



Dynamic and Forward Looking



annual report 2015-16



Cover Design: An artist impression of transformation of a run-down area in To Kwa Wan where the Urban Renewal Authority has commenced five redevelopment projects under a new district-based approach for better planning and social benefits.

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VISION, MISSION AND VALUES

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

OUR VISION

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

OUR MISSION

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

Our Priorities are:

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

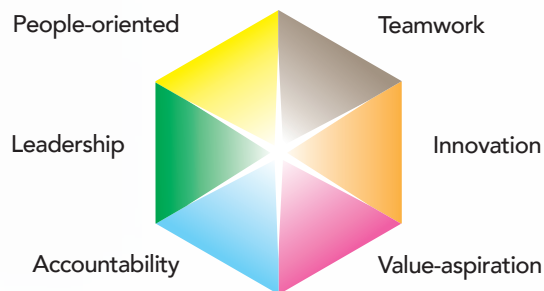
Our Partners are:

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

Our People are:

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

OUR VALUES





Mr Victor SO Hing-woh, JP

CHAIRMAN'S STATEMENT

"The URA is striving towards a clear target of taking up more projects with greater urgency, and on a larger scale and magnitude."

As I wrote the Chairman's Statement for the Authority's 2015/16 Annual Report, my second three-year tenure as Chairman of the Urban Renewal Authority (URA) has just begun. I am honoured to be re-appointed and much obliged to the trust that the Government has placed in me and the opportunity to serve in a dynamic and forward looking organisation.

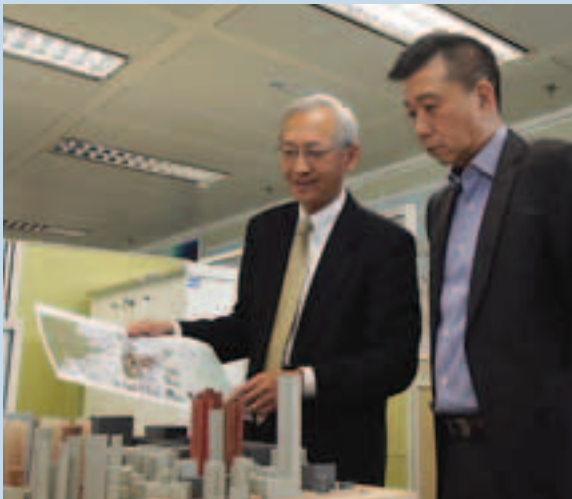
While looking forward to opening a new chapter of urban renewal in Hong Kong over the coming three years, I am equally pleased to see that some of the thoughts and initiatives which have been set in motion in recent years are being progressively realised with good prospects.

The URA has continuously addressed its challenges in the context of the Urban Renewal Strategy which sets out 12 objectives for the work of urban regeneration. It has carefully evaluated

and managed its resources in the areas of financial planning, project management and process re-engineering, and is striving towards a clear target of taking up more projects with greater urgency, and on a larger scale and magnitude.

The URA's achievements depend heavily on its close partnership with the Government, the URA Board and various stakeholders, as well as the support of the entire community. I am grateful to members of the URA Board whose active involvement has been instrumental in helping the organisation set corporate objectives with key performance areas and new strategies. New thoughts were then galvanised into action and effect, as witnessed by the implementation of the District-based approach in redevelopment, the "Smart Tender" Building Rehabilitation Facilitating Services, the refined Demand-led redevelopment project pilot scheme, to name just a few.

In this regard, a larger planning area for redevelopment has been identified to bring more social benefits to the neighbourhood, while new ways and means are being reviewed to enhance the URA's work on building rehabilitation.



■ Mr Victor So discusses the District-based approach with URA colleague.

During the year under review, an Area Planning Study was conducted in Kowloon City / To Kwa Wan district. Subsequently, five projects commenced using a holistic manner, which will synergise traffic and environmental enhancements with other URA projects in the same area. With this District-based approach, effort has been made to put people first in the interest of the local community. To retain the urban fabric and enhance the local vibrancy of the area under redevelopment, the plan offers more open space, better access to road and pedestrian networks, and more shop frontage to accommodate clusters of small street shops in the new neighbourhood. In the coming years, we will continue with similar area planning studies in other districts.

For the URA, 2015/16 was a year of change and challenge as it celebrated its 15th anniversary. While we have taken collective pride in our 4R work in redevelopment, rehabilitation, heritage preservation and revitalisation over the years, it is an opportune moment to re-think the way forward for the URA.

The URA's mandates remain the eradication of slums which are home to over 100,000 families. We are very conscious that we must explore alternative ways of furthering urban renewal more effectively and efficiently. One of the ideas is to retrofit old buildings to improve their structural conditions and extend their useful life while maintaining the vitality of the urban fabric. Much effort to realise this idea has been made in the past year and a new pilot scheme is now in the pipeline.



■ Mr Victor So together with URA Board members and senior executives propose a toast at Spring Dinner. Mr Hu Fa-kuang, the first Chairman of the Land Development Corporation (10th from right) is also present.

As a public organisation, we shall continue to exercise due care and diligence in the handling of our finances to ensure sound long-term finances on a self-sustaining principle. A total expenditure of about \$34 billion has been earmarked for URA's work in redevelopment, rehabilitation, preservation and revitalisation for the five years from April 2016 to March 2021. Although a net operating surplus of \$4.5 billion was recorded in 2015/16, the income is not recurrent in nature and the URA's operating environment remains challenging as unfavourable factors continue, including the higher-than-market acquisition costs, soaring construction costs, uncertainty in the property market and the conservative tender bids for the URA's projects from private developers.

In closing, I would like to express my gratitude to Mr Daniel C Lam for his outstanding contribution as the URA's Managing Director which has been conducive not only to the smooth operation of the organisation, but also to the commencement of a number of projects which will bring positive impact and benefits to our urban renewal work in the years to come. I would also like to offer my heartfelt thanks to all Board members



■ Mr Victor So and Ir Wai Chi-sing, newly appointed Managing Director (front row, 1st from right) together with other executives, report to Legislative Council's Panel on Development on URA's works during 2015/16.

for contributing their invaluable time, advice and support. Last but not least, my appreciation goes to the Management and all dedicated staff for their hard work and commitment to the URA.

Victor SO Hing-woh
Chairman

31 July 2016



Mr Daniel LAM Chun, SBS, JP

MANAGING DIRECTOR'S STATEMENT

"We must find alternative ways of tackling these problems with a lighter demand for capital approach, and a speedier response by improving and extending the useful life of buildings."

I took up the position of Managing Director on 15 June 2015, totally unprepared, and to the surprise of the staff, the Board, and the public. I switched my seat from being an independent non-executive director, and sat on the other side of the table as an executive.

It was a difficult time for URA, with confusion and doubts cast over the differences between the Board and executives, and an obscure way forward.

Organisation and Finance

During the year, we had McKinsey & Company completed the Value For Money Study and the Organisation Structure Review of URA. Although a small part of their recommendations remains arguably controversial with disagreements from some stakeholders, the majority of their recommendations have been accepted for implementation through our One Team One Goal exercise and Work Improvement Teams within URA. Matters such as structural re-organisation, succession planning and the philosophy of selection of projects have been reviewed and improvements implemented.

As part of the above exercises, the financial viability of new projects come under stricter scrutiny to ensure that, in

the longer term, URA can maintain its financial sustainability. It is now evident that the cash flow position of URA as reported this year is much healthier than previously projected.

I started my work by engaging the senior staff and collecting their opinions during this period of disruptions. I held private "sandwich" sessions in groups of five, with Senior Managers and above from different divisions and levels. Towards the end of the financial year, I repeated the same exercise with totally different combination of staff members. I found it most comforting that, as I learned from these sessions, the general consensus of the staff are positive. They appear happier and more focused on the way URA is now heading.

First "R"- Redevelopment

During the year we initiated self-selected projects, which included the new District-based Concept developments for the To Kwa Wan area, with which we believe that we are bringing much more planning gains to the small districts under the scheme.

For the development in Bailey and Ngan Hon Streets, we will breakthrough dead end streets. We will re-group the individual car-parking requirements of small plots into one single common site, consequently releasing the requirements for the other small plots, so that the numbers of vehicular ingress-egress points are substantially reduced. More street shops will be made available, thereby creating more street activities. The inclusion of Chun Tin Street into a development scheme adjoining the Ma Tau Wai Road Development will improve the flat sizes and layouts of the block. In addition, the proper widening of Sung Chi Street will provide a better flow of vehicular traffic. As a result, the common facilities shared between two originally stand-alone developments will be much improved.



■ Mr Daniel Lam conducts freezing survey at the Bailey Street / Wing Kwong Street project.

In relation to the Demand-led projects, the fourth round attracted a large number of unqualified applications from single residential flat units, which did not meet the criteria and resulted in no project being accepted by the Board. We have immediately accelerated the launch of the fifth round with identical thresholds, and this resulted in the submission of 19 applications being considered by the Board.

As to facilitating services that we provide to property owners, this year is unfortunately not very successful in a relatively depressing

market. It is worth mentioning that URA volunteered to help the property owners of Wing On House in Wong Tai Sin where a disastrous accident happened. This building was burnt seriously due to the accident involving the explosion of liquid gas containers for car repairing operations. Three were killed in the blaze. Unfortunately after many months of work at URA's own expenses, only 56% of the property owners engaged in the joint sale agreement, and therefore the project was reluctantly dropped.

Second "R"- Rehabilitation

Our work on Operation Building Bright (OBB) and other initiatives towards rehabilitation of old buildings continue, and URA has since received commendation letters from owners and residents. We recently launched the "Smart Tender" Campaign with the intention to help existing flat-owners to lower the risk of "tender-rigging". We also took the initiative to look into alternative means and new initiatives in what we would describe as Enhanced Rehabilitation Schemes. These are essentially reviewing old buildings with inadequate common facilities, but whose site has already been developed to the full potential. The initiative looks at pro-longing the useful life of the building, and introducing a retrofit for the benefit of particularly the elderly occupants. We intend to carefully select and implement one to two pilot projects so that the effectiveness and efficiency of such an initiative can be proven.

Third "R" – pReservation

In the year under review, ongoing preservation projects include the Prince Edward Road West project, the acquired units of which have been renovated and almost fully let, while the preservation and construction work for the Shanghai Street project has now commenced.



■ Mr Daniel Lam speaks at the staff communication session.

The Nga Tsin Wai Village site, which was the first project in Kowloon in the days of the Land Development Corporation experienced a long delay, but was finally cleared successfully and peacefully towards the end of January 2016. We have since discovered certain historical relics on the site which are being scrutinized under the direct charge of the Antiquities and Monuments Office. We are assisting the authority concerned to conduct the archaeological study and are awaiting the direction and requirement, if any, for construction.

4th "R"- Revitalisation

We have carefully reassessed the feasibility of the revitalisation of Central Market and have decided to revert to a simplified version, due partly to the risks involved in renovating and substantially altering an unknown complicated structure, which was left in a dilapidated state, and partly due to financial constraints. As this is a high profile project being in the centre of Central, the Board has formed a special committee to look into the future operating mode of the subject project, so that an early selection can be made with the view of opening the Central Market again in the earliest possible time.

Subsidised Sale of Flats (SSF)

In response to the Chief Executive of Hong Kong SAR's Policy Speech in 2015, we have made available 338 flats out of 484 units that were originally designed and

built for "Flat-For-Flat" scheme to cater for displaced owners of properties in our development projects. During the very short period of four months, we managed to push through the preparations for sale of these flats to the public. As this was URA's first ever involvement in such operations, we encountered a number of unforeseen difficulties. Despite all the anxieties and hurdles, we successfully launched the sale in April 2016, and sold out 96% of the 338 units.

Concluding Remarks

At the speed of almost 500 blocks of buildings per year dropping into the over 50 years' age, it is a huge commitment on the part of URA to master the urban renewal cityscape of Hong Kong. The rate at such old buildings fall into disrepairs far exceeds the pace of possible redevelopment to be comfortably taken up by URA. We must find alternative ways of tackling these problems with a lighter demand for capital approach, and a speedier response by improving and extending the useful life of buildings, without compromising the reasonable comfort of existing occupants.

I have thoroughly enjoyed my participation in URA's formidable team, both at the frontline and back in headquarters operations. The Board has given me insurmountable support for which I am totally grateful.

Although my tenure as Managing Director will end on 14 June 2016, I am confident that the incoming Managing Director, Ir Wai Chi-sing, who is very experienced in such matters and well conversant in public administration, will certainly steer URA into a new era of success and pride.

Daniel LAM Chun
Managing Director

14 June 2016

URA 15TH ANNIVERSARY



■ Group photo of Mr John Tsang with guest speakers and URA Board members.

The year 2016 marks the 15th anniversary of the Urban Renewal Authority (URA). As a dynamic and forward looking organisation, we are constantly looking for innovations and better ways to drive and undertake urban renewal for delivering a wider social impact and planning benefits to the community.



■ Over 200 participants from urban planning and building industry attend the conference.



■ Mr John Tsang delivers opening speech for the conference.



■ Mr Victor So welcomes guests.

BRINGING INNOVATIONS TO URBAN RENEWAL INTERNATIONAL CONFERENCE

In conjunction with this milestone year, an international conference with the theme of “Bringing Innovations to Urban Renewal” was organised on 10 June inviting experts from Singapore, the United States, Japan, Moscow, Guangzhou and local academia to share their insights and experience. The international conference, which was opened by the Acting Chief Executive, Mr John Tsang, was attended by over 200 people from urban planning and building industry.



■ Panel discussion on the new direction of building rehabilitation.



■ Panel discussion facilitated by Prof David Lung Ping-yeec.



■ Sharing session of Dr Liu Thai-ker with participants.



■ Dr Liu Thai-ker (Singapore)



■ Mr Yuzuru Teramoto (Osaka, Japan)



■ Mr Yang Cheng-zhi (Guangzhou, China)



■ Mr Andrey Valuy (Moscow, Russia)



■ Prof Pamela Jerome (U.S.A.)



■ Prof Teng Jin-guang (Hong Kong)

CELEBRATING 15 YEARS OF URBAN RENEWAL: PARTNERSHIPS AND INNOVATIONS

While we take pride in our work, we could not have achieved without the support of our partners and stakeholders. To show our appreciation, we have organised the URA 15th anniversary cocktail reception, which was officiated by the Chief Executive, Mr C Y Leung, the Secretary for Development, Mr Paul Chan and the Chairman of the URA, Mr Victor So. The cocktail reception was attended by over 200 guests including Government officials, Legislative Councillors, District Councillors, developers, professionals, academics and NGOs etc. An exhibition and a video featuring the work of the URA in the past 15 years were displayed.



■ The Chief Executive, Mr C Y Leung and guests propose a toast at the cocktail reception to celebrate the 15th anniversary of URA.



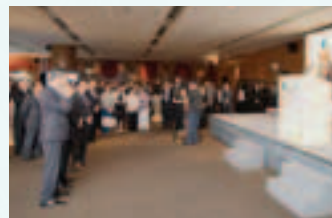
■ Mr Paul Chan delivers a speech at the cocktail reception.



■ The display panels and video feature the milestone events of URA since its establishment and the way forward.



■ URA colleagues explain to guests the District-based approach through a model.



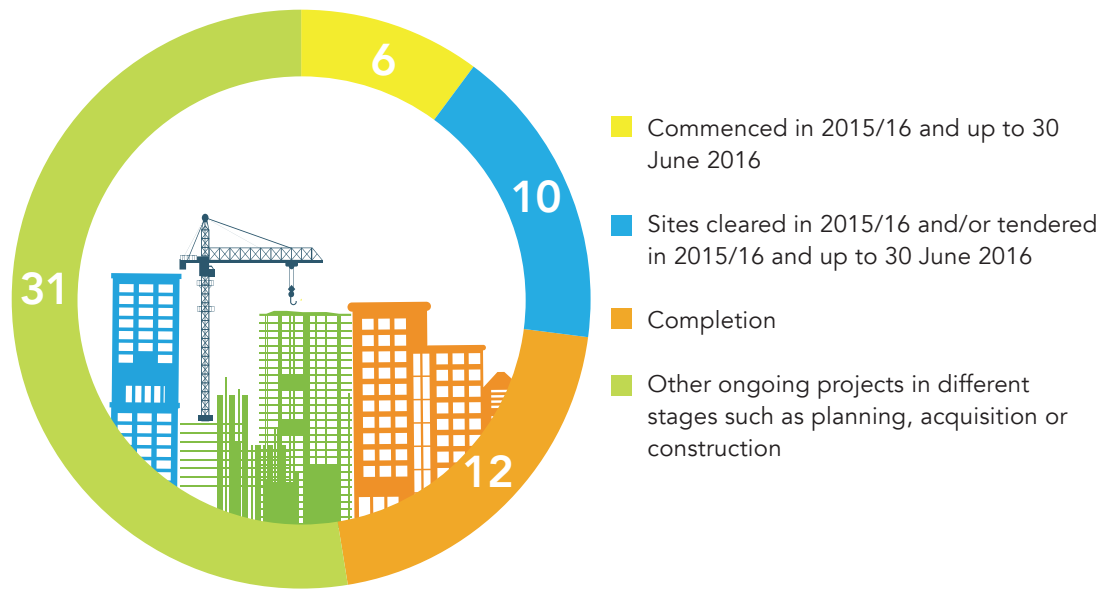
Over 200 guests attend the cocktail reception.

OPERATING HIGHLIGHTS

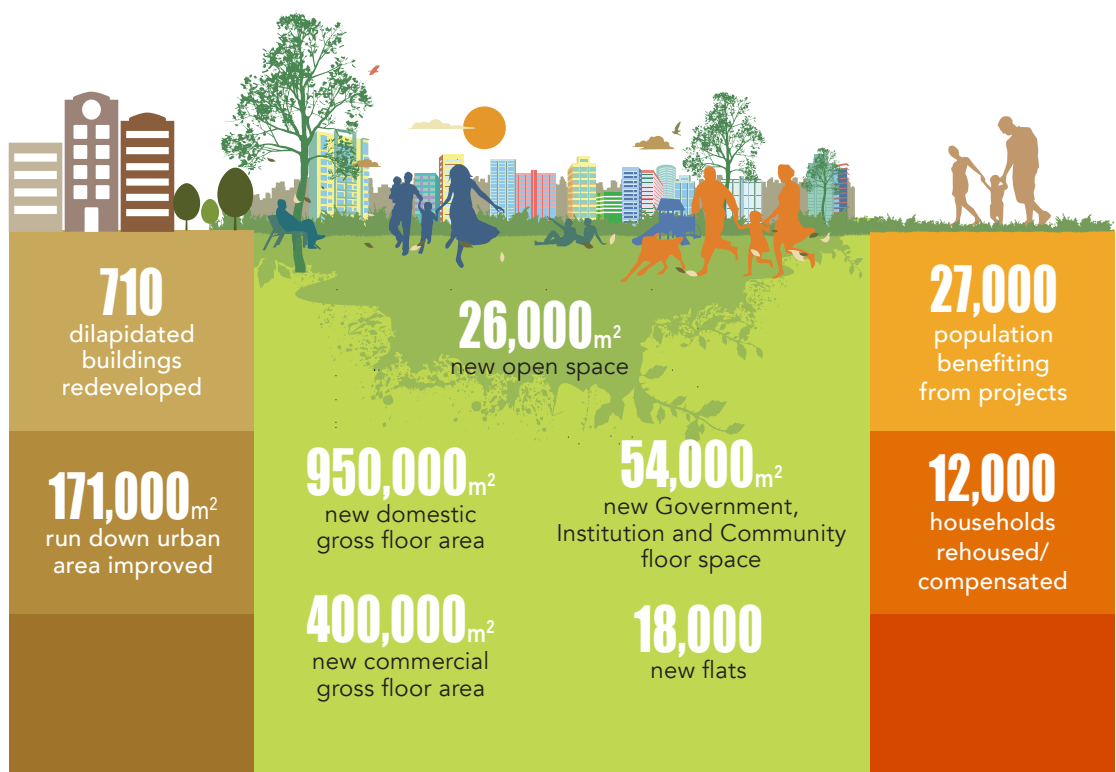
Redevelopment

Progress of 59 implemented projects

(up to 30 June 2016)

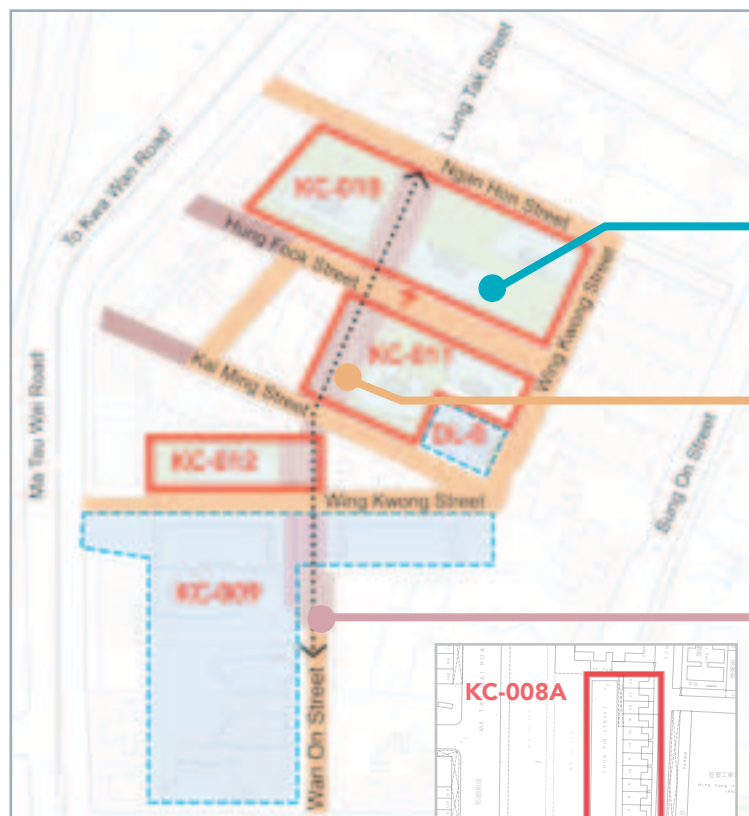


Benefits being brought forward by 59 implemented projects



A new District-based approach

is adopted with the commencement of five projects in To Kwa Wan between March and June 2016 for better planning and social benefits.



Please refer to page 35 for project details

Community Car Park

will be provided in KC-010 project so as to reduce piecemeal carpark openings in different sites

Road Network

not less than 15% of the site area of three projects will be provided for road networks in order to improve the traffic

New Through Roads

will improve the accessibility and the traffic circulation and retain the ground floor shop front and street vibrancy

Demand-led Redevelopment Project (Pilot Scheme)

The 5th round application was advanced in February 2016.

19

applications were received by the deadline in May 2016

Facilitating Services (Pilot Scheme)

A new initiative was launched in May 2016.

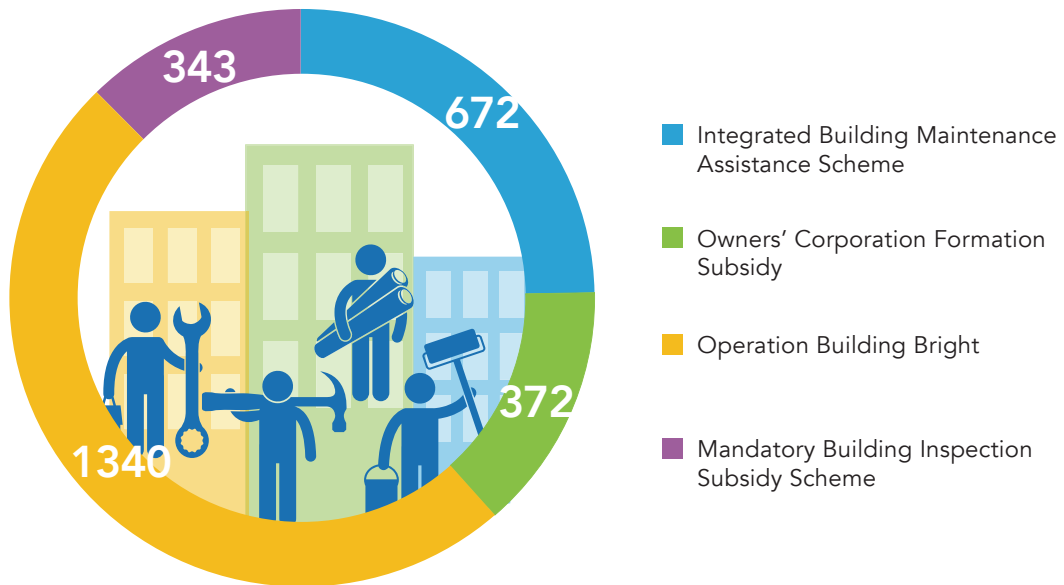
Civil Servants' Co-operative Building Society Scheme

Government Built Housing Scheme

Rehabilitation

A total of 2727 buildings are assisted by the URA under various schemes

(up to 31 March 2016)



Over **\$178 million** loan and subsidies released

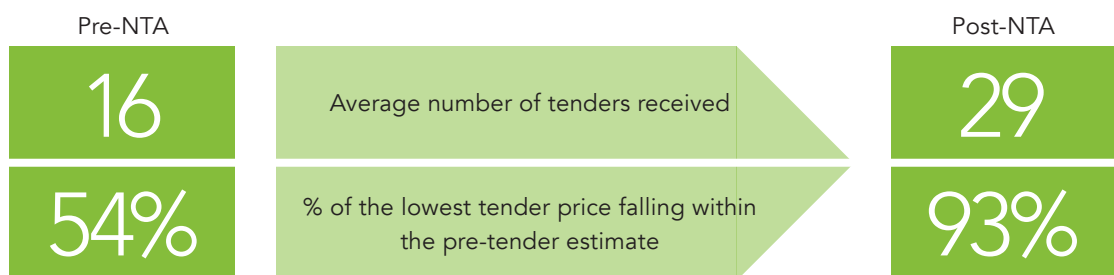
Integrated Building Maintenance Assistance Scheme (IBMAS)

The URA has extended its service area of IBMAS to cover all areas in Hong Kong since July 2015.



New Initiative: "Smart Tender" Building Rehabilitation Facilitating Services

In formulating the "Smart Tender" Building Rehabilitation Facilitating Services (Pilot Scheme), the URA has made reference to the experience gained in the Operation Building Bright where a new tendering arrangement (NTA) has been introduced to ensure a fair, unbiased and competitive tendering process. After implementation of the NTA, there is a substantial increase in both the number of tenders submitted and the number of the lowest tender price falling within the pre-tender estimate.



The "Smart Tender" Building Rehabilitation Facilitating Services (Pilot Scheme) was launched in May 2016 which aimed to provide technical service to the Owners' Corporations of private buildings and reduce the risk of tender rigging at the works procurement stage.

	DIY Tool-kits
	Assessment by independent advisor
	Electronic tendering platform



Revitalisation and pReservation

Prince Edward Road West Preservation Project

A total of 22 acquired units have been renovated and leased out for flower shops, arts, cultural and educational uses. Another 11 units are under renovation.



Different uses of the leased out units

- Flower Shops
- Arts and Culture
- Education
- Social Enterprises
- Under Renovation
- To be leased

Tai Kok Tsui Revitalisation Project

The project involves improvement works to complement the URA's redevelopment and rehabilitation works in Tai Kok Tsui.

Involving **8** streets

Over **70** trees and **70,000** shrubs

Area of **32,500** m²

Preservation and Revitalisation totalling

\$2 billion

(up to 31 March 2016)

31

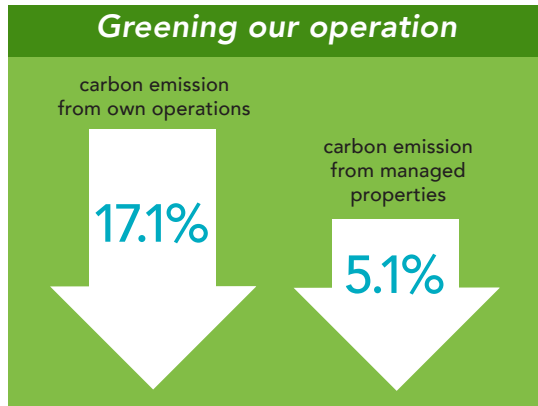
Buildings/structures preserved in URA's preservation and revitalisation projects

25

Buildings/structures preserved in URA's redevelopment projects

Corporate Sustainability

Care for the Environment

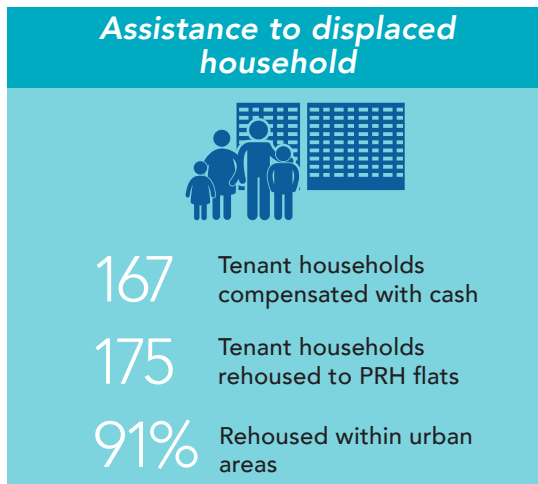


(Figures in 2015/16 compared with 2014/15)

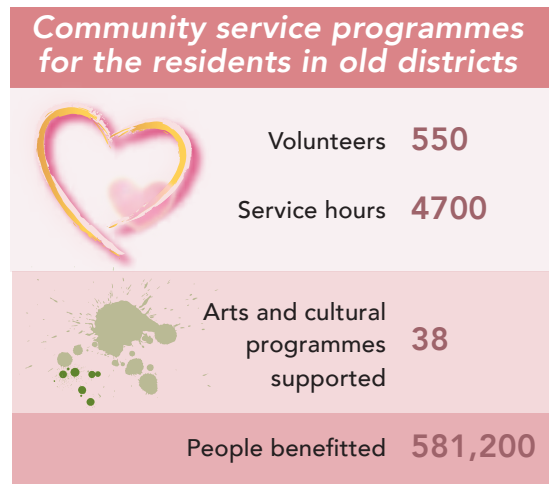


(Based on 12 Projects attaining BEAM Platinum (Final) Rating as of March 2016)

Care for the People

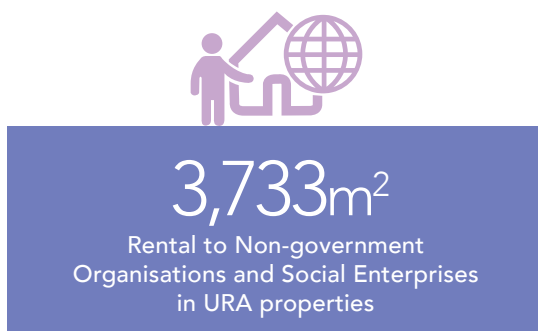


(For projects in progress during 2015/16 financial year)



(as of 31 March 2016)

Diversified Use of Urban Space



(2015/16 financial year)



(2015/16 financial year)

HIGHLIGHTS OF THE YEAR 2015

APR

- Invite expression of interest for the development of Anchor Street / Fuk Tsun Street project in Tai Kok Tsui.
- Hang On Street Demand-led redevelopment project in Kwun Tong attains the stipulated 80 percent threshold for acceptance of conditional acquisition offers.
- Invite tender for the development of Anchor Street / Fuk Tsun Street project in Tai Kok Tsui.
- Land resumption for Demand-led project at Fuk Chak Street / Li Tak Street in Tai Kok Tsui gazetted.



- Organise the completion ceremony of public open space at the Lai Chi Kok Road / Kweilin Street / Yee Kuk Street redevelopment project in Sham Shui Po, which celebrates the historical link with the New Asia College.



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

MAY

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

JUN

- Invite tender for the development of Pak Tai Street / San Shan Road project in Ma Tau Kok.
- Government announces the appointment of Mr Daniel C Lam as URA's Managing Director.
- Award contract for joint development of Anchor Street / Fuk Tsun Street project in Tai Kok Tsui to a consortium consisted of Paliburg Holdings Limited and Regal Hotels International Holdings Limited.
- Report to Legislative Council's Panel on Development on URA's work during 2014/15.
- Introduce Urban Renewal Project Rescue Fund to help the affected residents of redevelopment projects with emergency needs.
- Invite expression of interest for the development of Sai Wan Ho Street project in Shau Kei Wan.



- **Consolidate and enhance the Integrated Building Maintenance Assistance Scheme and extend the service area to the whole territory of Hong Kong.**

JUL

- Government authorises the URA to proceed with the Hang On Street Demand-led redevelopment project in Kwun Tong.
- Award contract for joint development of Pak Tai Street / San Shan Road project in Ma Tau Kok to a wholly-owned subsidiary of Sun Hung Kai Properties Limited.

AUG

- Issue conditional acquisition offers to owners of Ash Street Demand-led redevelopment project in Tai Kok Tsui.



- **Invite tender for the development of Sai Wan Ho Street project in Shau Kei Wan.**

HIGHLIGHTS OF THE YEAR 2015

SEP

- Award contract for joint development of Sai Wan Ho Street project in Shau Kei Wan to a wholly-owned subsidiary of Lai Sun Development Company Limited.
- Invite expression of interest for the development of Hai Tan Street Demand-led redevelopment project in Sham Shui Po.

OCT

- Land resumption for project at Reclamation Street / Shantung Street in Mong Kok gazetted.



- **Ash Street Demand-led redevelopment project in Tai Kok Tsui attains the stipulated 80 percent threshold for acceptance of conditional acquisition offers.**

NOV

- Invite tender for the development of Hai Tan Street Demand-led redevelopment project in Sham Shui Po.
- Invite expression of interest for the development of Kowloon City Road/Sheung Heung Road project in Ma Tau Kok.



- **Kai Tak Flat-For-Flat pilot scheme draws lots for flat selection.**

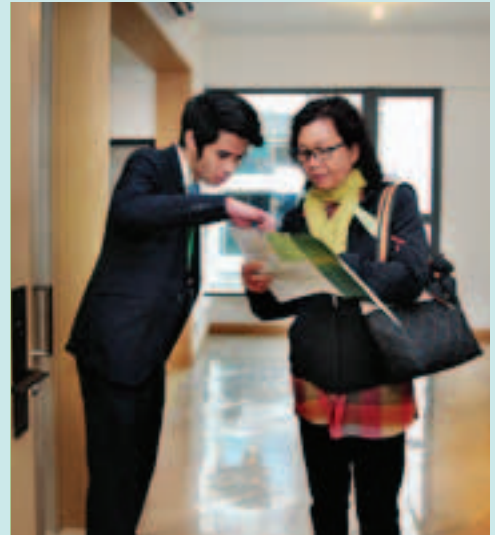
DEC

- URA Board approves application requirements of Subsidised Sale Flat Scheme at its Kai Tak development.
- Invite tender for the development of Kowloon City Road / Sheung Heung Road project in Ma Tau Kok.
- Award contract for joint development of Hai Tan Street Demand-led redevelopment project in Sham Shui Po to a wholly-owned subsidiary of ITC Properties Group Limited.

HIGHLIGHTS OF THE YEAR 2016

JAN

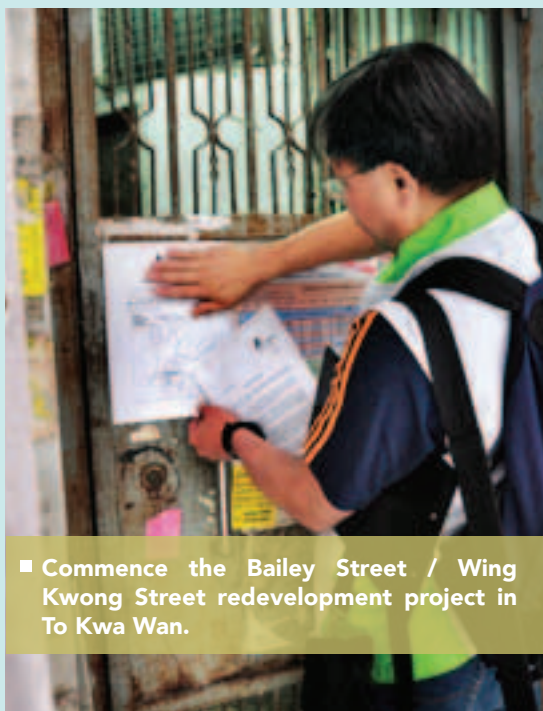
- Land resumption for development project at Castle Peak Road / Un Chau Street in Sham Shui Po gazetted.
- Government authorises the URA to proceed with the Ash Street Demand-led redevelopment project in Tai Kok Tsui.
- Award contract for joint development of Kowloon City Road / Sheung Heung Road project in Ma Tau Kok to a wholly-owned subsidiary of New World Development Company Limited.



- Application opens for Subsidised Sale Flat Scheme Units at Kai Tak development.

FEB

- Application opens for the fifth round of Demand-led redevelopment project (pilot scheme).



- Commence the Bailey Street / Wing Kwong Street redevelopment project in To Kwa Wan.

MAR

- Conduct computer balloting for Subsidised Sale Flat Scheme Units at Kai Tak development.
- Organise an appreciation ceremony to commend the contribution of participants in Community Services Partnership Scheme 2015/16.
- Invite expression of interest for the development of Pine Street / Oak Street Demand-led project in Tai Kok Tsui.

HIGHLIGHTS OF THE YEAR 2016

APR

- Invite tender for the development of Pine Street / Oak Street Demand-led project in Tai Kok Tsui.
- Government announces the new appointments and re-appointments to the URA Board, and also announces the re-appointment of Mr Victor SO Hing-woh as the Chairman of the URA Board.



- Commence sale of flats under Subsidised Sale Flat Scheme at Kai Tak development.



- Launch "Smart Tender" Building Rehabilitation Facilitating Services (Pilot Scheme).

MAY

- The Facilitating Services (Pilot Scheme) to buildings developed under Civil Servants' Co-operative Building Society Scheme opens for application.
- Commence the Chun Tin Street / Sung Chi Street development scheme (KC-008(A)) in Kowloon City and withdraw the KC-008 project commenced in January 2015 due to change of scope.
- Government announces the appointment of Mr Wai Chi-sing as URA's Managing Director, effective 15 June 2016.

JUN

- Award contract for joint development of Pine Street / Oak Street Demand-led project in Tai Kok Tsui a wholly-owned subsidiary of Yau Lee Holdings Limited.
- Report to Legislative Council's Panel on Development on URA's work during 2015/16.



- Commence 3 redevelopment projects in To Kwa Wan, which adopt a District-based approach.



- Host the "Bringing Innovations on Urban Renewal" international conference and the URA 15th anniversary cocktail reception.



- Lee Tung Street / McGregor Street project (The Avenue) is awarded the Gold Award in the 2016 Best Landscape Award for private property development organised by the Leisure and Cultural Services Department.

JUL

- Government announces the appointment of Mr Michael Ma as URA's Executive Director, effective 15 July 2016.



OPERATING REVIEW

Redevelopment

Rehabilitation

pReservation

Revitalisation



REDEVELOPMENT

The year of 2015/16 stands out as being notable for the clearance of eight projects and the award of joint venture tenders to a further five whilst two new projects were launched.

Up until 30 June 2016 a total of 63 redevelopment projects, two preservation projects and one revitalisation project have been commenced by the URA. Excluding those projects which have been terminated, these projects provide around 18,000 new flats, about 400,000 square metres of commercial space including shops, offices and hotels, 54,000 square metres of Government, Institution and Community facilities and about 26,000 square metres of open space.

COMMENCEMENT OF NEW REDEVELOPMENT PROJECTS

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

DEMAND-LED PROJECTS

Ash Street, Tai Kok Tsui

In May 2015, the URA launched the last project under the third round of application under the Demand-led Scheme at Ash Street in Tai Kok Tsui. Built in 1965 on a project site area of around 474 square metres, this single ten-story building is occupied by an estimated 67 households. The project is capable of providing 69 flats and about 392 square metres of commercial space.

The fourth round of application was launched in July 2015. Of the 77 applications received in the fourth round, most were applications from the applicant-owner of one single flat only which failed to meet any of the application requirements. In fact, only one application was able to meet all application requirements. However, after a stringent screening and scoring process conducted by the URA, this application was considered unsuitable for implementation



■ URA staff conducts freezing survey at the Ash Street Demand-led redevelopment project.



■ Poor building condition at the project site.

In view of this, the URA advanced the application for the fifth round of Demand-led Scheme projects in February 2016 and extended the application period to three months. Altogether 19 applications were received by the deadline in May 2016. Applications will go through the stringent screening and scoring process.



■ Artist impression of the District-based approach.



URA-INITIATED REDEVELOPMENT PROJECTS AND DISTRICT-BASED APPROACH

The URA Board has endorsed a new District-based approach in urban renewal which could secure far greater planning and social gains than scattered “pencil block” or other smaller redevelopment projects. This approach will ensure that the URA’s new projects create real impact and are aligned with its overall mission, in particular the URA Ordinance and Urban Renewal Strategy’s (URS) objectives to restructure and re-plan urban areas with more environmentally-friendly transport networks and rationalised land uses. In this connection, a Kowloon City Area Study was conducted by the URA to carry forward recommendations from the Urban Renewal Plan for Kowloon City (the Urban Renewal Plan) submitted by the Kowloon City District Urban Renewal Forum. This includes provision of a communal carpark at one of the redevelopment sites to provide parking and loading/unloading facilities ancillary to the development site and/or redevelopments in the vicinity. With the provision of this communal carpark, piecemeal carpark openings at ground floor level serving redevelopments can be avoided thereby helping to retain existing ground floor shop front and street vibrancy. In order to improve the accessibility and the traffic circulation of the surrounding area in the district, a new through road between the redevelopment projects will be provided.



■ Commencement of three redevelopment projects in To Kwa Wan and the existing view of the projects.



Bailey Street / Wing Kwong Street, To Kwa Wan (KC-009)

The first step on the road to implement the URA's new District-based approach in Kowloon City was made with the commencement of the Bailey Street/Wing Kwong Street project in March 2016. This pioneering project has a site area of around 8,000m² affecting around 980 households.

Hung Fook Street / Ngan Hon Street, Hung Fook Street / Kai Ming Street and Wing Kwong Street Projects, To Kwa Wan (KC-010, KC-011, KC-012)

On 3 June 2016, three more projects were launched simultaneously under the same District-based approach and are located at Hung Fook Street/Ngan Hon Street, Hung Fook Street/Kai Ming Street and Wing Kwong Street. The projects form a cluster immediately to the north of the Bailey Street/Wing Kwong Street project described above. Together, they cover project sites totaling 8,840m² and affect an estimated 1,220 households.

The Hung Fook Street/Ngan Hon Street project was commenced by way of a development scheme under section 25 of the URA Ordinance (URAO) to be submitted to the Town Planning Board as the site includes a communal carpark serving the neighbouring URA project sites. The other two sites at Hung Fook Street/Kai Ming Street and Wing Kwong Street were commenced as development projects under section 26 of the URAO as proposed composite residential/commercial buildings. No carparking is to be provided within these two development projects as their carparking provisions will have been provided by the communal carpark in the Hung Fook Street/Ngan Hon Street project.

Chun Tin Street / Sung Chi Street, To Kwa Wan (KC-008(A))

In January 2015, the URA commenced the Chun Tin Street/ Sung Chi Street project (KC-008). On 6 May 2016, URA decided to withdraw the project and commenced the enlarged Chun Tin Street/Sung Chi Street project (KC-008(A)) covering the same buildings of KC-008 with the inclusion of the existing dead-end Chun Tin Street by way of a development scheme under section 25 of the URAO. The new project KC-008(A) will bring various planning and social benefits including improved pedestrian environment and traffic flow. The scheme also allows better integration with the adjoining Ma Tau Wai Road/Chun Tin Street project in the overall design.

After taking careful consideration of the unique circumstances of the KC-008(A) project and the time that might involve in obtaining the approval from the Town Planning Board, the URA Board has approved a special one-off compensation measure for the affected owners and tenants. In addition, a special one-off rehabilitation package will be offered to affected owners and tenants of KC-008(A) project who elect to stay to provide technical and financial assistance to them for the carrying out of rehabilitation works to their units and building.

CLEARED AND TENDERED PROJECTS

The successful clearance and tendering of project sites in 2015/16 underlines the sustained efforts of the URA to advance its projects.

During the year, the URA completed the clearance of eight projects including Nga Tsin Wai Village and Sites A and C of the Peel Street/Graham Street project both of which had been under acquisition and clearance for some six years. Other projects cleared included Sai Wan Ho Street, Kowloon City Road/Sheung Heung Road and the Demand-led projects at Pine Street/Oak Street, Kowloon Road/Kiu Yam Street, 205-211A Hai Tan Street and Kai Ming Street.

Meanwhile, the joint venture tenders for five projects were awarded namely Sai Wan Ho Street, Anchor Street/Fuk Tsun Street, Pak Tai Street/San Shan Road, Kowloon City Road/Sheung Heung Road and the Demand-led project at 205-211A Hai Tan Street.

REDEVELOPMENT OF INDUSTRIAL BUILDINGS PILOT SCHEME

Two projects have been commenced under this scheme. The first of these two projects is at 12P, Smithfield, which had been terminated in July 2013 following the Secretary for Development's decision not to authorise it for reason of unanimous objection from the owners.

Yu Chau West Street, Sham Shui Po

The second project is at Yu Chau West Street, which comprises a 10-storey industrial building built in 1962 and occupies a site area of 1,393 square metres. Acquisition commenced in 2013 but only about 50% of the property interests have been acquired to date. In view of the slow acquisition rate and the recent significant renovation of the building, the URA is now reviewing the implementation of the project.

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 comprised two rows of over 50-year-old tenement buildings and which affected 350 households. This is the first ever project that the URA has undertaken without private sector involvement as a joint venture partner. Construction works are now well under way.

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. Construction is expected to complete later in 2016 and the pre-sale of flats is in progress.



■ Panoramic overview of Kwun Tong Town Centre project site.

Kwun Tong Town Centre

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

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

 2,300
new flats

 13,000_{m²}
public open space

 31,000_{m²}
GIC facilities

Peel Street / Graham Street, Sheung Wan

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

Construction works for the development at Site B are continuing while demolition works at Sites A and C have commenced in phases to further minimise the impact to the existing street market. The preparation of the Land Grants for these sites is in progress.

Staunton Street / Wing Lee Street, Sheung Wan

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

FACILITATING SERVICES

After over four years of operation, the URA conducted a review of the Facilitating Services (Pilot Scheme) and introduced some refinements whereby the processing time has been shortened by nine months, starting from November 2015. To cater for emerging demands, the quota for handling projects under the Pilot Scheme has also been increased. Up to 31 March 2016, a total of 26 applications for Facilitating Services (25 for residential buildings and one for industrial buildings) had been received. One application was successfully processed and all the property interests were sold by auction, seven applications were being handled and the remaining 18 were either rejected or terminated for failing to reach the required threshold in the course of implementation.

A new pilot scheme to provide facilitating services to building owners in the Civil Servants' Co-operative Building Society Scheme (CBS) and Government Built Housing Scheme (GBHS) has been launched in May 2016. Applications for the Facilitating Services (Pilot Scheme) for CBS and GBHS buildings can be made all year round and will go through a selection process taking into consideration the building condition, planning considerations, financial viability and implementation issues. The URA will offer facilitating services to a maximum of two projects of CBS or GBHS buildings at any one time, while the existing Facilitating Services (Pilot Scheme) for residential, commercial and industrial buildings will remain unchanged.



■ A communal farm at the Kai Tak Development project.



■ The Subsidised Sales Flat scheme commences flat sale and selection.



KAI TAK DEVELOPMENT - SUBSIDISED SALE FLATS

In response to the Chief Executive's 2015 Policy Address requesting the URA to help increase the supply for subsidised sale flats (SSF), the URA identified 338 units in the Kai Tak Development for the SSF scheme. A total of 12,642 valid applications were received during the application period from 5 January 2016 to 21 January 2016. After a balloting exercise held on 2 March 2016 to determine the priority order for flat selection, the applicants were screened for eligibility conditions. Starting from 5 April 2016, those eligible applicants were invited in batches for flat selection and the signing of agreements. 323 SSF units were sold by the closing of the sales period. The units are expected to be handed over to the purchasers during the third quarter of 2016. Subsequently, the URA Board has decided to sell in the open market the unsold SSF units at prevailing market value after 31 December 2016. The Kai Tak Development, which was completed in November 2015, has adopted modest design features and has obtained a provisional BEAM Plus 'Platinum' rating.



REHABILITATION

The URA is now the primary agent in Hong Kong for rehabilitation after taking over the Hong Kong Housing Society's (HKHS) responsibilities under the Integrated Building Maintenance Assistance Scheme (IBMAS) in July 2015. As one of the URA's two core businesses, in 2015/16 the URA continued its rehabilitation efforts through IBMAS and Operation Building Bright (OBB). In addition, technical and financial assistance to building owners were offered under the Mandatory Building Inspection Subsidy Scheme (MBISS).

INTEGRATED BUILDING MAINTENANCE ASSISTANCE SCHEME

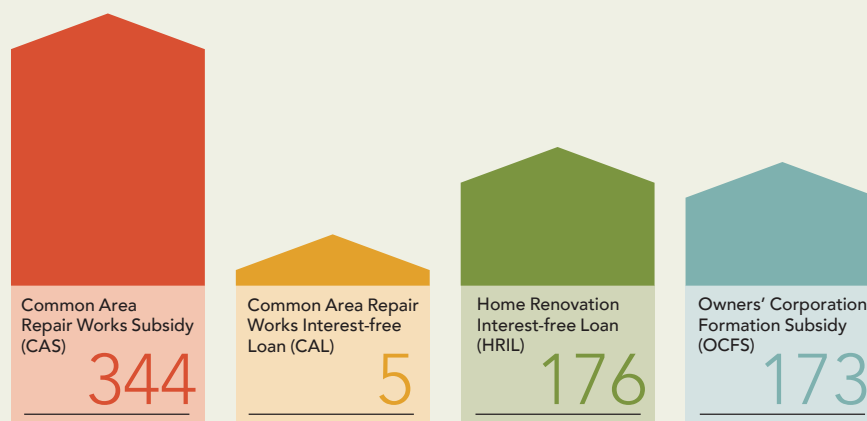
IBMAS has since 2011 amalgamated the assistance schemes previously operated by the URA and the HKHS to promote and facilitate better building maintenance.

The URA's Materials Incentive Scheme (MIS) and Loan Scheme (LS) are now replaced by the Common Area Subsidy (CAS) and the Common Area Repair Works Interest-free Loan (CAL) under IBMAS. From the commencement of the MIS and LS in 2004 up to the end of 2015/16, about 430 buildings (around 29,800 units) have been rehabilitated under the MIS and the CAS under IBMAS, and 242 buildings (around 19,700 units) under the LS and the CAL under IBMAS. Out of the 430 buildings rehabilitated under the MIS and CAS, 66 buildings (around 2,850 units) have been rehabilitated within 2015/16. In addition, there are about 372 Owners' Corporation (OC) being formed under the Owners' Corporation Formation Subsidy (OCFS) of IBMAS. Currently, there are a total of 587 IBMAS cases in progress (477 cases for common area repair works and 110 cases for OC formation).



■ URA assists owners to improve building condition under IBMAS.

NUMBER OF APPLICATIONS RECEIVED IN 2015/16 UNDER INTEGRATED BUILDING MAINTENANCE ASSISTANCE SCHEME



A total of 698 applications under IBMAS within URA's scheme areas are received in 2015/16 financial year.

MANDATORY BUILDING INSPECTION SUBSIDY SCHEME

The subsidiary legislation on the implementation of Mandatory Building Inspection Scheme (MBIS) came into force on 30 June 2012, and the URA duly launched the Mandatory Building Inspection Subsidy Scheme in conjunction with the HKHS on 7 August 2012. Under this Scheme, the URA will assist building owners to arrange the first inspections of buildings within its Rehabilitation Scheme Areas (RSAs) which are subject to inspection notices issued by Buildings Department (BD). Owners of buildings which, on inspection, are found to require rehabilitation may apply for rehabilitation works assistance under IBMAS, with the URA providing a one-stop continual building care service. Up to the end of 2015/16, out of the 1,258 MBIS target buildings located in the URA target areas, 805 have been contacted. From these 805

buildings, 358 applications have been received and approvals-in-principle were granted to 343 buildings. As the MBIS covers all buildings of 30 years old or more, it is expected that there would be an increase in the number of buildings seeking rehabilitation assistance from the URA in the coming years.

 **805**
buildings contacted

 **358**
applications received

 **343**
approval-in-principle granted

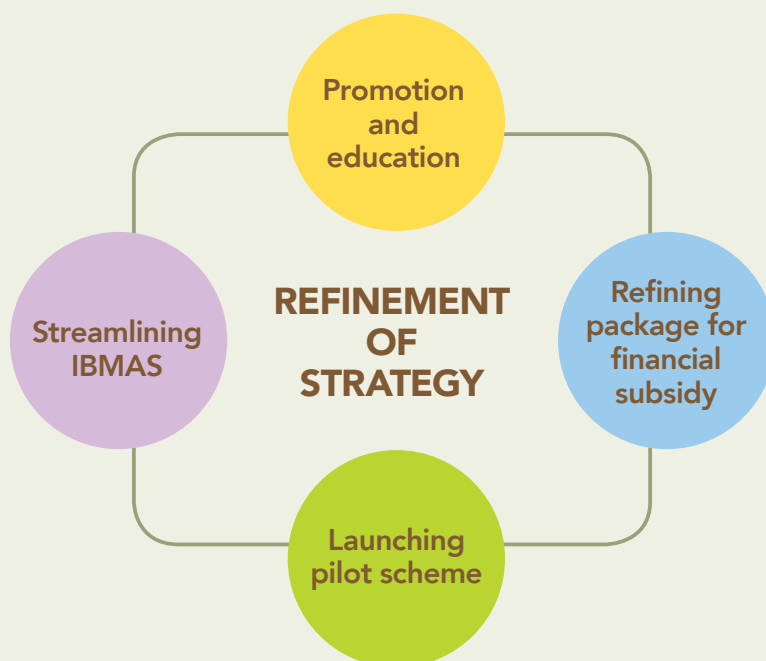
OPERATION BUILDING BRIGHT

The URA has given full support to the Government's Operation Building Bright (OBB) programme since it began in 2009. At the end of 2015/16, 1,340 buildings comprising around 55,100 units out of the 1,420 target buildings within the URA's RSAs had either been rehabilitated or had rehabilitation works substantially completed. Of these 1,340 buildings, 83 buildings (around 6,600 units) had either been rehabilitated or had rehabilitation works substantially completed within the financial year of 2015/16. OBB has raised owners' awareness of the need for rehabilitation as well as created employment opportunities, which was one of the original objectives of the scheme. Through conscientious efforts and collaboration with the Independent Commission Against



■ Over 1,300 buildings within URA's service areas are benefited under OBB.

Corruption (ICAC) and 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. Since the introduction of these guidelines and procedures, the average number of tender returns and the proportion of submitted tendering costs falling within our independent consultants' estimates have both increased by over 50%. Since early 2013, relatively costly bids submitted for rehabilitation work have resulted in lengthy discussions amongst owners, price negotiations and even the need for re-tendering, thereby delaying OBB work commencement with completion likely to stretch beyond 2016.



BUILDING REHABILITATION STRATEGY REVIEW

The URA Board decided on 21 October 2014 to refine the URA's strategy in promoting and facilitating building rehabilitation. These refinements better utilise our resources to assist the most needy owners after the expansion of the URA's IBMAS to cover the whole territory with effect from 1 July 2015. The major refinements included increasing emphasis on promotion and education, streamlining the IBMAS, refining the package for financial subsidy and launching various pilot projects such as the new Building Rehabilitation Facilitating Services (Pilot Scheme).

Starting from early June 2015, a series of briefings on the details of the consolidation and refinements of IBMAS after 1 July 2015 have been conducted by URA staff and our partnering non-governmental organisations in our District Advisory Committees, in different local communities, as well as for the relevant stakeholders and district officers of the Home Affairs Department. Related promotional activities were also launched from 1 July 2015.

The "Building Rehab Info Net" - www.buildingrehab.org.hk website was launched in January 2014 to serve as a one-stop e-platform for building owners as well as building professionals and contractors to access comprehensive building rehabilitation-related information. Since its launch, the website has recorded over 56,000 visits up to the end of March 2016. The Phase 3 enhancement of the Building Rehab Info Net was launched on 2 July 2015.



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


BUILDING REHABILITATION FACILITATING SERVICES (PILOT SCHEME)

In May 2016, the URA launched the “Smart Tender” Building Rehabilitation Facilitating Services (Pilot Scheme) which aims to provide technical service to the OCs of private buildings and reduce the risk of tender rigging at the works procurement stage. The Pilot Scheme is an initiative introduced in response to the Policy Address of the Chief Executive in 2016. It seeks to help building owners procure contractors independently to carry out rehabilitation works through the following three services:

- a) A **DIY tool-kit**, which includes the guidelines, standard contracts and helpful tips, will be provided to guide participating OCs in the procurement of consultants and contractors to undertake the building rehabilitation works;
- b) An **independent advisor** will be arranged to offer professional and technical advice at different stages of the maintenance and repair works and to give an assessment on the market price of the tender;
- c) An **electronic tendering platform** for participating OCs to issue tender documents to contractors registered in the platform. Tender documents will be received with the identity of bidders being kept anonymous until the tenders are opened by Certified Public Accountants to reduce the risks of manipulation and interference in the tender procedures.

The requirements for joining the scheme are as follows:

- a) Multiple owned private residential buildings aged 30 years or above;
- b) With an average Rateable Value of residential unit not exceeding \$300,000 per annum and \$160,000 per annum for properties in the urban areas (including Shatin, Kwai Ching and Tsuen Wan) and the New Territories respectively;
- c) An owners’ association has been formed; and
- d) Application must be submitted before the appointment of the maintenance works consultant.



Four preserved pre-war buildings in the Yu Lok Lane redevelopment project.

REVITALISATION AND PRESERVATION

The URA is committed to preserving buildings, sites and structures of historical, cultural or architectural value. With considerable effort put during the year 2015/16, the preservation and revitalisation work has enjoyed solid progress.



■ The project retains and preserves the character defining elements in pre-war historical buildings.



■ Entering its third year, "Comix Home Base" has become a popular attraction in the community.

REVITALISATION

Wanchai

The Hong Kong Arts Centre is now operating the "Comix Home Base" at the Mallory Street/Burrows Street revitalisation project which provides a platform for local and international art exchange. Since the project's official opening in July 2013, the "Comix Home Base" has become a popular attraction. The URA has retained ownership of the project and will continue to oversee its operation. Highlights during the year included the Sound Art Exhibition by Le French May, the Comix Exchange series involving crossover exhibitions of comics with other art forms and various street music, art workshop and film events using the public open space.



Central Market

The URA Board has approved a simplified version of the revitalisation scheme to provide diversified uses for public enjoyment at a significantly reduced complexity and construction period. The projected cost will be around \$680 million. The Town Planning Board approved the new scheme with conditions in March 2016. An Ad-hoc committee has been formed under the URA Board in January 2016 to take forward the implementation of the project.



■ Artist impression of Central Market revitalisation scheme.

STREET BEAUTIFICATION

Mong Kok

The URA is enhancing the local characteristics of five themed streets, namely Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street involving streetscape improvement to enhance their unique characteristics and ambience. The improvement works at Flower Market Road have been completed. The implementation of the improvement works at Tung Choi Street will be proceeded with after completion of gazettal procedures taking into account the revised improvement scheme. Improvements for Sai Yee Street and Fa Yuen Street would be coordinated with the URA's Sai Yee Street redevelopment project now under construction. Meanwhile, the URA will liaise with Government departments on the design approach for the Nelson Street improvements.

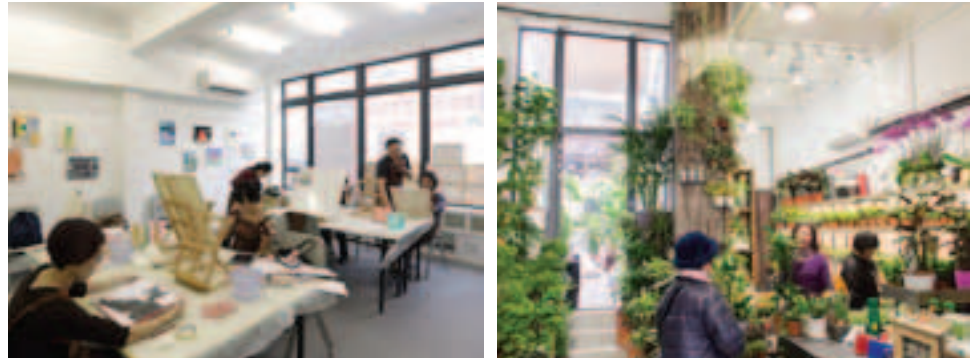


■ The Tai Kok Tsui revitalisation project covers eight streets.

Tai Kok Tsui

Following the completion of the Phases 1 and 2 improvement works along Beech Street and the Cherry Street roundabout, the Phase 3 streetscape improvement works covering several streets in Tai Kok Tsui are progressing well. Packages 1 and 2 of the Phase 3 works covering mainly Fuk Tsun Street, Tai Kok Tsui Road, Fir Street and Larch Street were completed in the third quarter of 2013 and the first quarter of 2016 respectively, while the package 3 works covering Beech Street, Pine Street and Ivy Street will commence in early 2016-17.

PRESERVATION



■ Renovated flats in Prince Edward Road West preservation project are leased out for flower shops, arts, cultural and educational uses.

Shophouse Preservation Projects

For the Prince Edward Road West project, the acquired units have been renovated and leased out for flower shops, arts, cultural and educational uses. The renovation work for all Phase 2 units has been completed while the renovation works for units under Phase 3 have commenced.

Following General Building Plan approval from the Building Authority, the demolition of buildings at the Shanghai Street/Argyle Street project is now complete and foundation works have commenced. The preserved shop-houses will be for restaurant and retail uses to reflect the local character and to meet local needs.

Western Market

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



CORPORATE SUSTAINABILITY

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

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

CARE FOR THE ENVIRONMENT

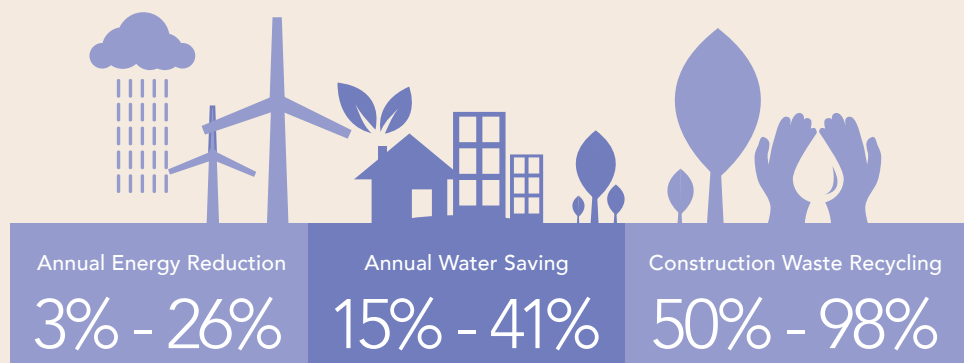
Greening Our Operation

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

In 2015/16, carbon emissions from our own operations have achieved a year-on-year reduction of 17.1% while the Energy Use Intensity (EUI) has decreased from 91.4 to 76.1 kWh/m² (note: our own operations take place in a mix of properties with central air-conditioning provided separately, those with only tenant lighting and

power, as well as whole buildings), equivalent to 16.7% reduction. On the other hand, carbon emissions from our managed properties have decreased by 5.1%. Continued environmental measures, e.g. using energy efficient system and green purchases, will be implemented in the coming year.

While climate change is a key global environmental issue, waste management is also a pressing local issue. Therefore, the URA has participated in the Hong Kong Awards for Environmental Excellence's (HKAEE) WasteWi\$e Labelling Scheme in the 2015/16 fiscal year to raise awareness among our colleagues and to introduce additional waste management measures. By meeting four of the goals covering reduced resources consumption and waste recycling, the URA has received the provisional Good Class label.



(Based on 12 Projects attaining BEAM Platinum (Final) Rating as of March 2016)



■ 12 projects including Park Metropolitan, Lime Stardom and Trinity Towers have achieved the Hong Kong BEAM Platinum (final) rating.

Promoting Green Buildings

The URA is aware that our impacts on the environment are not limited to those resulting from our own operations and managed properties. In fact, the impacts associated with our urban renewal projects are more substantial and far-reaching. Therefore, high environmental standards have continued to be imposed on both our self-developed projects and projects that are implemented through joint ventures. In 2015/16, one more redevelopment project has achieved the Hong Kong BEAM Platinum (final) rating after construction completion, making a total of twelve projects with Platinum rating thus far. Setting a high green building standard for these twelve projects has motivated the respective designs to optimise the 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.

Green buildings are also promoted through rehabilitation. With effect from 1 July 2015, the URA introduced the Green Item Subsidy (GIS) under the "Common Area Repair Works Subsidy" to encourage property owners to use environmentally-friendly building materials and to install energy-saving facilities when carrying out building maintenance and repair works, with an aim to assist building owners to enhance their living environment in a more environmentally-friendly manner. In view of this new initiative, the URA received an award of "Outstanding Corporate Social Responsibility – HKGBC Green Product Accreditation and Standards (HK G-PASS) (Statutory Body) from the Hong Kong Green Building Council in early 2016.

CARE FOR THE PEOPLE

Assisting Displaced Households

Redevelopment is more than just renewing the building stock but about improving the living standards of the displaced households. A majority of the buildings in our redevelopment projects are severely dilapidated with safety hazards and hygiene problems. During 2015/16, acquisition offers were made to owners of 78 property interests. The cash compensation and ex-gratia payment enable affected owner-occupiers to purchase premises that are in better condition than their existing ones. A flat-for-flat option is also available for the owner-occupiers of domestic properties.

On the other hand, tenants were offered cash compensation or rehousing to public rental housing (PRH) flats, if eligible. The patience and compassion of the URA staff involved in the rehousing arrangement were rewarded with a number of commendation letters in 2015/16 from the beneficiaries from several redevelopment projects including Pine Street/Oak Street, Reclamation Street/Shandong Street, Tonkin Street/Fuk Wing Street and Castle Peak Road/Un Chau Street etc.



(For Projects in progress during 2015/16 financial year)

Stewarding Rehabilitation

As of 2015, over 5,500 buildings more than 30-years old are in poor and varied conditions. In order to empower the community to tackle the problem of aging buildings, the URA staff have established trust with the building owners through providing professional advice and technical support. The personal assistance is valued as much by the building owners as the financial assistance provided through the rehabilitation schemes.

Accommodating the Underprivileged

While we have taken a caring approach when delivering our core businesses of redevelopment and rehabilitation, we also identified other opportunities to help people in need with our available resources. We have extended the offering of some renovated flats of the acquired properties at Wing Lee Street and Staunton Street to non-governmental organisations (NGOs) and Social Enterprises (SEs) including the Hong Kong Federation of Youth Groups, Light Be, and International Social Service (Hong Kong Branch) so that they can arrange short-term accommodation for underprivileged groups such as single-parent families and needy youths.



■ Community Service Partnership Scheme offers a variety of programmes to serve the residents in old districts.

Reaching Out with Our Partners

Our care for the people extends beyond our urban renewal works. We bring love and care to the residents of old districts through a series of programmes under the Community Service Partnership Scheme (CSPS), which is a collaboration among the URA, universities and social service organisations. In 2015/16, we have partnered with seven tertiary institutions and NGOs to serve the underprivileged children, senior citizens and mentally-challenged people. Since the launch of CSPS in 2012, some 4,700 service hours have been achieved by about 550 volunteers comprising URA staff and university students, benefitting some 1,200 people.

An appreciation ceremony was held by the URA to recognise the contribution of volunteers over the past year, while giving an opportunity to the volunteers and grass-roots families to paint a 15-metre long mural painting at Comix Home Base in Wanchai to mark the URA 15th Anniversary.

ENGAGE THE COMMUNITY

Inspiring the Young People

The URA needs the concerted efforts from the society to tackle urban decay in a sustainable way. Through collaboration and partnership programmes with various organisations, we have reached out to the community and schools to introduce URA's work and the significance of urban renewal to the general public and youngsters.

During the year, a wide range of programmes have been organised for the young people, such as guided visits to the Urban Renewal Exploration Centre, docent tours of old urban areas and URA's projects, talks, roving drama workshops for primary schools, inter-school drama competition for secondary schools, the "Urban Renewal Class in Action" outreach programmes and touring of a roving education vehicle to schools. Besides, the online tools, namely Urban Renewal Web Academy and Urban Renewal City Fun mobile app, have provided teachers and students with instant information of urban renewal for experiential learning. We have also collaborated with NGOs and professional bodies to promote better understanding of urban renewal.



■ The education and outreach activities help promote urban renewal to young people in an interactive way.



■ URA supports various art and cultural programmes to enrich the quality of living for residents in the old urban districts.

Integrating Community Arts and Culture

Neighbourhood is more than its physical environment. It is the local culture and characteristics that give its identity. An appreciation of the local arts and culture will allow for a deeper understanding of the community while enriching their quality of life. In view of this, the URA has implemented the “Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme” (ACPP) for nearly five years, supporting non-profit organisations to organise various arts and cultural programmes for the benefits of people living in old urban districts in enhancing their living quality. As of end of March 2016, ACPP has supported 38 arts and cultural programmes, benefitting about 580,000 people in old urban areas.

DIVERSIFIED USE OF URBAN SPACE

As a mission-driven organisation, the URA sees its role to catalyse the development of a sustainable built environment to serve the community and that goes beyond green buildings. Over the years, as far as practicable we have endeavoured to include open space and community / institutional areas in our moderate to large scale projects. Our redevelopment projects in various districts have provided easily accessible institution and community facilities including residential care homes for elderly, youth centres, day nurseries, health centres, markets, cooked food centres and an indoor stadium.

To embrace more diversified uses of the urban space, the URA has allocated properties to serve for social purposes, such as the Mallory Street revitalisation project to promote local comics culture, the Prince Edward Road West preservation project to provide a supporting hub for SEs, and the Urban Renewal Resource Centre at Fuk Tsun Street to provide mediation facilities. During 2015/16, the URA has continued to render more properties for concessionary tenancy to NGOs and SEs both in our acquired properties and dedicated preserved historical buildings, e.g. Hong Chi Association, Association of the Hong Kong Central and Western District Limited, Hong Kong Federation of Youth Groups, Light Be, International Social Service (Hong Kong Branch), Social Venture Hong Kong and New Life Charitable Foundation.

The 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. With the URA’s assistance and support, 114 events have been staged at venues operated by the URA and its joint-venture partners such as Central Market, the Urban Renewal Resource Centre, Citywalk and Western Market.

One Team One Goal

BUILD AN
EFFECTIVE
AND
SUSTAINABLE
WORKFORCE

Building Our Capacity

Our staff members are our key stakeholders. Without a dedicated and competent team, the URA cannot sustain its urban renewal efforts. During the year, the number of training hours per employee exceeded 24 hours, an increase of 19% compared to 2014/15 and 36% higher than the industry average, reflecting the URA's commitment to a learning culture. Addressing the need to build effective teams for aligned objectives and collaborative working relationships, a 'One Team One Goal' teambuilding workshop was organised for managerial staff and above. The workshop shared the aligned vision, mission and strategic priorities to maximize our value creation for society.

Mapping out the Core Competencies for Succession Management / Performance Management and Training & Development

Subsequent to the revamp of core competencies for directors, general managers and senior managers, the core competencies and attributes for managers and below were reviewed and redefined. This complete set of core competencies defined the knowledge, skills and attitude for different staff levels to achieve set objectives. The new core competencies also enable the identification, evaluation, training and development of desirable employee behaviour.

Attracting, motivating and retaining the right staff

To ensure competitive remuneration offered to attract, motivate and retain the right staff to support our mission, a consultant was engaged to conduct a comprehensive remuneration review for all jobs of the Authority. A new grading structure with fewer levels was recommended and approved for implementation. To facilitate cross divisional communication and collaboration under the new organisation structure, office accommodation was reviewed with office layout modifications and relocations implemented for efficiency.



■ Training programmes equip staff with ability and mindset to build effective teams.

Planning Ahead

With persistent demands from the community and rising expectations from external stakeholders, our staff face more challenges daily. In Hong Kong's tight labour market, the need for effective measures to attract, retain, train, develop and motivate the right talent has never been as high.

To cater for the changing operating environment and incorporating the new core competencies requirements into the training curriculum for staff at different levels, a new series of management training programmes, communication and developing oneself programmes will be launched in the coming year. These programmes will enhance individual knowledge, skills and attitude in line with identified profiles of success, and aid talent assessment and development.

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

Furthermore and building on the successful pilot run experience with one division in 2014/15, Work Improvement Teams will be launched across the whole organisation to promote a continuous improvement culture within the Authority.

The URA has gone through a number of organisational changes in recent years. Data on employee engagement and feedback from URA staff will be collected through an Employee Engagement Survey to identify areas of best practice of URA and the concerns of its workforce.



MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT POSITION

Up until 30 June 2016, the URA has implemented 59 redevelopment projects, two preservation and one revitalisation projects on top of 10 on-going projects that it took over from its predecessor the Land Development Corporation (LDC). Of these projects twelve are now completed and the remaining projects are under planning, acquisition or construction.

At this time, urban renewal in Hong Kong faces a dilemma. The sobering truth is that over 9,000 buildings are now over 50 years old and over a third of these are in deteriorating or poor condition. Increasingly though, many of these aging buildings have already used up all or the bulk of their development potential with little or no room for plot ratio gains, hence they are not attractive to private developers. As a result, URA projects confront not only development risks but also potential resistance from occupiers and concern groups which can lengthen the project programme. The record of these 59 URA projects shown below is nevertheless noteworthy as witnessed by the scale of urban decay being addressed and the consequent benefits afforded to people in projects who are rehoused and the facilities created for new communities and the public good.

Run down urban area improved	Population benefiting from projects	New commercial gross floor area
17.1 hectares	27,000	400,000 m ²
Dilapidated buildings redeveloped	New domestic gross floor area	New GIC floor space
710 buildings	950,000 m ²	54,000 m ²
Rehoused / compensated households	New flats	New open space
12,000	18,000	26,000 m ²

Note: the above figures exclude the 10 projects taken over from the LDC

CHALLENGES AND OPPORTUNITIES

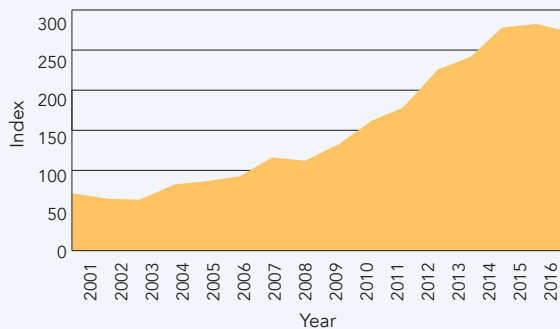
A key concern during the year was the risk posed to the value of the URA's properties under development in the event of a property market downturn. The URA mitigated this risk by targeting the clearance and tender of five projects under each of these two project stages.

Ultimately, we were able to exceed our target by clearing altogether eight projects. Two of these cleared projects namely Nga Tsin Wai Village and Peel Street/Graham Street project had been painstakingly for the past several years. We also met our tender target of five projects. These tenders helped reduce the value and market exposure of properties under development. Such actions were timely as in the context of a slowing economy the multi-fold increase in the property market is now showing signs of reversal (see Figure 1). In fact, developers have already shown caution over the past few years in bidding for URA sites as the accommodation value of our projects at acquisition, where

the ‘seven year rule’ under the Home Purchase Allowance is applied, remains around \$9,000 per square foot whereas at tender they have realised only \$6,000 per square foot. Construction costs meanwhile, have still continued their upward march in 2015/16, albeit at a slower pace (see Figure 2).

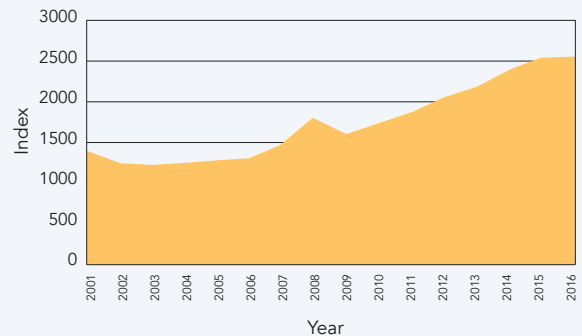
Over the year, we have been watching the effects of the recently refined strategies for the Facilitating Services (Pilot Scheme) and the Demand-led (Pilot Scheme) which were first initiated following the issue of the Urban Renewal Strategy in 2011 and designed to harness the collective willingness of owners to help initiate urban renewal themselves. The impact of these initiatives remains modest bearing in mind the efforts applied.

Figure 1: Private Domestic Price Index
May 2001 - May 2016 - All Classes*



*HKSAR Government, Rating & Valuation Department, Hong Kong Property Review Monthly Supplement, June 2016.

Figure 2: Quarterly Construction Tender Price Index 2001 - 2016*



*Rider Levett Bucknall Quarterly Construction Cost Update, June 2016.

District-Based Approach

Now and in the coming years, the URA is seeking to optimise the potential from larger clusters of dilapidated buildings in need of redevelopment which can achieve more meaningful benefits from urban renewal with planning for a more community-friendly environment with a refined urban grid and appropriate land use. The Operating Review of this report introduces the District-based approach and details several projects in To Kwa Wan which have recently been commenced under its scope.

It is important that the District-based approach brings with it alternative development outcomes which give a tangible expression to people-first urban renewal by designing with the community in mind. Priority is given to pedestrian circulation and walkability with the creation of new streets whilst retaining parts of the original urban fabric and street shop fronts in the neighborhood to maintain the vibrancy of local streets. The provision of a communal underground car park in one of the project sites serving the local community avoids car park entrances at individual developments further enhancing the local street vibrancy. Circulation is improved by opening new north-south linkages to expand accessibility within the area and to the new Ma Tau Wai MTR station.

REHABILITATION

The URA has a widening responsibility for rehabilitation as one of its core businesses together with redevelopment. While the Government's Operation Building Bright (OBB) to which the URA contributed significant staff and resources has been winding down, the URA's services under the Integrated Building Maintenance Assistance Scheme (IBMAS) have since July 2015 been made available throughout Hong Kong. Whilst recognising that owners are responsible for the maintenance and repair of their building, the frequent lack of financial means, organisation and awareness by owners are persistent hurdles to rehabilitation. The URA is confronting these obstacles by exploring alternatives to pursue urban renewal more effectively and efficiently.

Enhanced Rehabilitation By "Retrofit"

For those buildings with little scope for any further increase in plot ratio and gross floor area and which encounter particular difficulties in accessing current rehabilitation schemes, one way forward is to instigate rehabilitation more proactively. Owners would be engaged to ascertain their needs and the consent of the Owners' Corporation (OC) would be sought to identify and make suitable improvements. Such improvements could address structural matters, barrier free access including the retrofitting of lifts, facade treatments fire services, energy efficiency and greening.

Facilitating Rehabilitation Through "Smart Tender"

The "Smart Tender" Building Rehabilitation Facilitating Services (Pilot Scheme) is another potentially effective measure which aims to provide technical services to the OCs of private buildings and reduce the risk of tender rigging at the works procurement stage. Launched in May 2016, the Pilot Scheme is an initiative introduced in response to the Chief Executive's Policy Address this year. It seeks to help building owners procure contractors independently to carry out rehabilitation works and the URA is already receiving applications.

PRESERVATION AND REVITALISATION

Section 5 of the URS sets out the Authority's mandate in '*preserving buildings, sites and structures of historical, cultural or architectural value.*' The URA has implemented ten projects under the URAO which contain buildings for preservation or revitalisation. Three of these projects are dedicated preservation or revitalisation projects whereas the preserved buildings form part of a larger redevelopment project site in the seven other projects. Two preservation projects are being actively implemented. Acquired units in the Prince Edward Road West preservation project have been renovated and leased out for various uses including social enterprises. We are working to clarify how to proceed with this project where the acquisition of certain interests is problematic. For the Shanghai Street/Argyle Street preservation project, new building works to be integrated with the retained shophouse cluster are underway.

The Central Market revitalisation which commenced in 2009 is another initiative involving a historic building. A simplified version of the revitalisation scheme has been approved by the Board at a significantly reduced cost. The project is now moving towards implementation under the watchful eye of an Ad-hoc committee set up by the Board.

HUMAN RESOURCES

Arising from a training needs analysis conducted previously together with a new training curriculum, staff training hours per employee increased by 19% compared with the previous year. Furthermore, a 'One Team One Goal' teambuilding workshop for managerial staff shared the URA's aligned vision, mission and strategic priorities.

Having set the core competencies for senior management in the previous year, it was the turn of managers and below in 2015/16. The core competencies reflect the critical attributes required for employees to perform well and these competencies were built into recruitment, selection, leadership development, performance management and succession management.

To attract, motivate and retain competent staff, a consultant conducted a comprehensive remuneration review for all jobs in the Authority and a new grading structure was recommended and approved to be implemented.

To contain our manpower cost which was growing with our headcount increase in the past three years, efforts were made at containment through a recruitment freeze. A headcount reduction of 7.7% was achieved in the year.

In the coming year, to cater for the changing operating environment and new core competencies, a new series of management training programmes for staff at different levels will be launched. In addition, building on a successful earlier pilot run, Work Improvement Teams will be launched across the whole organisation to promote a continuous improvement culture within the Authority. The recruitment freeze will continue in the coming year to contain manpower cost.

OUTLOOK

With the recent launch of a number of sizeable projects under the District-based approach, more projects for commencement in the pipeline, as well as several projects programmed for clearance and tender to joint venture partners, it will be another industrious year ahead. We will of course encounter hindrances and obstacles to be overcome in our work whilst responding to changes in our operating environment, the economy and wider community. As we take new directions and an innovative approach in delivering urban renewal, we will still keep a close eye on the application and results of our committed policy initiatives.

FINANCIAL REVIEW

(I) REVIEW OF 2015/16 RESULTS

(a) Revenue

The revenue for the year ended 31 March 2016 was \$7,422 million which comprised of upfront payments from tendered projects and share of surplus from jointly controlled development projects. The amount is lower than the revenue of \$9,904 million in 2014/15 by \$2,482 million. Although six redevelopment projects were tendered during the year, the total site area was 4,926 m², compared with the total site area of 30,862 m² from the five redevelopment projects tendered in 2014/15 hence resulted in the lower upfront payments for the year.

The share of sales proceeds from jointly controlled development projects of \$4,450 million in 2015/16 (2014/15: \$736 million) were revenue from projects where the sales proceeds exceeded the thresholds stipulated in the development agreements. The projects contributed to the surplus during the year mainly included projects with development agreements executed in prior years.

(b) Other income

Of the \$158 million (2014/15: \$195 million) in other income for the year, \$149 million (2014/15: \$158 million) was interest income from the investment portfolio managed in house, which included bank deposits and fixed income products, with an average yield of 1.35% p.a. (2014/15: 1.72% p.a.). Other income included rental income from certain properties retained by the URA and gains on the investment portfolio net off by the foreign exchange loss.

(c) Administrative and operating expenses

Administrative and operating expenses mainly covered staff costs, accommodation costs and depreciation charges. Administrative expenses before depreciation for the year 2015/16 was \$400 million (2014/15: \$405 million), with the decrease largely resulting from cost control measures undertaken whenever possible. The depreciation charge for office capital expenditure and properties for own use was \$50 million (2014/15: \$44 million) for the year.

The staffing level was reduced from 561 in 31 March 2015 to 521 in 31 March 2016 resulting from recruitment freeze to enhance cost effectiveness and efficiency of manpower investment and to ensure the growing staff cost be contained. Of the 521 staff, 16 (31 March 2015: 22) were employed on contracts of less than three years.

(d) Provision for impairment on properties and committed projects

Based on the accounting policy detailed in Notes 2(g) and 2(m) to the financial statements, provision for loss for a project, if necessary, is made during the year. Provision for loss of \$764 million was made in 2015/16, the amount of which included new provision of \$790 million on two demand-led projects offset by net write back of provision of \$26 million on the other previously provided projects. Of the two demand-led projects, one is located in Kwun Tong and the other one is located in Tai Kok Tsui. The provisions were necessary mainly due to the high acquisition costs, the limited plot

ratio gain and the increase in construction costs which result in lower estimated upfront payments expected on the projects.

(e) Surplus for the year

For the year 2015/16, the URA recorded a net surplus of \$4,451 million, reflecting an increase of \$3,375 million compared to the \$1,076 million net surplus for the year 2014/15. The 2015/16 revenue included both upfront payments from tendered projects and surplus from joint development projects with a loss provision of \$764 million as provisions for loss mainly on two demand-led projects for the year. Before the provision for impairment on properties and committed projects, the surplus in 2015/16 was \$5,215 million in comparison with \$1,779 million reported in 2014/15.

(II) FINANCIAL POSITION AT 31 MARCH 2016

(a) Properties under development

Properties under development as at 31 March 2016 was at \$20,199 million (31 March 2015: \$20,984 million), representing the acquisition and development costs for projects. This sum comprised of thirteen projects under various states of implementation. The aforesaid value was off-set against the cumulative provision for loss totalling \$4,765 million (31 March 2015: \$4,695 million), resulting in a net value of \$15,434 million (31 March 2015: \$16,289 million). The decrease in the net value was mainly due to certain projects being tendered during the year.

During the year, upon the completion of Kai Tak Development, land premium and construction costs totalling \$2,418 million was transferred from “properties under development” to “properties held for sale”. In response to the Chief Executive’s 2015 Policy Address requesting the URA to help increase the supply of subsidised sale flats (SSF), the URA identified 338 units in the Kai Tak Development for the SSF scheme. The sales process started in January 2016 and the purchasers are expected to complete the purchase by August 2016.

(b) Cash and bank balances

As at 31 March 2016, the URA’s cash and bank balances and the fair value of the funds managed by the investment manager and in-house totaled \$13,856 million (31 March 2015: \$12,626 million).

The URA placed the surplus cash on short-term deposits with a number of financial institutions. The URA also invested in bonds of the required credit rating in accordance with the investment guidelines as 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.

The cash position, off-set by the borrowings of \$3,285 million (31 March 2015: \$4,582 million) mentioned in paragraph II (c) below, resulted in the net cash position including the fair value of the financial assets at 31 March 2016 of \$10,571 million (31 March 2015: \$8,044 million).

(c) Debt securities issued

The URA is rated AAA by Standard & Poor's. As at 31 March 2016, the outstanding debt securities issued by the URA was \$3,285 million under the US\$1,000 million Medium Term Note (MTN) Programme.

(d) Net assets value

The URA's net assets value as at 31 March 2016 was \$29,464 million (31 March 2015: \$25,013 million), representing the Government's capital injection of \$10,000 million (31 March 2015: \$10,000 million) and an accumulated surplus of \$19,464 million (31 March 2015: \$15,013 million).

The financial highlights of the past ten years are summarized on page 107 of this Annual Report.

(III) CAPITAL INJECTION, AND TAX EXEMPTION

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

(IV) WAIVER OF LAND PREMIA BY THE GOVERNMENT

The Government waives the land premia for redevelopment sites granted to the URA. For 2015/16, the land premia waived by the Government on seven land grants amounted to \$940 million. Since May 2001, a total of 33 land grants have been waived in respect of all the tendered projects with aggregate land premia totalling \$15,231 million.

Without this waiver, the URA's net surplus for 2015/16 of \$4,451 million for the year would have been lowered by \$940 million to \$3,511 million; its accumulated surplus as at 31 March 2016 would have been lowered by \$15,231 million to \$4,233 million; and its net assets value as at 31 March 2016 would have been decreased to \$14,233 million.

(V) FINANCIAL RESOURCES, LIQUIDITY AND COMMITMENTS

As at 31 March 2016, the URA's net cash position, including the fair value of the funds managed by the investment manager and in-house totaled \$10,571 million. At the same date, the URA's accruals and estimated outstanding commitments to the commenced projects, together with the construction cost on projects based on the valuation carried out by the URA's in-house professionals, stood at \$9,971 million.

In addition to the US\$1,000 million MTN Programme mentioned in paragraph II (c) above, the URA maintained \$360 million and \$700 million in committed and uncommitted bank facilities as at 31 March 2016. Securing the external funding and the credit facilities ensured the URA would have sufficient financial resources to carry out its urban renewal programme as planned.

When implementing its urban renewal programme, the URA is necessarily exposed to financial risks arising from property market fluctuations. Individual projects, with various development potentials, are tendered out at different times during property cycles after the site clearance. Subject to the market conditions prevailing at the time of tender submission, the upfront payments may be higher or lower than the URA's acquisition costs. As at 31 March 2016, the total costs of properties under development was \$20,199 million.

The URA estimates a total cash outlay of about \$34,000 million, excluding operational overheads, will be required in the next five years to meet the costs of both its currently outstanding commitments and its forthcoming expenditure for the implementation of the projects. This expenditure covers the URA's work in redevelopment, rehabilitation, preservation and revitalisation. It should be noted that the expenditure may vary subject to the level of interest shown in the various initiatives, including the demand-led redevelopments, the Flat-for-Flat arrangements, the expanded programme of building rehabilitation and other additional initiatives.

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

PROJECT HIGHLIGHTS

					Site Information before Development				Project Development Information			
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
1 to 44 - 44 still ongoing URA projects commenced by URA												
1 ⁽⁵⁾	KC-012	Wing Kwong Street	2016-17	June		1,258	5,023	7	295	207	10,530	8,775
2 ⁽⁵⁾	KC-011	Hung Fook Street / Kai Ming Street	2016-17	June		2,635	12,628	12	785	400	21,960	18,300
3 ⁽⁵⁾	KC-010	Hung Fook Street / Ngan Hon Street	2016-17	June		4,951	21,495	19	1,490	750	41,058	34,215
4 ⁽⁵⁾	KC-008(A)	Chun Tin Street / Sung Chi Street, Ma Tau Kok	2016-17	May		2,475	3,738	7	200	310	14,724	12,270
5 ⁽⁵⁾	KC-009	Bailey Street / Wing Kwong Street, Ma Tau Kok	2015-16	March		8,042	39,644	27	2,640	1,152	66,627	55,522
6 ^(4, 5)	DL-11: YTM	Ash Street, Tai Kok Tsui	2015-16	May		474	3,228	1	234	69	3,527	3,135
7 ^(4, 5)	DL-10: KT	Hang On Street, Kwun Tong	2014-15	November		865	5,304	1	393	138	6,693	5,922
8 ⁽⁵⁾	SSP-016	Castle Peak Road / Un Chau Street, Sham Shui Po	2013-14	February		1,900	7,335	8	497	261	14,841	12,367
9 ^(4, 5)	DL-8: KC	Kai Ming Street, Ma Tau Kok	2013-14	December		553	2,467	3	122	72	4,545	3,788
10 ^(4, 5)	DL-6: YTM	Fuk Chak Street / Li Tak Street, Tai Kok Tsui	2013-14	June		716	3,461	2	182	96	5,788	5,145
11 ^(4, 5)	DL-4: SSP	Kowloon Road / Kiu Yam Street, Sham Shui Po	2013-14	April		599	3,817	1	229	80	4,887	4,072
12 ^(4, 5)	DL-5: SSP	Tung Chau Street / Kweilin Street, Sham Shui Po	2013-14	April		1,640	10,313	1	531	200	12,582	10,485

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
1,755	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 03/06/16
3,660	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 03/06/16
6,843	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 03/06/16
2,454	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 06/05/16
11,105	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 04/03/16
392	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 29/05/15 Initial acquisition offers issued on 10/08/15 80% threshold for ASP reached on 26/10/15 SDEV authorised URA to proceed on 11/01/16
241	0	500	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 07/11/14 Initial acquisition offers issued on 16/01/15 80% threshold for ASP reached on 23/03/15 SDEV authorised URA to proceed on 07/07/15 Resumption application submitted to DEVB on 30/11/15
2,474	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 21/02/14 SDEV authorised URA to proceed on 15/11/14 Initial acquisition offers issued on 27/02/15 Resumption application submitted to DEVB on 25/06/15 Resumption gazetted on 26/02/16 Site reverted to Government on 26/05/2016 Clearance in progress
308	0	450	0	Eligible domestic owners can join the Flat for Flat scheme	Project commencement gazetted on 19/12/13 Initial acquisition offers issued on 04/03/14 80% threshold for ASP reached on 10/04/14 SDEV authorised URA to proceed on 24/05/14 Resumption application submitted to DEVB on 28/08/14 Resumption gazetted on 27/03/15 Site reverted to Government on 27/06/15 Site clearance completed on 10/07/15 Provisional basic terms offer was accepted by URA on 03/07/15 Demolition works completed
643	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 28/06/13 Initial acquisition offers issued on 11/09/13 80% threshold for ASP reached on 25/11/13 SDEV authorised URA to proceed on 10/12/13 Resumption application submitted to DEVB on 28/08/14 Resumption gazetted on 24/04/15 Land Grant application submitted on 27/04/15 Site reverted to Government on 24/07/15 Clearance in progress
815	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/04/13 Initial acquisition offers issued on 27/06/13 80% threshold for ASP reached on 10/09/13 SDEV authorised URA to proceed on 14/11/13 Resumption application submitted to DEVB on 10/07/14 Resumption gazetted on 06/03/15 Site reverted to Government on 06/06/15 Site clearance completed on 19/02/16 In principle approval for Land Grant obtained at DLC on 19/05/16 Prepare on works for demolition of buildings in progress
2,097	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 12/04/13 Initial acquisition offers issued on 27/06/13 80% threshold for ASP reached on 10/09/13 SDEV authorised URA to proceed on 26/09/13 Resumption application submitted to DEVB on 10/07/14 Resumption gazetted on 06/03/15 Land Grant application submitted on 12/03/15 Site reverted to Government on 06/06/15 Site clearance completed on 14/06/16

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
13 ⁽⁵⁾	SSP-015	Tonkin Street / Fuk Wing Street, Sham Shui Po	2012-13	March		1,268	4,964	6	232	175	9,513	7,927
14 ^(3, 5)	IB-2:SSP	Yu Chau West Street, Cheung Sha Wan	2012-13	January		1,393	12,145	1	0	0	16,716	0
15 ^(4, 5)	DL-1: SSP	229A-G, Hai Tan Street, Sham Shui Po	2012-13	April		483	2,547	1	172	87	3,639	3,235
16 ^(4, 5)	DL-2: SSP	205-211A, Hai Tan Street, Sham Shui Po	2012-13	April		470	2,952	1	222	69	3,556	3,165
17 ^(4, 5)	DL-3: YTM	Pine Street / Oak Street, Tai Kok Tsui	2012-13	April		865	5,105	11	311	115	6,475	5,754
18 ⁽⁵⁾	YTM-010	Reclamation Street / Shantung Street, Mong Kok	2011-12	February		1,640	10,024	5	682	187	12,510	10,425
19 ⁽⁵⁾	KC-007	Kowloon City Road / Sheung Heung Road, Ma Tau Kok	2011-12	November		1,622	7,258	8	475	216	12,456	10,380
20	SSP-014	Fuk Wing Street, Sham Shui Po	2010-11	March		649	2,456	6	194	136	5,030	4,471

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
1,586	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 08/03/13 SDEV authorised project to proceed on 13/11/13 Decision of the Appeal Board to uphold authorisation gazetted on 11/07/14 Initial acquisition offers issued on 10/09/14 Resumption application submitted to DEVB on 11/11/14
16,716	0	0	0		Project commencement gazetted on 18/01/13 SDEV authorised URA to proceed on 08/08/13 Initial acquisition offer issued on 17/12/13 Resumption application submitted to DEVB on 07/08/14
404	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Land Grant executed on 27/02/15 Joint Development tender awarded on 22/12/14 Demolition works complete Site handed over to JVP on 02/03/15 GBPs approved on 05/11/15 GBPs amendment approved on 05/03/16 Foundation works in progress
391	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offer issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 19/02/13 Resumption gazetted on 16/05/14 Site reverted to Government on 16/08/14 Clearance completed on 17/08/15 Joint Venture Development tender awarded on 22/12/15 Land Grant executed on 23/03/16 Demolition works completed Site handed over to JVP on 20/04/16 Ground investigation works in progress
721	0	0	0	Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 20/04/12 Initial acquisition offer issued on 25/10/12 80% threshold for ASP reached on 24/12/12 SDEV authorised URA to proceed on 12/03/13 Resumption application submitted on 02/12/13 Resumption gazetted on 10/10/14 Site reverted to Government on 10/01/15 Clearance completed on 30/11/15 Demolition works in progress Joint development tender in progress Binding basic terms offer was accepted by URA on 16/06/16
2,085	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 10/02/12 SDEV authorised URA to proceed on 30/10/12 Decision of Appeal Board to uphold authorisation gazetted on 14/06/13 Initial acquisition offer issued on 04/07/13 Resumption application submitted on 29/10/13 Land Grant application submitted on 18/11/13 Resumption gazetted on 16/10/15 Site reverted to Government on 16/01/16 Clearance in progress
2,076	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join the Flat for Flat scheme	Project commencement gazetted on 25/11/11 SDEV authorised URA to proceed on 26/06/12 Initial acquisition offers issued on 29/10/12 Resumption application submitted on 24/06/13 Resumption gazetted on 25/04/14 Site reverted to Government on 25/07/14 Clearance completed on 18/08/15 Land Grant executed on 21/03/16 Demolition works completed Joint Venture Development tender awarded on 26/01/16 Site handed over to JVP on 25/04/16 Ground investigation works completed
559	0	0	0	No less than 50% of residential units should be small flats equal to or smaller than 45m ² Eligible domestic owner-occupiers can join Flat for Flat scheme	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 gazetted on 12/07/13 Site reverted to Government on 12/10/13 Site clearance completed on 18/11/14 Joint Venture Development tender awarded on 31/03/15 Land Grant executed on 26/05/15 Site handed over to JVP on 15/06/15 GBPs approved on 06/10/16 Foundation works in progress

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)
21	KC-006	Pak Tai Street / San Shan Road, Ma Tau Kok	2010-11	March		1,277	6,389	12	296	237	9,780	8,152
22	TKW/1/002	Ma Tau Wai Road / Chun Tin Street, Ma Tau Kok	2009-10	February		3,377	10,393	17	660	493	24,389	20,324
23	SSP/3/001	Shun Ning Road, Sham Shui Po	2009-10	June	The Ascent	827	3,820	5	130	157	7,159	5,959
24	MTK/1/002	San Shan Road / Pau Chung Street, Ma Tau Kok	2009-10	May		1,170	6,046	7	290	209	10,346	8,778
25 ⁽⁶⁾	MK/01	Shanghai Street / Argyle Street, Mong Kok	2008-09	September		1,128	3,944	14	157	0	5,194	0
26 ^(5, 6)	MK/02	Prince Edward Road West / Yuen Ngai Street, Mong Kok	2008-09	September		1,440	4,334	10	31	0	6,126	0
27 ⁽⁵⁾	TKT/2/002	Anchor Street / Fuk Tsun Street, Tai Kok Tsui	2007-08	March		726	3,855	6	245	0	6,529	-
28	TKW/1/001	Chi Kiang Street / Ha Heung Road, Ma Tau Kok	2007-08	February		931	5,226	5	302	175	8,376	6,979

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
1,628	0	0	0	Small sized flats of 35 to 65 square metres Eligible domestic owner-occupiers can join Flat for Flat scheme	Project commencement gazetted on 25/03/11 SDEV authorised URA to proceed on 05/01/12 Initial acquisition offers issued on 27/02/12 Resumption gazetted on 10/05/13 Site reverted to Government on 10/08/13 Site Clearance completed on 04/02/15 Land Grant executed on 02/11/15 Site handed over to JVP on 19/11/15 Joint Venture Development tender awarded on 28/07/15 Demolition works completed Foundation works in progress
3,065	0	1,000	500	URA has taken the initiative to commence the project following collapse of one building and demolition of damaged adjacent one	SDEV authorised URA to proceed on 10/12/10 Decision of Appeal Board to uphold authorization gazetted on 29/04/11 Initial acquisition offers issued on 30/05/11 Resumption gazetted on 11/01/13 Site reverted to Government on 11/04/13 Land Grant executed on 13/04/15 Foundation work in progress GBP amendment approved on 15/03/16
1,200	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption gazetted on 22/02/13 Site reverted to the Government on 22/05/13 Joint venture development agreement executed on 14/04/14 Land Grant executed on 16/06/14 Site handed over to developer on 18/06/14 GBPs (amendment) approved on 13/11/15 Foundation works completed Construction works in progress Presale consent issued on 19/04/16
1,568	0	0	0		SDEV authorised URA to proceed on 29/01/10 Initial acquisition offers issued on 28/04/10 Resumption gazetted on 15/06/12 Site reverted to Government on 15/09/12 Joint venture development tender awarded on 29/04/14 Land Grant executed 06/08/14 Site formally handed over to developer on 14/10/14 GBP amendment approved on 04/12/15 Foundation works completed in January 2016 Construction works commenced on 15/02/16
5,194	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption gazetted on 03/08/12 Site reverted to Government on 03/11/12 Ground investigation and structural survey completed in May 2014 Site Clearance completed on 25/07/14 Planning application submitted to TPB approved on 12/12/14 GBP (amendment) approved on 03/03/16 Demolition works completed Foundation works in progress Provisional basic terms offer was accepted by URA on 06/05/16
6,126	0	0	0	Zoned 'Other specified uses' annotated 'Shophouses for commercial and / or cultural uses'	DSP approved by CE in C on 02/02/10 Initial acquisition offers issued on 31/03/10 Resumption application submitted on 27/01/11 Renovation works at Phase 1 (8 units) completed Renovation works for all Phase 2 (14 units) completed Phase 3 (11 units) renovation works in progress
6,529	0	0	0	Commercial space is for hotel with 288 rooms	Site reverted to Government on 12/11/11 Site clearance completed on 05/01/15 Demolition works completed Joint Venture Development tender awarded on 16/06/15 Site handed over to JVP on 28/08/15 Land Grant executed on 18/09/15 Foundation works in progress
1,397	0	0	0		Joint venture development tender awarded on 27/02/12 Land Grant executed on 18/05/12 Modification letter for loading-unloading provisions executed on 04/12/14 Construction works in progress GBPs amendment approved on 25/02/16

						Site Information before Development				Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
29	MTK/1/001	Pak Tai Street / Mok Cheong Street, Ma Tau Kok	2007-08	February	My Place	772	3,772	5	229	168	6,944	5,787
30	K28	Sai Yee Street, Mong Kok	2007-08	December	Skypark	2,478	14,434	14	431	439	22,301	17,346
31 ^(5, 6)	K1	Nga Tsin Wai Village, Wong Tai Sin	2007-08	October		4,637	2,051	36	124	750	37,097	34,778
32 ^(5, 6)	H18	Peel Street / Graham Street, Sheung Wan	2007-08	July		5,267	20,219	37	740	301	67,528	22,638
33 ⁽⁵⁾	K7	Kwun Tong Town Centre, Kwun Tong	2006-07	March	Park Metropolitan (YWS site)	53,500	96,104	24	3,139	2,298	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 ⁽²⁾ (m ²)		
1,157	0	0	0		Joint venture development tender awarded on 18/06/12 Land Grant executed on 17/10/12 Presale consent issued on 22/10/14 Construction works in progress Occupation Permit issued on 28/08/15 Certificate of Compliance issued on 24/02/16
4,955	0	0	0		Joint venture development tender awarded on 24/09/12 Land Grant executed on 21/12/12 Presale consent issued on 29/05/15 GBPs amendment approved on 02/06/16 Construction works in progress
2,319	0	0	0	At-grade conservation park accessible to public will be provided. Commercial space includes preserved buildings/ elements, temple office, village committee's office, reprovisioning of public toilet and other covered areas but actual area still subject to detailed design.	Resumption gazetted on 15/07/11 Site reverted to Government on 15/10/11 Site clearance completed on 26/01/16 Provisional basic terms offer was accepted by URA on 04/03/16
43,450	180	1,260	2,060	G/IC is a 1,260m ² multi-purpose activity hall Commercial space includes retail space for relocating wet trade market shops, office space and 9,280m ² for a 182 room hotel; 180m ² non-domestic GFA is used for the covered POS at Site A.	Site B Joint venture development tender awarded on 30/04/12 Land Grant executed on 24/07/12 Site B handed over to joint venture partner on 10/10/12 Piling and ELS works in progress Sites A & C: Class A amendments at MLP parameters approved by Plan D on 07/03/13 Resumption gazetted on 06/12/13 Site reverted to Government on 06/03/14 Provisional basic terms offer (Site A) accepted by URA on 20/04/16 Proposed road scheme and road closure gazetted on 14/11/14; Authorisation of the proposed road works and road closure scheme gazetted on 27/11/15 Site clearance completed on 30/06/15; pending clearance of wet market traders to Site B Market Block Demolition works in progress
206,140	3,500	31,000	13,348	Commercial GFA include 65,860m ² for offices and 32,000m ² for hotel G/IC includes 6,200m ² for Kwun Tong Jockey Club Health Centre in Yuet Wah Street Site (YWS) and 8,100m ² for Government uses in Main Site and 16,700m ² for Public Transport Interchange in Main Site. Commercial Space includes 1,300m ² for social enterprises Other uses GFA includes 3,500m ² under 'urban windows'. Residential flats include 299 flats in Yuet Wah Street site and 1,999 flats in the main site (A/K14/727) Public space includes a minimum of 9,348m ² at-grade public open space as required under the approved s.16 A/K14/727 and a minimum of 4,000m ² podium public open space as required under the lease.	YWS Site Sale of residential units in progress Occupation Permit issued on 08/07/14 Certificate of Compliance issued on 29/10/14 Main Site (DAs 2, 3, 4 & 5) Resumption for DAs 2, 3 and 4 gazetted on 02/03/12 and reverted to the Government on 02/06/12 General revised offers for DA5 issued on 27/06/13 Property acquisition for DA5 in progress Class B amendments to fulfill SBD Guidelines approved by Plan D on 24/10/12 Occupation Permit for Methadone Clinic issued by BD on 13/03/14 OP for interim GIC facilities at Kwun Tong District Branch Office Building issued on 28/03/14, interim minibus terminus and interim hawker bazaar started operation in May 2014 Interim bus terminus at former Mido Mansion Site started operation on 30/11/14 DAs 2 & 3 (Post JVP tender award) Project awarded to joint venture partner on 01/09/14 GBPs amendment for DAs 2 and 3 approved on 05/09/14 OP phasing Plans for DAs 2 and 3 approved on 04/11/14 Land Grant executed on 19/12/14 Site handed over to joint venture partner on 19/12/14 GBPs amendment (podium) for DAs 2 and 3 approved on 27/03/15 Class B amendment for increased number of flats approved on 27/04/15 BA14A BD for Demolition of public toilet and RCP acknowledged on 25/08/15 Footbridge proposal accepted by ACABAS on 15/09/15 S16 application A-K14-727 to increase flat numbers (from 1869 to 1999) approved on 08/01/16 Foundation and utilities diversion works completed Excavation Lateral Support works in progress

						Site Information before Development				Project Development Information		
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
34 ⁽⁵⁾	H14	Sai Wan Ho Street, Shau Kei Wan	2005-06	September		710	3,796	2	21	144	5,680	5,680
35	K9	MacPherson Stadium, Mong Kok	2005-06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705
36 37 38	SSP/1/ 003- 005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005-06	February		7,507	25,344	37	1,589	877	57,400	50,025
39 ⁽⁶⁾	SYP/ 1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005-06	December	The Nova	2,150	4,140	14	213	255	16,463	16,218
40 ⁽⁷⁾	WC/001	Mallory Street / Burrows Street, Wan Chai	2004-05	March		780	2,687	5	122	0	2,435	0
41	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004-05	December	Park Summit	2,328	11,802	12	518	462	20,952	17,460
42	K31	Larch Street / Fir Street, Tai Kok Tsui	2004-05	December	Lime Stardom	2,195	10,332	12	474	377	19,735	16,425
43 ⁽⁶⁾	H15	Lee Tung Street / McGregor Street, Wan Chai	2003-04	October	The Avenue	8,236	36,534	52	1,613	1,275	79,933	67,939
44 ^(5, 6)	H19	Staunton Street / Wing Lee Street, Sheung Wan	2002-03	March		1,997	3,049	16	98	154	6,117	5,247
1 to 44 Commenced Sub-Total (A)						140,331	446,963	471	21,308	13,784	1,124,158	706,428

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
0	0	0	0		Project returned by HKHS to URA with effect from 23/11/11 Property acquisition completed Resumption application submitted on 03/05/13 Site clearance completed on 30/04/15 Joint Venture Development tender awarded on 22/09/15 Land Grant executed on 27/11/15 Demolition works completed Site handed over to joint venture partner on 01/02/16 GBP approved on 06/05/16
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 Certificate of Compliance issued on 28/01/14 Sale of remaining flats in progress
5,317	0	2,058	1,500	Three projects taken forward as one G/IC includes 1,900m ² for Special Child Care Centre cum Early Education Centre, Day Care Centre for Elderly and Sub-base for a Neighbourhood Elderly Centre; 150m ² for either social enterprise or non-domestic use	Site clearance completed on 23/09/14 Joint Development tender awarded on 22/12/14 Portion of Pei Ho Street closed on 27/03/15 Land Grant executed on 27/03/15 Site handed over to joint venture partner on 27/03/15 Site investigation works completed S16 submission approved on 22/01/16 Utility diversion works in progress Foundation works in progress
245	0	0	1,304	Commercial space includes 24.9m ² for shop and 84.4m ² other covered areas and 135.5m ² like preserved buildings and covered public open space	Joint-venture development tender awarded on 27/09/10 Land Grant executed on 07/01/11 Presale consent issued on 22/09/14 GBPs amendment approved on 11/02/16 Occupation Permit issued on 19/02/16 Certificate of Compliance issued on 06/05/16
0	2,435	0	300	Zoned 'Other specified uses' annotated 'Open space and historical buildings preserved for cultural and commercial uses' GFA includes retained façade at Burrows Street and two elevated walkways	Tender for Main Operator awarded on 15/04/11 Land Grant executed on 13/10/11 Occupation Permit issued on 20/05/13 Official opening event held on 18/07/13
3,492	0	0	450	Public open space not required under lease	Flat sale launched on 20/04/12 Occupation Permit issued on 20/09/12 Certificate of Compliance issued on 27/12/12 Sale of remaining flats in progress
3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Occupation Permit issued on 29/08/11 Certificate of Compliance issued on 24/11/11 Sales of remaining parking space in progress
9,406	0	2,588	3,967	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for Elderly/Community Service Support Centre, Refuse Collection Point and Public Toilet	Land Grant executed on 25/02/10 Modification letter for additional commercial GFA executed on 29/08/11 Modification Letter for receiving Hopewell's proposed subway executed by LandsD on 03/07/13 Construction work for the MTR Johnston Rd Pedestrian Subway works in progress Occupation permit for Site B issued on 31/03/14 Consent to assign for Site B issued on 19/12/14 Occupation Permit for Site A issued on 21/04/15 Certificate of Compliance issued on 02/11/15 Sale of residential units in Site A and Site B in progress
870	0	0	474	As allowed in the planning brief: (i) The development of Site B will align with Shing Wong Street to maintain its existing streetscape (ii) Site B will not comply with the SBD guidelines. The GFA for green/amenity features and plant rooms that are accountable under the B(P)R as a result will be disregarded	Amendments to approved DSP to excise Site A published on 08/07/11 TPB decided not to uphold representations received; excising of Site A and zoning as separate CDA retained The revised DSP with Wing Lee Street area and the Bridges Street Market site excised was gazetted on 18/05/12 following approval by CE in C Draft revised Planning Brief (excluding Site A) endorsed by TPB on 26/09/12 MLP for Sites B and C approved on 24/05/13 General revised offers for Sites B and C issued on 17/12/13
367,136	6,115	44,475	23,903		

					Site Information before Development				Project Development Information			
Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
45 to 50 - 6 Commenced by HKHS												
45	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
46	K21	Castle Peak Road / Un Chau Street, Sham Shui Po	2004-05	April	Heya Crystal	2,614	14,193	24	496	350	23,526	19,605
47	K22	Un Chau Street / Fuk Wing Street, Sham Shui Po	2004-05	April	Heya Aqua	2,134	10,114	22	362	275	19,206	16,005
48	K23	Castle Peak Road / Hing Wah Street, Sham Shui Po	2004-05	April	Heya Star	1,399	8,286	11	344	175	12,585	10,487
49	H21	Shau Kei Wan Road, Shau Kei Wan	2003-04	November	Harmony Place	1,871	9,834	17	400	274	19,555	16,338
50	K25	Po On Street / Wai Wai Road, Sham Shui Po	2003-04	July	Heya Green	2,592	9,923	19	528	327	21,214	17,680
45 to 50 Commenced Sub-Total (B)					11,613	58,285	103	2,288	1,531	105,116	87,640	
51 to 52 - 2 Ongoing projects taken over from ex-LDC												
51	K11	Hanoi Road, Tsim Sha Tsui	⁽⁹⁾		The Masterpiece	8,299	27,309	20	220	345	102,625	45,600
52 ⁽⁶⁾	H9	Tai Yuen Street / Wan Chai Road, Wan Chai	⁽⁹⁾		The Zenith (Site A & B) One Wanchai (Site C)	6,793	12,555	31	975	889	62,310	52,539
51 to 52 Commenced Sub-Total (C)					15,092	39,864	51	1,195	1,234	164,935	98,139	
Commenced Total (A) + (B) + (C)					167,036	545,112	625	24,791	16,549	1,394,209	892,182	
53 to 64 - 12 Completed projects commenced by URA⁽⁸⁾												
53	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
54	K30	Bedford Road / Larch Street, Tai Kok Tsui	2003-04	July	i-home	1,229	6,313	7	280	182	10,363	9,215
55	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
56	K27	Reclamation Street, Mong Kok	2002-03	October	MOD 595	535	2,411	4	122	85	4,921	4,119
57 ⁽⁶⁾	H16	Johnston Road, Wan Chai	2001-02	January	J Residence	1,970	7,640	21	333	381	20,567	17,967
58	H17	Queen's Road East, Wan Chai	2002-03	March	Queen's Cube	378	1,806	5	25	96	3,984	3,543
59	K33	Baker Court, Hung Hom	2003-04	July	Baker Residences	277	834	2	9	68	2,338	2,077
60	H20	First Street / Second Street, Sai Ying Pun	2002-03	November	Island Crest	3,536	15,690	30	777	488	38,178	34,259
61	K3	Cherry Street, Tai Kok Tsui	2001-02	January	Floriant Rise	4,510	14,416	33	1,020	522	43,231	36,466
62 63	SSP/1/001-002	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	2004-05	March	Trinity Towers	3,339	13,197	17	551	402	29,720	24,780
64	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
53 to 64 Completed Sub-Total⁽⁸⁾ (D)					19,112	76,405	138	3,963	2,676	183,132	157,258	

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
1,505	0	0	0		Presale conducted in November 2014 Occupation Permit issued on 20/05/15 Certificate of Compliance issued on 30/09/15
3,921	0	0	150		Construction in progress Presale conducted in July 2015
448	0	2,753	150	G/IC is for Residential Care Home for the Elderly	Construction in progress Presale conducted in August 2015
2,098	0	0	0		Construction in progress Presale conducted in December 2014 Occupation Permit issued on 26/08/15 Certificate of Compliance issued on 22/01/16
3,217	0	0	0		Presale conducted in June 2013 Occupation Permit issued on 13/11/14 Certificate of Compliance issued on 11/02/15
957	0	2,577	0	G/IC is for Residential Care Home for the Elderly	Presale conducted in June 2012 Occupation Permit issued on 15/10/13 Certificate of Compliance issued on 30/12/13
12,146	0	5,330	300		
57,025	0	0	1,219	Other use is for 381 room hotel	Leasing of commercial space in progress Hotel disposal completed Sales of remaining flats in progress
3,453	0	6,318	0	G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Sales of residential units of Sites A and B completed; leasing of vacant shops in progress Occupation Permit (Site C) issued on 10/09/12 Certificate of Compliance (Site C) issued on 10/01/13 All residential units (Site C) sold. Preparation for sale of commercial units of Sites A and B underway
60,478	-	6,318	1,219		
439,760	6,115	56,123	25,422		
2,083	0	0	251		Project completed in 2010/11
1,148	0	0	0		Project completed in 2010/11 Sales of shops and parking spaces in progress
2,075	0	0	255		Project completed in 2010/11 Leasing of shops in progress
802	0	0	0		Project completed in 2009/10
2,600	0	0	0		Project completed in 2008/09
441	0	0	0		Occupation Permit obtained in 04/2010 Certificate of Compliance obtained in 07/2010 Assignment for unsold units completed on 26/08/11 Project completed in 2011/12
261	0	0	0		Occupation Permit issued on 29/07/11 Certificate of Compliance issued on 28/10/11 Project completed in 2011/12 All residential units and shops sold out
1,722	0	2,197	700	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Certificate of Completion obtained in 06/2010 Project completed in 2012/13 All residential units, commercial accommodation and residential and commercial car parking spaces sold out
4,916	0	1,849	0	Commercial space excludes G/IC area G/IC is for Residential Care Home for Elderly	Project completed in 2014/15
4,940	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Project completed in 2015/16
840	0	0	0		Project completed in 2015/16
21,828	-	4,046	1,786		

Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information			
					Project Site Area (m ²)	Existing GFA (m ²)	Buildings ⁽¹⁾	Population	Residential Flats Number	Total GFA (m ²)	Residential GFA (m ²)	
0 Completed project undertaken by HKHS⁽⁶⁾ All projects still underway												
Nil Completed Sub-Total⁽⁶⁾ (E)					0	0	0	0	0	0	0	0
65 to 72 - 8 Completed projects commenced by ex-LDC⁽⁶⁾												
65	K17	Yeung Uk Road, Tsuen Wan	⁽⁹⁾		The Dynasty	7,230	NA	0	0	256	44,404	27,031
66	K13	Tsuen Wan Town Centre, Tsuen Wan	⁽⁹⁾		Vision City	20,300	56,851	22	7,119	1,466	134,185	107,884
67	H12	Kennedy Town New Praya, Kennedy Town	⁽⁹⁾		The Merton	6,075	24,808	15	1,683	1,182	62,904	62,794
68	H13	Ka Wai Man Road, Kennedy Town	⁽⁹⁾		Mount Davis 33	728	4,000	1	0	89	7,280	7,280
69	K10	Waterloo Road / Yunnan Lane, Yau Ma Tei	⁽⁹⁾		8 Waterloo Road	3,869	6,610	19	444	576	32,012	32,010
70	H1	Queen Street, Sheung Wan	⁽⁹⁾		Queen's Terrace	7,964	25,792	50	648	1,148	66,233	60,579
71	K2	Argyle Street / Shanghai Street, Mong Kok	⁽⁹⁾		Langham Place	11,976	40,810	58	2,603	0	167,414	0
72	K8	Kwong Yung Street, Mong Kok	⁽⁹⁾		Paradise Square	1,607	4,190	10	178	272	15,160	12,746
65 to 72 Completed Sub-Total⁽⁶⁾ (F)					59,749	163,061	175	12,675	4,989	529,592	310,324	
Completed Total⁽⁶⁾ (D) + (E) + (F)					78,861	239,466	313	16,638	7,665	712,724	467,582	
Commenced + Completed					245,897	784,578	938	41,429	24,214	2,106,933	1,359,764	

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

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

(3) Industrial Building Redevelopment Project

(4) Demand-led project

(5) The details of projects 1 to 19, 26, 27, 31 to 34, and 44 have yet to be finalised and are still subject to change during the statutory, planning and land grant approval processes.

(6) Projects 25 and 26 are purely preservation projects. All other projects are redevelopment projects, with redevelopment projects 31, 32, 39, 43, 44, 52 and 57 containing some preservation elements.

(7) Revitalisation project

(8) In this table, a project is deemed to be fully completed once all residential units have been sold and all commercial and other accommodation, apart from car and motor cycle parking spaces, have been sold or substantially leased out.

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

Glossary of Terms

ACABAS = Advisory Committee on the Appearance of Bridges and Associated Structures

ASP = Agreement for Sale and Purchase

B(P)R = Building (Planning) Regulations

CE in C = Chief Executive in Council

CDA = Comprehensive Development Area

DA = Development Area

DLC = District Lands Conference

DSP = Development Scheme Plan

GBP = General Building Plan

GFA = Gross Floor Area

G/IC = Government / Institution and Community

HKHS = Hong Kong Housing Society

JVP = Joint Venture Partner

LandsD = Lands Department

LDC = Land Development Corporation

MLP = Master Layout Plan

OU = Other Specified Use

SBD = Sustainable Building Design

SDEV = Secretary for Development

TPB = Town Planning Board

URA = Urban Renewal Authority

YWS = Yuet Wah Street

Project Development Information				Remarks	Status
Commercial GFA (m ²)	Other Uses GFA (m ²)	G/IC GFA (m ²)	Public Open Space ⁽²⁾ (m ²)		
0	0	0	0		
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		
226,102	0	19,038	11,736		
665,862	6,115	75,161	37,158		

CORPORATE GOVERNANCE

Introduction

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

Board and Committees

The URA is governed by a Board appointed by the Chief Executive under Section 4 of the URA Ordinance, currently comprising a Chairman and 25 other members. There are three executive Board members who are not public officers, namely the Managing Director, who is by law also the Deputy Chairman, and the two Executive Directors. The Director of Lands, the Director of Planning, the Director of Buildings and the Deputy Director of Home Affairs (2) are Board members who are non-executive directors and public officers. In addition, the current Board includes four legislative councilors plus professionals and academics from various fields, including legal, accounting, finance, property, planning, surveying, architecture and social work who are non-executive directors and not public officers. The Board met on eight occasions between April 2014 and March 2015.

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

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.

Committees	Function Areas
Land, Rehousing and Compensation Committee	<ul style="list-style-type: none"> • Policies and matters relating to land grants, property acquisition, compensation and rehousing • Acquisition strategies, approaches and offers for individual projects • Policy and criteria for loans under Section 12 of the URA Ordinance
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
Human Resources and Remuneration Committee	<ul style="list-style-type: none"> • Remuneration policies (level and mix) of senior and general staff • Proposals for adjustments to salary and variable pay • Organisation effectiveness and human resources management

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 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 upon the commencement of urban redevelopment projects and after the respective acquisition offers have been made. To enhance the wider community's understanding of the work of the URA, we also speak at relevant seminars, conferences and meetings of professional and other organizations and give briefing sessions to secondary schools.

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

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

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

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

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

MEMBERS OF BOARD AND PROFILES



MEMBERS OF THE BOARD

FROM LEFT

FRONT ROW

Mr Timothy MA Kam-wah, Ir WAI Chi-sing (Managing Director, from 15 June 2016)
Mr Daniel LAM Chun (Managing Director, up to 14 June 2016)
Mr Victor SO Hing-woh (Chairman)

BACK ROW

Mr David TANG Chi-fai, Professor Eddie HUI Chi-man
Mr Pius CHENG Kai-wah (Executive Director)
Mr Roger LUK Koon-hoo, Dr Gregg LI G. Ka-lok, Dr Lawrence POON Wing-cheung
Mr HUI Siu-wai, Mr Stanley WONG Yuen-fai, Mr Laurence LI Lu-jen



FROM LEFT

FRONT ROW

Mr Edward CHOW Kwong-fai, Mr Nelson LAM Chi-yuen, Mr Laurence HO Hoi-ming
Dr Billy MAK Sui-choi

BACK ROW

Ms Bernadette LINN Hon-ho, Ms Judy CHAN Ka-pui
The Honourable Alice MAK Mei-kuen, Mr Jack CHAN Jick-chi
Mrs Cecilia WONG NG Kit-wah, Dr the Honourable Ann CHIANG Lai-wan
Mr LING Kar-kan, The Honourable WU Chi-wai
Mr Michael MA Chiu-tsee (Executive Director, from 15 July 2016)
The Honourable Dennis KWOK

Chairman : Mr Victor SO Hing-woh, JP

Managing Director : Mr Daniel LAM Chun, SBS, JP (up to 14 June 2016)
Ir WAI Chi-sing, GBS, JP, FHKEng (from 15 June 2016)

Executive Directors : Mr Pius CHENG Kai-wah
Mr Michael MA Chiu-tsee (from 15 July 2016)

Non-Executive Directors : Ms Judy CHAN Ka-pui (from 1 May 2016)
(non-official) Dr the Honourable Ann CHIANG Lai-wan, JP
Mr Edward CHOW Kwong-fai, JP
Mr Laurence HO Hoi-ming
Mr Lester Garson HUANG, JP (up to 30 April 2016)
Professor Eddie HUI Chi-man, MH
Mr Philip KAN Siu-lun (up to 30 April 2016)
The Honourable Dennis KWOK
Mr Nelson LAM Chi-yuen
Mr Daniel LAM Chun, SBS, JP (up to 11 June 2015)
Dr Gregg LI G. Ka-lok
Mr Laurence LI Lu-jen, JP
Mr Roger LUK Koon-hoo, BBS, JP (from 1 May 2016)
Mr Philip LIAO Yi-kang (up to 30 April 2016)
Mr Timothy MA Kam-wah, JP
The Honourable Alice MAK Mei-kuen, BBS, JP
Dr Billy MAK Sui-choi
Dr Lawrence POON Wing-cheung, JP
Mr David TANG Chi-fai
Mrs Cecilia WONG NG Kit-wah (from 1 May 2016)
Mr Stanley WONG Yuen-fai, SBS, JP
The Honourable WU Chi-wai, MH

Non-Executive Directors : Mr HUI Siu-wai, JP Director of Buildings
(official) Director of Home Affairs (up to 30 April 2016)
Ms Bernadette LINN Hon-ho, JP Director of Lands
Mr LING Kar-kan, JP Director of Planning
Mr Jack CHAN Jick-chi, JP Deputy Director of Home Affairs (2)
(from 1 May 2016)

CHAIRMAN
Mr Victor SO Hing-woh, JP

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

**MANAGING
DIRECTOR**
(UP TO 14 JUNE 2016)
Mr Daniel LAM Chun, SBS, JP

Mr Daniel Lam served as a non-executive director of the Board of the Urban Renewal Authority from 1 December 2008 to 11 June 2015. He was the Managing Director of the Authority from 15 June 2015 to 14 June 2016.

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

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

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

**MANAGING
DIRECTOR**
(FROM 15 JUNE 2016)

Ir WAI Chi-sing, GBS, JP, FHKEng

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

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

Ir Wai holds a master's degree in transportation engineering from Purdue University in the United States. He has professional qualifications in civil, structural and geotechnical engineering.

**EXECUTIVE
DIRECTOR**

Mr Pius CHENG Kai-wah

Mr Cheng is a qualified solicitor in Hong Kong. He studied law in England and was qualified as solicitor in Hong Kong in 1985. He worked in private practice for 17 years before joining Urban Renewal Authority as General Counsel in 2002. After 3 years with Urban Renewal Authority, he joined Estate Agent Authority in 2005 responsible for legal and disciplinary matters. He rejoined Urban Renewal Authority in 2007. He has profound knowledge and extensive experience in urban renewal work during his nearly 12 years with Urban Renewal Authority. He was appointed as Executive Director of Urban Renewal Authority in January 2014.

**EXECUTIVE
DIRECTOR**
(FROM 15 JULY 2016)

Mr Michael MA Chiu-tsee

Mr Michael Ma is a qualified professional town planner. He has served as Director, Planning and Design of the Urban Renewal Authority (URA) since mid 2006. He was appointed as Executive Director of the URA with effect from July 2016.

Mr Ma holds a master's degree from the Bartlett School of Architecture and Planning, University College London. He joined Hong Kong Government in 1980 and had served in the Planning Department, the then Port Development Board and the then Housing Bureau.

**NON-EXECUTIVE
DIRECTORS
(NON-OFFICIAL)**

Ms Judy CHAN Ka-pui

Ms Judy Chan is an elected member of the Southern District Council, representing the South Horizons West constituency. She joined the New People's Party in 2011 as a founding member. Ms Chan graduated from Monash University in Australia with a business degree in marketing.

Dr the Honourable Ann CHIANG Lai-wan, JP

Dr Chiang Lai-wan has been a member of the Legislative Council since 2012. She is committee advisor 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, chairman of the Hong Kong Chapter of the Institute of Chartered Accountants in England and Wales and an advisor of the Business and Professionals Federation of Hong Kong. He is also a standing committee member and convenor of the Chinese People's Political Consultative Conference of Zhejiang Province and an Election Committee member of Hong Kong SAR. Mr Chow is currently a Court Member and a Council Member of the University of Hong Kong. Mr Chow was a past president of the Hong Kong Institute of Certified Public Accountants, a past chairman of the Professional Accountants in Business Committee of the International Federation of Accountants, a past deputy chairman of the Hong Kong Institute of Directors and a former expert advisor of the Accounting Standards Committee of the Ministry of Finance, the PRC. In business, Mr Chow serves as an independent non-executive director of Wing Lung Bank, Melco International Development Limited, Redco Properties Group Limited and China Aircraft Leasing Group Holdings Limited; and served as an independent non-executive director of COSCO Pacific Limited from 2005 to 2013 and China Merchants Bank from 2006 to 2012 respectively.

Mr Laurence HO Hoi-ming

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

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

He worked as Chief Executive at the Hong Kong Policy Research Institute between 2003 and 2005. In the following 10 years, he wrote commentaries on public policy issues in newspapers, and was often invited by TV and radio stations to comment on public policy issues. He played host to a current affairs program of Now TV between 2010 and 2011.

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

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

Professor Eddie HUI Chi-man, MH

Professor Eddie Hui, MH 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. Also, 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 Expert Panel for Hung Shui Kiu New Development Area and Appeal Tribunal Panel under the Buildings Ordinance, and Chairman of the Property and Facility Management Division, the Hong Kong Institute of Surveyors. He is also a member of the Supervisory Board of the Hong Kong Housing Society.

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 has been a Member of the Legislative Council representing the Legal Functional Constituency since 2012. He is a founding member of both the Civic Party and The Professional Commons, a think-tank on public policies. In 2006, he was elected as a CE Election Committee member from the legal subsector. He is also currently a member of the Hong Kong Housing Authority, a director of the Hong Kong Mortgage Corporation Limited and an executive committee member on the Board of the China Human Rights Lawyers Concern Group.

Mr Nelson LAM Chi-yuen

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

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

Dr Gregg LI G. Ka-Lok

Dr Gregg Li G. Ka-lok is the founder and the chairman of G. Li & Company Ltd and is a certified management consultant. Dr Li is the founding and past President of the Institute of Management Consultants of Hong Kong Limited and was their Ambassador to China, and later as the Chairman for Asia for the international body. Dr Li started his career in consulting at American Express TRS during the 1980's, and has led consulting teams and practices, both internationally and locally, with Aon Corporation, University of Hong Kong, PWC, IBM, and G. Li & Company Ltd.

He is also the Chairman of Invotech, an independent not-for-profit do tank in innovation and technology for Hong Kong; a governor at the Tung Wah College; an adviser to the Business and Professionals Federation of Hong Kong; an adviser at the Advisory Board of the Center of Family Business at the Chinese University, as well as, at the Asian Advisory Board of Washington University in St. Louis.

Dr Li graduated from Washington University in St. Louis (Liberal Arts), University of Hawaii in Economics (MA), UCLA (MBA), and University of Warwick (Engineering Doctorate). He is currently a Professor of Practice at the Polytechnics University of Hong Kong and teaches graduate level courses in strategy, innovation, governance, and entrepreneurship at this and other universities as a Visiting Professor.

Mr Laurence LI Lu-jen, JP

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

Mr Roger LUK Koon-hoo, BBS, JP

Mr Luk is a veteran banker having more than 30 years of experience in money and banking. He was Managing Director and Deputy Chief Executive of Hang Seng Bank before retirement. Currently, Mr Luk is an independent director on the boards of listed companies including China Properties Group Limited, Computime Group Limited, Hung Hing Printing Group Limited and I-Cable Communications Limited as well as private companies including AXA General Insurance (Hong Kong) Limited, Octopus Cards Limited and QBE Mortgage Insurance (Asia) Limited. He is also the Treasurer of The Chinese University of Hong Kong and has served on many government boards and committees. He holds an MBA degree and is a Fellow of Hong Kong Institute of Bankers.

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 Project Consultant of Project Flame at the City University of Hong Kong. Prior to this, he was the Executive Director of Senior Citizen Home Safety Association from 1996 to 2012.

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

The Honourable Alice MAK Mei-kuen, BBS, JP

Alice Mak has been a member of the Legislative Council (NT West) since 2012. She is also a member of the Kwai Tsing District Council, the Chief Executive Officer of the Federation of the Service Trade Unions, Member of the Complaints Committee of ICAC and Member of the Lantau Development Advisory Committee.

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

Dr Billy MAK Sui-choi

Dr Billy Mak is currently Associate Professor of the Department of Finance and Decision Sciences and Associate Director of the Master of Business Administration Program of the Hong Kong Baptist University, and Member of the Hong Kong Securities and 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" programme of Metro Finance Radio. He always contributes articles to various newspapers.

On professional and community services, Dr Mak is currently the member of the following committees: Finance Committee, Housing Authority; Business Facilitation Advisory Committee; Energy Advisory Committee; Academic and Accreditation Advisory Committee, Securities and Futures Commission; Investor Education Centre (IEC) Advisory Committee; Securities and Futures Appeals Tribunal; Process Review Panel, Securities and Futures Commission; Appeal Board (Betting Duty Ordinance); Steering Committee on the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector and Licensing Committee, the Chinese Gold and Silver Exchange Society.

Dr Lawrence POON Wing-cheung, JP

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

Mr David TANG Chi-fai

Mr Tang has been the Property Director and a Member of the Executive Directorate of MTR Corporation since 1 October 2011. He is responsible for all of the property development projects of the Company from layout planning, scheme design through to project construction completion as well as asset and leasing management of investment properties (including shopping malls and offices) and property management of office buildings and residential units. 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.

Mrs Cecilia WONG NG Kit-wah

Mrs Cecilia Wong Ng Kit-wah is a partner of Kevin Ng & Co., Solicitors. She is also a China-Appointed Attesting Officer, mediator and arbitrator. Mrs Wong is an experienced solicitor in private practice and is competent in matrimonial law, criminal and civil litigation, probate commercial and corporate law. She actively participates in promoting the use of mediation in Hong Kong and has enormous experience in mediation and arbitration for various matters. She was appointed as a member of the Chief Justice's Working Party on Mediation, and Vice Chairman of Regulatory Framework Sub-committee of Secretary for Justice's Steering Committee on Mediation. She took part in the drafting of the Mediation Ordinance. Mrs Wong is currently a Council member of the Law Society of Hong Kong, Vice-Chairlady of the Duty Lawyer Service Council, and Hong Kong Mediation Accreditation Association Limited (HKMAAL). She is also a chairperson of the Appeal Tribunal Panel under the Buildings Ordinance.

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 member of the Hong Kong Housing Authority and Chairman of its Subsidized Housing Committee, Member of the Hong Kong Housing Society, Chairman of the History Museum Advisory Panel and Associate Member of the Central Policy Unit. On the environmental front, Mr Wong is both an appointed member of the Energy Advisory Committee and the Advisory Council on the Environment.

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

The Honourable WU Chi-wai, MH

Hon. Wu Chi-wai held a Master of Art Degree (Economics) from the University of Wisconsin, USA. He has been a LegCo Member representing Kowloon East since 2012. He was formerly a Member of the Urban Council and Provisional Urban Council from 1995 to 1999. He has been a Member of Wong Tai Sin District Council since 1999, and is also serving as a Member of Lantau Development Advisory Committee.

**NON-EXECUTIVE
DIRECTORS
(OFFICIAL)**

Mr HUI Siu-wai, JP Director of Buildings

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

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

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

Ms Bernadette LINN Hon-ho, JP Director of Lands

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

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

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

Mr LING Kar-kan, JP Director of Planning

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

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

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

Mr Jack CHAN Jick-chi, JP Deputy Director of Home Affairs (2)

Mr Jack Chan is currently the Deputy Director of Home Affairs. Prior to this, Mr Chan has been in various directorate positions in a number of policy bureaux and departments, including the first Commissioner for Heritage of the Development Bureau, Principal Assistant Secretary for Development, Deputy Secretary-General of the University Grants Committee, etc.

MEMBERS OF COMMITTEES

Audit Committee

Chairperson

Mr Philip KAN Siu-lun
(up to 30 April 2016)
Mr Nelson LAM Chi-yuen
(from 1 May 2016)

Members

Mr Nelson LAM Chi-yuen
(up to 30 April 2016)
Dr Gregg LI G. Ka-lok
Mr Roger LUK Koon-hoo, BBS, JP
(from 1 June 2016)
Mr Timothy MA Kam-wah, JP

Co-opted Member

Ms Rosanna CHOI

Finance Committee

Chairperson

Mr Edward CHOW Kwong-fai, JP

Members

Mr Laurence HO Hoi-ming
Professor Eddie HUI Chi-man, MH
Mr Philip KAN Siu-lun
(up to 30 April 2016)
Mr Nelson LAM Chi-yuen
Dr Billy MAK Sui-choi
Mr Victor SO Hing-woh, JP
Mr Stanley WONG Yuen-fai, SBS, JP
Mr Daniel LAM Chun, SBS, JP
(up to 14 June 2016)
Ir WAI Chi-sing, GBS, JP, FHKEng
(from 15 June 2016)

Co-opted Members

Mr KUNG Kuo-chuan
Mr Alexander LAM

Development Project Objection Consideration Committee

Chairperson

Mr Philip KAN Siu-lun
(up to 30 April 2016)
Mr Nelson LAM Chi-yuen
(from 1 May 2016)

Members

Ms Judy CHAN Ka-pui
(from 1 June 2016)
Mr Edward CHOW Kwong-fai, JP
Professor Eddie HUI Chi-man, MH
(from 1 May 2016)
The Honourable Dennis KWOK
Mr Nelson LAM Chi-yuen
(up to 30 April 2016)
The Honourable Alice MAK Mei-kuen, BBS, JP
Mrs Cecilia WONG NG Kit-wah
(from 1 June 2016)
The Honourable WU Chi-wai, MH

Co-opted Members

Ms Crystal CHENG Lai-ling
Mr Alexander LAM
Mr Patrick LAU, SBS
Mr Andy LEUNG
Mrs Karen WONG
(from 1 May 2016)
Miss Ophelia WONG Yuen-sheung, JP
(up to 30 April 2016)

Review Committee

Chairperson

Mr Timothy MA Kam-wah, JP

Members

Dr The Honourable Ann CHIANG Lai-wan, JP
Professor Eddie HUI Chi-man, MH
(from 1 May 2016)
Mr Philip LIAO Yi-kang
(up to 30 April 2016)
The Honourable WU Chi-wai, MH

Co-opted Members

Mr Andrew CHAN Ping-chiu
Mr Henry CHAN Kai-wing
Mr CHUA Hoi-wai
Dr Amy HO Po-ying
Ms LAM Tze-yan
Ir Kenneth T K LAU
Dr LEE Yok-shiu
Mr Tony LUK Ka-luen
Mr MOK Hing-luen
Mr Dickson PANG Kam-fai
Mr YUNG Ching-tat, BBS, JP

Planning, Development and Conservation Committee

Chairperson

Mr Laurence HO Hoi-ming

Members

The Honourable Dennis KWOK
 Mr Laurence LI Lu-jen, JP
 Mr Philip LIAO Yi-kang
 (up to 30 April 2016)
 The Honourable Alice MAK Mei-kuen, BBS, JP
 Dr Lawrence POON Wing-cheung, JP
 Mr Victor SO Hing-woh, JP
 Mr Stanley WONG Yuen-fai, SBS, JP
 The Honourable WU Chi-wai, MH
 Director of Lands*
 (Ms Bernadette LINN Hon-ho, JP)
 Director of Planning*
 (Mr LING Kar-kan, JP)
 Mr Daniel LAM Chun, SBS, JP
 (up to 14 June 2016)
 Ir WAI Chi-sing, GBS, JP, FHKEng
 (from 15 June 2016)

Co-opted Members

Mr Alexander LAM
 Dr LEE Ho-yin
 (from 1 May 2016)
 Mr Andy LEUNG
 Miss Ophelia WONG Yuen-sheung, JP
 (up to 30 April 2016)
 Assistant Director / New Buildings 1,
 Buildings Department
 (Mr YU Tak-cheung)

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

Human Resources and Remuneration Committee

Chairperson

Mr Victor SO Hing-woh, JP

Members

Mr Laurence HO Hoi-ming
 Mr Philip KAN Siu-lun
 (up to 30 April 2016)
 Dr Gregg LI G. Ka-lok
 Mr Timothy MA Kam-wah, JP
 The Honourable Alice MAK Mei-kuen, BBS, JP
 Dr Billy MAK Sui-choi
 Mr David TANG Chi-fai
 Mr Stanley WONG Yuen-fai, SBS, JP
 Mr Daniel LAM Chun, SBS, JP
 (up to 14 June 2016)
 Ir WAI Chi-sing, GBS, JP, FHKEng
 (from 15 June 2016)

Co-opted Member

Mrs Mimi CUNNINGHAM

Land, Rehousing and Compensation Committee

Chairperson

Dr Billy MAK Sui-choi

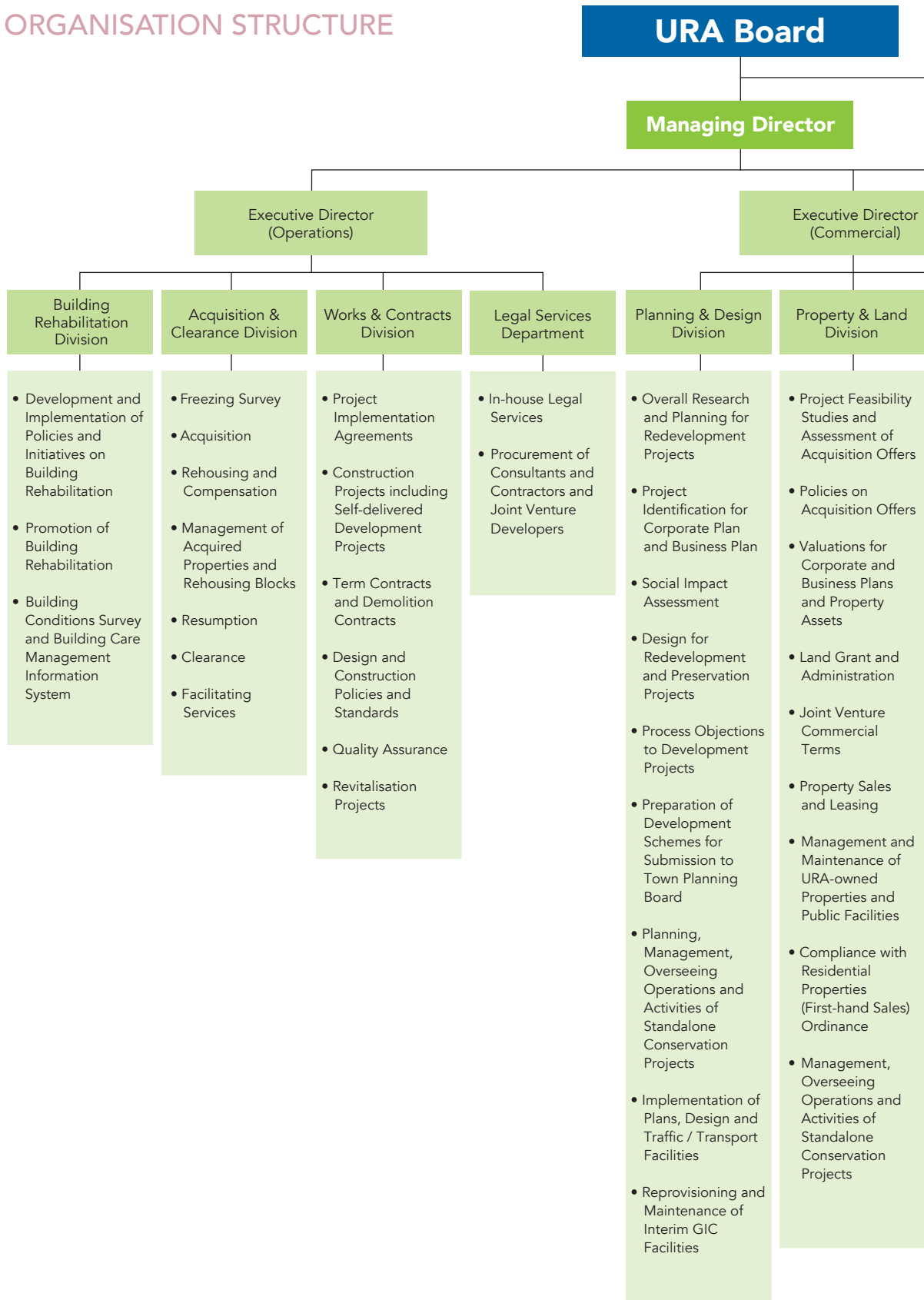
Members

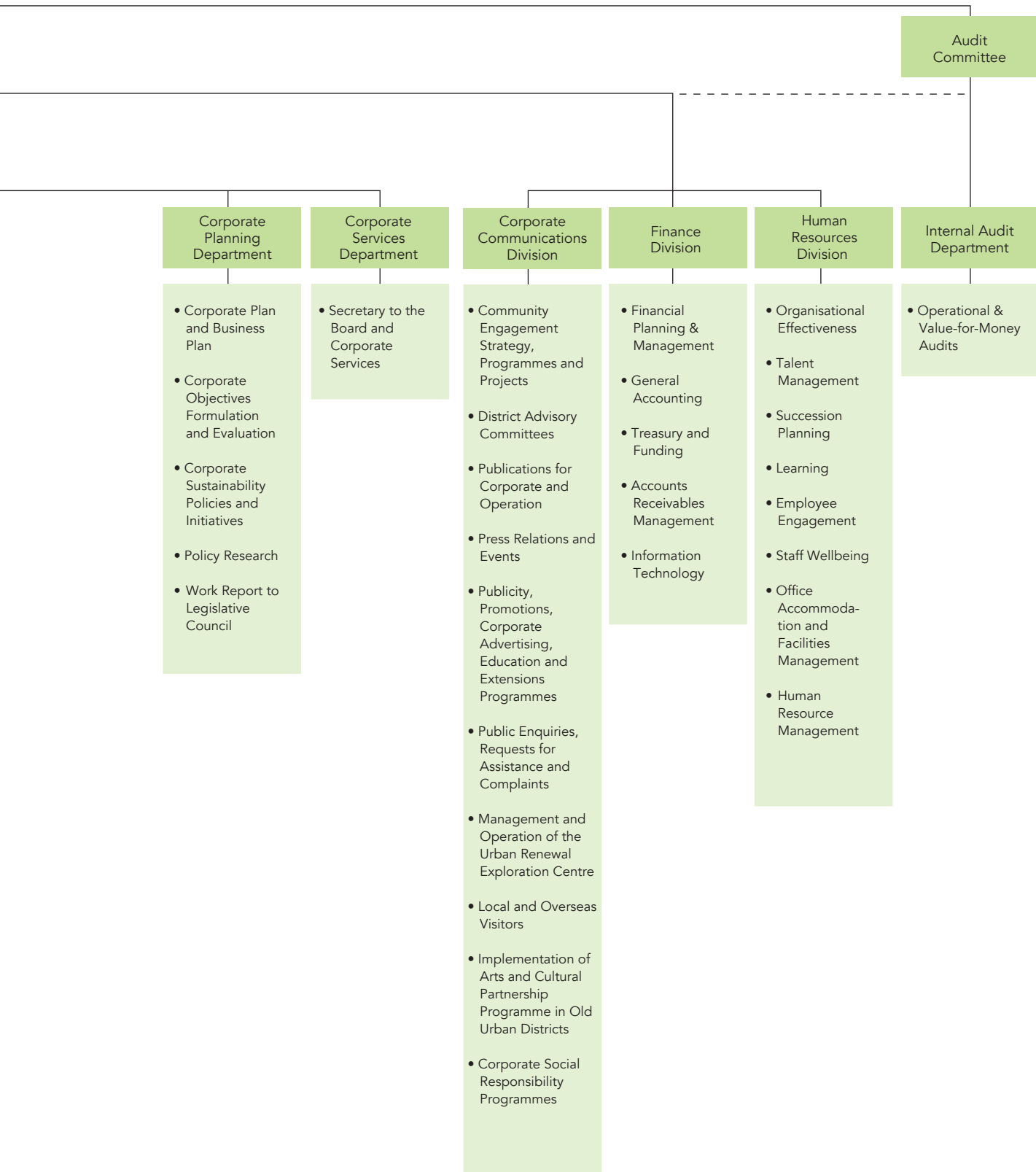
Mr Laurence HO Hoi-ming
 Mr Lester Garson HUANG, JP
 (up to 30 April 2016)
 Professor Eddie HUI Chi-man, MH
 Mr Laurence LI Lu-jen, JP
 Mr Timothy MA Kam-wah, JP
 Dr Lawrence POON Wing-cheung, JP
 Mr David TANG Chi-fai
 The Honourable WU Chi-wai, MH
 Mr Pius CHENG
 Mr Daniel LAM Chun, SBS, JP
 (up to 14 June 2016)
 Ir WAI Chi-sing, GBS, JP, FHKEng
 (from 15 June 2016)

Co-opted Members

Ms Crystal CHENG
 Mr Patrick LAU, SBS
 Assistant Director,
 Lands Department
 (Mr Tony MOYUNG)

ORGANISATION STRUCTURE





MEMBERS OF DISTRICT ADVISORY COMMITTEES

Central & Western District Advisory Committee

Chairperson

Mr Edward CHOW Kwong-fai, JP

Members

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

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

Central & Western District Officer

Wan Chai District Advisory Committee

Chairperson

Mr Laurence HO Hoi-ming

Members

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

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

Wan Chai District Officer

Yau Tsim Mong District Advisory Committee

Chairperson

Dr Billy MAK Sui-choi

Members

Mr CHAN Siu-tong, MH, JP
 Mr CHENG Po-hung
 Mr Benjamin CHOI Siu-fung
 Mr CHOW Chun-fai, BBS, JP
 Mr HUI Tak-leung
 (up to 8 May 2015)
 Mr Chris IP Ngo-tung
 Mr LAU Pak-kei

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

Yau Tsim Mong District Officer

Kowloon City District Advisory Committee

Chairperson

Professor Eddie HUI Chi-man, MH

Members

Ms CHEUNG Ling

Ir KAM Kwai-ki

Ms Rosanda MOK Ka-han

Mr NG Po-keung

Mr NGAN Siu-lun

Mr SHUM Wai-chuen

Dr SIU Miu-man

Ms SIU Yuen-sheung, BBS, JP

Mr WONG Yun-cheong

Mr Pius YUM Kwok-tung

Kowloon City District Officer

Sham Shui Po District Advisory Committee

Chairperson

Mr Nelson LAM Chi-yuen

Members

Mr CHAN Wai-ming, MH

Mr Vincent CHENG Wing-shun, MH

Mr CHUM Tak-shing

Ms Winnie LAI Yuk-ling

Mr Aaron LAM Ka-fai, BBS, JP

Mr Zstephen LAU Kin-shing

Ms LAU Pui-yuk

Mr LEE Wing-man

Dr LEUNG Kai-chi

Ms Daphne LUI Yat-ching

Mr WAI Woon-nam

Sham Shui Po District Officer

Tsuen Wan District Advisory Committee

Chairperson

Mr Laurence LI Lu-jen, JP

Members

The Honourable Ben CHAN Han-pan, JP
 Mr Richard CHAN Kam-lam, MH, JP
 Mr CHAN Wai-ming, MH, JP
 Mr CHOW Ping-tim
 Mr CHUNG Wai-ping, SBS, MH
 Mr Peter LO Siu-kit
 Ms TO Kwai-ying, JP

Ms Minia WAH Mei-ling
 Mr WONG Ka-wa
 Mr Louis WONG Yui-tak, MH
 Mrs Helina YUK FUNG Yin-king

Tsuen Wan District Officer

Kwun Tong District Advisory Committee

Chairperson

Mr Timothy MA Kam-wah, JP

Members

Mr Nelson CHAN Wah-yu, MH, JP
 Mr Jimmy CHAN Yiu-hung
 Mr CHONG Yam-ming, MH
 Mr HSU Hoi-shan
 Mr Kin HUNG Kam-in
 Mr KAN Ming-tung
 Mr KWOK Lit-tung, JP
 Dr LAM Kin-wah, BBS, MH
 Mr LAU Ting-on
 Mrs LEUNG CHAN Siu-hing

Ms LEUNG Fu-wing, BBS, MH
 Mr LI Hung
 Mr LING Chi-keung
 Mr Wilson OR Chong-shing, MH
 Ms SO Lai-chun, MH, JP
 Mr WONG Kai-ming

Kwun Tong District Officer

Financial Highlights

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

Year ended 31 March	In HK\$'million									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues for the year	536	5,266	1,413	9,663	3,647	3,690	5,341	1,169	9,904	7,422
Surplus / (deficit) for the year (before interest income)	423	1,718	(4,685)	6,993	2,159	2,431	4,292	(2,387)	918	4,302
Surplus / (deficit) for the year	766	2,095	(4,459)	7,018	2,209	2,584	4,437	(2,270)	1,076	4,451
Accumulated surplus / (deficit)	2,323	4,418	(41)	6,977	9,186	11,770	16,207	13,937	15,013	19,464
Capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net assets	12,323	14,418	9,959	16,977	19,186	21,770	26,207	23,937	25,013	29,464
Debt securities issued less unamortised finance charges	-	-	-	1,497	1,498	1,699	3,288	4,777	4,582	3,285
Properties under development (Note 1)	4,602	4,779	8,289	14,114	15,956	19,066	22,431	28,113	21,516	20,695
Land premia waived by the Government during the year	-	(90)	(216)	(3,177)	(922)	(64)	(1,018)	-	(7,785)	(940)
Surplus / (deficit) for the year if no land premium waiver	766	2,005	(4,675)	3,841	1,287	2,520	3,419	(2,270)	(6,709)	3,511
Accumulated surplus / (deficit) if no land premium waiver	1,304	3,309	(1,366)	2,475	3,762	6,282	9,701	7,431	722	4,233

Note:

1. "Properties under development" includes properties under development before provision for impairment and balances with joint development projects.

The members of the Board submit their report together with the audited financial statements for the year ended 31 March 2016.

Board members

Members of the Board for the year and up to the date of this report are set out on page 90.

Principal activities

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

Consolidated financial statements

The results of the Group for the year ended 31 March 2016 and the financial position of the Group and of the Authority at that date are set out in the consolidated financial statements on pages 112 to 150.

Property, plant and equipment

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

Working capital

At 31 March 2016, the working capital of the Group was mainly financed by the Government's equity injection, accumulated surplus and debt securities issued.

Board members' interests in transactions, arrangements or contracts and rights of acquisition of shares

No contract of significance, to which the Authority or any of its subsidiaries was a party and in which a member of the Board had a material interest, subsisted at the end of the year or at any time during the year other than Note 24 to the consolidated financial statements.

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

Report of Members of the Board

Auditor

KPMG was first appointed as auditor of the Authority in September 2015 upon the retirement of PricewaterhouseCoopers.

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

By order of the Board
Daniel LAM Chun
Managing Director
Hong Kong, 14 June 2016



**To The Members Of The Board Of The Urban Renewal Authority
(Incorporated in Hong Kong under the Urban Renewal Authority Ordinance)**

We have audited the consolidated financial statements of the Urban Renewal Authority (the "Authority") and its subsidiaries (together the "Group") set out on pages 112 to 150, which comprise the consolidated statement of financial position as at 31 March 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

The Authority's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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 the 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 Board members, as well as evaluating the overall presentation of the consolidated financial statements.

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

Independent Auditor's Report

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong.
14 June 2016

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2016
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
Revenue	5(a)	7,421,968	9,903,682
Direct costs		<u>(1,811,191)</u>	<u>(7,773,224)</u>
Gross surplus		5,610,777	2,130,458
Other income, net	5(b)	157,863	195,174
Administrative and operating expenses		(449,987)	(448,862)
Other operating expenses		(103,585)	(97,946)
Provision for impairment on properties and committed projects, net		<u>(764,408)</u>	<u>(703,248)</u>
Operating surplus before income tax	6	4,450,660	1,075,576
Income tax expenses	7(a)	-	-
Surplus and total comprehensive income for the year		<u>4,450,660</u>	<u>1,075,576</u>

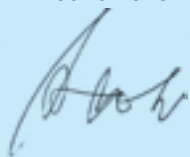
The notes on pages 116 to 150 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

at 31 March 2016
(expressed in Hong Kong Dollars)

	Note	2016 \$'000	2015 \$'000
Non-current assets			
Property, plant and equipment	8	1,370,402	1,199,011
Properties under development	9	15,433,763	16,288,908
Receivables from property developers	10	-	1,716,000
Building rehabilitation loans	11	19,543	24,005
Prepayments		238,853	403,906
Other receivables	12(a)	642,349	524,716
		<u>17,704,910</u>	<u>20,156,546</u>
Current assets			
Properties held for sale	13	2,433,615	15,270
Receivables from property developers	10	1,716,000	2,996,000
Amounts due from joint development projects	14	713,261	725,563
Building rehabilitation loans	11	10,964	13,041
Trade and other receivables	12(b)	93,653	103,152
Financial assets at fair value through profit or loss	15	3,087,742	3,030,454
Cash and bank balances	16	10,768,258	9,595,135
		<u>18,823,493</u>	<u>16,478,615</u>
Total assets		<u>36,528,403</u>	<u>36,635,161</u>
Capital and reserves			
Capital	17	10,000,000	10,000,000
Accumulated surplus and reserve		19,463,412	15,012,752
		<u>29,463,412</u>	<u>25,012,752</u>
Non-current liabilities			
Trade and other payables	18	1,052,200	1,198,500
Debt securities issued	19	3,284,873	3,281,788
		<u>4,337,073</u>	<u>4,480,288</u>
Current liabilities			
Amounts due to joint development projects	14	216,902	192,916
Trade and other payables	18	2,511,016	5,190,338
Debt securities issued	19	-	1,299,867
Provision for committed projects	20	-	459,000
		<u>2,727,918</u>	<u>7,142,121</u>
Total capital, reserves and liabilities		<u>36,528,403</u>	<u>36,635,161</u>

Approved by the Board
on 14 June 2016



Victor SO Hing-woh
Chairman



Daniel LAM Chun
Managing Director

The notes on pages 116 to 150 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2016
(expressed in Hong Kong Dollars)

	Note	2016		2015	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Operating surplus before income tax		4,450,660		1,075,576	
Adjustments for:					
Interest income		(149,336)		(157,773)	
Depreciation		50,260		44,067	
Loss on disposal of property, plant and equipment		71		129	
Net foreign exchange losses		18,007		738	
Net gain on financial assets at fair value through profit or loss		(7,504)		(13,430)	
Provision for impairment on properties and committed projects		<u>764,408</u>		<u>703,248</u>	
Operating surplus before working capital changes		5,126,566		1,652,555	
Decrease / (increase) in receivables from property developers		2,996,000		(4,712,000)	
Changes in balances with joint development projects		36,288		(96,529)	
(Increase) / decrease in properties under development		(2,865,404)		4,224,608	
Decrease in properties acquired pending redevelopment		-		7,933	
Decrease in building rehabilitation loans		6,539		13,422	
Decrease / (increase) in prepayments		100,721		(162,231)	
Increase in other receivables		(117,633)		(137,397)	
Increase in trade and other receivables		(12,388)		(19,201)	
(Decrease) / increase in trade and other payables		(2,820,525)		4,005,204	
Increase in financial assets at fair value through profit or loss		<u>(67,791)</u>		<u>(1,154,312)</u>	
Cash generated from operations		2,382,373		3,622,052	
Interest received		171,223		132,831	
Interest paid		<u>(76,894)</u>		<u>(89,112)</u>	
Net cash generated from operating activities			2,476,702		3,665,771
Cash flows from investing activities					
Increase in bank deposits with original maturities of more than 3 months		(1,032,037)		(4,578,493)	
Purchase of property, plant and equipment		(3,652)		(14,959)	
Proceeds from sale of property, plant and equipment		<u>73</u>		<u>43</u>	
Net cash used in investing activities			(1,035,616)		(4,593,409)
Cash flows from financing activity					
Redemption of debt securities		<u>(1,300,000)</u>		<u>(200,000)</u>	
Net cash used in financing activity			<u>(1,300,000)</u>		<u>(200,000)</u>
Net increase / (decrease) in cash and cash equivalents			141,086		(1,127,638)
Cash and cash equivalents at 1 April			410,172		1,538,548
Exchange loss on cash and cash equivalents			-		(738)
Cash and cash equivalents at 31 March			<u>551,258</u>		<u>410,172</u>
Analysis of cash and bank balances					
Cash and cash equivalents			551,258		410,172
Bank deposits with original maturities of more than 3 months			<u>10,217,000</u>		<u>9,184,963</u>
Cash and bank balances at 31 March	16		<u>10,768,258</u>		<u>9,595,135</u>

The notes on pages 116 to 150 form part of these consolidated financial statements.

Consolidated Statement of Changes In Equity

for the year ended 31 March 2016
(expressed in Hong Kong Dollars)

	<u>Note</u>	<u>Capital</u>	<u>Accumulated Surplus</u>	<u>Reserve for Facilitation Service</u>	<u>Total</u>
		\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2014		10,000,000	13,932,395	4,781	23,937,176
Surplus and total comprehensive income for the year		-	1,075,576	-	1,075,576
Transfer from Reserve for Facilitation Service to Accumulated Surplus for the year	21	-	662	(662)	-
Balance at 31 March 2015		<u>10,000,000</u>	<u>15,008,633</u>	<u>4,119</u>	<u>25,012,752</u>
Balance at 1 April 2015		10,000,000	15,008,633	4,119	25,012,752
Surplus and total comprehensive income for the year		-	4,450,660	-	4,450,660
Transfer from Reserve for Facilitation Service to Accumulated Surplus for the year	21	-	1,457	(1,457)	-
Balance at 31 March 2016		<u>10,000,000</u>	<u>19,460,750</u>	<u>2,662</u>	<u>29,463,412</u>

The notes on pages 116 to 150 form part of these consolidated financial statements.

(expressed in Hong Kong Dollars)

1. General information

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

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

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

2. Significant accounting policies

The 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 consolidated 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 ("HKFRSs") (which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance.

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

Notes to the Financial Statements

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

In current year, the Group has adopted the following amendments to HKFRSs which are relevant to the Group and are mandatory for the financial year ended 31 March 2016:

Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

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

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

The HKICPA has issued certain new standards and amendments to HKFRSs which are not yet effective for the year ended 31 March 2016. Those which are relevant to the Group are as follows:

		Effective for accounting periods beginning on or after
Annual Improvements to HKFRSs 2012-2014 Cycle	Improvements to HKFRSs	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKFRS 11 (Amendments)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKAS 1 (Amendments)	Disclosure initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019

The Group has not early adopted the above new standards and amendments to standards in the consolidated financial statements for the year ended 31 March 2016. The Group will apply the above standards and amendments from the effective accounting period, and has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(d) Basis of consolidation

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

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

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

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

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

(e) Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in 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 Group receives its share of surplus from property development projects undertaken as joint development projects, sharing of such surplus is recognised in accordance with the terms of the joint development agreements, unless the significant risks and rewards of ownership of the underlying properties under development have not been transferred. Proceeds received in advance from sale of properties of joint development projects prior to their completion are included in trade and other payables.
- (iii) Where the Group receives a distribution of the assets of a joint development project, surplus is recognised based on the fair value of such assets at the time when agreement to distribute the assets has been reached.

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(e) Revenue recognition (Continued)

- (iv) When the developer is obligated to settle the upfront premium to the Group at the inception of joint development agreement, such upfront premium is recognised as revenue when the Group has no further substantial acts to complete. Generally, such revenue is recognised as soon as the Group has performed its obligations in respect of the upfront premium, the events leading to the possible cancellation of the joint development agreements have lapsed, and the upfront premium have become non-refundable/non-cancellable.
- (v) Interest income is recognised on a time-proportion basis using the effective interest method.
- (vi) Rental income net of any incentives given to the lessee is recognised on a straight line basis over the periods of the respective leases.
- (vii) Income from Urban Redevelopment Facilitating Services Company Limited ("Facilitating Services") is recognised upon completion of the sale of the properties by the owners in accordance with the terms of the sale agreement.

(f) Property, plant and equipment

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

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

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(f) Property, plant and equipment (Continued)

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

Leasehold land classified as finance lease	-	Over the period of the unexpired lease
Buildings	-	50 years or over the period of the unexpired lease if less than 50 years
Leasehold improvements	-	Office : Over 10 years or the life of the respective lease, whichever is the shorter Non-office : Over the period of the unexpired terms of the leases if less than 50 years
Plant and machinery	-	10 years
Motor vehicles	-	4 years
Furniture and office equipment	-	3 to 5 years

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

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

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(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 profit or loss within 'other income, net', in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in profit or loss as part of 'other income, net' using the effective interest method.

(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 asset's original effective interest rate. The amount of the provision is recognised in profit or loss.

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(i) Leases

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

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

(j) Properties under development

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

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

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

(k) 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.

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

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

(m) Provisions and contingencies

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(m) Provisions and contingencies (Continued)

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

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

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

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

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

(n) Current and deferred income tax

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

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

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(o) Borrowing costs

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

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

(p) Translation of foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(q) Joint development projects

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(r) Cash and cash equivalents

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

(s) 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.

(t) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (3) The entity is controlled or jointly controlled by a person identified in (i).
 - (4) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

(expressed in Hong Kong Dollars)

3. Financial risk management and fair value of financial instruments

(a) Financial risk factors

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

(i) Cash flow interest rate risk

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

(ii) Credit risk

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

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

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

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

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

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

(iii) Liquidity risk

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

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

(a) Financial risk factors (Continued)

(iii) Liquidity risk (Continued)

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

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Less than 1 year		
Trade and other payables	2,511,016	2,363,838
Amounts due to joint development projects	216,902	192,916
Debt securities issued	<u>73,469</u>	<u>1,376,863</u>
Between 1 to 3 years		
Trade and other payables	398,600	552,900
Debt securities issued	<u>635,563</u>	<u>643,291</u>
Between 3 to 5 years		
Trade and other payables	277,900	189,800
Debt securities issued	<u>1,806,550</u>	<u>1,127,037</u>
Over 5 years		
Trade and other payables	375,700	455,800
Debt securities issued	<u>1,223,838</u>	<u>1,969,122</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 2016, if the respective market price of the quoted investments had been increased/decreased by 1% with all other variables held constant, the surplus of the Group would increase/decrease by approximately \$30,333,000 (2014/15: \$29,949,000) resulting from the change in fair value of the financial assets at fair value through profit or loss.

(expressed in Hong Kong Dollars)

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

(a) Financial risk factors (Continued)

(v) Foreign exchange risk

The Group has certain cash and bank balances denominated in Renminbi in 2015, which are exposed to foreign currency 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

As at 31 March 2016, if Hong Kong dollar had weakened/strengthened by 1% against the Renminbi with all other variables held constant, there would have no effect on the surplus of the Group (2014/15: the surplus of the Group would increase/decrease by approximately \$4,147,000) 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 measurement

(i) Financial assets and liabilities measured at fair value

The fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair value measurement" is set out in Note 15.

(ii) Fair value of financial assets and liabilities carried at other than fair value

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgements

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

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

Impairment of properties and provision for committed projects

Properties are tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired in accordance with the accounting policy stated in Note 2(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(m). When the estimated value of the committed project is lower than the estimated development and related costs of the project, a provision would be recognised.

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

Impairment of properties and provision for committed projects sensitivity

As at 31 March 2016, if the respective estimated upfront premium to be received on the projects had been increased/decreased by 5% with all other variables held constant, the surplus of the Group would increase/decrease by approximately \$222,000,000 (2014/15: \$299,000,000) resulting from the change in provision written back/charge for impairment on properties and committed projects.

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

(expressed in Hong Kong Dollars)

5. Revenue and other income, net

(a) Revenue

Revenue recognised during the year represents:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Upfront premium from property developers	2,972,292	9,167,433
Share of property development surplus on joint development projects	4,449,676	605,378
Sale of properties	<u>-</u>	<u>130,871</u>
	<u>7,421,968</u>	<u>9,903,682</u>

(b) Other income, net

Other income, net recognised during the year represents:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Interest income	149,336	157,773
Rental income	35,880	24,838
Miscellaneous income	3	-
Gain on financial assets at fair value through profit or loss	7,504	13,430
Loss on disposal of property, plant and equipment	(71)	(129)
Net foreign exchange losses	<u>(34,789)</u>	<u>(738)</u>
	<u>157,863</u>	<u>195,174</u>

Notes to the Financial Statements (Continued)

(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>2016</u> \$'000	<u>2015</u> \$'000
Cost of properties under joint development projects	1,753,452	7,714,271
Depreciation	50,260	44,067
Write back of provision for impairment on property, plant and equipment	(10,214)	(115,552)
Provision for impairment on properties under development	774,622	399,800
Provision for committed projects	-	419,000
Operating lease charges in respect of rental of office premises	20,949	21,870
Outgoings in respect of preservation properties and rehousing units	34,103	31,331
Staff costs (excluding directors' remuneration)*	340,064	339,308
Auditor's remuneration		
- Audit services	411	639
- Non-audit services	1,332	51
Interest expenses on debt securities issued	75,015	88,560
Less: Interest expenses capitalised#	<u>(75,015)</u>	<u>(88,560)</u>
	<u>-</u>	<u>-</u>

* Including salaries and other benefits of \$316,639,000 (2014/15: \$315,505,000).

The borrowing costs have been capitalised at rates of 1.15% - 3.85% per annum (2014/15: 1.15% - 3.85% per annum).

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)**(b) Managing Directors, Executive Directors and senior management's remuneration paid or payable during the year**

	2016					
	Fees \$'000	Salaries \$'000	Provident fund scheme	Sub-total \$'000	Variable pay \$'000	Total \$'000
			contributions \$'000			
Managing Directors						
- Daniel Lam Chun		3,645	-	3,645	-	3,645
- Iris Tam Siu-ying	-	588	5	593	176	769
Executive Director (Commercial)						
- Pius Cheng Kai-wah	-	2,990	18	3,008	748	3,756
7 Senior management staff & 1 Ex-senior management staff	-	19,413	916	20,329	4,980	25,309
Total**	<u>-</u>	<u>26,636</u>	<u>939</u>	<u>27,575</u>	<u>5,904</u>	<u>33,479</u>
	2015					
	Fees \$'000	Salaries \$'000	Provident fund scheme	Sub-total \$'000	Variable pay \$'000	Total \$'000
			contributions \$'000			
Managing Director						
- Iris Tam Siu-ying	-	3,527	17	3,544	1,058	4,602
Executive Director (Planning, Design & Works)#						
- Calvin Lam Che-leung	-	1,769	12	1,781	442	2,223
Executive Director (Commercial & Operations)						
- Pius Cheng Kai-wah	-	2,990	17	3,007	748	3,755
6 Senior management staff & 2 Ex-senior management staff	-	20,943	637	21,580	4,695	26,275
Total**	<u>-</u>	<u>29,229</u>	<u>683</u>	<u>29,912</u>	<u>6,943</u>	<u>36,855</u>

The Executive Director has been vacant since 11 November 2014.

** Excluding compensation in lieu of leave in the aggregate sum of \$1,116,000 (2014/15: \$1,244,000).

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

	<u>2016</u>	<u>2015</u>
	<u>No. of Individuals</u>	<u>No. of Individuals</u>
Their remuneration fell within the following bands:		
\$500,000 to \$1,000,000	1	-
\$1,000,001 to \$1,500,000	-	-
\$1,500,001 to \$2,000,000	1	-
\$2,000,001 to \$2,500,000	1	2
\$2,500,001 to \$3,000,000	1	2
\$3,000,001 to \$3,500,000	1	2
\$3,500,001 to \$4,000,000	5	4
\$4,000,001 to \$4,500,000	1	-
\$4,500,001 to \$5,000,000	-	<u>1</u>
Total	<u>11</u>	<u>11</u>

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

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

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

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

(c) Other members of the Board

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

	<u>2016</u> \$'000	<u>2015</u> \$'000
<u>Chairman</u>		
Mr Victor So Hing-woh, JP	100	100
<u>Non-Executive Directors (non-public officers)</u>		
Dr the Honourable Ann Chiang Lai-wan, JP	65	65
Mr Edward Chow Kwong-fai, JP	65	65
Mr Laurence Ho Hoi-ming	65	65
Mr Lester Garson Huang, JP	65	65
Professor Desmond Hui Cheuk-kuen (<i>up to 30 Nov 2014</i>)	-	43
Professor Eddie Hui Chi-man, MH	65	65
Mr Philip Kan Siu-lun	65	65
The Honourable Dennis Kwok	65	65
Mr Nelson Lam Chi-yuen	65	65
Mr Daniel Lam Chun, SBS, JP (<i>up to 11 Jun 2015</i>)	13	65
Mr Philip Liao Yi-kang	65	65
Dr Gregg Li G. Ka-lok (<i>from 1 Dec 2014</i>)	65	22
Mr Laurence Li Lu-jen, JP	65	65
Mr Timothy Ma Kam-wah, JP	65	65
The Honourable Alice Mak Mei-kuen, BBS, JP (<i>from 1 Dec 2014</i>)	65	22
Dr Billy Mak Sui-choi	65	65
Dr Lawrence Poon Wing-cheung, JP (<i>from 1 Dec 2014</i>)	65	22
Mr David Tang Chi-fai	65	65
The Honourable James To Kun-sun (<i>up to 30 Nov 2014</i>)	-	43
The Honourable Wong Kwok-kin, SBS (<i>up to 30 Nov 2014</i>)	-	43
Dr John Wong Yee-him (<i>up to 30 Nov 2014</i>)	-	43
Mr Stanley Wong Yuen-fai, SBS, JP	65	65
The Honourable Wu Chi-wai, MH (<i>from 1 Dec 2014</i>)	65	22
	<u>1,283</u>	<u>1,335</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

(d) Five highest paid individuals

<u>2016</u>	<u>2015</u>
\$'000	\$'000

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2016 include the Managing Director, Executive Director and three senior management staff.

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

Fixed - Salaries	15,591	15,509
- Provident fund scheme contributions	<u>430</u>	<u>428</u>
Sub-total	16,021	15,937
Variable pay	<u>3,078</u>	<u>4,075</u>
Total **	<u>19,099</u>	<u>20,012</u>

Their remuneration fell within the following bands:

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

** For the years ended 31 March 2016 and 31 March 2015, no compensation in lieu of leave and other benefits were excluded from the aggregate sum.

7. Income tax expenses

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

No provision for Hong Kong profits tax has been made for the Group's subsidiaries as they have no estimated assessable income for the year (2014/15: Nil).

- (b) As at 31 March 2016, the subsidiaries of the Group have unrecognised deductible temporary differences arising from capital allowance and tax losses of \$7,983,000 and \$12,129,000 respectively (31 March 2015: \$8,785,000 and \$9,167,000 respectively) to carry forward against future taxable income. These tax losses have no expiry date.

(expressed in Hong Kong Dollars)

8. Property, plant and equipment

	Other property, plant and equipment					Total \$'000
	Preservation properties \$'000	Land and buildings \$'000	Leasehold improvements \$'000	Plant and machinery \$'000	Furniture and equipments and motor vehicles \$'000	
At 1 April 2014						
Cost	646,696	622,204	68,895	52,753	26,662	1,417,210
Accumulated depreciation	(75,261)	(283,725)	(27,839)	(35,895)	(18,464)	(441,184)
Accumulated impairment	(103,993)	-	-	-	-	(103,993)
Net book value	467,442	338,479	41,056	16,858	8,198	872,033
Year ended 31 March 2015						
Opening net book value	467,442	338,479	41,056	16,858	8,198	872,033
Additions	10,301	-	1,409	605	2,644	14,959
Transfer from properties under development	240,706	-	-	-	-	240,706
Disposals	-	-	(31)	(13)	(128)	(172)
Depreciation	(16,264)	(9,284)	(10,222)	(4,647)	(3,650)	(44,067)
Write back of provision for impairment	73,955	41,597	-	-	-	115,552
Closing net book value	776,140	370,792	32,212	12,803	7,064	1,199,011
At 31 March 2015						
Cost	996,688	661,588	68,083	52,165	26,913	1,805,437
Accumulated depreciation	(91,525)	(290,796)	(35,871)	(39,362)	(19,849)	(477,403)
Accumulated impairment	(129,023)	-	-	-	-	(129,023)
Net book value	776,140	370,792	32,212	12,803	7,064	1,199,011
Year ended 31 March 2016						
Opening net book value	776,140	370,792	32,212	12,803	7,064	1,199,011
Additions	-	-	446	22	3,184	3,652
Transfer from properties under development	207,929	-	-	-	-	207,929
Disposals	-	-	(16)	(7)	(121)	(144)
Depreciation	(22,964)	(9,769)	(9,432)	(4,504)	(3,591)	(50,260)
Write back of provision for impairment	10,214	-	-	-	-	10,214
Closing net book value	971,319	361,023	23,210	8,314	6,536	1,370,402
At 31 March 2016						
Cost	1,284,919	661,588	68,438	52,146	27,026	2,094,117
Accumulated depreciation	(114,489)	(300,565)	(45,228)	(43,832)	(20,490)	(524,604)
Accumulated impairment	(199,111)	-	-	-	-	(199,111)
Net book value	971,319	361,023	23,210	8,314	6,536	1,370,402

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

9. Properties under development

As at 31 March 2016, the properties under development are analysed as follows:

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Cost, including Home Purchase Allowance ("HPA") (Note (i))		
At 1 April	20,983,788	27,668,724
Add: Additions during the year	4,758,203	3,623,615
Less: Transfer to property, plant and equipment and properties held for sale	(2,706,576)	(381,288)
Less: Charged to profit or loss during the year	<u>(2,836,452)</u>	<u>(9,927,263)</u>
At 31 March*	20,198,963	20,983,788
Provision for impairment at 31 March	<u>(4,765,200)</u>	<u>(4,694,880)</u>
Balances as at 31 March	<u>15,433,763</u>	<u>16,288,908</u>

* The amount includes accumulated interest and other borrowing costs capitalised of \$209,394,000 (31 March 2015: \$182,037,000).

Notes:

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

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

As at 31 March 2016, the Group's estimated cash outflow in respect of project under acquisition and resumption as well as construction cost for self-developed projects stood at \$10.0 billion (31 March 2015: \$13.3 billion), without accounting for any future cash inflow for the projects.

(ii) The Group launched the Flat-for-Flat ("FFF") Scheme to provide domestic owner-occupiers affected by the Group's redevelopment projects commenced after 24 February 2011 with an alternative option to cash compensation. The owner-occupier taking the option of FFF will have to top up if the price of the new flat is higher than the cash compensation for his old flat. The domestic owner-occupiers could have a choice of 'in-situ' flats on the lower floors of the new development or flats in an FFF Scheme at Kai Tak.

(expressed in Hong Kong Dollars)

10. Receivables from property developers

As at 31 March 2016, the upfront payment receivables from property developers are analysed as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Non-current portion	-	1,716,000
Current portion	<u>1,716,000</u>	<u>2,996,000</u>
	<u>1,716,000</u>	<u>4,712,000</u>

As at 31 March 2015 and 2016, no receivables from property developers were past due.

11. Building rehabilitation loans

As at 31 March 2016, the building rehabilitation loans are analysed as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Non-current portion	19,543	24,005
Current portion	<u>10,964</u>	<u>13,041</u>
	<u>30,507</u>	<u>37,046</u>

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

As at 31 March 2016, instalments of building rehabilitation loans of \$296,000 (31 March 2015: \$499,000) were past due but not impaired. These relate to a number of borrowers for whom there are no recent history of bad debt. The ageing analysis of these building rehabilitation loans is as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Less than 3 months	180	43
3 to 6 months	12	101
6 to 12 months	20	17
Over 1 year	<u>84</u>	<u>338</u>
Balance at 31 March	<u>296</u>	<u>499</u>

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

12. Trade and other receivables

(a) Other receivables

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

(b) Trade and other receivables

As at 31 March 2016, the trade and other receivables are current in nature and analysed as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Trade receivables and prepayments	37,243	24,160
Interest receivables	30,754	52,641
Other receivables and deposits	<u>25,656</u>	<u>26,351</u>
Balance at 31 March	<u>93,653</u>	<u>103,152</u>

As at 31 March 2016, trade receivables of \$2,125,000 (31 March 2015: \$1,134,000) were past due but not impaired. These relate to a number of tenants for whom there are no recent history of bad debt. The ageing analysis of these trade receivables is as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
3 months or less	1,554	716
3 to 6 months	173	121
6 to 12 months	159	94
Over 1 year	<u>239</u>	<u>203</u>
Balance at 31 March	<u>2,125</u>	<u>1,134</u>

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

13. Properties held for sale

	<u>2016</u> \$'000	<u>2015</u> \$'000
At 1 April	15,270	15,270
Add: Transfer from properties under development	2,418,345	-
At 31 March	<u>2,433,615</u>	<u>15,270</u>

(expressed in Hong Kong Dollars)

14. Balances with joint development projects

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Amounts due from joint development projects	713,261	725,563
Amounts due to joint development projects	<u>(216,902)</u>	<u>(192,916)</u>
	<u>496,359</u>	<u>532,647</u>

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

The Group have the following active joint development projects as at 31 March 2016.

<u>Project Name / Location</u>	<u>Land use</u>	<u>Total gross floor area (m²)</u>	<u>Actual completion date (calendar year)</u>	<u>Expected completion date (calendar year)</u>
The Zenith / One Wanchai (Wan Chai)	Commercial / Residential	62,310	2006 (Site A & B) 2013 (Site C)	-
* Vision City / Citywalk (Tsuen Wan)	Commercial / Residential	137,885	2007	-
# The Masterpiece / K11 (Tsim Sha Tsui)	Commercial / Hotel / Service Apartment	103,844	2008	-
* The Dynasty / Citywalk 2 (Tsuen Wan)	Commercial / Residential	44,404	2008	-
* Vista (Sham Shui Po)	Commercial / Residential	12,703	2008	-
Beacon Lodge (Sham Shui Po)	Commercial / Residential	12,784	2008	-
Florient Rise (Tai Kok Tsui)	Commercial / Residential	43,231	2009	-
Lime Stardom (Tai Kok Tsui)	Commercial / Residential	19,735	2011	-
Baker Residences (Hung Hom)	Commercial / Residential	2,338	2011	-
* Park Summit (Tai Kok Tsui)	Commercial / Residential	21,402	2013	-
MacPherson Place (Mong Kok)	Commercial / Stadium and Youth Centre / Residential	24,767	2013	-
Park Metropolitan (Kwun Tong)	Residential	27,830	2014	-
Park Ivy (Tai Kok Tsui)	Commercial / Residential	4,843	2014	-
Trinity Towers (Sham Shui Po)	Commercial / Residential	30,300	2015	-
* The Avenue (Wan Chai)	Commercial / Residential	83,900	2015	-

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

14. Balances with joint 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>
My Place (Ma Tau Kok)	Commercial / Residential	6,944	-	2016
The Nova (Sai Ying Pun)	Commercial / Residential	17,767	-	2016
SKYPARK (Mong Kok)	Commercial / Residential	22,301	-	2017
Chi Kiang Street / Ha Heung Road (To Kwa Wan)	Commercial / Residential	8,376	-	2017
Peel Street / Graham Street (Sheung Wan)	Commercial / Residential	18,240	-	2018
Shun Ning Road (Sham Shui Po)	Commercial / Residential	7,159	-	2018
San Shan Road / Pau Chung Street (Ma Tau Kok)	Commercial / Residential	10,346	-	2018
229A-G Hai Tan Street (Sham Shui Po)	Commercial / Residential	3,639	-	2018
@ Fuk Wing Street (Sham Shui Po)	Commercial / Residential	5,030	-	2018
@ Anchor Street / Fuk Tsun Street (Tai Kok Tsui)	Hotel	6,529	-	2018
@ Pak Tai Street / San Shan Road (Ma Tau Kok)	Commercial / Residential	9,782	-	2019
@ Sai Wan Ho Street (Sai Wan Ho)	Commercial / Residential	5,960	-	2019
@ 205-211A Hai Tan Street (Sham Shui Po)	Commercial / Residential	3,556	-	2019
@ Kowloon City Road / Sheung Heung Road (Ma Tau Kok)	Commercial / Residential	12,456	-	2019
Hai Tan Street / Kweilin Street / Pei Ho Street (Sham Shui Po)	Commercial / Residential	58,900	-	2020
Kwun Tong Town Centre Areas 2 and 3 (Kwun Tong)	Commercial / Residential	178,600	-	2021

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

Owner participation project

@ Newly awarded project during the year

(expressed in Hong Kong Dollars)

14. Balances with joint development projects (Continued)

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

In respect of the commercial portions of certain projects, the Group has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issuance of the occupation permits. The Group shares certain percentage of any net proceeds derived from the operation of the commercial portions before the sale and includes it as surplus for the year and would also share the future sales proceeds at the same ratio. As at 31 March 2016, by reference to the valuation of the open market value of these commercial portions carried out by internal professional valuer, the gross fair value of the commercial portions (before the Group's share) was \$9,852,052,000 (31 March 2015: \$6,497,152,000) in aggregate and the Group would account for its share of sales proceeds as surplus from the joint development projects when these commercial portions are sold in the future.

15. Financial assets at fair value through profit or loss

	<u>2016</u> \$'000	<u>2015</u> \$'000
Debt securities, listed		
- Overseas	91,766	84,554
- Hong Kong	463,625	418,332
Debt securities, unlisted	<u>2,477,861</u>	<u>2,492,000</u>
	3,033,252	2,994,886
Cash and bank deposits	54,490	35,568
	<u>3,087,742</u>	<u>3,030,454</u>

As at 31 March 2016, the Group's debt securities represent high quality corporate and government bonds.

The following table presents the Group's assets that are measured at fair value at 31 March 2016. The different fair value hierarchy of the Group's investments have been defined as follows:

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

	<u>Level 1</u>		<u>Level 2</u>		<u>Total</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000	<u>2016</u> \$'000	<u>2015</u> \$'000	<u>2016</u> \$'000	<u>2015</u> \$'000
Debt securities	<u>555,391</u>	<u>502,886</u>	<u>2,477,861</u>	<u>2,492,000</u>	<u>3,033,252</u>	<u>2,994,886</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

16. Cash and bank balances

	<u>2016</u> \$'000	<u>2015</u> \$'000
Time deposits with banks		
Original maturities of 3 months or less	530,886	356,226
Original maturities of more than 3 months	10,217,000	9,184,963
	<u>10,747,886</u>	<u>9,541,189</u>
Less: Amounts held in trust for joint development projects	(3,510)	(3,533)
	<u>10,744,376</u>	<u>9,537,656</u>
Cash at banks and in hand	23,884	57,480
Less: Amounts held in trust for joint development projects	(2)	(1)
	<u>23,882</u>	<u>57,479</u>
	<u>10,768,258</u>	<u>9,595,135</u>
Maximum exposure to credit risk	<u>10,768,243</u>	<u>9,595,120</u>

As at 31 March 2016, all cash and bank balances of the Group are denominated in Hong Kong Dollars. As at 31 March 2015, cash and bank balances of the Group are denominated in Hong Kong Dollars except for an amount of \$414,665,000 which is denominated in Renminbi.

The average effective interest rate of time deposits with banks was 1.08% per annum (2014/15: 1.57% per annum). These deposits have an average maturity of 160 days (2014/15: 119 days).

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

	<u>2016</u> \$'000	<u>2015</u> \$'000
Rating (Moody's)		
Aa1 – Aa3	2,687,882	4,315,209
A1 – A3	7,883,425	5,242,331
Baa1 – Baa2	177,000	754
Others	19,936	36,826
	<u>10,768,243</u>	<u>9,595,120</u>

17. 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 2016, the Authority had received all five tranches of equity injection of \$10 billion in total.

(expressed in Hong Kong Dollars)

18. Trade and other payables

As at 31 March 2016, the trade and other payables are analysed as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Trade payables	62,717	67,750
Proceeds received in advance from sale of properties of joint development projects	-	2,826,500
Rental and other deposit received	196,784	410,387
Other payables	13,102	14,980
Accrued expenses	<u>3,290,613</u>	<u>3,069,221</u>
Balance at 31 March	<u>3,563,216</u>	<u>6,388,838</u>
Non-current portion	1,052,200	1,198,500
Current portion	<u>2,511,016</u>	<u>5,190,338</u>
	<u>3,563,216</u>	<u>6,388,838</u>

19. Debt securities issued

As at 31 March 2016, the Group has issued the following fixed rate notes under a Medium Term Note programme.

	<u>2016</u> \$'000	<u>2015</u> \$'000
<u>Non-current portion</u>		
HK dollar Fixed rate notes with coupon of 1.50% due 2017	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.75% due 2019	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.64% due 2020	300,000	300,000
HK dollar Fixed rate notes with coupon of 1.65% due 2020	500,000	500,000
HK dollar Fixed rate notes with coupon of 2.92% due 2021	400,000	400,000
HK dollar Fixed rate notes with coupon of 2.18% due 2023	300,000	300,000
HK dollar Fixed rate notes with coupon of 2.15% due 2023	300,000	300,000
HK dollar Fixed rate notes with coupon of 3.85% due 2026	500,000	500,000
Less: Unamortised finance charges	<u>(15,127)</u>	<u>(18,212)</u>
	<u>3,284,873</u>	<u>3,281,788</u>
<u>Current portion</u>		
HK dollar Fixed rate notes with coupon of 1.15% due 2015	-	1,300,000
Less: Unamortised finance charges	-	(133)
	<u>-</u>	<u>1,299,867</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

20. Provision for committed projects

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Balance at 1 April	459,000	405,000
Reversed during the year	(459,000)	(365,000)
Charged to profit or loss	-	419,000
Balance at 31 March	<u>-</u>	<u>459,000</u>

The amount represents the provision for committed projects where acquisition was commenced before financial year end. The provision charge is recognised in profit or loss.

As at 31 March 2016, the total provision for impairment on projects are analysed as follows:

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Provision for impairment classified under properties under development as set out in Note 9	4,765,200	4,694,880
Provision for committed projects as set out above	-	459,000
Total provision for projects	<u>4,765,200</u>	<u>5,153,880</u>

21. Reserve for Facilitation Service

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

22. 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 2016 was \$24,364,000 (2014/15: \$24,486,000), net of forfeitures of \$2,127,000 (2014/15: \$1,514,000), which has been charged to the Group's profit or loss for the year.

(expressed in Hong Kong Dollars)

23. Commitments

(a) Capital commitments

Capital commitments in respect of acquisition of property, plant and equipment at 31 March 2016 are as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Contracted but not yet incurred	<u>95</u>	<u>355</u>

(b) Operating lease commitments

As at 31 March 2016, the total future minimum lease payments under non-cancellable operating leases in respect of office premises, in which \$33,069,000 (31 March 2015: \$60,848,000) is related to costs to be incurred for accommodating certain Government offices in a project site pursuant to a reposition arrangement with the Government, are payable as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Within 1 year	47,218	45,001
After 1 year but within 5 years	<u>26,747</u>	<u>51,706</u>
	<u>73,965</u>	<u>96,707</u>

(c) Operating lease rental receivable

As at 31 March 2016, the total future aggregate minimum lease rental receipts under non-cancellable operating leases in respect of properties, except for those commercial portions jointly developed by the developer and the Group, are receivable as follows:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Within 1 year	23,756	20,417
After 1 year but within 5 years	<u>12,951</u>	<u>20,334</u>
	<u>36,707</u>	<u>40,751</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

24. Significant related party transactions

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

During the year, the Authority reimbursed the Government an amount of \$52,717,000 (2014/15: \$47,833,000) 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 2016, there is an amount of \$4,755,000 (31 March 2015: \$3,985,000) due to the Lands Department yet to be settled. The amount is unsecured, interest-free and repayable on demand and included in trade and other payables.

In 2011/12, the Authority has contributed \$500,000,000 to Urban Renewal Trust Fund (the "Fund"). During the year, the Authority provided administrative and support services to the Fund for \$948,000 (2014/15: \$1,011,000). The amount for 2014/15 was a memorandum record and the Authority had not charged the said Fund for the services provided.

During the year, the Authority received \$993,000 from the said Fund for office fitting out and rental of an office premise (2014/15: \$739,000).

As at 31 March 2016, there is an amount of \$449,222,000 (31 March 2015: \$468,242,000) remained in the Fund. The Authority has committed to make further contribution to the Fund in future in the event that its fund balance is fully utilised.

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

25. Commitments for revitalisation projects

In August 2009, the Authority announced its proposal to implement a major revitalisation plan to uphold and enhance the local characteristics of a number of themed streets in Mong Kok. The improvement work at Flower Market Road has been completed. The improvement work at Tung Choi Street will commence upon completion of gazettal procedures.

In October 2009 Chief Executive Policy Address, the Authority was tasked by the Development Bureau to revitalise the Central Market. With a view to shorten the implementation timeframe for public enjoyment, a revitalisation scheme with less interventions was approved by Town Planning Board in March 2016. Preparation of submissions to discharge major planning approval conditions pertaining to the approval of the general building plans were underway.

As at 31 March 2016, the costs incurred for these revitalisation projects has been accounted for, with no significant financial impact to the Group.

(expressed in Hong Kong Dollars)

26. Statement of Financial Position of Urban Renewal Authority

In accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Authority as at 31 March 2016 is set out as follows:

	<u>Note</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
Non-current assets			
Property, plant and equipment		1,367,785	1,193,253
Properties under development		15,433,763	16,288,908
Interest in subsidiaries	(a)	2,186	5,324
Receivables from property developers		-	1,716,000
Building rehabilitation loans		19,543	24,005
Prepayments		238,853	403,906
Other receivables		<u>642,349</u>	<u>524,716</u>
		<u>17,704,479</u>	<u>20,156,112</u>
Current assets			
Properties held for sale		2,433,615	15,270
Receivables from property developers		1,716,000	2,996,000
Amounts due from joint development projects		713,261	725,563
Building rehabilitation loans		10,964	13,041
Trade and other receivables		93,591	103,098
Financial assets at fair value through profit or loss		3,087,742	3,030,454
Cash and bank balances		<u>10,764,719</u>	<u>9,590,666</u>
		<u>18,819,892</u>	<u>16,474,092</u>
Total assets		<u>36,524,371</u>	<u>36,630,204</u>
Capital and reserves			
Capital		10,000,000	10,000,000
Accumulated surplus		<u>19,461,142</u>	<u>15,008,930</u>
	(b)	<u>29,461,142</u>	<u>25,008,930</u>
Non-current liabilities			
Trade and other payables		1,052,200	1,198,500
Debt securities issued		<u>3,284,873</u>	<u>3,281,788</u>
		<u>4,337,073</u>	<u>4,480,288</u>
Current liabilities			
Amounts due to joint development projects		216,902	192,916
Trade and other payables		2,509,254	5,189,203
Debt securities issued		-	1,299,867
Provision for committed projects		-	459,000
		<u>2,726,156</u>	<u>7,140,986</u>
Total capital, reserves and liabilities		<u>36,524,371</u>	<u>36,630,204</u>

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

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

(a) Interest in subsidiaries

	<u>2016</u> \$'000	<u>2015</u> \$'000
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	43,907	43,316
Less: Provision for impairment	<u>(41,722)</u>	<u>(37,993)</u>
	<u>2,186</u>	<u>5,324</u>

Note:

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

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

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

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

Notes to the Financial Statements (Continued)

(expressed in Hong Kong Dollars)

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

(b) Statement of Changes in Equity

	Capital \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at 1 April 2014	10,000,000	13,933,000	23,933,000
Surplus and total comprehensive income for the year	<u>-</u>	<u>1,075,930</u>	<u>1,075,930</u>
Balance at 31 March 2015	<u>10,000,000</u>	<u>15,008,930</u>	<u>25,008,930</u>
Balance at 1 April 2015	10,000,000	15,008,930	25,008,930
Surplus and total comprehensive income for the year	<u>-</u>	<u>4,452,212</u>	<u>4,452,212</u>
Balance at 31 March 2016	<u>10,000,000</u>	<u>19,461,142</u>	<u>29,461,142</u>

27. Comparative figures

In prior years, time deposits with maturity over three months at acquisition but within three months from the end of the reporting period were included under "cash and cash equivalents" in the consolidated statement of cash flows. In the current year, the Group reassessed the classification of these time deposits and has excluded these amounts from "cash and cash equivalents". The comparative figures have been reclassified accordingly:

	As previously <u>presented</u> \$'000	Reclassification <u>adjustments</u> \$'000	As <u>reclassified</u> \$'000
Consolidated statement of cash flows for the year ended 31 March 2015			
Net cash used in investing activities	<u>(2,981,216)</u>	<u>(1,612,193)</u>	<u>(4,593,409)</u>
Cash and cash equivalents at 1 April 2014	<u>4,775,318</u>	<u>(3,236,770)</u>	<u>1,538,548</u>
Cash and cash equivalents at 31 March 2015	<u>5,259,135</u>	<u>(4,848,963)</u>	<u>410,172</u>

28. Approval of financial statements

The financial statements were approved by the Board on 14 June 2016.



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