MH, JP

Mr Thomas CHIU Kung-ting
(up to 31 March 2013)

Mr CHOW Ping-tim

Mr Paul CHU Hoi-shan
(from 22 May 2013)

Mr CHUNG Wai-ping, SBS, MH

Mr Eric LEE Chung-ming

Mr LO Siu-kit

Ms TO Kwai-ying, JP

Ms WAH Mei-ling

Mr WONG Ka-wa

Mr Louis WONG Yui-tak, MH

Mrs Helina YUK Fung Yin-king
(from 22 May 2013)

Tsuen Wan District Officer

FINANCIAL HIGHLIGHTS

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

Year ended 31 March	In HK\$'million									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues for the year	201	4,936	2,766	536	5,266	1,413	9,663	3,647	3,690	5,341
Surplus / (deficit) for the year (before interest income)	(89)	2,992	1,397	423	1,718	(4,685)	6,993	2,159	2,431	4,292
Surplus / (deficit) for the year	(80)	3,004	1,579	766	2,095	(4,459)	7,018	2,209	2,584	4,437
Accumulated surplus / (deficit)	(3,026)	(22)	1,557	2,323	4,418	(41)	6,977	9,186	11,770	16,207
Capital	4,000	6,000	8,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net assets / (liabilities)	974	5,978	9,557	12,323	14,418	9,959	16,977	19,186	21,770	26,207
Debt securities issued less unamortised finance charges	-	-	-	-	-	-	1,497	1,498	1,699	3,288
Properties under development (Note 1)	2,504	2,565	3,674	4,602	4,779	8,289	14,114	15,956	19,066	22,431
Land premia waived by the Government during the year	-	(414)	(605)	-	(90)	(216)	(3,177)	(922)	(64)	(1,018)
Surplus / (deficit) for the year if no land premium waiver	(80)	2,590	974	766	2,005	(4,675)	3,841	1,287	2,520	3,419
Accumulated surplus / (deficit) if no land premium waiver	(3,026)	(436)	538	1,304	3,309	(1,366)	2,475	3,762	6,282	9,701

Note:

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

REPORT OF THE MEMBERS OF THE BOARD

The members of the Board submit their report together with the audited financial statements for the year ended 31 March 2013.

Board members

Members of the Board for the year and up to the date of this report are set out on page 71.

Principal activities

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

Financial statements

The results of the Group for the year ended 31 March 2013 and the state of affairs of the Group and of the Authority at that date are set out in the financial statements on pages 102 to 142.

Property, plant and equipment

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

Working capital

At 31 March 2013, the working capital of the Group was mainly financed by the Government’s equity injection, accumulated surplus and debt securities issued.

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

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

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

Auditor

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

By order of the Board

Iris Tam Siu-ying

Managing Director

Hong Kong, 20 June 2013

INDEPENDENT AUDITOR'S REPORT



To the Members of the Board of the Urban Renewal Authority

We have audited the consolidated financial statements of the Urban Renewal Authority (the "Authority") and its subsidiaries (together, the "Group") set out on pages 102 to 142, which comprise the statements of financial position of the Group and the Authority as at 31 March 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Authority's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Authority and of the Group as at 31 March 2013 and of the Group's surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 20 June 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2013
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2013</u> \$'000	<u>2012</u> \$'000
Revenues	5(a)	5,341,059	3,690,231
Direct costs		<u>(2,393,811)</u>	<u>(356,631)</u>
Gross surplus		2,947,248	3,333,600
Other income, net	5(b)	183,232	190,168
Administrative expenses		(337,682)	(297,725)
Other operating expenses		(83,386)	(89,374)
Write back of / (provision for) impairment on properties and committed projects		<u>1,727,182</u>	<u>(552,623)</u>
Operating surplus before income tax	6	4,436,594	2,584,046
Income tax expenses	7(a)	-	-
Surplus and total comprehensive income for the year	8	<u>4,436,594</u>	<u>2,584,046</u>

The notes on pages 107 to 142 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2013

(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2013</u> \$'000	<u>2012</u> \$'000
Non-current assets			
Property, plant and equipment	9	497,407	409,066
Properties acquired pending redevelopment	10	7,733	7,733
Properties under development	11	19,145,555	13,576,160
Building rehabilitation loans	13	43,098	58,024
Prepayments		<u>296,783</u>	<u>263,642</u>
		<u>19,990,576</u>	<u>14,314,625</u>
Current assets			
Properties held for sale	14	15,420	15,420
Receivables from property developers	15	2,240,340	225,950
Jointly controlled development projects	16	201,733	26,015
Building rehabilitation loans	13	21,993	28,476
Trade and other receivables	17	106,879	127,638
Financial assets at fair value through profit or loss	18	1,981,005	1,616,804
Cash and bank balances	19	<u>7,435,756</u>	<u>9,003,704</u>
		<u>12,003,126</u>	<u>11,044,007</u>
Total assets		<u>31,993,702</u>	<u>25,358,632</u>
Capital and reserves			
Capital	20	10,000,000	10,000,000
Accumulated surplus		<u>16,206,956</u>	<u>11,770,362</u>
		<u>26,206,956</u>	<u>21,770,362</u>
Non-current liabilities			
Debt securities issued	21	<u>3,287,587</u>	<u>199,837</u>
Current liabilities			
Jointly controlled development projects	16	191,676	171,700
Trade and other payables		1,860,483	1,318,165
Debt securities issued	21	-	1,499,568
Provision for committed projects	22	<u>447,000</u>	<u>399,000</u>
		<u>2,499,159</u>	<u>3,388,433</u>
Total capital, reserves and liabilities		<u>31,993,702</u>	<u>25,358,632</u>

Approved by the Board
on 20 June 2013



Victor SO Hing-woh
Chairman



Iris TAM Siu-ying
Managing Director

The notes on pages 107 to 142 form part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION OF URBAN RENEWAL AUTHORITY

at 31 March 2013

(expressed in Hong Kong Dollars)

	Note	2013 \$'000	2012 \$'000
Non-current assets			
Property, plant and equipment	9	494,308	404,276
Properties acquired pending redevelopment	10	7,733	7,733
Properties under development	11	19,145,555	13,576,160
Subsidiaries	12	2,740	4,406
Building rehabilitation loans	13	43,098	58,024
Prepayments		<u>296,783</u>	<u>263,642</u>
		<u>19,990,217</u>	<u>14,314,241</u>
Current assets			
Properties held for sale	14	15,420	15,420
Receivables from property developers	15	2,240,340	225,950
Jointly controlled development projects	16	201,733	26,015
Building rehabilitation loans	13	21,993	28,476
Trade and other receivables	17	106,760	127,531
Financial assets at fair value through profit or loss	18	1,981,005	1,616,804
Cash and bank balances	19	<u>7,435,616</u>	<u>9,003,564</u>
		<u>12,002,867</u>	<u>11,043,760</u>
Total assets		<u>31,993,084</u>	<u>25,358,001</u>
Capital and reserves			
Capital	20	10,000,000	10,000,000
Accumulated surplus		<u>16,206,956</u>	<u>11,770,362</u>
		<u>26,206,956</u>	<u>21,770,362</u>
Non-current liabilities			
Debt securities issued	21	<u>3,287,587</u>	<u>199,837</u>
Current liabilities			
Jointly controlled development projects	16	191,676	171,700
Trade and other payables		1,859,865	1,317,534
Debt securities issued	21	-	1,499,568
Provision for committed projects	22	<u>447,000</u>	<u>399,000</u>
		<u>2,498,541</u>	<u>3,387,802</u>
Total capital, reserves and liabilities		<u>31,993,084</u>	<u>25,358,001</u>

Approved by the Board
on 20 June 2013



Victor SO Hing-woh
Chairman



Iris TAM Siu-ying
Managing Director

The notes on pages 107 to 142 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2013
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2013</u>		<u>2012</u>	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Operating surplus before income tax		4,436,594		2,584,046	
Adjustments for:					
Share of surplus / upfront premium from property developer in the form of assets		(228,523)		(52,662)	
Interest income		(144,432)		(153,182)	
Depreciation and amortisation		20,711		19,245	
Gain on disposal of property, plant and equipment		(18)		(1)	
Net foreign exchange gains		(9,190)		(16,110)	
Gain on financial assets at fair value through profit or loss		(19,920)		(12,395)	
(Write back of) / provision for impairment on properties and committed projects		<u>(1,727,182)</u>		<u>552,623</u>	
Operating surplus before working capital changes		2,328,040		2,921,564	
(Increase) / decrease in receivables from property developers		(2,014,390)		4,059,700	
Changes in balances with jointly controlled development projects		(155,742)		148,951	
Increase in properties under development		(3,800,696)		(3,222,151)	
Decrease / (increase) in building rehabilitation loans		21,409		(4,228)	
Decrease / (increase) in prepayments		152,059		(167,923)	
(Increase) / decrease in trade and other receivables		(56,220)		3,623	
Increase in trade and other payables		527,962		67,833	
Contribution to Urban Renewal Trust Fund		-		(500,000)	
Increase in financial assets at fair value through profit or loss		<u>(344,282)</u>		<u>(354,029)</u>	
Cash (used in) / generated from operations		(3,341,860)		2,953,340	
Interest received		221,412		67,892	
Interest paid		<u>(38,022)</u>		<u>(33,401)</u>	
Net cash (used in) / generated from operating activities			(3,158,470)		2,987,831
Cash flows from investing activities					
Decrease / (increase) in bank deposits with maturities more than 3 months		1,255,168		(2,827,168)	
Purchase of property, plant and equipment		(18,686)		(32,061)	
Proceeds from sale of property, plant and equipment		<u>18</u>		<u>4</u>	
Net cash generated from / (used in) investing activities			1,236,500		(2,859,225)
Cash flows from financing activity					
Redemption of debt securities		(1,500,000)		-	
Proceeds from issuance of debt securities		<u>3,100,000</u>		<u>200,000</u>	
Net cash generated from financing activity			<u>1,600,000</u>		<u>200,000</u>
Net (decrease) / increase in cash and cash equivalents			(321,970)		328,606
Cash and cash equivalents at 1 April			4,344,536		3,999,820
Exchange gain on cash and cash equivalents			<u>9,190</u>		<u>16,110</u>
Cash and cash equivalents at 31 March			<u>4,031,756</u>		<u>4,344,536</u>
Analysis of cash and bank balances					
Cash and cash equivalents			4,031,756		4,344,536
Other bank deposits with maturities more than 3 months			<u>3,404,000</u>		<u>4,659,168</u>
Cash and bank balances at 31 March	19		<u>7,435,756</u>		<u>9,003,704</u>

The notes on pages 107 to 142 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2013
(expressed in Hong Kong Dollars)

	<u>Capital</u>	<u>Accumulated surplus</u>	<u>Total</u>
	\$'000	\$'000	\$'000
Balance at 1 April 2011	10,000,000	9,186,316	19,186,316
Total comprehensive income for the year	<u>-</u>	<u>2,584,046</u>	<u>2,584,046</u>
Balance at 31 March 2012	<u>10,000,000</u>	<u>11,770,362</u>	<u>21,770,362</u>
Balance at 1 April 2012	10,000,000	11,770,362	21,770,362
Total comprehensive income for the year	<u>-</u>	<u>4,436,594</u>	<u>4,436,594</u>
Balance at 31 March 2013	<u>10,000,000</u>	<u>16,206,956</u>	<u>26,206,956</u>

The notes on pages 107 to 142 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

1. General information

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

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

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

2. Significant accounting policies

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

(a) Basis of preparation of the financial statements

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

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

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

In current year, the Group has applied the new standards, amendments and interpretations issued by the HKICPA that have become effective. The adoption of these new standards has no impact on the Group’s results, financial position or accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

The HKICPA has issued certain new standards, amendments and interpretations which are not yet effective as at 31 March 2013. Those which are relevant to the Group's operation are as follows:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income	1 July 2012
HKFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
HKFRS 10	Consolidated Financial Statements	1 January 2013
HKFRS 11	Joint Arrangements	1 January 2013
HKFRS 12	Disclosure of Interests in Other Entities	1 January 2013
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
HKFRS 13	Fair Value Measurement	1 January 2013
HKAS 19 (2011)	Employee Benefits	1 January 2013
HKAS 27 (2011)	Separate Financial Statements	1 January 2013
HKAS 28 (2011)	Investments in Associates and Joint Ventures	1 January 2013
Annual Improvements Project	Annual Improvements 2009-2011 Cycle	1 January 2013
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	1 January 2014
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures	1 January 2014
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities	1 January 2014
HKFRS 9	Financial Instruments	1 January 2015

The Group has not early adopted the above standards, amendments and interpretations in the financial statement for the year ended 31 March 2013. The Group will apply the above standards, amendments and interpretations from 1 April 2013, and has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(d) Basis of consolidation

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

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

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

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

(e) Revenue recognition

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

- (i) Income from sale of properties is recognised upon the risks and rewards of ownership have been passed.
- (ii) Where the Authority receives its share of surplus from property development projects undertaken in joint ventures, sharing of such surplus is recognised in accordance with the terms of the joint development agreements.
- (iii) Where the Authority receives a distribution of the assets of a joint venture, surplus is recognised based on the fair value of such assets at the time when agreement to distribute the assets has been reached.
- (iv) When the developer has obligated to settle the upfront premium to the Authority at the inception of joint development agreement, surpluses arising from such upfront premium are recognised when the Authority has no further substantial acts to complete. Generally, such surpluses are recognised as soon as the Group has performed its obligations in respect of the upfront premium, the events leading to the possible cancellation of the joint development agreements have lapsed, and the upfront premium have become non-refundable / non-cancellable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(e) Revenue recognition (Continued)

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

(f) Property, plant and equipment

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

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

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

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

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(f) Property, plant and equipment (Continued)

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

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

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

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

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

(h) Financial assets and liabilities

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(h) Financial assets and liabilities (Continued)

(ii) Loans and receivables

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

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

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

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

(i) Leases

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(j) Properties acquired pending redevelopment

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

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

(k) Properties under development

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

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

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

(l) Properties held for sale

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

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

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

(n) Provisions and contingencies

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(n) Provisions and contingencies (Continued)

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

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

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

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

(o) Current and deferred income tax

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

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

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

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

(p) Borrowing costs

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(p) Borrowing costs (Continued)

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

(q) Translation of foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(r) Jointly controlled development projects

The arrangements entered into by the Group with property developers for redevelopment projects are considered to be jointly controlled operations pursuant to HKAS 31 "Interests in Joint Ventures" and are accounted for in accordance with the terms of the development agreements. The Group's share of income earned from such operations is recognised in the profit or loss in accordance with the bases set out in Notes 2(e) (ii), (iii) and (iv).

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

(s) Cash and cash equivalents

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

(t) Employee benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

3. Financial risk management

(a) Financial risk factors

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

(i) Cash flow interest rate risk

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

Interest rate sensitivity

As at 31 March 2013, if interest rates had been increased/decreased by 0.5% and all other variables were held constant, the surplus/deficit of the Group would increase/decrease by approximately \$37,179,000 (2012: \$45,018,500) resulting from the change in the interest income generated from the cash and bank balances (exclude cash and bank balances held under investment at fair value through profit or loss).

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

(ii) Credit risk

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

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

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

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

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

(expressed in Hong Kong Dollars)

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk

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

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

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

	<u>Group</u>		<u>Authority</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Less than 1 year				
Trade and other payables	1,860,483	1,318,165	1,859,865	1,317,534
Debt securities issued	<u>-</u>	<u>1,515,557</u>	<u>-</u>	<u>1,515,557</u>
Between 1 to 3 years				
Debt securities issued	<u>1,537,152</u>	<u>206,507</u>	<u>1,537,152</u>	<u>206,507</u>
Between 3 to 5 years				
Debt securities issued	<u>533,719</u>	<u>-</u>	<u>533,719</u>	<u>-</u>
Over 5 years				
Debt securities issued	<u>1,480,023</u>	<u>-</u>	<u>1,480,023</u>	<u>-</u>

(iv) Price risk

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

Price risk sensitivity

As at 31 March 2013, if the respective market price of the quoted investments had been increased/decreased by 1% and all other variables held constant, the surplus/deficit of the Group would increase/decrease by approximately \$16,820,700 (2012: \$13,049,500) resulting from the change in fair value of the financial assets at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(v) Foreign exchange risk

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

Foreign exchange risk sensitivity

At 31 March 2013, if Hong Kong dollar had weakened/strengthened by 1% against the Renminbi with all other variables held constant, the surplus of the Group would increase/decrease by approximately \$635,000 (2012: \$4,912,000) resulting from the foreign exchange gains/losses on translation of Renminbi-denominated cash and bank balances.

(b) Capital risk management

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

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

(c) Fair value estimation

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

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

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgements

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

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

Estimated impairment of properties under development and provision for committed projects

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

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

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

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

As at 31 March 2013, if the respective estimated upfront premium to be received on the projects had been increased/decreased by 5% and all other variables held constant, the surplus of the Group would increase by approximately \$342,000,000 (2012: \$237,000,000)/decrease by approximately \$394,000,000 (2012: \$238,000,000) resulting from the change in provision written back/charge for impairment on properties under development and provision for committed projects.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

5. Revenues and other income

(a) Revenues

Turnover recognised during the year represents:

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Share of property development surplus on jointly controlled development projects	631,856	3,238,331
Upfront premium from property developers	<u>4,709,203</u>	<u>451,900</u>
	<u>5,341,059</u>	<u>3,690,231</u>

(b) Other income, net

Other income, net recognised during the year represents:

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Interest income	144,432	153,182
Rental income	9,672	8,480
Gain on financial assets at fair value through profit or loss	19,920	12,395
Gain on disposal of property, plant and equipment	18	1
Net foreign exchange gains	<u>9,190</u>	<u>16,110</u>
	<u>183,232</u>	<u>190,168</u>

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax

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

(a) Other items

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Cost of properties under jointly controlled development projects charged	2,347,639	317,865
Depreciation	20,711	19,245
Provision for impairment on property, plant and equipment	14,756	6,978
Write back of impairment on properties held for sale	-	(355)
(Write back of)/provision for impairment on properties under development	(2,186,738)	149,200
Provision for committed projects	444,800	396,800
Operating lease charges in respect of rental of office premises	13,727	12,746
Outgoings in respect of properties	15,951	14,933
Staff costs (excluding directors' remuneration)	258,667	225,719
Auditor's remuneration	<u>550</u>	<u>522</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

(b) Board and directors' remuneration during the year

	2013				
	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director					
- Quinn Law Yee-kwan	3,593	13	3,606	1,078	4,684
- Iris Tam Siu-ying	294	1	295	88	383
Executive Director (Planning & Project Control) [#]					
- Iris Tam Siu-ying	2,629	13	2,642	657	3,299
Executive Director (Operations & Project Control)					
- Calvin Lam Che-leung	2,895	15	2,910	724	3,634
9 Directors	<u>21,196</u>	<u>266</u>	<u>21,462</u>	<u>5,526</u>	<u>26,988</u>
Total*	<u>30,607</u>	<u>308</u>	<u>30,915</u>	<u>8,073</u>	<u>38,988</u>
	2012				
	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director					
- Quinn Law Yee-kwan	3,920	12	3,932	1,176	5,108
Executive Director (Planning & Project Control)					
- Iris Tam Siu-ying	2,720	12	2,732	680	3,412
Executive Director (Operations & Project Control)					
- Calvin Lam Che-leung	2,788	12	2,800	697	3,497
8 Directors	<u>18,928</u>	<u>96</u>	<u>19,024</u>	<u>4,890</u>	<u>23,914</u>
Total*	<u>28,356</u>	<u>132</u>	<u>28,488</u>	<u>7,443</u>	<u>35,931</u>

[#] The position of Executive Director (Planning & Project Control) was vacated from 1 March 2013.

* Excluding compensation in lieu of leave and other benefit in the aggregate sum of \$974,000 (2012: \$392,000).

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

Their remuneration fell within the following bands:	<u>2013</u> No. of individuals	<u>2012</u> No. of individuals
\$1,500,001 to \$2,000,000	1	-
\$2,500,001 to \$3,000,000	4	4
\$3,000,001 to \$3,500,000	2	6
\$3,500,001 to \$4,000,000	4	-
\$4,500,001 to \$5,000,000	1	-
\$5,000,001 to \$5,500,000	-	1
Total	<u>12</u>	<u>11</u>

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

	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Chairman</u>		
Mr Barry Cheung Chun-yuen, GBS, JP	100	100
<u>Non-Executive Directors (non-public officers)</u>		
Mr Victor Chan Hin-fu	65	65
Mr Walter Chan Kar-lok, SBS, JP	65	65
Ms Tanya Chan (up to 30 November 2012)	43	65
Professor Ho Pui-yin	65	65
Professor Desmond Hui Cheuk-kuen	65	65
The Honourable Ip Kwok-him, GBS, JP	65	65
Mr Philip Kan Siu-lun	65	65
Mr Daniel Lam Chun, BBS, JP	65	65
Mr Philip Liao Yi-kang	65	65
Dr Billy Mak Sui-choi (from 1 December 2011)	65	22
Dr Isaac Ng Ka-chui	65	65
Mr Ng Shui-lai, BBS, MBE, JP	65	65
Mr Almon Poon Chin-hung, JP (up to 30 November 2011)	-	43
The Honourable James To Kun-sun	65	65
Mr Peter To	65	65
The Honourable Wong Kwok-kin, BBS	65	65
The Honourable Dennis Kwok Wing-hang (from 1 December 2012)	22	-
Dr John Wong Yee-him	65	65
Mr Douglas Young Chi-chiu	65	65
	<u>1,205</u>	<u>1,205</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

(c) Five highest paid individuals

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2013 include the Managing Director, two Executive Directors and two Directors (among the five highest paid individuals, one of them ceased to be an Executive Director during the year, but continued to serve the Authority as Managing Director). (2012: the Managing Director, two Executive Directors and two Directors).

The total emoluments earned by the five highest paid individuals during the year are as follow:

Fixed - Salaries	15,136	14,881
- Provident fund scheme contributions	<u>71</u>	<u>60</u>
Sub-total	15,207	14,941
Variable pay	<u>4,032</u>	<u>3,953</u>
Total##	<u>19,239</u>	<u>18,894</u>

Their remuneration fell within the following bands:

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

For the year ended 31 March 2013, compensation in lieu of leave and other benefit of \$921,000 (2012: \$220,000) were excluded from the aggregate sum.

(expressed in Hong Kong Dollars)

7. Income tax expenses

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

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

- (b) As at 31 March 2013, the subsidiaries of the Group have unrecognised deductible temporary differences arising from capital allowance and tax losses of \$10,396,000 and \$8,361,000 respectively (2012: \$11,206,000 and \$5,830,000 respectively) to carry forward against future taxable income. These tax losses have no expiry date.

8. Surplus for the year

The consolidated surplus for the year includes a surplus of \$4,436,594,000 (2012: \$2,584,047,000) which has been dealt with in the financial statements of the Authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

9. Property, plant and equipment

Group

	Other Properties					Total
	Preservation properties	Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipments and motor vehicle	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2011						
Cost	62,702	569,542	41,137	38,792	20,262	732,435
Accumulated depreciation	(60,821)	(254,116)	(18,862)	(32,034)	(13,207)	(379,040)
Net book amount	1,881	315,426	22,275	6,758	7,055	353,395
Year ended 31 March 2012						
Opening net book amount	1,881	315,426	22,275	6,758	7,055	353,395
Additions	12,460	52,662	11,091	4,767	3,743	84,723
Disposals	-	-	-	-	(3)	(3)
Additional amounts written off	-	(2,128)	(680)	(18)	-	(2,826)
Depreciation	(2,573)	(8,913)	(2,991)	(1,460)	(3,308)	(19,245)
Impairment	(6,978)	-	-	-	-	(6,978)
Closing net book amount	4,790	357,047	29,695	10,047	7,487	409,066
At 31 March 2012						
Cost	75,162	622,204	52,228	43,559	21,591	814,744
Accumulated depreciation	(63,394)	(265,157)	(22,533)	(33,512)	(14,104)	(398,700)
Impairment	(6,978)	-	-	-	-	(6,978)
Net book amount	4,790	357,047	29,695	10,047	7,487	409,066
Year ended 31 March 2013						
Opening net book amount	4,790	357,047	29,695	10,047	7,487	409,066
Additions	-	-	13,390	2,604	2,692	18,686
Transfer from properties under development	105,122	-	-	-	-	105,122
Depreciation	(3,085)	(9,284)	(3,616)	(1,448)	(3,278)	(20,711)
Impairment	(14,756)	-	-	-	-	(14,756)
Closing net book amount	92,071	347,763	39,469	11,203	6,901	497,407
At 31 March 2013						
Cost	180,284	622,204	65,189	46,049	23,446	937,172
Accumulated depreciation	(66,479)	(274,441)	(25,720)	(34,846)	(16,545)	(418,031)
Impairment	(21,734)	-	-	-	-	(21,734)
Net book amount	92,071	347,763	39,469	11,203	6,901	497,407

(expressed in Hong Kong Dollars)

9. Property, plant and equipment (Continued)

Authority

	Other Properties					Total
	Preservation properties	Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipments and motor vehicle	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2011						
Cost	-	569,542	41,137	38,792	20,262	669,733
Accumulated depreciation	-	(254,116)	(18,862)	(32,034)	(13,207)	(318,219)
Net book amount	-	315,426	22,275	6,758	7,055	351,514
Year ended 31 March 2012						
Opening net book amount	-	315,426	22,275	6,758	7,055	351,514
Additions	-	52,662	11,091	4,767	3,743	72,263
Disposals	-	-	-	-	(3)	(3)
Additional amounts written off	-	(2,128)	(680)	(18)	-	(2,826)
Depreciation	-	(8,913)	(2,991)	(1,460)	(3,308)	(16,672)
Closing net book amount	-	357,047	29,695	10,047	7,487	404,276
At 31 March 2012						
Cost	-	622,204	52,228	43,559	21,591	739,582
Accumulated depreciation	-	(265,157)	(22,533)	(33,512)	(14,104)	(335,306)
Net book amount	-	357,047	29,695	10,047	7,487	404,276
Year ended 31 March 2013						
Opening net book amount	-	357,047	29,695	10,047	7,487	404,276
Additions	-	-	13,390	2,604	2,692	18,686
Transfer from properties under development	105,122	-	-	-	-	105,122
Depreciation	(1,394)	(9,284)	(3,616)	(1,448)	(3,278)	(19,020)
Impairment	(14,756)	-	-	-	-	(14,756)
Closing net book amount	88,972	347,763	39,469	11,203	6,901	494,308
At 31 March 2013						
Cost	105,122	622,204	65,189	46,049	23,446	862,010
Accumulated depreciation	(1,394)	(274,441)	(25,720)	(34,846)	(16,545)	(352,946)
Impairment	(14,756)	-	-	-	-	(14,756)
Net book amount	88,972	347,763	39,469	11,203	6,901	494,308

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

9. Property, plant and equipment (Continued)

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

	<u>Group</u>		<u>Authority</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000	\$'000
Leases of over 50 years	124,868	36,389	124,868	36,389
Leases of between 10 to 50 years	311,867	320,658	311,867	320,658
Leases of less than 10 years	<u>3,099</u>	<u>4,790</u>	<u>-</u>	<u>-</u>
	<u>439,834</u>	<u>361,837</u>	<u>436,735</u>	<u>357,047</u>

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

10. Properties acquired pending redevelopment

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
At 1 April and 31 March	<u>7,733</u>	<u>7,733</u>

(expressed in Hong Kong Dollars)

11. Properties under development

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Cost of properties acquired, including Home Purchase Allowance (“HPA”) (Note)	20,680,575	18,878,062
Development expenditure	<u>1,733,042</u>	<u>326,098</u>
Total cost (includes accumulated interest and other borrowing costs capitalised of \$116,634,000 (2012: \$97,320,000))	22,413,617	19,204,160
Provision for impairment	<u>(3,268,062)</u>	<u>(5,628,000)</u>
Balances as at 31 March	<u>19,145,555</u>	<u>13,576,160</u>

At 31 March 2013, the properties under development are analysed as follows:

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Redevelopment projects	14,478,411	12,246,209
Kai Tak development	1,508,579	7,295
Self-developed projects	1,164,567	813,453
Preservation projects	849,613	509,203
The Authority’s retention properties	<u>1,144,385</u>	<u>-</u>
	<u>19,145,555</u>	<u>13,576,160</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

11. Properties under development (Continued)

Note:

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

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

As at 31 March 2013, the Authority's estimated cash outflow in respect of project under acquisition and resumption stood at \$14.3 billion (2012: \$13.1 billion), without accounting for any future inflow for the projects.

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

(expressed in Hong Kong Dollars)

12. Subsidiaries

	<u>Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	34,131	32,384
Less: Provision	<u>(31,392)</u>	<u>(27,979)</u>
	<u>2,740</u>	<u>4,406</u>

Note:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

13. Building rehabilitation loans

At 31 March 2013, the building rehabilitation loans are analysed as follows:

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Non-current portion	43,098	58,024
Current portion	<u>21,993</u>	<u>28,476</u>
	<u>65,091</u>	<u>86,500</u>

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

As of 31 March 2013, instalments of building rehabilitation loans of \$101,000 (2012: \$129,000) were past due but not impaired. These relate to a number of borrowers for whom there are no recent history of bad debt. The aging analysis of these building rehabilitation loans is as follows:

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Less than 3 months	29	61
3 to 6 months	10	15
6 to 12 months	18	20
Over 1 year	<u>44</u>	<u>33</u>
Balance at 31 March	<u>101</u>	<u>129</u>

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

(expressed in Hong Kong Dollars)

14. Properties held for sale

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Cost		
At 1 April and 31 March	<u>15,420</u>	<u>15,420</u>
Provision for impairment		
At 1 April	-	(355)
Less: Write back of impairment	<u>-</u>	<u>355</u>
At 31 March	<u>-</u>	<u>-</u>
Balance at 31 March	<u>15,420</u>	<u>15,420</u>

15. Receivables from property developers

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at 31 March	<u>2,240,340</u>	<u>225,950</u>

As of 31 March 2012 and 2013, no receivables from property developers were past due and the balance is current in nature.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

16. Jointly controlled development projects

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Amounts due from jointly controlled development projects	201,733	26,015
Amounts due to jointly controlled development projects	<u>(191,676)</u>	<u>(171,700)</u>
	<u>10,057</u>	<u>(145,685)</u>

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

The Group and the Authority have the following active jointly controlled development projects as at 31 March 2013.

<u>Project Name / Location</u>	<u>Land use</u>	<u>Total gross floor area (m²)</u>	<u>Actual completion date (calendar year)</u>	<u>Expected completion date (calendar year)</u>
The Zenith / One Wanchai (Wan Chai)	Commercial / Residential	62,310	2006 (Site A & B) 2013 (Site C)	-
* Vision City / Citywalk (Tsuen Wan)	Commercial / Residential	137,885	2007	-
* J Residence / J Senses (Wan Chai)	Commercial / Residential	20,567	2007	-
# The Masterpiece / K11 (Tsim Sha Tsui)	Commercial / Hotel / Service Apartment	103,844	2008	-
* The Dynasty / Citywalk 2 (Tsuen Wan)	Commercial / Residential	44,404	2008	-
* Vista (Sham Shui Po)	Commercial / Residential	12,703	2008	-
Beacon Lodge (Sham Shui Po)	Commercial / Residential	12,784	2008	-
Floriant Rise (Tai Kok Tsui)	Commercial / Residential	43,231	2009	-
Island Crest (Sai Ying Pun)	Commercial / Residential	38,878	2009	-
Lime Stardom (Tai Kok Tsui)	Commercial / Residential	19,735	2011	-
Baker Residence (Hung Hom)	Commercial / Residential	2,338	2011	-
Park Summit (Tai Kok Tsui)	Commercial / Residential	21,402	2012	-

(expressed in Hong Kong Dollars)

16. Jointly controlled development projects (Continued)

<u>Project Name / Location</u>	<u>Land use</u>	<u>Total gross floor area (m²)</u>	<u>Actual completion date (calendar year)</u>	<u>Expected completion date (calendar year)</u>
Macpherson Indoor Stadium (Mong Kok)	Commercial / Stadium and Youth Centre / Residential	24,768	2012	-
Park Metropolitan (Kwun Tong)	Residential	27,830	-	2014
Lai Chi Kok Road / Kweilin Street / Yee Kuk Street (Sham Shui Po)	Commercial / Residential	30,300	-	2014
Third Street / Yu Lok Lane / Centre Street (Sai Ying Pun)	Commercial / Residential	17,766	-	2014
Park Ivy (Tai Kok Tsui)	Commercial / Residential	4,843	-	2014
The Avenue (Wan Chai)	Commercial / Residential	83,897	-	2015
Chi Kiang Street / Ha Heung Road (To Kwa Wan)	Commercial / Residential	8,379	-	2016
Pak Tai Street / Mok Cheong Street (Ma Tau Kok)	Commercial / Residential	6,946	-	2016
Peel Street / Graham Street (Sheung Wan)	Commercial / Residential	18,240	-	2017
Sai Yee Street (Mong Kok)	Commercial / Residential	22,302	-	2017

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

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

In respect of the commercial portions of certain projects, the Authority has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issue of the occupation permits. The Authority shares percentage of any net proceeds derived from the operation of the commercial portions before the sale and includes it as surplus for the year and would also share the future sales proceeds at the same ratio. As at 31 March 2013, by reference to the valuation of the open market value of the commercial portions carried out by internal professional valuer, the fair value of the commercial portions was \$6,463,311,000 (2012: \$5,155,783,000) in aggregate and the Authority would account for its share of sales proceeds as surplus from the jointly controlled development projects when the commercial portions are sold in future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

17. Trade and other receivables

At 31 March 2013, the trade and other receivables are analysed as follows:

	<u>Group</u>		<u>Authority</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Trade receivables and prepayments	20,313	21,572	20,212	21,483
Interest receivables	18,692	95,672	18,692	95,672
Other receivables and deposit	<u>67,874</u>	<u>10,394</u>	<u>67,856</u>	<u>10,376</u>
Balance at 31 March	<u>106,879</u>	<u>127,638</u>	<u>106,760</u>	<u>127,531</u>

As of 31 March 2013, trade receivables of \$1,140,000 (2012: \$1,472,000) were past due but not impaired. These relate to a number of tenants for whom there are no recent history of bad debt. The aging analysis of these trade receivables is as follows:

	<u>Group and Authority</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
3 months or less	698	786
3 to 6 months	99	168
6 to 12 months	72	227
Over 1 year	<u>271</u>	<u>291</u>
Balance at 31 March	<u>1,140</u>	<u>1,472</u>

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

(expressed in Hong Kong Dollars)

18. Financial assets at fair value through profit or loss

	<u>Group and Authority</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Debt securities, listed		
- Overseas	263,353	217,742
- Hong Kong	321,447	338,462
Debt securities, unlisted	<u>1,097,269</u>	<u>748,742</u>
	1,682,069	1,304,946
Structured deposits	290,253	303,706
Cash and bank deposits	<u>8,683</u>	<u>8,152</u>
	<u>1,981,005</u>	<u>1,616,804</u>

The following table presents the Group's and the Authority's assets that are measured at fair value at 31 March 2013. The different levels have been defined as follows:

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

	<u>Level 1</u>		<u>Level 2</u>		<u>Total</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Debt securities	1,682,069	1,304,946	-	-	1,682,069	1,304,946
Structured deposits	-	-	<u>290,253</u>	<u>303,706</u>	<u>290,253</u>	<u>303,706</u>
Total assets	<u>1,682,069</u>	<u>1,304,946</u>	<u>290,253</u>	<u>303,706</u>	<u>1,972,322</u>	<u>1,608,652</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

19. Cash and bank balances

	<u>Group</u>		<u>Authority</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Time deposits with banks				
Maturities of 3 months or less	4,000,642	4,337,733	3,997,106	4,334,210
Maturities of more than 3 months	3,404,000	4,659,168	3,404,000	4,659,168
Sub-total	7,404,642	8,996,901	7,401,106	8,993,378
Less: Amounts held in trust for jointly controlled development projects	(3,535)	(3,523)	-	-
	<u>7,401,107</u>	<u>8,993,378</u>	<u>7,401,106</u>	<u>8,993,378</u>
Cash at banks and in hand	34,650	10,327	34,510	10,186
Less: Amounts held in trust for jointly controlled development projects	(1)	(1)	-	-
	<u>34,649</u>	<u>10,326</u>	<u>34,510</u>	<u>10,186</u>
	<u>7,435,756</u>	<u>9,003,704</u>	<u>7,435,616</u>	<u>9,003,564</u>
Maximum exposure to credit risk	<u>7,435,741</u>	<u>9,003,689</u>	<u>7,435,601</u>	<u>9,003,549</u>

As at 31 March 2013, cash and bank balances of the Group and of the Authority are denominated in Hong Kong Dollars except for an amount of \$63,457,000 (2012: \$491,246,000) which are denominated in Renminbi.

The average effective interest rate of time deposits with banks was 1.64% per annum (2012: 1.68% per annum). These deposits have an average maturity of 83 days (2012: 83 days).

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

<u>Rating (Moody's)</u>	<u>Group</u>		<u>Authority</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Aa1 – Aa3	1,902,196	4,651,269	1,902,196	4,651,269
A1 – A3	<u>5,533,545</u>	<u>4,352,420</u>	<u>5,533,405</u>	<u>4,352,280</u>
	<u>7,435,741</u>	<u>9,003,689</u>	<u>7,435,601</u>	<u>9,003,549</u>

(expressed in Hong Kong Dollars)

20. Capital

On 21 June 2002, the Finance Committee of the Legislative Council approved a commitment of \$10 billion for injection as equity into the Authority. The Government injected the equity into the Authority in phases over the five financial years from 2002-03 to 2006-07. At 31 March 2013, the Authority had received all five tranches of equity injection of \$10 billion in total.

21. Debt securities issued

As at 31 March 2013, the Authority has issued the following fixed rate notes under a Medium Term Note programme.

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
<u>Non-current portion</u>		
HK dollar Fixed rate notes with a coupon of 1.45% due 2014	200,000	200,000
HK dollar Fixed rate notes with a coupon of 1.15% due 2015	1,300,000	-
HK dollar Fixed rate notes with a coupon of 1.50% due 2017	500,000	-
HK dollar Fixed rate notes with a coupon of 1.75% due 2019	500,000	-
HK dollar Fixed rate notes with a coupon of 1.65% due 2020	500,000	-
HK dollar Fixed rate notes with a coupon of 2.18% due 2023	300,000	-
Less: Unamortised finance charges	<u>(12,413)</u>	<u>(163)</u>
	<u>3,287,587</u>	<u>199,837</u>
<u>Current portion</u>		
HK dollar Fixed rate notes with a coupon of 2.08% due 2012	-	1,500,000
Less: Unamortised finance charges	<u>-</u>	<u>(432)</u>
	<u>-</u>	<u>1,499,568</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

22. Provision for committed projects

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at 1 April	399,000	237,000
Utilised during the year	(396,800)	(234,800)
Charged to the profit or loss	<u>444,800</u>	<u>396,800</u>
Balance at 31 March	<u>447,000</u>	<u>399,000</u>

The amount represents the provision for committed projects where acquisition was commenced before financial year end. The provision charge is recognised in the profit or loss. The balance at 31 March 2013 is current in nature.

As at 31 March 2013, the total provision for impairment on projects are analysed as follows:

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Provision for impairment classified under properties under development as set out in Note 11	3,268,062	5,628,000
Provision for committed projects as set out above	<u>447,000</u>	<u>399,000</u>
Total provision for projects	<u>3,715,062</u>	<u>6,027,000</u>

23. Provident fund scheme

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

The total amount contributed by the Group into the Schemes for the year ended 31 March 2013 was \$17,394,000 (2012: \$14,766,000), net of forfeitures of \$1,441,000 (2012: \$917,000), which has been charged to the Group's profit or loss for the year.

(expressed in Hong Kong Dollars)

24. Commitments

(a) Capital commitments

Capital commitments in respect of property, plant and equipment at 31 March 2013 are as follows:

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Contracted but not provided for	<u>15,641</u>	<u>175</u>

(b) Operating lease commitments

At 31 March 2013, the total future minimum lease payments under non-cancellable operating leases in respect of office premises, in which \$85,086,000 (2012: \$103,982,000) is related to costs to be incurred for accommodating certain Government offices in a project site pursuant to a re-provision arrangement with the Government, are payable as follows:

	<u>Group and Authority</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Within 1 year	35,207	31,894
After 1 year but within 5 years	78,819	93,848
After 5 years	<u>-</u>	<u>3,755</u>
	<u>114,026</u>	<u>129,497</u>

(c) Operating lease rental receivable

At 31 March 2013, the total future aggregate minimum lease rental receipts under non-cancellable operating leases in respect of properties, except for those commercial portions jointly held by the Developer and the Authority, are receivable as follows:

	<u>Group</u>		<u>Authority</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000	\$'000
Within 1 year	3,806	5,068	2,114	3,376
After 1 year but within 5 years	<u>2,208</u>	<u>3,727</u>	<u>793</u>	<u>620</u>
	<u>6,014</u>	<u>8,795</u>	<u>2,907</u>	<u>3,996</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(expressed in Hong Kong Dollars)

25. Significant related party transactions

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

During the year, the Authority reimbursed the Government an amount of \$43,362,000 (2012: \$37,164,000) 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 2013, there is an amount of \$3,436,000 (2012: \$3,073,000) 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 2012, the Authority has contributed \$500,000,000 to Urban Renewal Trust Fund (the "Fund"). During the year, the Authority provided administrative and support services to the Fund valued at \$737,000 (2012: \$625,000). This is a memorandum record and the Authority will not charge the said Fund for the services provided. During the year, the Authority received \$411,000 from the said Fund for office fitting out and rental of an office premise (2012: Nil).

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

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

26. Commitments for revitalisation projects

In August 2009, the Authority announced its proposal to implement a major revitalisation plan to uphold and enhance the local characters of a number of themed streets in Mong Kok at a cost of about \$100 million. The initial phase of the plan commenced in March 2011 and is substantially complete. The second phase is scheduled to commence in late 2013, subject to obtaining approvals from various government departments.

In October 2009 CE policy address, the Authority was tasked by the Development Bureau to revitalise the Central Market into "Central Oasis" under "Conserving Central". Total cost for the project at that time was estimated to be about \$500 million. Preparation works for planning and architectural design work is in an advanced stage for submission to Town Planning Board in May 2013. The whole project anticipated to be completed in two phases.

As at 31 March 2013, the cost incurred for these revitalisation projects has been accounted for in the current year, but has no significant financial impact to the Group.

27. Approval of financial statements



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市區重建局

URBAN RENEWAL
AUTHORITY

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

Tel : (852) 2588 2222 Fax : (852) 2827 0176 / 2827 0085 Website : www.ura.org.hk