

URBAN REINVENTION ADVANCE beyond 20

ANNUAL REPORT 2021-22

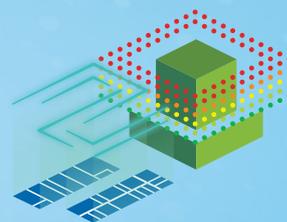


AR Experience on
Urban Reinvention



URBAN REINVENTION • ADVANCE BEYOND 20

The Urban Renewal Authority (URA), making great strides beyond the 20th anniversary, is committed to delivering breakthroughs with an innovative mindset, and realising its vision of district-based planning through adopting the planning-led approach facilitated by data-driven analysis. The cover of this annual report, featuring an Augmented Reality illustration of a futuristic city, helps visualise the benefits of urban regeneration under the integrated approach by ways of Redevelopment, Rehabilitation, pReservation and Revitalisation, a visionary strategy that ultimately leads towards building liveable and walkable communities and a better living environment for Hong Kong.



The 20th anniversary logo, featuring the technologies of 'Point Cloud' and 'Digital Twin', reflects a 3D imagery of land boundaries and building structures that symbolises the URA's commitment to apply technology and big data in taking urban renewal forward.

Steps to AR immersive experience

Step 1



Scan the QR code at the bottom right-hand corner of the cover



Step 2



Allow the programme to access the camera



Step 3



Point the camera over the cover



Step 4

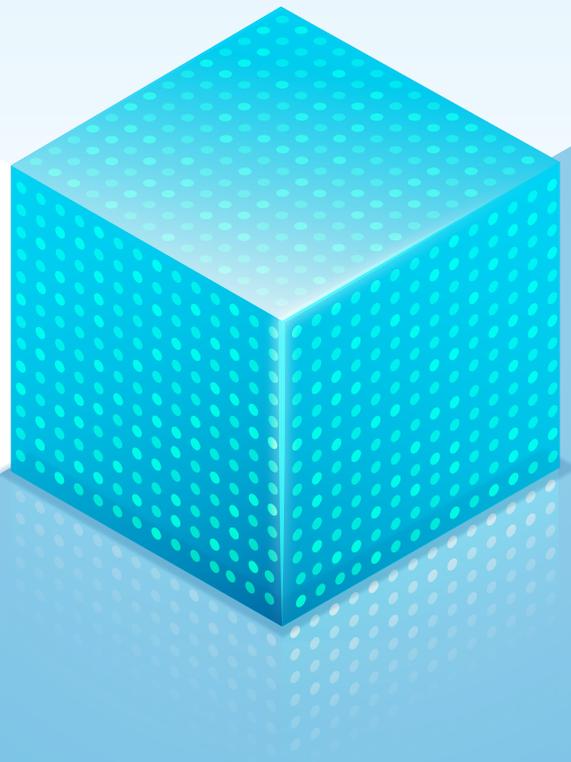


Touch the 'Play' button

CONTENTS

2	Vision, Mission and Values
4	Chairman's Statement
10	Managing Director's Statement
18	URA 20th Anniversary
22	Major Events of the Year
26	Operating Highlights
28	Operating Review
56	Corporate Sustainability
74	Management Discussion and Analysis
84	Projects at a Glance
96	Corporate Governance
100	Members of Board and Profiles
112	Members of Committees
114	Organisation Structure
116	Members of District Advisory Committees
117	Financial Summary
118	Report of the Members of the Board
119	Independent Auditor's Report
122	Consolidated Statement of Comprehensive Income
123	Consolidated Statement of Financial Position
124	Consolidated Statement of Cash Flows
126	Consolidated Statement of Changes In Equity
127	Notes to the Financial Statements

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 CHOW Chung-kong, GBM, GBS, JP

CHAIRMAN'S STATEMENT

Urban Renewal Grows from Strength to Strength

The year 2021/22 marked the 20th anniversary of the URA. I am also pleased to report that good progress has been made in various areas of urban redevelopment, rehabilitation, preservation and revitalisation. It demonstrated the organisation's unwavering dedication to improve the built environment and the livelihood of residents in old districts. URA's hard work over the years have laid a solid foundation for Hong Kong's sustainable urban renewal.

Over the past two decades, the URA has built a strong professional team known for its innovation. They have implemented over 70 urban renewal projects. Dilapidated buildings in old districts have been transformed into modern, high-quality residential accommodations. The urban renewal process has also provided more greenery space, improved pedestrian environment and community facilities, thereby bringing broad social gains to the community.

In recent years, we have adopted a 'planning-led, district-based' approach to commence sizeable challenging redevelopment projects. We aim to generate greater social impact and community benefits so to improve living environment in old districts on the whole. This approach unleashes the development potential of land by incorporating under-used streets, under-utilised government land and aged community facilities into the master development plans through restructuring and replanning of land uses with new planning tools.

In addition to our main roles and responsibilities of urban renewal, the URA has also diligently supported the Government in implementing various building rehabilitation subsidy schemes. Given the severe impact of the COVID-19 pandemic, the URA has also provided rent relief to its domestic and commercial tenants, helping them through this difficult time. So far, the amount of rent relief has already exceeded \$200 million. Besides financial support, the URA also supported residents living in cramped environments or poor sanitary conditions in dilapidated areas with various schemes to combat the COVID-19 virus.

CHAIRMAN'S STATEMENT

Reaping the benefits of redevelopment projects

2021/22 has been a year in which we began to see benefits from earlier redevelopment projects. Seven tendered projects were successfully awarded, generating upfront payments from joint-ventured partners of around \$20 billion and approximately 3,000 new residential flats. As at end March 2022, we have built cash reserve of approximately \$27 billion, which will be entirely applied to future urban renewal works.

Over the past 12 months, three large-scale redevelopment projects were commenced. The first two were Kim Shin Lane/Fuk Wa Street Development Project and Cheung Wah Street/Cheung Sha Wan Road Development Scheme in Sham Shui Po, followed by the Nga Tsin Wai Road/Carpenter Road Development Scheme in Kowloon City announced in May 2022. These projects will provide an aggregate area of 63,000 square metres and are expected to yield 6,180 new residential flats. In addition, these projects will see over 20,000 square metres of greenery space and improved pedestrian environment, along with two new Government community complexes covering a total floor area of over 85,000 square metres, providing to members of the public much improved living environment and modernised services for leisure, cultural, municipal and rehabilitation uses.



The current grid street plan of Kowloon City (left), coupled with scattered single-block buildings individually built by private developers, reflects the lack of comprehensive planning in the district. The redevelopment project being commenced in Lung Shing area of Kowloon City will bring along widened and enhanced walkways (above right), as well as more green spaces and pedestrian environment to the community (below right).



Meanwhile, the redevelopment of buildings under the Civil Servants' Co-operative Building Society (CBS) Scheme, which the URA has undertaken as pilot projects, has made very good progress. Notably in the Shing Tak Street/Ma Tau Chung Road Project, we issued offer letters in August 2021 to its 155 owners, of whom 150 had accepted by end of June 2022. The Government has gazetted resumption of the land for this project, and the clearance work is expected to commence in the fourth quarter of this year. As for the other pilot project at Kau Pui Lung Road, we are at the stage of facilitating the dissolution of relevant co-operative building societies, before acquisition offers can be made. Concurrently we are processing the Stage 2 public comments received by the Town Planning Board (TPB) during the consultation period. We aim to complete the remaining planning procedures as soon as possible.

In the meantime, we are forging ahead with the second phase of eResidence - the Chun Tin Street/Sung Chi Street Project in Hung Hom, as a Starter Homes (SH) Scheme. The Project is currently under construction and is expected to provide about 260 SH units to be sold in the second half of 2023.

In addition, the URA is working jointly with The Hong Kong Settlers Housing Corporation Limited (HKSHCL) in the redevelopment of the Tai Hang Sai Estate. Upon the conditional approval from the TPB in December 2021, we are finalising the detailed planning and design work. HKSHCL, who is responsible for formulating and implementing clearance and relocation plans for its tenants, is currently vetting tenants' eligibilities for ex-gratia allowances and reversion, which will be followed by relocation arrangement. Construction work is expected to commence in 2023. Upon redevelopment, 3,300 new flats will be provided, of which 1,300 will be allocated by HKSHCL to rehouse existing eligible tenants, whereas the remaining 2,000 flats will be offered by the URA as SH units. Together with the completion of the second phase of eResidence, the URA will provide around 2,260 SH units to meet housing needs.

Supporting and promoting rehabilitation

The URA has been administering all building rehabilitation subsidy schemes initiated by the Government since June 2020. These schemes cover six areas from building inspection, common area repair works, fire safety improvement, lift modernisation, building drainage system repair to property maintenance by individual owners. They involve management of over \$19 billion of public funds. As at June 2022, we have approved more than 11,000 applications, helping around 430,000 residential units for owners to improve their building conditions and facilities in the common area through the subsidy schemes.

Located at eResidence in Hung Hom, the Building Rehabilitation Resources Centre is set up to provide one-stop building rehabilitation services for property owners and enhance public awareness on building rehabilitation and preventive maintenance.



With the target of extending structural integrity and serviceability of buildings, the URA is helping property owners to maintain their building conditions and raise their awareness on preventive maintenance. We have set up the city's first one-stop Building Rehabilitation Resources Centre to provide technical assistance and information on building rehabilitation for property owners in need.

In addition, we are experimenting with a 'district-based rehabilitation' approach in Kowloon City and Yau Mong districts. Targeted rehabilitation proposals, in respective of buildings' ages and conditions, will be formulated for building owners to cover building inspection, common area repair works and exterior walls maintenance. Appropriate financial assistance will be provided to encourage owners' participation. Through this approach, we hope to see the overall building condition in these districts to be raised.

To assist the owners of single-block buildings which are currently deprived of property and facility management services, we plan to implement, on a trial basis, a 'joint property management' scheme in order to raise the standards of property management at lower management costs resulting from the economy of scale. It aims to help property owners of these buildings carry out regular building maintenance in future.

CHAIRMAN'S STATEMENT



Visiting the miniature art exhibition at Central Market with the then Chief Executive Mrs Carrie Lam.

In other areas of urban renewal work, we have completed all restoration and revitalisation works of Central Market with the conclusion of the second phase of works in April 2022. Since its opening in August 2021, Central Market has become an iconic landmark in the heart of the city and has received over 10 million visitors.

The URA strives to promote urban renewal in a sustainable way. To this end, a holistic and forward looking strategy has been developed. New planning tools are proposed from the URA's Yau Mong District Study (YMDS) to be applied in urban redevelopment in a bid to fully utilise land resources. The application of new planning tools will also incentivise more private market participation, thereby speeding up the pace of urban renewal for better living environment.

In this connection, the URA has been supporting the Government to initiate amendments to the relevant Outline Zoning Plans, as well as other city planning rules and regulations to implement the proposed recommendations in the YMDS. We will also apply the YMDS experience to new district studies to be conducted in Tsuen Wan and Sham Shui Po.

Turning a new chapter on urban renewal

20 years marks a significant milestone for the URA. While we celebrated our 20th anniversary last year, we also laid out three key principles for sustainable urban renewal going forward. The principles are:



“While we celebrated our 20th anniversary last year, we also laid out three key principles for sustainable urban renewal going forward.”

Forging ahead, the URA will continue our efforts in building our – Planning Reserve, Project Reserve and Financial Reserve. To date, we have conducted extensive planning studies in old districts, including Kowloon City, Yau Ma Tei, Mong Kok, Sham Shui Po, Wong Tai Sin, Kwun Tong, Hong Kong Island East, and Tsuen Wan. A total of 520 hectares of urban land in these built-up areas have been identified with renewal potential.

Meanwhile, we have included 10 new redevelopment projects, covering 137,000 square metres of land, into the Corporate Plan for the next five years (2022/23 to 2026/27). These projects are expected to yield over 13,400 new residential units.

Critically, we must build sufficient financial reserve for the very large acquisition expenses incurred in these projects. Based on our projection, the projects under planning will incur a financial commitment of about \$120 billion. Currently, there is only about \$27 billion in our cash reserve. Even if we include the upfront payments to be received from the tendered projects in the next few years, the cash flow is still inadequate to cover the projected cost of \$120 billion. In this regard, the URA will continue to uphold the self-financing principle as stipulated in the Urban Renewal Strategy, and make full use of all of our financial resources including borrowing capacities.

At the time of writing, I am starting my second three-year term as the Chairman of the URA. Despite the challenges posed by the pandemic, I am pleased to report that the URA team has continued to work diligently on urban renewal projects and related strategic studies. I am also encouraged to observe increasing public recognition and community support to the work of URA. I would like to extend my gratitude to all members of the Board for their insightful advice, support and guidance to our work throughout the year.

Urban renewal has always been full of opportunities and challenges. I shall continue to work with the Board and the URA team in pursuit of our mission. We will support the new HKSAR Administration in their initiatives to speed up the pace of urban renewal. Working together, we shall make Hong Kong a better place to live for all.

CHOW Chung-kong, GBM, GBS, JP

Chairman

31 July 2022



Ir WAI Chi-sing, GBS, JP, FHKEng

MANAGING DIRECTOR'S STATEMENT

Opening Up New Planning Opportunities and Embracing Challenges with Innovative Vision

When I took stock of the URA's urban renewal work in 2016 at the time of taking office as Managing Director, it became clear to me that the redevelopment effort was still being outpaced by urban decay, despite the implementation of several major redevelopment projects and the huge resources committed to renewing the old districts. The conventional project-led approach of building-by-building redevelopment would no longer be an effective means of making urban renewal work sustainable.

With this in mind, I tasked the URA team with conducting a holistic and comprehensive study to look into the key issues that were accelerating the pace of urban decay in old districts. Our study found that buildings would generally start deteriorating when they reached 40 years of age, by which time their facilities would be outdated, and the deteriorating conditions would eventually affect public safety and liveability. It was also revealed that the failure of property owners to conduct maintenance work had aggravated such problems in ageing buildings.

Outdated public facilities, under-utilised streets and open spaces were also commonly found in old districts, which called for re-provisioning. Owing to a lack of land resources, however, the built environment in these old districts could only be improved through redevelopment, which entailed a laborious and prolonged process.

Moreover, the plot ratios of the sites of these ageing building clusters had generally been fully utilised, leaving only a few redevelopment projects in the market that were considered to be favourable for private developers to pursue. This lack of development potential of the ageing buildings had become a stumbling block to private market participation in redevelopment, making the pace of urban renewal slow.

Over the past six years, our URA team has been committed to addressing these issues by formulating and implementing a more holistic and forward looking approach to urban regeneration. For example, we endorsed a 'district-based' approach for the first time in 2016 to carry out urban renewal work in To Kwa Wan. Moving from a 'project-led' renewal model, we consolidated the land uses of eight individual projects within the district for restructuring and replanning, allowing holistic planning of the district as a whole and hence maximising the planning benefits to improve the overall built environment.

MANAGING DIRECTOR'S STATEMENT

Riding on the successful implementation of the To Kwa Wan project, we took the further step of adopting a 'planning-led, district-based' urban renewal model in 2019 and established an implementation mechanism for sustainable and effective urban renewal. In formulating the planning objectives of a project, we reviewed land resources, building conditions and layouts, as well as community facility needs and the local characteristics of the district. We then consolidated land uses of the district concerned and undertook extensive replanning, aiming to implement urban renewal projects with greater impact and social gains.

Meanwhile, in mid-2017, we had embarked on two strategic studies, namely the Yau Mong District Study (YMDS) and the Study on New Strategy on Building Rehabilitation (NSBR), which guided the future trajectory of the long-term development of urban renewal. After three years of hard work, these two strategic studies were completed in early 2021, and their findings and recommendations have been submitted to the Government for consideration.

Throughout this time, we have built a team known for its professionalism and innovation to embrace technologies that broaden our planning, decision-making and implementation capabilities. These strengths have enabled the team to overcome hurdles and challenges and make projects possible that had previously been regarded as impossible, thereby speeding up the pace of urban renewal.

Taking on more sizeable challenging projects

Throughout the past three years, the URA has successfully applied new urban renewal models, strategies and planning tools to various projects in Central and Western District, Mong Kok, To Kwa Wan, Kowloon City and Sham Shui Po.

Amongst these were the Kim Shin Lane and Cheung Wah Street redevelopment projects in Sham Shui Po which commenced last September, involving some 1,700 households and a population of about 3,000. We overcame the hurdle of redeveloping the area with old building clusters of ultra-high density by incorporating land resources from under-utilised Government land and aged community facilities in the area into the projects' master development plans. Through the restructuring and replanning of lands, more floor area can be generated for development. Besides unlocking the redevelopment potential, these projects will provide a much improved living environment, along with modernised standards and services for public transport, municipal, elderly rehabilitation, cultural, leisure uses, as well as greenery space provision.

Nevertheless, various complex issues remain to be tackled during the urban renewal process, including integrating the old and new cityscapes, the challenges of sourcing relevant sites for reprovisioning government facilities, and the need to retain local characteristics. Therefore in May this year we began trialling an integrated approach to implementing our latest redevelopment project in Kowloon City.



The Gateway Square in Nga Tsin Wai Road/Carpenter Road Project will link to Kai Tak Development Area strengthening the connections between the old and new districts of Kowloon City.

By consolidating the planning for Nga Tsin Wai Road/Carpenter Road Development Scheme (KC-017) and its adjacent Kai Tak Road/Sa Po Road Development Scheme (KC-015), as well as integrating the urban renewal work of redevelopment, rehabilitation, preservation and revitalisation, the overall built environment and public facilities of the area will be enhanced as a whole. Connectivity between the old and new districts of Kowloon City and Kai Tak Development Area will also be strengthened.

In addition, we are trialling a 'district-based rehabilitation' approach to assist the owners of buildings in the neighbourhood that are outside the sites of the two projects to carry out rehabilitation and preventive maintenance work to preserve the conditions of these buildings. Place-making initiatives will also be introduced to revitalise public areas including the streets, parks and leisure spaces, so as to integrate the old and new cityscapes upon completion of the projects.

“With all their strengths, our team has overcome hurdles and challenges, and make projects possible that had previously been regarded as impossible.”

Implementing new strategic studies to speed up the pace of urban renewal

Over the past year, the URA has moved the recommendations from the two strategic studies into implementation stage. For the YMDS, potential projects are being formulated based on the Master Urban Renewal Concept Plan (MRCP) and the use of new planning tools such as transfer of plot ratio, street consolidation and interchangeability of domestic/non-domestic plot ratio, so as to simultaneously achieve our objectives of creating development capacity, promoting private market participation and enhancing liveability in this old district.

In July this year, we supported Planning Department in initiating a batch of amendments to the relevant Outline Zoning Plans within Mong Kok district to implement the proposed recommendations and new planning tools of the YMDS, among others. Applications for the amendments have already been submitted to the Town Planning Board. By the end of this year, Planning Department is expected to announce details of other planning tools, including the proposed locations and implementation mechanisms for the street consolidation areas.

In the meantime, we have identified a project from one of the development nodes of the MRCP and a ‘district-based’ project where street consolidation can be applied, for incorporation into our Corporate Plan for the next five years. The Corporate Plan and the projects therein have already been approved by the Government, and will commence when appropriate.

Stepping up promotional efforts to boost owners’ participation in building rehabilitation

At the beginning of my tenure, I noted that a critical factor in realising sustainable urban renewal was the effectiveness of building rehabilitation. We therefore embarked on the New Strategy on Building Rehabilitation study in 2017, seeking to understand the views of owners of old buildings and the difficulties they encountered in building maintenance, in a bid to explore support measures that could better motivate them to carry out rehabilitation work.

Results of the study showed that owners of old buildings usually faced three main challenges that hindered their willingness to organise repair and maintenance works on their own: insufficient knowledge of building rehabilitation, lack of financial reserves, and lack of organisational capabilities.

In response to these findings, we have formulated specific strategies targeting the public and relevant stakeholders to step up promotional efforts and offer incentives. The aim is to encourage owners to carry out building maintenance and management on their own, while also raising their awareness of preventive maintenance.

At the public level, given that our audience covers the owners of many differently-aged buildings, we will develop targeted rehabilitation proposals in respect of the buildings’ ages and conditions. For owners of old buildings in poor condition, our utmost priority is to motivate them to organise repair and maintenance works as soon as possible, in addition to encouraging them to apply for various rehabilitation subsidy schemes covering different parts of the building. Through this approach, we hope to enhance their buildings’ safety and liveability. Meanwhile, to complement these promotional efforts, the Building Rehabilitation Resources Centre at eResidence – the first centre of its type in Hong Kong – will be opened in the third quarter of this year to provide owners with necessary information and technical assistance.

In parallel with the adoption of the ‘district-based rehabilitation’ approach in Kowloon City, we are targeting younger buildings with owners’ corporations or management companies to promote preventive maintenance work. Our support includes assisting owners to formulate regular maintenance proposals and prepare cost estimates for the rehabilitation work. In addition, we are exploring the provision of financial incentives to motivate the owners to save up for building maintenance, by way of offering additional deposit interest at the initial stage of their contributions to the maintenance reserve funds.

MANAGING DIRECTOR'S STATEMENT

We will also continue to enhance the content of our Building Rehabilitation Platform, with the participation of various Government departments, law enforcement agencies, professional sectors and representatives from works contractors. Since its launch in 2019, the Platform has provided owners with a wide range of useful information, standard sample documents and data on the market reference rates for related work items. Complementing this, we launched the Building Rehabilitation Company Registration Scheme (BRCRS) in March this year to spur the establishment of a Service Providers Directory, aimed at helping owners assess whether service providers have a sound system in place for quality management.

Moreover, to assist the owners of single-block buildings which are deprived of any property or facility management service, we have partnered with The Hong Kong Institute of Housing to implement a 'joint property management' scheme on a trial basis. Through this scheme, we hope to raise the standards of property management in these buildings while lowering management expenses, owing to the economy of scale.

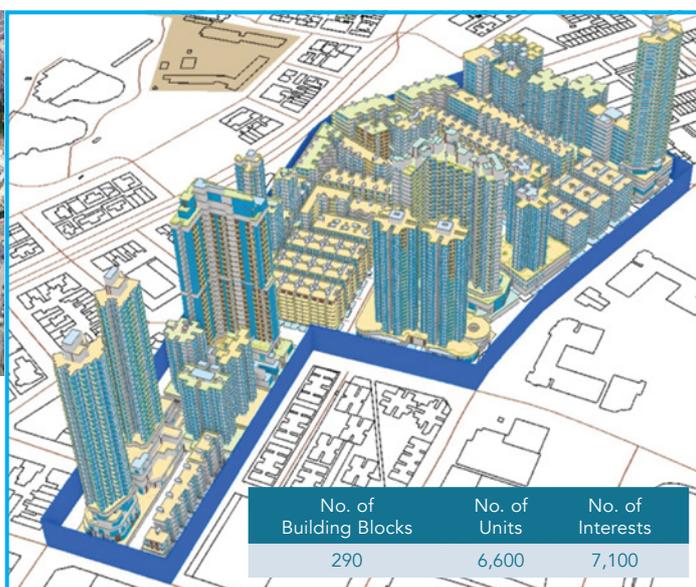
Expediting the pace of urban renewal work through data analysis

To address the increasing volume and complexity of urban renewal work, it is important to have an information system capable of processing and analysing vast amounts of data across complex domains, so as to enable the URA team to make a comprehensive assessment of the many different factors and parameters involved in making decisions on project selection.

To this end, in 2019, we developed the Urban Renewal Information System (URIS) which integrates geographic information and data on such parameters as land use, development density, building conditions, population and household distribution, as well as selected commercial and public facilities, and visualises the information on a map. By fully utilising the URIS, we can shorten from weeks to hours the processing time for collating district plans, the formulation of project reserve, and the analysis of design options.



The 3D Intelligent Map (iMap) in URIS enables the construction of 'digital twin' for the district-based projects in Kowloon City, and help consolidate and analyse data of various kinds such as property interests, statutory orders and others.



Last year, we completed the first phase of URIS development, equipping the system with primary functions such as data exploration, intelligent analysis of project options, and deepening of implementation details. These functions enable the planning team to further analyse and prioritise redevelopment projects based on factors such as planning objectives, financial viability and technical assessment.

In parallel, we have introduced smart technology elements to our projects. One good example is the inclusion of smart city infrastructure provision such as 5G networks during the detailed design work for our eight adjoining redevelopment projects in To Kwa Wan, paving the way for building a 'smart community' by applying more intelligent building and facility management elements. This is in line with one of the three principles set out by our Chairman, namely applying technology to build Hong Kong into a liveable and sustainable smart city.

Promoting digitisation to enhance work efficiency

Over the past year, the URA has allocated resources to extend the use of technology on all fronts of its operations and enhance work efficiency. This includes the registration of residents when launching new projects, case management in acquisition and clearance, case monitoring of building rehabilitation subsidy schemes, condition surveys and assessments of buildings in urban areas, and electronic document management.

In addition, we have strengthened staff training on new technologies and enhanced self-initiated learning through a one-stop online learning platform. By helping our employees acquire new knowledge in line with their varying professional needs, especially in such areas as artificial intelligence, geographic data analysis, 3D spatial data processing, building information modelling (BIM) and modular integrated construction (MiC), we can keep them abreast of the times and enhance the implementation of our urban renewal operations.

Five directions set to promote sustainable urban renewal

Our two forward looking strategic studies YMDS and NSBR have opened up new avenues for tackling critical issues of urban decay. At the time of writing, having started my third three-year term as Managing Director, I commit to taking forward the recommendations of these two studies and setting more ambitious targets in five areas:

(1) Promote private market participation in urban renewal

The existing large number of aged buildings with high development density and low residual plot ratio is a major factor that has reduced the incentives for private developers to pursue urban renewal, resulting in increasing reliance on the URA to take up this daunting task. However, the financial and organisational resources of the URA alone are far from adequate to deal with urban decay and the ageing of buildings. Therefore there is a need to encourage more private participation in regenerating old districts.

Going forward, we will take the lead in adopting new planning tools in projects which we see as appropriate, in order to share the experience with private developers as a reference. Meanwhile, we will collaborate with Government departments to expedite the formulation of implementation mechanisms for the new planning tools, so as to give private developers clear guidelines and specifications to follow in their projects. Through these joint efforts, we hope to enhance redevelopment potential and maximise the use of urban land resources to speed up the pace of urban renewal.

(2) Taking forward more complex and challenging projects

Over the past few years, the URA has launched large-scale district studies to examine on all fronts the land planning and regeneration opportunities for old districts, with a view to accelerating the formation of planning, project and financial reserves.

Over 520 hectares of land in old districts are currently being studied in the URA's Planning Reserve. As more and more land will be needed for regeneration, the URA has to focus its limited resources on taking up more challenging redevelopment projects which have the potential of bringing great benefits to the community, but lack adequate financial incentives to attract market participation.

With a wider application of new planning tools in the URA projects, we will further expand development of the URIS to include more advanced functions, such as automatic exploration of sites in old districts which are suitable for applying the transfer of plot ratio; moving data applications from 2D to 3D; and creating 'digital twins' in the virtual world for building clusters in old districts. These initiatives will accelerate our team's efforts in preparing different development options and assessing their impact on the neighbourhood, thus expediting the planning and execution of onerous urban renewal projects.

MANAGING DIRECTOR'S STATEMENT

(3) Enhancing the 'integrated approach' of urban renewal

The planning studies we have undertaken are not limited to districts with large clusters of ageing buildings such as Yau Mong, but also cover areas where there are already redevelopment projects completed by the private sector. These areas are characterised by a mix of individual single-block buildings constructed in recent years and aged buildings, coupled with a lack of coordination in the overall planning and design for the built environment of the area. In view of this, the challenge for future urban regeneration lies in integrating old and new elements at the planning level, while increasing community facilities and retaining the local characteristics.



Having a chat with street shop operators in Kowloon City to learn about their business environment.

The URA will use the urban renewal work in Kowloon City as a pilot to test the 'integrated approach' by way of redevelopment, district-based rehabilitation, and the revitalisation works carried out in the district, to improve the overall built environment and the blending of old and new cityscapes upon redevelopment.

The adoption of this integrated approach to urban renewal works will involve considerable expenses as it not only incurs costs for the acquisition of property titles, but also involves the construction of new government facilities and work on rehabilitation, retrofitting, district preservation and revitalisation. Going forward, we shall carefully study the cost implications on our financial reserves and work accordingly, setting aside sufficient resources for the implementation of the integrated approach in our projects.

(4) Promoting preventive maintenance among owners of new buildings

To achieve the long-term objective of self-initiated maintenance amongst building owners, which involves a wide range of responsibilities and interests, a step-by-step approach is essential.

The first priority is to encourage owners and the industry to carry out repair and maintenance works proactively following the completion of their buildings. By beefing up our promotional strategies and providing incentives, we hope that building owners and the industry can gradually build awareness of the need to carry out preventive maintenance.

To achieve this, the URA will test preventive maintenance measures in the second phase of eResidence to be launched next year. Guidelines and regulations will be added to the Deed of Mutual Covenant requiring owners to draw up a regular maintenance plan for the building and set money aside as reserves for future execution of the maintenance plan.

In addition, based on our experience and insights in promoting building rehabilitation, we will work with the property management industry to develop a standard manual of building maintenance for new development projects. The manual will assist owners of these private buildings to draw up regular maintenance plans from the time when they move in.

In the event that these non-legislative initiatives fail to achieve the desired results, we will work with the Government in the longer term to review and consider amending relevant legislation on mandatory building inspection in the Building Management Ordinance and Buildings Ordinance.

“We are still in the first cycle of urban renewal after 20 years.... It is therefore essential to encourage owners of structurally-sound buildings to carry out preventive maintenance, whilst giving a window for the URA and other stakeholders to work on the dilapidated ones.”

(5) Good financial planning

Looking ahead, the URA will continue to press ahead with urban renewal works and progressively increase the number of redevelopment projects in its Corporate Plan. A sound financial plan must therefore be in place to ensure sufficient resources are available to meet the substantial acquisition costs incurred in these projects. We will achieve this by means of:

- 1. Making cash reserves flexible:** We will complete the initial planning and design of new projects as early as possible, such that we can align the timing of new project launches with the tendering of other projects that have already completed property acquisition. This allows the ‘hedging’ of funds received from the upfront payments of tendered projects to replenish the cash for property acquisition of the new projects.
- 2. Replenishing cash flow:** When available resources have been exhausted and in the event of any possible shortfall of funds, we will arrange loan facilities in advance.
- 3. Improving project returns:** By incorporating under-utilised streets in the vicinity of the project areas into our master development plans, we can optimise the land uses in addition to bringing in new or refurbished community facilities. We will also advance the restructuring and replanning of land uses from 2D to 3D and incorporate new planning tools such as transfer of plot ratio in our planning applications such that the plot ratio of areas with low development potential can be analysed and assigned to those with high development potential, achieving optimum utilisation of the residual plot ratios for redevelopment.

Embarking on a new journey of urban regeneration

Over the past six years, good progress has been made in URA’s five principal areas of work, namely redevelopment, rehabilitation, preservation, revitalisation and retrofitting. In addition we have completed two strategic studies with their findings and recommendations favourably received by the Government, the Legislative Council and local stakeholders. I am truly grateful for the support and recognition of URA’s work from various sectors of the community.

I would like to take this opportunity to express my heartfelt gratitude to all colleagues in the URA for their tireless efforts in taking forward the regeneration of old districts over the years, and for remaining dedicated to their work even during the most severe stages of the pandemic. We have not only been able to meet our work targets, but have achieved breakthroughs in a number of business areas. I am also indebted to our Chairman and the Board members for their trust, which has enabled us to be bold and innovative in carrying out our work.

Urban renewal is a lengthy process. Today, we are still in the first cycle of urban renewal after 20 years of the URA’s establishment, with a lot of dilapidated buildings still to be redeveloped. It is therefore essential to encourage owners of structurally-sound buildings to carry out preventive maintenance to prolong their service life, whilst giving a window for the URA and other stakeholders to work on the dilapidated ones. Meanwhile, we will continue to build up our financial and land reserves for the next cycle of regeneration. As we embark on this long but rewarding journey of urban renewal, I am confident that our URA team will go from strength to strength, forging ahead to help make the city we call home smarter, more liveable and more sustainable.

Ir WAI Chi-sing, GBS, JP, FHKEng
Managing Director
31 July 2022

URA 20TH ANNIVERSARY

Urban renewal is a lengthy process. Yet, the URA, in just 20 years' time since its establishment in May 2001, has not only commenced over 70 urban renewal projects improving the living environment of families in dilapidated areas, providing financial and technical assistance to owners for building maintenance works, preserving and revitalising historical buildings for public enjoyment, but has also taken up tasks assigned by the Government to benefit wider community groups, while at the same time developed strategic future direction for taking urban renewal to the next level.



Photo Exhibition to Recollect Moments of Urban Regeneration

Themed 'Community and Me', the 'URA's Got Talent Exhibition' showcased photography and multi-media artworks created by the URA staff and their family members, presenting a timeline with various milestones over the past 20 years and the achievements in urban renewal work.



Celebrating the Milestones of Kwun Tong Town Centre Project

The Opening Ceremony of Kwun Tong Yue Man Square cum URA 20th Anniversary Celebration took place to mark the completion of the residential project; the opening of the shopping mall of Yue Man Square and its public facilities at Development Areas 2 & 3 of the Kwun Tong Town Centre Redevelopment Project, the largest single project of the URA.





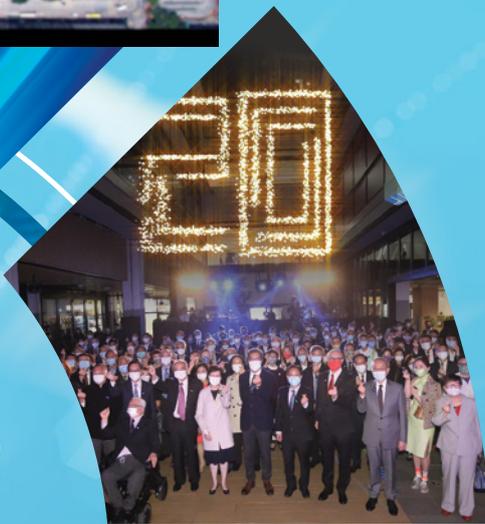
20th Anniversary Video Series to Showcase URA's Community Partnership



A 20th Anniversary TV series titled 'Building Community beyond Urban Renewal', a video series was launched in collaborations with TVB News and Information Division. The series, comprising 10 episodes, showcased the URA's good work over the past 20 years in enhancing the built environment of old districts and the living standard of the people through different human-interest stories.



Celebrating the 20 Years of Success



URA celebrated its two decades of growth at the 20th Anniversary Commemoration held at the revitalised Central Market. Officiated by the then Chief Executive of the Hong Kong Special Administrative Region, the Honourable Mrs Carrie Lam, the event saw over 100 guests from various sectors joining the celebration.

The 20th Incense Tree Planted in URA Project



Since 2017, the URA has started planting Incense Tree in its urban renewal projects, so as to encourage people to appreciate the beauty of Incense Trees and enjoy the harmonious ambience of the community. As of today, a total of 20 incense trees have been planted at our eight redevelopment and revitalisation projects, spanning rejuvenated urban districts including Central and Western districts, Tsuen Wan, Mong Kok, Kowloon City, Kai Tak and Kwun Tong.



20 YEARS OF COMMUNITY PARTNERSHIP

Over the past 20 years, the URA strives to realise the vision of creating a sustainable and liveable smart city with its holistic '5Rs' regeneration strategy (Redevelopment, Rehabilitation, pReservation, Revitalisation and Retrofitting) amid various challenges and constraints, making the impossible into possible. Nonetheless, the team's unwavering dedication and perseverance has seen remarkable achievements on multiple fronts of businesses, alongside increasing public recognition and community support to the work of the URA.

2001 2005



Priorities were given to implementing Land Development Corporation (LDC) projects to deal with dilapidated and dangerous buildings, alongside the launch of pilot schemes to offer subsidy and loan for building rehabilitation and materials to help improve the living environment of residents.



2001 ► URA established in May under the Urban Renewal Authority Ordinance.

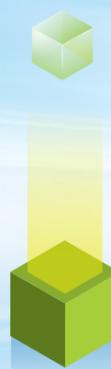
2002 ► Announced the first batch of redevelopment projects (Cherry Street in Tai Kok Tsui, Fuk Wing Street/Fuk Wa Street in Sham Shui Po and Johnston Road in Wan Chai).

2004 ► Launched the **Building Rehabilitation Materials Subsidy Scheme** and **Building Rehabilitation Loan Scheme** to encourage building owners to carry out building rehabilitation.

2005 ► Completion of **Langham Place** (Argyle Street/Shanghai Street Project), which has become a landmark for driving transformation of urban landscape in the vicinity.



2006



2010

Implementation of the '4Rs' urban renewal holistic strategies on multiple fronts covering Redevelopment, Rehabilitation, pReservation and Revitalisation, with an aim to bring greater social and planning benefits to the community.

2006 ► Launched the largest single redevelopment project of **Kwun Tong Town Centre Project** with the adoption of the pioneering 'district-based' planning approach.



2008 ► A revitalised heritage of **The Pawn** standing in harmony with the new development in the neighbourhood.



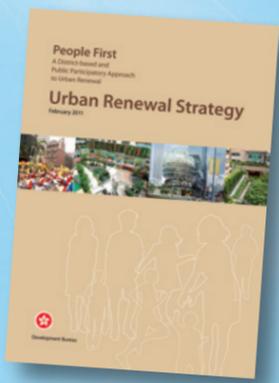
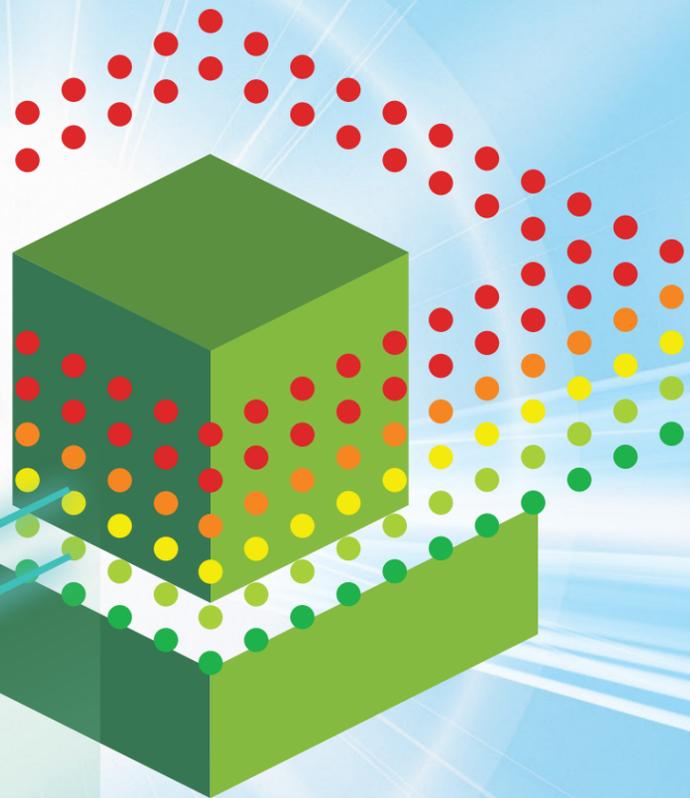
2009 ► **Operation Building Bright** was launched to provide subsidies and one-stop technical support to encourage owners to carry out building rehabilitation.

2010 ► Completed the **Tsuen Wan Town Centre Project**, of which the Citywalk possesses a piazza of 40,000 square feet and a Vertical Garden of 8,000 square feet. It is one of the largest green shopping malls in Hong Kong.

Commenced the **Ma Tau Wai Road/Chun Tin Street Project**, which involved the redevelopment of a tenement building collapsed in January along with two groups of neighbouring buildings with over 50 years of age, so as to ensure public safety and address the accommodation needs of the residents.

URA proactively proposed to conserve the tenement buildings at **10-12 Wing Lee Street**, which were built in the 1950s, to maintain the terrace ambience.





2011 ▶ The new **Urban Renewal Strategy (URS)** announced by the Government, stressed that the implementation of the URS should be undertaken by the URA and all other stakeholders so as to achieve a better balance and coordination among the '4Rs' work.

Demand-led redevelopment and facilitation services started to receive applications to help property owners improve their living environment through joint sales or redevelopment.

2011 ▶ The start of a new blueprint of urban renewal following the promulgation of the new Urban Renewal Strategy. The URA adopted a comprehensive and holistic approach by ways of its two core businesses of redevelopment and rehabilitation, as well as preservation and revitalisation, for creating a quality living environment for the people of Hong Kong.

2013 ▶ Launched the Comic Home Base at the **revitalised Mallory Street**, providing space for creative industries development.



Gradually took over the administration of building rehabilitation schemes from Hong Kong Housing Society and launched the **Integrated Building Rehabilitation Assistance Scheme (IBRAS)** later covering all districts in Hong Kong.

2015 ▶ Allocated 338 residential units in the Kai Tak Development to be sold as **subsidised sale flats** for meeting housing needs of the public.



2016 ▶ **2020** Progressing towards a more holistic and forward looking approach to urban generation, meanwhile stepping up the efforts in promoting building rehabilitation to tackle the accelerating pace of urban decay and ageing buildings.

2016 ▶ Adopted the **'District-based Approach'**, enabling a more holistic and comprehensive planning strategy in implementing the projects in Kowloon City projects, bringing greater planning gains and benefits to the community.



Launched the **'Smart Tender'** Building Rehabilitation Facilitating Services which aimed to provide technical services to Owners' Corporations of private buildings and reduce the risk of tender rigging at work procurement stage.

2017 ▶ Commenced **three strategic studies** to tackle the rapid urban decay in a more effective and sustainable manner, which guide the future trajectory of the URA's urban renewal initiatives.

2019 ▶ In response to the Government's invitation to provide **Starter Homes (SH)**, the URA has assigned eResidence as the SH pilot project, allocating 450 units sold as SH.



Applied **Building Information Modelling (BIM)** technology for the first time throughout the entire building cycle of 618 Shanghai Street, significantly enhancing works efficiency and project management.

2020 ▶ Provided multiple rounds of **rent relief** to its residential tenants and commercial tenants since April, to tide over with Hong Kong people during the COVID-19 pandemic.

Beyond 2021 ▶ Applying technology to build Hong Kong into a sustainable smart city.



2021 ▶ Self-developed **Urban Renewal Information System (URIS)** enhanced URA's capabilities of processing and analysing planning and geospatial data.

Kwun Tong Town Centre Project achieved major milestones with the official opening of its residential development, the Yue Man Square shopping mall and Hong Kong's largest indoor public transport interchange at Kwun Tong Town Centre.



The **Central Market**, the Grade III Historic Building, opened its doors for public enjoyment. Built in 1939, the Market is characterised by the Streamline Moderne Style and simple geometry. The URA adopted an innovative approach by integrating elements of preservation and revitalisation into the design to preserve its uniqueness.

Submitted **Yau Mong District Study** to the Government and Legislative Council, with recommendations of adopting new planning tools to overcome various constraints of urban renewal, with an aim to tackle the aggravated and pressing problem of urban decay more effectively.

Beyond 2021 ▶ Forging ahead, the URA will continue its efforts in enhancing the city's liveability on all fronts, with the holistic adoption of the '5Rs' strategies complemented by the building up of Planning Reserve, Project Reserve and Financial Reserve. A sound financial plan must be in place to ensure sufficient resources are available to meet the substantial costs incurred in the redevelopment projects. To this end, we have commissioned a financial study on funding arrangement. Meanwhile, we will continue to be bold and innovative in implementing urban renewal work and focus on taking up sizeable challenging projects which have the potential of creating greater benefits to the community, as well as promoting building rehabilitation and preventive maintenance amongst property owners.

MAJOR EVENTS OF THE YEAR

APR



▶▶▶ The Yue Man Square Public Transport Interchange at Kwun Tong Town Centre has commenced operation. As the city's largest indoor public transport interchange, the state-of-the-art facilities is equipped with various smart elements such as the AI sensor-controlled boarding gate system at bus termini, and air-conditioning, providing the public with enhanced communal facilities.

MAY

▶▶▶ The Building Drainage System Repair Subsidy Scheme has been commenced. The scheme offers financial and professional support to owners in need for implementing drainage improvement works.

JUN

▶▶▶ The last Civil Servants' Co-operative Building Society (CBS) at the Shing Tak Street/Ma Tau Chung Road Development Project (CBS-1:KC) has successfully completed its dissolution with the help of free legal consultation services provided by the URA. More than 90 percent of the owners have accepted the URA's acquisition offers.

JUL

▶▶▶ The Urban Renewal Information System (URIS), developed by the URA, received the 2021 Special Achievement in GIS (SAG) Award for its ability to consolidate data of the built environment and its exemplary performance of GIS application in the work of urban regeneration.



AUG

▶▶▶ The revitalised Central Market celebrated its soft opening, marking a new milestone for the Grade III historic building. The Central Market has been transformed into a 'Playground for All' to connect neighbours, the old and the new generations, in addition to signifying the functions of the market.



▶▶▶ Hong Kong Olympians in Tokyo 2022 Olympic Games soaked up the adulation from the enthusiastic public as they celebrated their success at the ‘Sporting Successes, Cheer Up Hongkongers’ event at SPORTS EXPO and ‘Photography and Sculpture Exhibition’ at Yue Man Square.

▶▶▶ Two large-scale redevelopment projects in Sham Shui Po, namely Kim Shin Lane/Fuk Wa Street Development Project, and Cheung Wah Street/Cheung Sha Wan Road Development Scheme, were commenced. With a ‘planning-led’ urban renewal model and the utilisation of URIS, the redevelopment potential is further unleashed through restructuring and replanning of the lands, bringing greater planning and social benefits to the community.



▶▶▶ Following the Chief Executive’s endorsement of URA’s district-based approach and recommendations in Yau Mong District Study in 2021 Policy Address, the URA started to adopt the newly proposed planning tools in appropriate projects, and take on new tasks of commencing district studies for the old districts of Tsuen Wan and Sham Shui Po.



▶▶▶ Celebrating its 20th anniversary of establishment, the URA held the commemorative event at its revitalised Central Market with over 100 guests attending.



▶▶▶ The city’s first interactive neon wishing tree brought pizzazz to M7, the rechristened 7 Mallory Street. The 4.5-metres tall tree embodies the story of Wan Chai through interactive audio and visual effects, bringing a new and immersive experience to the visitors.

MAJOR EVENTS OF THE YEAR



▶▶▶ The URA completed the retrofitting works to support rehabilitation initiatives, and has turned the nearly 60-year-old derelict Wing Hong Factory Building at Yu Chau West Street in Cheung Sha Wan into a modernised structure. The building was upgraded through retrofitting of facilities to meet the modern standard, thus improving safety and prolonging the building serviceability. It is the URA's first factory building to be retrofitted, rehabilitated and revitalised for reuse.



▶▶▶ In response to the fifth wave of the COVID-19 outbreak, the URA collaborated with Tung Wah Group of Hospitals to distribute anti-epidemic kits to the residents living in the URA rehousing blocks and its acquired properties, so as to minimise their risk of contracting the virus in public spaces. The URA also offered free accommodation at its 56 emergency vacant units to residential tenants or URA staff and their household members who are close contacts of confirmed cases to relieve the pressure on the Government's isolation facilities.



▶▶▶ The URA awarded joint development contract to Centenary Investments Limited, a wholly-owned subsidiary of CK Asset Holdings Limited, for the combined development of four projects in To Kwa Wan, namely Kai Ming Street Project (DL-8), Hung Fook Street/Kai Ming Street Project (KC-011), Kai Ming Street/Wing Kwong Street Project (KC-013) and Wing Kwong Street Project (KC-012), which occupy a total site area of 6,195 square metres providing a total maximum gross floor area of 48,942 square metres upon completion.

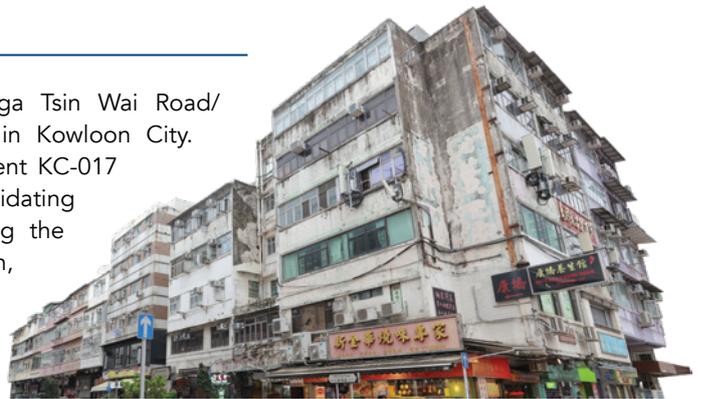


▶▶▶ In view of the economic impact brought by the ongoing pandemic, the URA continued to extend the special rent relief measures for its domestic and commercial tenants covering the period until September 2022 to assist over 800 tenants with more targeted efforts and greater magnitude.

▶▶▶ The Government appointed four new non-official non-executive directors, namely Mr Chan Ka-kui, Ir Janice Lai Wai-man, Mrs Sylvia Lam Yu Ka-wai and Ms Yvonne Yeung Kin-ha, while re-appointing nine non-executive directors (non-official) of the URA Board, for a term of three years with effect from 1 May 2022.



▶▶▶ The URA has commenced the Nga Tsin Wai Road/ Carpenter Road Development Scheme (KC-017) in Kowloon City. An integrated approach will be trialled to implement KC-017 and its adjacent development project by consolidating the planning of the two projects, and integrating the urban renewal work of redevelopment, rehabilitation, preservation and revitalisation, in a bid to realise the overall planning visions of creating a liveable, vibrant district as a whole, while integrating the old and new cityscapes.



▶▶▶ A miniature exhibition entitled 'An Art Journey into the Past and Present Urban Reinvention · Advance Beyond 25' was held at Central Market, in celebration of the 25th anniversary of the establishment of the Hong Kong Special Administrative Region. The exhibition is the first to showcase the miniature of the city development as part of the celebratory events, depicting the local characteristics and the urban landscapes of 18 districts through the 100 miniature models.

OPERATING HIGHLIGHTS

(Figures are up to 30 June 2022, unless specified otherwise)



REGENERATING URBAN DISTRICTS

75 Projects have been undertaken since the establishment of URA in 2001

282,000 m² Urban area improved or to be improved

REDEVELOPMENT



1,642 Dilapidated building blocks redeveloped or to be redeveloped



41,000 Residents benefitting from projects



151,000 m² Government, Institution or Community facilities

49,200 m² Open space



30,400 New flats



BRINGING SOCIAL BENEFITS

SUSTAINING THE ECONOMY



Over **800** Commercial and residential tenants benefitted from COVID-19 pandemic rent relief Involving over **\$200 million**



6,000 m² Spaces rented to NGOs and Social Enterprises in URA Properties at concessionary rates

CARING FOR ENVIRONMENT



32 Projects attained BEAM Rating for sustainable building design

ENHANCING THE CITY'S LIVEABILITY ON ALL FRONTS

REHABILITATION

 Around **6,000** Building blocks rehabilitated or undergoing rehabilitation with various assistance schemes

 Around **588,000** Flat units benefitted from URA's rehabilitation schemes and five Government subsidised schemes

240,000 Flat units benefitted from 'Smart Tender'

 Around **\$1,990 million** Building rehabilitation loan and subsidies released

PRESERVATION & REVITALISATION

 **81** Buildings/structures preserved or to be preserved

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

 **8,500** Average visitors/day

 Over **300** Events held

CARING FOR PEOPLE

 **493** 'Starter Homes' flats provided

 **2,700** People benefitted from 'Community Service Partnership Scheme'

 **686,181** Old district residents benefitted from 'Arts and Cultural Partnership Programme in Old Urban Districts'

 **7,783** Households benefitted from various community programmes to repair or improve home environment

 **12,000** Volunteering hours attained



OPERATING REVIEW



Urban renewal is a lengthy process. Two decades on, Hong Kong is still in the first cycle of urban renewal with a lot of dilapidated buildings remain to be redeveloped.

Over the past six years, URA has progressively steered towards a holistic and comprehensive approach to urban regeneration, moving from the conventional project-led model of building-by-building redevelopment to one that is 'planning-led, district-based', allowing holistic planning of land uses of the old district as a whole, maximising the planning and social benefits to improve the overall built environment.

At the same time, the URA has begun trialling an integrated approach amalgamating the urban renewal strategies by ways of Redevelopment, Rehabilitation, pReservation and Revitalisation (4Rs), in implementing its redevelopment projects in Kowloon City, putting its effort in the integration of new and old cityscapes, the reprovisioning of government facilities and the preservation of local characteristics.

By consolidating the planning of projects and its vicinity under the integrated approach, along with the trailblazing use of new planning tools, the overall built environment and public facilities in the areas will be enhanced as a whole, and connectivity between the old and new districts will also be strengthened. The pilot approach will also assist the owners of the buildings in the neighborhood of the project site to carry out rehabilitation and preventive maintenance work to maintain building conditions. Place-making initiatives will also be introduced to revitalise the areas, so as to integrate the old and new cityscapes upon redevelopment.

The success of urban renewal also hinges very much on building rehabilitation. We seek to understand the main challenges faced by owners that hindered their willingness in carrying out building maintenance, so as to formulate specific strategies targeting public and stakeholders, and step up promotional efforts to encourage them to carry out building maintenance and management on their own.

In parallel, our two forward looking strategic studies have opened up new avenues for tackling critical issues of urban decay. URA is committed to taking forward the recommendations of these studies and set more ambitious targets on taking more challenging and complex projects which have the potential of bringing greater benefits to the community.

OPERATING REVIEW

Strategic Studies for Effective and Sustainable Urban Renewal

Our continuous efforts in pushing forward urban regeneration are backed by three strategic studies commenced in 2017/18 with a view to addressing Hong Kong's rapid urban decay in an effective and sustainable manner. All the strategic studies were completed with findings and recommendations to guide the future trajectory of the URA's urban renewal initiatives.

Yau Mong District Study (YMDS)

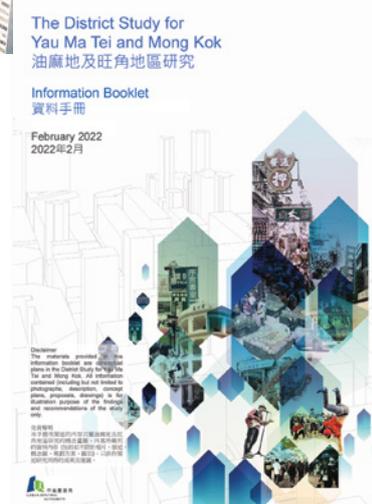
To undertake urban renewal with greater effectiveness, the YMDS, a strategic planning study was commenced aiming to establish new implementation mechanism and planning tools to overcome existing challenges in urban renewal.

The study came to a fruitful conclusion in early 2021. Three Master Urban Renewal Concept Plans (MRCPs) with varying development intensity were developed while strategic areas and development nodes were identified. A suite of new planning tools such as transfer of plot ratio, interchangeability of domestic and non-domestic plot ratios and site amalgamation under street consolidation areas (SCAs) were proposed to help expedite urban renewal. Some early initiatives including a selected nodal development and an SCA to be implemented by the URA were identified in the study and included in the Corporate Plan for implementation.



Aerial view of the now densely-populated Yau Ma Tei and Mong Kok districts.

Following the completion of the study, the URA conducted extensive consultations and engagements with the Legislative Council, Yau Tsim Mong District Council, professional institutes and other stakeholders to share key findings and recommendations of YMDS. The Government welcomed the directions recommended in YMDS and rendered its support by incorporating the new planning tools, identified from the Study, in the amendments to the relevant Outline Zoning Plans to allow, among others, interchangeability between domestic and non-domestic plot ratio in selected areas within Mong Kok district, increase in the plot ratio for the Nathan Road commercial spine and the flexibility for developments around character streets. With the implementation of the new planning tools to unleash development potential, the URA will at the same time work with the Development Bureau and relevant departments to incentivise more private market participation in urban renewal to speed up the pace of urban renewal.



An information booklet has been published summarising the findings and recommendations of Yau Mong District Study.

Development Nodes

Planned in a holistic manner connecting various major shopping/character streets or key pedestrian corridors to create a knitted network, five development nodes are proposed in the MRCPs of YMDS to serve as anchor developments to steer economic growth, as catalysts for urban regeneration and as focal points for the public to conglomerate, in addition to providing opportunities for open space and other public gains.



Impression of sizeable open space on top of a special 'Market Hall' creating a 'Market in the Park' ambience



A green hub with urban waterway and a new multi-purpose complex building under the 'Single Site, Multiple Uses' initiative



The fruit market to be revitalised to become a tourist attraction alongside modernised facilities for wholesale operation, commercial development and open space



A comprehensive mixed-use development serving as a converging point of at-grade character streets, elevated walkways and nearby MTR stations



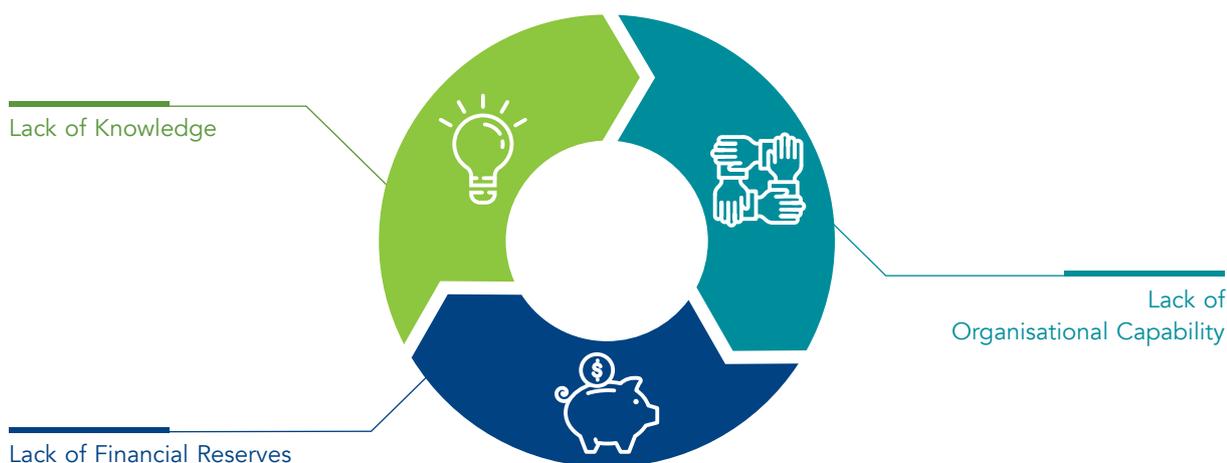
An iconic gateway development with mixed-use of offices, retail, hotels, arts and cultural and residential components

OPERATING REVIEW

Study on New Strategy on Building Rehabilitation (NSBR)

The NSBR aims to formulate a comprehensive rehabilitation strategy covering buildings of all ages to reduce the number of dilapidated buildings which may otherwise require redevelopment.

Challenges Faced by Owners of Old Buildings in Carrying Out Building Rehabilitation



The study was completed in 2020, identifying the lack of (i) professional knowledge in procurement of consultants/contractors, (ii) financial reserves and (iii) organisational capabilities as three major obstacles for owners of old buildings and owners' corporations (OCs) to organise building repair and maintenance works. In response, the URA has been implementing a multi-pronged approach to provide building owners with comprehensive information that is easy to comprehend and use, financial subsidies and technical support to assist them to carry out maintenance works.

In addition, emphasis is placed on increasing the awareness to prolong building life and serviceability through collaboration with various stakeholders such as professional institutes and practitioners to promote good practices of preventive maintenance and voluntary contribution to maintenance fund.

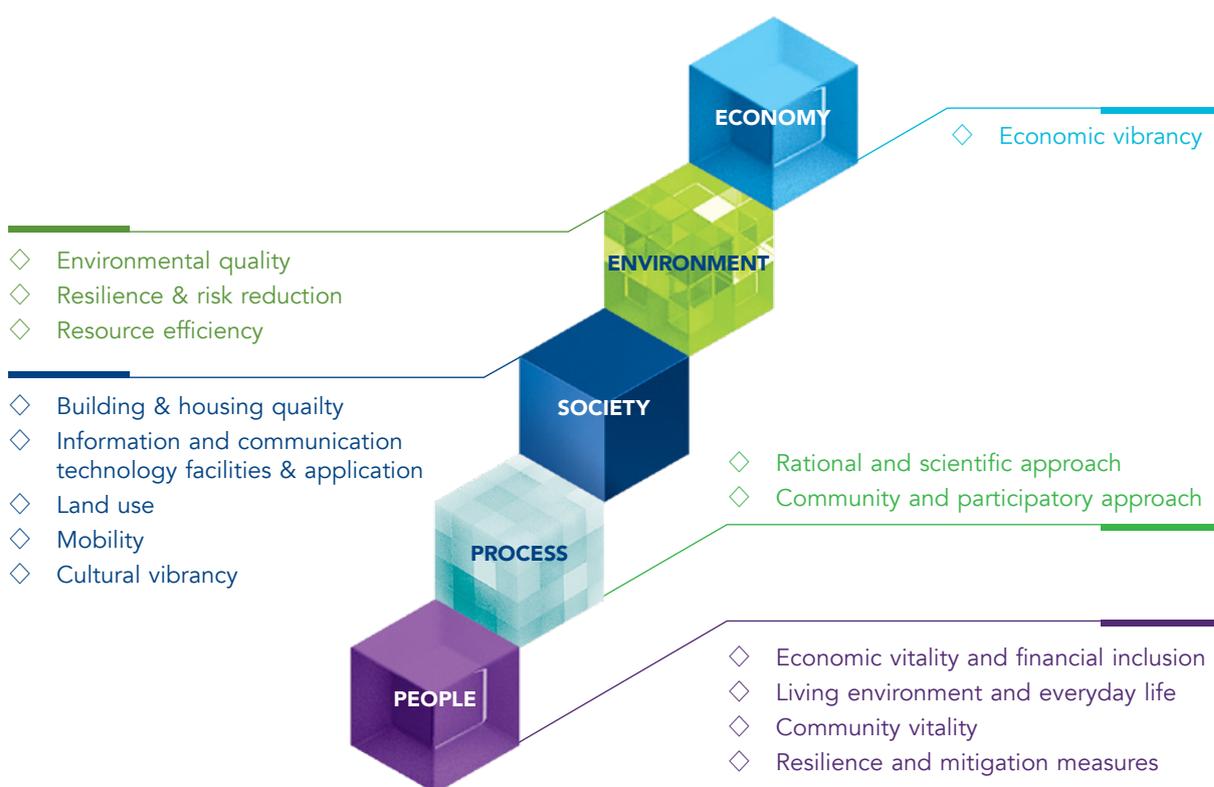
We studied local and overseas practices and compiled templates of maintenance manual and plan to be adopted in our self-developed projects, with the objective of promoting for a wider application to the buildings across the city. In addition, we finalised the proposed clauses for implementing preventive maintenance and facilitating owners' regular contribution to the special fund for future maintenance and incorporated in the Deed of Mutual Covenant (DMC) of the URA's projects. Through these trial applications, it is hoped that the URA can spearhead and ultimately recommend to the Government the adoption of these clauses in the DMC guidelines and relevant Code of Practice.

During the year, the URA appointed non-governmental organisations (NGOs) in seven districts to promote building rehabilitation to 600 target buildings. Apart from the general public, the URA worked with different stakeholders, including the Property Management Services Authority and other property management institutes, to facilitate the future implementation of preventive maintenance and promotion of regular contribution to the special fund through seminars and training courses.

Sustainability Study

Followed by the completion of the study in 2020, a framework for measuring urban renewal performance in five domains, namely 'Economy', 'Environment', 'Society', 'Process' and 'People', with a set of measureable key performance indicators (KPIs) were identified and accredited by the Social Value International. In 2021/22, selected KPIs were applied in seven redevelopment/rehabilitation projects to gauge their effectiveness and performance for internal evaluation. The KPI framework will be refined based on the findings to enhance applicability in other URA projects. In the long run, the indicators will serve to optimise the benefits of urban renewal projects under the '5Rs' business strategies.

The Framework for Measuring Urban Renewal Performance in Sustainability



Preliminary Project Feasibility Studies (PPFSs)

A number of PPFSs were completed or being conducted for selected old urban areas to develop URAs planning and project reserves. Three PPFSs covering two action areas in Kowloon City and one action area in Sham Shui Po have been ongoing since 2019/20. So far, four redevelopment projects identified from these studies were included in past approved Business Plans and all of them were commenced in either 2021 or 2022. Two other projects identified from YMDS were included in the approved Corporate Plan covering 2022/23 to 2026/27.

Two PPFSs for Sai Wan Ho and Wong Tai Sin districts were commenced in March and April 2021 respectively to explore urban renewal opportunities in the areas. A pilot survey in relation to the demand side of redevelopment and building rehabilitation initiatives was carried out as part of the PPFS for Sai Wan Ho. The survey respondents' aspirations will be appropriately reflected in the draft master renewal plan under preparation.

REDEVELOPMENT



Redevelopment has been the mainstay of the URA's strategy to contain urban decay since its establishment in 2001.

Adopting a 'planning-led, district-based' approach in recent years, we endeavour to undertake sizeable and challenging redevelopment projects which will bring greater benefits to the community.

Three large-scale redevelopment projects were commenced over the last year. Through restructuring and replanning the land uses, with the application of new planning tools and under a 'Single Site, Multiple Uses' approach, more floor area can be generated for development. By unlocking the redevelopment potential, these projects are expected to yield over 6,000 residential units, and provide a much improved living environment with the provision of over 20,000 square metres of greenery space, along with modernised standards and services for public transport, leisure, cultural, municipal and rehabilitation uses.

On planning level, the URA tested the integrated approach model of urban renewal in the Nga Tsin Wai Road and Carpenter Road Development Scheme (KC-017) and its adjacent Kai Tak Road/Sa Po Road Development Scheme (KC-015) in Kowloon City. By way of redevelopment, district-based rehabilitation and the revitalisation works carried out in the district, it will further improve the overall built environment and the blending of old and new cityscapes. Upon project completion, the regenerated district not only will emerge as a more liveable and accessible community with unique local characteristics, but also act as a conduit connecting the Walled City Park (the past) with the new Kai Tak Development Area (the future).

Resources and effort from URA alone will not be adequate to handle challenging projects which involve clusters of aged buildings with deteriorating condition, high development density and low residual plot ratio. The URA has pioneered the use of new planning tools to overcome the hurdles faced in planning and unlocked the development potential of the lands in the old districts. Meanwhile, it is important to share the experiences and practices with private developers as a reference to promote private market participation in urban renewal.

OPERATING REVIEW

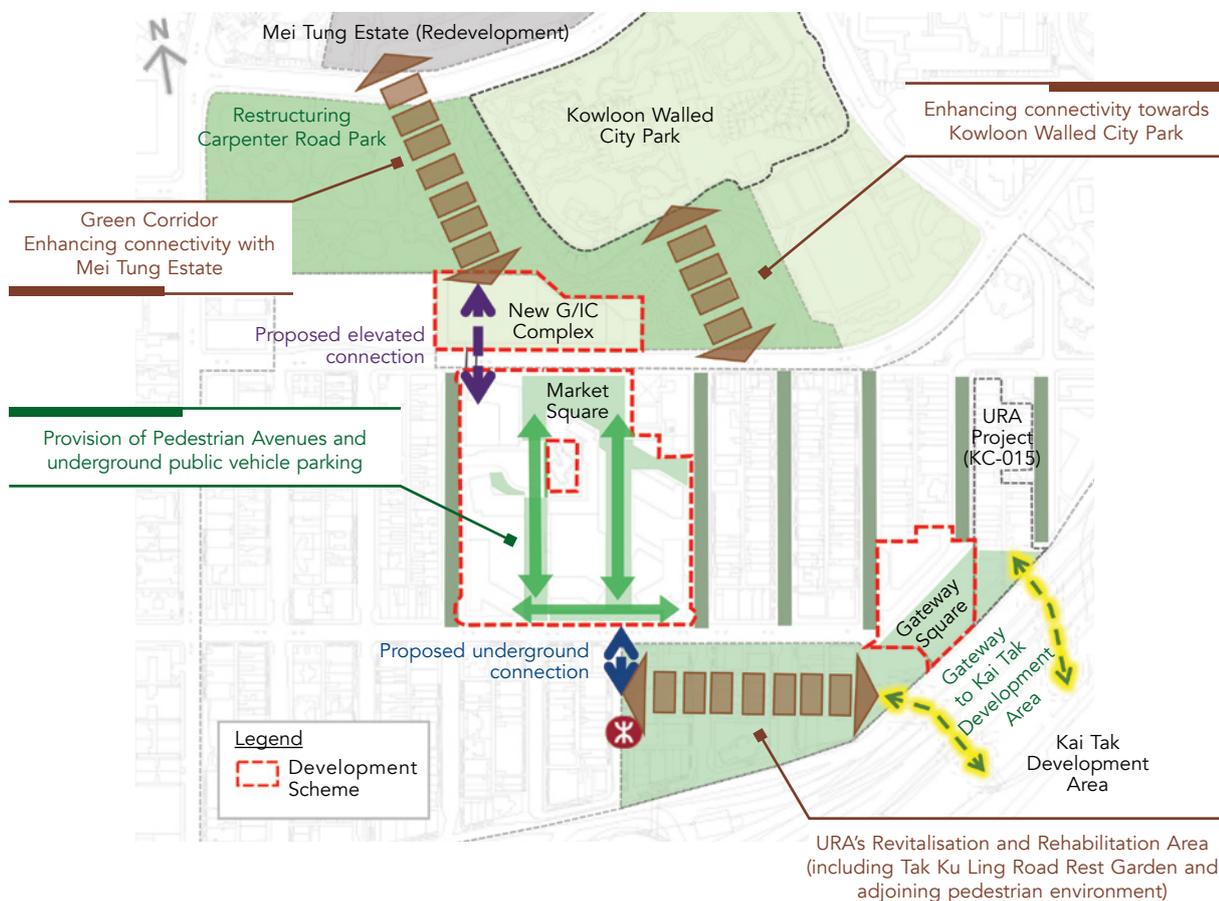
Projects Commenced in 2021/22

Nga Tsin Wai Road/Carpenter Road Project (KC-017)

Commenced in May 2022, KC-017 Project outlined the planning visions based on the aspirations of the local residents and stakeholders over the years, to improve traffic conditions, enhance the community facilities and living environment in the district.

Located at Carpenter Road and Nga Tsin Wai Road, KC-017 occupies a total area of about 37,060 square metres and comprises a main site, a northern site and an eastern site. The main and the eastern sites cover about 120 street numbers of buildings, in which three public facilities, namely the Kowloon City Municipal Services Building, Kowloon City Lions Club Health Centre, and Lee Kee Memorial Dispensary, are located in the main site; whereas the northern site is situated within the Carpenter Road Park.

The Proposed Planning of Nga Tsin Wai Road/Carpenter Road Project (KC-017)



Through replanning the land uses of the three sites, part of the Carpenter Road Park in northern site will be designated for reprovisioning community facilities, including the Kowloon City Market and the adjoining facilities, by building a new government complex under a 'Single Site, Multiple Uses' approach. Such reprovisioning plan will achieve a seamless transition of public facilities to minimise inconvenience to users of the public services. The new government complex and the other two sites in KC-017, altogether will provide approximately 47,000 square metres of floor area for Government, Institution or Community (G/IC) facilities, tripling the existing area within the project boundary.

Meanwhile, the Carpenter Road Park will be revitalised with new elements incorporated to the layout and design, and park facilities to upgrade the Park as a whole. Pedestrian pavements will also be widened with appropriate green landscape, and a unified green corridor will be made connecting Mei Tung Estate, Kowloon City Walled Park, Carpenter Road Park and the project site.

Appropriate relaxation of the height restrictions has been proposed in the main site to allow greater flexibility in the design and layout of buildings, thereby releasing more space at ground level for pedestrian use. A portion of Nga Tsin Long Road and Nam Kok Road will be converted into two green pedestrian avenues, each at least 18-metre wide. An underground carpark in the main site will also be incorporated to improve traffic condition and ease illegal parking problem.

In the eastern site adjoining Prince Edward Road East, the road segment adjacent to the area of the sunken plaza to be developed in the Kai Tak Road/Sa Po Road Development Scheme (KC-015) will be realigned, providing more space for a new Gateway Square connecting to Kai Tak Development Area. A low rise commercial building will be built to support the business activities of the Gateway Square. With the transfer of plot ratio, the residue gross floor area of the eastern site will be transferred to the main site, thereby unleashing further development potential of the land.

Under the integrated approach, the adjacent Tak Ku Ling Road Rest Garden will be revitalised and integrated with the sunken plaza of KC-015 and the nearby bus stops, providing an improved environment for bus queueing and disembarking. In addition, we will trial on adopting the 'district-based' approach by introduction building rehabilitation to those buildings of different ages and conditions in the neighbourhood of the projects along the area from Nam Kok Road to Tak Ku Ling Road. Targeted proposals for different building ages and conditions will be formulated to encourage owners to carry out building maintenance and preventive maintenance.

A new G/IC Complex (below) will be built to reposition the existing Kowloon City Municipal Services Building (right) with modernised facilities and greater community uses.



Artist Impression

OPERATING REVIEW

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

Commenced jointly in September 2021, the two projects will provide over 1,800 new flats. SSP-017 involves a total of 90 street numbers of buildings that were built in 1950s, in which these buildings are generally in dilapidated conditions with large number of sub-divided units. While SSP-018 covers two sites (Site A and Site B) which are separated by Cheung Sha Wan Road.

In the face of the situation in the district, such as the conditions of the buildings, especially the building clusters at Kim Sin Lane with problems of ageing, large numbers of sub-divided units, and the lack of fire safety facilities, the redevelopment of these buildings by way of a single-site project has been hindered by several challenges. These include the multiple ownership titles, the high acquisition cost involved, and the existing building blocks having reached the maximum permissible plot ratio for the site, all of which make redevelopment very difficult, if not impossible, to implement.

Therefore, a holistic study and plan for the old district are formulated before finalising a project, such that the usage of land is being examined in a holistic manner for restructuring and replanning, with an aim to enhance the development potential of the area and improve the overall living conditions of the residents through redevelopment.

The Proposed Planning of SSP-017 and SSP-018 Project

Site B of SSP-018 Project

Through restructuring and optimising land use, Site B will house the new G/IC complex inclusive of a new Sports Centre with facilities upgraded to present-day standard, alongside the provision of more G/IC facilities and open space.

SSP-017 Project



Proposed footbridges

Site A of SSP-018 Project

With obsolete facilities built in 1976 and under-utilised land, the current Cheung Sha Wan Sports Centre and its adjacent garden will be re-provisioned at Site B of SSP-018.

The two projects will restructure the layout of both sites, which covers the government land adjoining the Kim Sin Lane building clusters, to fully utilise the land resources so that through redevelopment, not only will floor area be generated to increase flat supply upon development, more planning benefits could also be achieved to enhance the living environment for the community of the entire district.

The land occupied by the Government Temporary Works Depot on Cheung Sha Wan Road in Site B of the Scheme will be replanned for the development of a new government complex, where a new Sports Centre will be provided for replacing the Cheung Sha Wan Sports Centre which was built in 1976 at Site A. The new Sports Centre will have additional recreational and sports facilities, including children's play area and gymnasium which are not available at the current Sports Centre, and the standard of its multi-purpose hall will also be upgraded.

Sites A and B combined will provide over 38,000 square metres of floor area for the provision of G/IC facilities, a significant increase of 33 times of the existing provision of the district.

Moreover, the two projects are integrated to provide space for improved walkability by building two footbridges across Cheung Wah Street and Cheung Sha Wan Road, connecting Kim Sin Lane and the community facilities on Cheung Sha Wan Road. This will enhance accessibility and connectivity of the district and create more green open space to improve the built environment.

As part of the revitalisation endeavours, the URA will discuss with relevant Government departments on carrying out street improvements and beautification works of open spaces, with a view to facilitate the integration of the new government complex, the Sham Shui Po Sports Ground and adjacent recreational, resting, and community facilities to become a community recreational amenity hub, bringing additional benefits to the neighbourhood.

Progress of Ongoing Key Projects

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

The redevelopment of buildings under the Civil Servants' Co-operative Building Society Scheme, which the URA has undertaken as pilot projects, has made remarkable progress. In Shing Tak Street/Ma Tau Chung Road Project (CBS-1:KC), acquisition offer letters were issued to 155 property owners in August 2021, of whom 150 had accepted by June 2022. The Chief Executive in Council granted approval for the land resumption of the project in May 2022 and the clearance works is expected to commence in the fourth quarter of 2022.



Existing view of Shing Tak Street/Ma Tau Chung Road Project

As for Kau Pui Lung Road/Chi Kiang Street Project (CBS-2:KC), in consideration of the diverse views among CBS members, the URA conducted an opinion survey covering about 460 households in November 2021 and achieved a response rate of 88%. We are at the stage of facilitating the dissolution of relevant co-operative building societies, before acquisition offers can be made. Concurrently, we are processing the Stage 2 public comments received by the Town Planning Board (TPB) during the consultation period. We aim to complete the remaining planning procedures as soon as possible.

OPERATING REVIEW

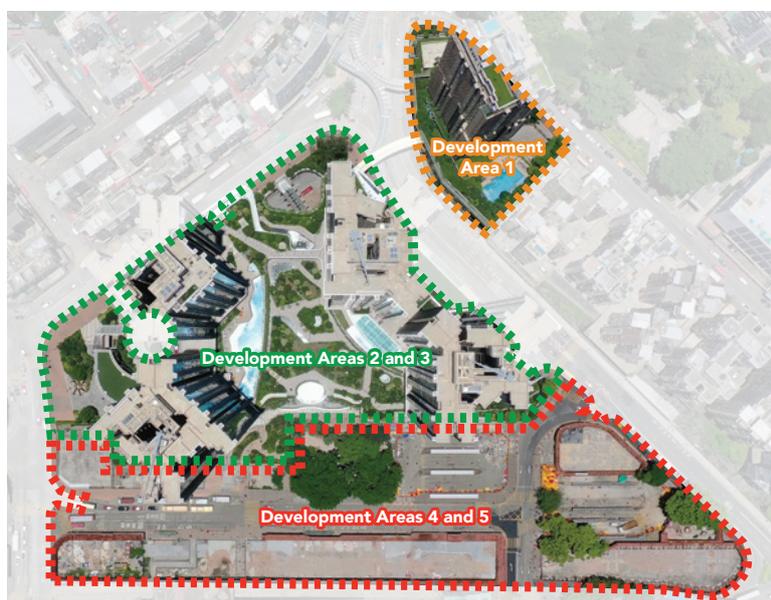
Kwun Tong Town Centre Project (K7)

As the URA's largest single project to date, the Kwun Tong Town Centre covers a total site area of 5.3 hectares, involving around 1,300 households prior to redevelopment. The project is being implemented in phases, with the site divided into five Development Areas (DAs). All the flats were sold in 2021/22 for DA 1 at Yuet Wah Street, while those for DAs 2 & 3 are being sold. The Yue Man Square Public Transport Interchange in the development commenced operation in April 2021. It is well-connected with major streets of the area and equipped with multiple innovative and smart features such as Hong Kong's first indoor air-conditioned bus waiting area that separates passengers from vehicular traffic.



Following the completion of Development Areas 2 & 3 of Kwun Tong Town Centre Project, Yue Man Square (right) and its Public Transport Interchange commenced operation in April 2021, featuring Hong Kong's first indoor air-conditioned bus waiting facilities (left).

Meanwhile, demolition works at DAs 4 & 5 were completed. To enhance the ability to cope with uncertainties brought by the unpredictable pandemic and the market changes, the URA initiated a pilot arrangement of floating planning parameters in pursuing the joint venture (JV) development tender of DAs 4 & 5. The pilot arrangement would provide the JV developer with flexibility to determine the actual Gross Floor Area (GFA) within specified ranges for office, hotel and other commercial uses for the commercial portion on the condition that the total GFA would remain unchanged. A Section 16 application was submitted to the TPB for consideration. It is targeted to award the JV tender in 2022/23.



The progress of Kwun Tong Town Centre Project

-  Development Area 1: completed
-  Development Areas 2 and 3: residential site, Yue Man Square and Public Transport Interchange completed
-  Development Areas 4 and 5: demolition works completed

Nga Tsin Wai Village Project (K1)

A conservation-led development approach was adopted for the project, taking into account the foundation remains of old village walls and watchtowers at some excavated locations. To update and ascertain the findings on heritage significance and areas for preservation and future rescue excavation, further excavation and field investigation works were conducted between 2019 and 2021. An enhanced conservation proposal was submitted to the Antiquities and Monuments Office in February 2022. The URA will work with the JV developer and relevant Government departments to take forward the project including obtaining land grant approval.

Cleared and Tendered Projects

The keen pursuit of project site clearance and tendering continued in 2021/22 to sustain achievements in delivering community benefits and flat supply. As of 30 June 2022, site clearance was completed for eight project sites, covering four Kowloon City projects (KC-009 to KC-012) at Bailey Street/Wing Kwong Street/Hung Fook Street/Ngan Hon Street/Kai Ming Street; Project C&W-005 at Sung Hing Lane/Kwai Heung Street, Project K7 DA 5 at Kwun Tong Town Centre, Project YTM-011 at Oak Street/Ivy Street and Project C&W-006 at Queen's Road West/In Ku Lane. Five JV tenders were awarded for Project YTM-011 at Oak Street/Ivy Street, Project KC-009 at Bailey Street/Wing Kwong Street, Project KC-010 at Hung Fook Street/Ngan Hon Street, Projects KC-011 & DL-8:KC and Projects KC-012 & KC-013 at Hung Fook Street/Kai Ming Street/Wing Kwong Street.

Responding to Redevelopment Request from Owners

Under the Urban Renewal Strategy, the URA may respond to a joint approach from building owners to initiate redevelopment of their buildings.

Demand-led Pilot Scheme

In 2021/22, a new approach to the Demand-led concept was piloted in the PPFs for Sai Wan Ho by way of an opinion survey conducted with owners in the study area to solicit views and aspirations on urban renewal. Their views and needs for redevelopment and building rehabilitation will be considered during the planning stage for formulation of projects under the integrated approach.

Facilitating Services Scheme



Members of the last Civil Servants' Co-operative Building Society (CBS) of Shing Tak Street/Ma Tau Chung Road Project (CBS-1:KC) witness the dissolution of their CBS in June 2021 and obtain legal titles of their flats.

Through the Urban Redevelopment Facilitating Services Company Limited (URFSL), being a wholly-owned subsidiary of the URA, a facilitating services scheme has been running since 2011 to facilitate interested property owners in assembling titles for joint sale in the market. In 2021/22, one application proceeded to the joint sale stage and no bid was received. After conducting an internal review during the year, it was concluded that without changing the current application requirements, priorities should be given to sites that would be beneficial to the urban renewal process and that planning gains should be a major factor when selecting sites for future provision of the joint sale services.

URFSL continued to provide free facilitating services to members of undissolved CBS affected by URA's projects to assist them in obtaining legal titles of their flats through dissolution of the CBS. After dissolution, the owners would have the capacity to sell their properties to URA and/or to receive resumption offers from the Government. In 2021/22, the only undissolved CBS at CBS-1:KC was dissolved successfully with assistance from URFSL. Nine undissolved CBS buildings at CBS-2:KC had been engaged and URFSL facilitated one of the engaged CBS buildings to cancel its CBS registration in May 2022. URFSL will continue the engagement work to facilitate dissolution for the remaining CBS buildings for smooth implementation of this project.

OPERATING REVIEW

Policy Address Initiatives

District Studies

As per the Government's invitation in the 2021 Policy Address, the URA has taken on the task to conduct district studies for the old districts of Tsuen Wan and Sham Shui Po respectively. The studies aim to support Government to formulate comprehensive urban renewal strategies and implementation mechanisms to restructure land use in these old districts. The new planning tools proposed in YMDS would be adopted as appropriate with a view to expediting the pace of urban renewal. Procurement of consultants is in progress and the studies will commence in the latter part of 2022 for completion in around two to three years' time.

Starter Homes (SH) Projects

eResidence Phase Two

In response to the Policy Address which entrusted the URA with a new mission to actively provide more SH units in its redevelopment projects, the URA designated its Chun Tin Street/Sung Chi Street Project as eResidence Phase Two with the provision of about 260 SH units. Demolition works were completed and tender for foundation works was awarded in 2021/22, followed by detailed design for preparation of main contract tender. It is expected that the SH units will go for pre-sale in 2023/24.



At eResidence Phase Two (above), elderly friendly design (left) such as foldable bath chairs, anti-slip bathroom grab bars and walk-in showers will be introduced in the residential flats as optional items for buyers.

Redevelopment of Tai Hang Sai Estate (THSE)

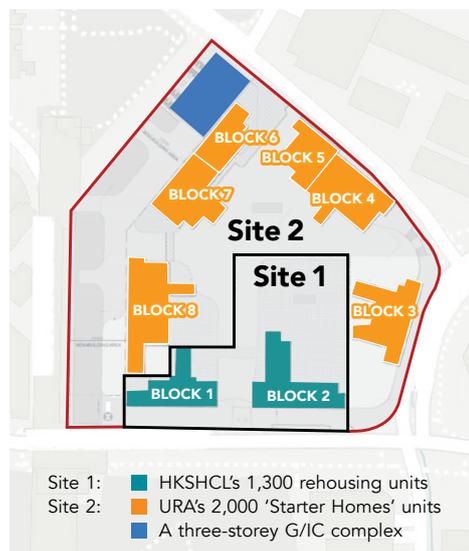
Following the announcement in the 2020 Policy Address, the Hong Kong Settlers Housing Corporation Limited (HKSHCL) and the URA signed a Memorandum of Understanding in March 2021 to take forward the redevelopment of THSE. Upon the conditional approval of the planning application from TPB in December 2021, the URA has been enhancing the detailed planning and design work, and construction work is expected to commence in 2023, the earliest.

Whilst for the HKSHCL, they are responsible for formulating and implementing clearance and relocation plans for its tenants. The vetting of the tenants' eligibilities for ex-gratia allowances and reversion is now in progress, followed by relocation arrangement.

Upon redevelopment, about 3,300 new flats will be provided, of which 1,300 units will be allotted for rehousing the existing eligible tenants by HKSHCL and the remaining 2,000 units will be assigned as SH units by the URA.



Artist impression of public open space of THSE Development



Site 1: ■ HKSHCL's 1,300 rehousing units
Site 2: ■ URA's 2,000 'Starter Homes' units
■ A three-storey G/IC complex

Proposed planning of THSE Redevelopment

Assisting NGOs in Developing Transitional Housing (TH)

In response to the Government's invitation in the 2019 Policy Address to assist NGOs in developing TH, the URA provided managerial and technical services to the relevant NGOs for TH developments in the Hung Shui Kiu (HSK) and Ta Kwu Ling (TKL) sites. Planning submission and funding for the HSK site with the URA acting as the project manager were approved in August 2021 and the building contract was awarded in May 2022. The development is scheduled for completion in 2023, providing about 400 TH units. For the TKL site, planning submission was approved by TPB in January 2022. The development will be undertaken by the relevant NGO and is scheduled for completion in 2023, providing about 600 TH units.



An artist impression of the transitional housing project in Hung Shui Kiu

'Single Site, Multiple Uses' for NGO Sites

In response to the 2019 Policy Address inviting the URA to offer facilitation and planning services to NGOs to maximise the development potential of their under-utilised sites under the 'Single Site, Multiple Uses' model, a facilitation scheme was launched in January 2021 in which the URA would provide support to NGOs for worthy projects.

Up to June 2022, enquiries from 29 NGOs and four expressions of interests (EOIs) were received. An initial appraisal report was completed in November 2021 for a site in Tuen Mun and the URA has entered into a service agreement with the NGO concerned for conducting preliminary assessments. URA is currently examining the feasibility and eligibility respectively of the other two EOIs covering sites in Sham Shui Po and Sha Tin districts with relevant Government departments, whereas the remaining EOI was turned down at the initial appraisal stage as there were limited opportunities to incorporate additional floor space into the site through in-situ redevelopment of the site itself or amalgamation with the adjoining land.

REHABILITATION AND RETROFITTING



Urban decay is too extensive and complex to be resolved by mere renewal works using existing resources which are far from adequate in any case. The success of urban renewal therefore hinges very much upon building rehabilitation to prolong service life, without which a building of 50 years old will fast become dilapidated and might even require demolition. In contrast, a building with proper and regular maintenance can last 80 years or even longer.

It is therefore essential to bring home the message that building rehabilitation and preventive maintenance are the keys to improve living condition and tackle ageing of buildings in the long term.

While the URA, on one hand, assists the Government to provide financial subsidies to building owners across the territory to carry out repair and maintenance works to the common area and facilities, it also trialled on adopting a 'district-based rehabilitation approach' in Kowloon City, in which targeted rehabilitation proposals are formulated for buildings at different ages and conditions within a selected area so that the overall conditions of the buildings within the district can be modernised. In the meantime, extra financial incentive is being explored to encourage owners to build up funding reserve for implementing regular maintenance plan in the future.

Technical and financial assistance aside, the URA has also launched a series of self-help tools on its all-in-one online platform and set up the city's first of its kind Building Rehabilitation Resources Centre to strengthen owners' capabilities to organise building rehabilitation works on their own, forging a stronger sense of responsibility and greater participation.

OPERATING REVIEW

Adopting District-based Rehabilitation Approach on Work in Kowloon City

A small pilot area consisting of 46 buildings in Kowloon City was selected to test various planning-led and district-based rehabilitation initiatives and promotion strategies. Initial engagements were done with all targeted buildings in the pilot area to promote building rehabilitation and the uplifting of external walls of the buildings. Meanwhile, a new model of 'joint property management' for three-nil buildings (no management, no owners' corporations (OCs) and no maintenance) in the pilot area was also initiated, working in collaboration with two property management organisations during the year.

Going forward, necessary assistance will be provided to promote the formation of OCs to facilitate the implementation of appropriate building rehabilitation measures to improve building condition. At the same time, the URA would encourage owners to set up a special fund for future maintenance and improvement works. The possibility of providing interest return to owners who make planned contribution to the special fund in the initial period would be explored.



Aerial view of the focus area in Kowloon City where URA will pilot the district-based rehabilitation approach. Comprehensive and targeted solutions will be proposed, along with appropriate subsidies to help owners organise building inspection, common area maintenance and external wall uplifting.



In a video live broadcast of tender opening, owners monitor the whole process in the virtual meeting, during which the accountant presents the tenders and bidding prices to owners in front of the camera.

Building Rehabilitation Subsidy Schemes

To mitigate adverse impact brought by the pandemic on the rehabilitation works under various rehabilitation assistance schemes, e.g. unable to conduct physical meetings or general reluctance in allowing visits of consultants, the URA implemented different measures to assist owners in commencing the works as soon as possible. Amongst the measures taken included (i) issuing 'Replacement Approvals-In-Principle (AIPs)¹ and 'Conditional AIPs² to expedite application processing; (ii) arranging opening of tenders for consultants and contractors procurement via virtual meetings; and (iii) exploration of the feasibility for conducting online owners' general meetings to overcome difficulties in arranging physical meetings.

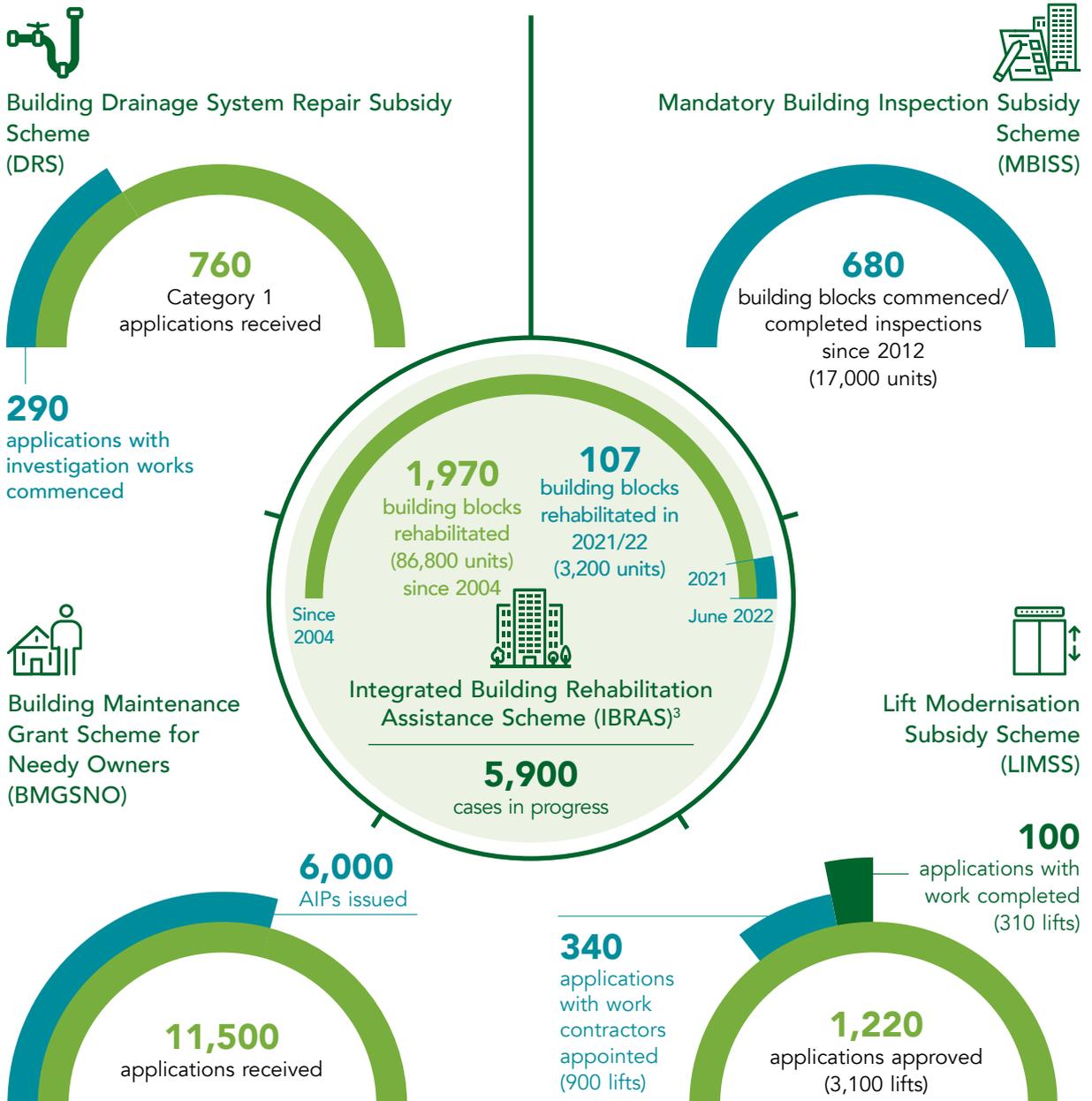
¹ Replacement AIP ('RAIP'): To avoid price escalation due to high market demand of works and services, all applications are prioritised into batches according to a set of risk determination criteria. Following the prioritisation order in each batch, applications submitted with required documents will be issued with AIPs and approached for assistance on rehabilitation works commencement. Nevertheless, there are 'Sluggish Applications' that fail to submit the required documents despite repeated reminders. To expedite the overall building rehabilitation process, applications in latter batches with required documents readily submitted will be issued RAIPs to replace the Sluggish Applications in earlier batches.

² Conditional AIP ('CAIP'): When the pre-determined number of applications to be approached in each batch cannot be met after issuing AIPs and RAIPs, the Sluggish Applications will be issued with CAIPs on the condition that the required documents are submitted within a prescribed period.

Progress of Various Building Rehabilitation Schemes (up to June 2022)

Operation Building Bright (OBB) 2.0 and Fire Safety Improvement Works Subsidy Scheme (FSWS)

	OBB 2.0	FSWS
Approvals-In-Principle (AIPs) issued	1,120	2,700
Buildings with repair / improvement works completed	Category 1 100	100
	Category 2 170	



³ Major schemes under IBRAS include: Mandatory Building Inspection Subsidy Scheme, Operation Building Bright 2.0, Fire Safety Improvement Works Subsidy Scheme, Lift Modernisation Subsidy Scheme, Building Maintenance Grant Scheme for Needy Owners, Building Drainage System Repair Subsidy Scheme and Smart Tender Building Rehabilitation Facilitating Services Scheme.

OPERATING REVIEW

Equipping Owners with Professional Assistance and Technical Knowledge

Building Rehabilitation Resources Centre (BRRC)

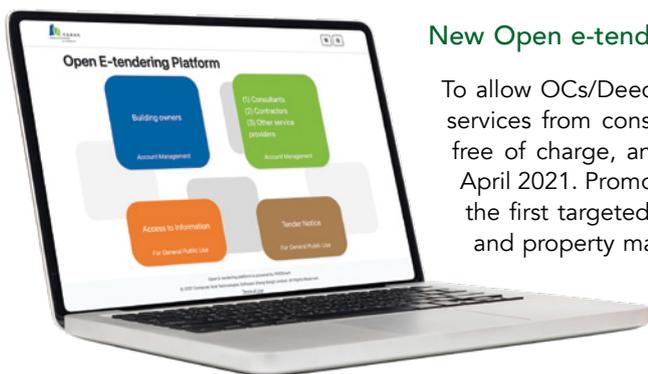
Scheduled to open in the third quarter of 2022, the new BRRC is the city's first one-stop resources centre on building rehabilitation. With an area of 7,000 square feet, it provides technical assistance and information on building rehabilitation services to facilitate building owners to maintain their building conditions, as well as to enhance awareness and promote preventive maintenance. Video consultation services, mediation and multi-purpose rooms will also be made available to the public.

The Building Rehabilitation Resources Centre, which contains educational panels on rehabilitation knowledge, aims to provide one-stop building rehabilitation information and services to owners.



Smart Tender Building Rehabilitation Facilitating Services Scheme (Smart Tender)

Smart Tender aims to provide technical support to OCs of private buildings and reduce the risk of bid rigging at the works procurement stage. It covers the procurement of consultants and registered fire service installation contractors starting from 2019, and was further expanded in 2020 to cover the procurement of registered lift contractors. Up to June 2022, around 2,800 valid applications were received and around 2,550 of them were approved and approached for providing the Smart Tender services.



New Open e-tendering Platform for Public

To allow OCs/Deeds of Mutual Covenant managers to procure selected services from consultants and contractors via the e-tendering platform free of charge, an independent e-tendering platform was launched in April 2021. Promotion of the new platform commenced in May 2021 for the first targeted group, including property management associations and property management companies.

Centralised Tender Collection System

Developed by the URA, the Centralised Tender Collection System has been in operation since 2020, allowing greater efficiency of the tendering processes. Through automating tender submission and streamlining tender processing workflow, the system is capable of handling a maximum of 3,000 procurement cases each year, significantly exceeding the capacity of conventional tender boxes. As of June 2022, the system has handled about 1,200 tender documents for 1,130 building works projects. Positive feedbacks were received from tenderers and OCs concerned.

Building Rehabilitation Platform (BRP) & New Features

The BRP (www.brplatform.org.hk) is an all-in-one online platform providing professional and comprehensive information on building rehabilitation along with technical support to building owners. To guide owners through the building rehabilitation process, a guidebook with a broad range of information on preparatory work, appointment of consultants and contractors, as well as monitoring of works, is available for download from the BRP. Key building rehabilitation information was highlighted through over 50 sets of trilingual videos for viewing from the BRP.

In addition, a total of 17 sets of sample tender and contract documents for procurement of consultants and contractors were uploaded onto the BRP for public use and reference, among which eight of them were added in 2021/22. A cost reference centre was launched in March 2021 to provide the cost range of typical rehabilitation works items. A new Chatbot function was also made available on BRP in November 2021 to provide instant answers to basic questions related to redevelopment and rehabilitation, facilitating public access to the required information through different means.

Under the newly introduced Building Rehabilitation Company Registration Scheme (BRCRS), a database of consultants and contractors, who are eligible for and interested in providing building rehabilitation works and have a quality management system, would be published by phases for users' reference. As a start, the database for Authorised Persons/Registered Inspectors was published in March 2022 while the database for Registered General Building Contractors will be published in the latter part of 2022. An interim database was launched in April 2022 as a transitional arrangement for Registered Minor Works Contractors (RMWCs) and Registered Fire Service Installation Contractors (RFSICs). Since then, the URA has been assisting interested RMWCs and RFSICs in preparing for joining the BRCRS. After a transitional period of three years, formal registration with assessment for RMWCs and RFSICs will take place in early 2025.

Retrofitting Projects

Yu Chau West Street, Cheung Sha Wan (IB-2:SSP)

The retrofitting project came as the URA Board approved in 2018 to halt the redevelopment project due to low acquisition rate. Instead, retrofitting works to support rehabilitation initiatives were carried out, allowing the URA to acquire relevant experience in retrofitting, especially the relevant processes and procedures to extend the usable building life span of old industrial buildings with upgraded facilities, in support of an initiative under the 2018 Policy Address to revitalise industrial buildings.

Retrofitting of building provisions in the common areas and URA-owned premises in IB-2:SSP Project was completed in November 2021. The building is now upgraded with facilities and fire safety provisions to modern standard, as well as barrier-free facilities. The refurbished premises are now accommodating about 260 URA staff and also home to a number of NGOs and social enterprises.



The retrofitted IB-2:SSP (left) is now equipped with new fire services systems including the Automatic Fire Alarm System (right), the Sprinkler System and tank (middle).

Ex-Mong Kok Market Building

The URA will assist the Government to retrofit the ex-Mong Kok Market into an interim District Health Centre (DHC) to be handed over to the Health Bureau upon completion. With the support from the former Food and Health Bureau, the URA appointed a comprehensive design consultant team in mid-2021 to formulate detailed design which will be followed by the procurement of works tender in the latter part of 2022. Retrofitting works are expected to commence in 2023 and targets to be completed in 2024. In the long run, the URA will work closely with the Government to identify a suitable location within the Yau Mong District to house the DHC permanently.

PRESERVATION AND REVITALISATION

Bringing new life and vibrancy

Reflecting local character

Connecting with the neighbourhood

Not only are sites and structures preserved in URA's urban renewal projects, but intangible heritage and local characteristics are also retained and enlivened through revitalisation, place-making and rebuilding community networks.

In 2021/22, URA continued to take forward the preservation-cum-revitalisation work, while making use of completed projects with preserved buildings/elements for place-making and community making purposes. Notably the Central Market which was opened to the public in August 2021 has quickly become an iconic landmark in the heart of the city, attracting over 10 million visitors so far.

Central Market (Grade III Historic Building)

Operated by the Chinachem Group under three key themes, namely 'Approachable', 'Energetic' and 'Gregarious', Central Market has been shaped into a 'Playground for All' to connect the community as well as the old and new generations. It provides venues for diversified uses including catering, retailing, performances, exhibitions, STEAM⁴ learning and start-up businesses, attracting over 10 million visitors since its opening in August 2021.

Subsequent to the completion of phase one of the revitalisation works last year, the second phase of works, including the new façade facing Des Voeux Road Central and the escalators to the first and second floors, was also finished in April 2022. This drew to a conclusion of all restoration and revitalisation works of Central Market and it is now fully opened for public enjoyment.

The preservation and revitalisation works of Central Market earned recognition by scooping various professional awards from The Hong Kong Institute of Architects, The Hong Kong Institution of Engineers, the Hong Kong Institute of Planners and The Royal Institution of Chartered Surveyors.



The Phase two works has furnished Central Market with a new façade facing Des Voeux Road Central and escalators, enhancing spaces and accessibility for public enjoyment.

⁴STEAM refers to the areas of science, technology, engineering, the arts, and mathematics.

OPERATING REVIEW

Western Market (Declared Monument)

The Government granted a five-year 'hold-over' of the land lease for URA to undertake repair and renovation works of Western Market in 2021/22. Structural and building services consultants appointed by the URA completed a condition survey of the building with recommendations on the repair, replacement and improvement works to be carried out to enhance the condition of the building, its vibrancy and appeal to the public.

M7 (Grade II Historic Buildings)

In 2021/22, 7 Mallery Street was rechristened as 'M7' with a revamp of its spatial uses, tenant mix and activity programmes. During the year, over 90 activities including exhibitions, performances and workshops were held with the implementation of special on-site arrangements and social distancing measures amidst the pandemic. A major place-making art technology programme named 'Mallory Wishes Come True' was launched in December 2021, featuring the city's first interactive multi-media 'wishing tree' installed in the public open space for people to make wishes and enjoy the special lighting with musical effects. It has attracted about 300,000 visitors.

A number of arts and cultural events were organised at M7 including (above) the installation of glamorous multi-media 'Wishing Tree' providing visitors with immersive experience, and (below) weaving workshops.

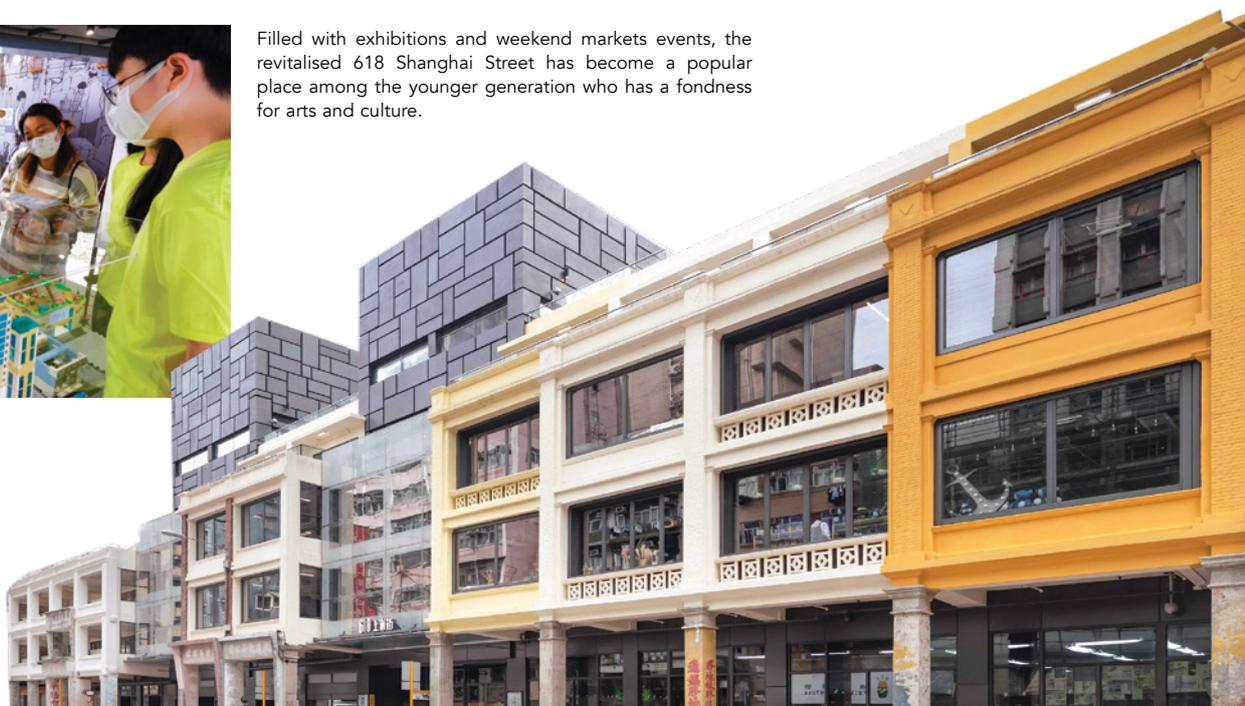


618 Shanghai Street (Grade II Historic Buildings)

Opened in November 2019, 618 Shanghai Street has since become a popular venue among local community members, and young adults to visit and enjoy a variety of creative programmes, shopping and dining options. All shops were leased to restaurant and retail operators aiming to accentuate the unique historical characters of the area and the preserved building clusters while serving the needs of the local community. In recognition of its outstanding performance in curating customer retail experience, the project scooped the Excellence Award in the 'Best Retail Leasing Team' category of the Institute of Shopping Centre Management Awards 2021. In 2021/22, 85 cultural, community and pop-up market store events took place with overwhelming response.



Filled with exhibitions and weekend markets events, the revitalised 618 Shanghai Street has become a popular place among the younger generation who has a fondness for arts and culture.



Mong Kok Streetscape Improvement

The URA continued to work with relevant Government departments to enhance the local streetscape, ambience and attractiveness of five themed streets in Mong Kok, namely Flower Market Road, Tung Choi Street, Sai Yee Street, Fa Yuen Street and Nelson Street, with due regard to their unique characteristics. Improvement works at Flower Market Road were completed while improvement works at Tung Choi Street were taken up by Government departments. Remaining works at Nelson Street, Sai Yee Street and Fa Yuen Street are being conducted in two phases. Phase One works were commenced in June 2021 with target completion date in early 2023 while Phase Two works will commence in the latter part of 2022.

Community Making at Staunton Street/Wing Lee Street Neighbourhood, Sheung Wan (H19) (With 88-90 Staunton Street as Grade II Historic Building)

In line with the 2018 Policy Address which outlined the vision of revitalising building clusters with special character and urban fabric under the Staunton Street/Wing Lee Street Project (H19), the URA conducted various stakeholder engagements and completed a Community Making Study for the H19 neighbourhood. Based on a community-driven design approach, the revitalisation works of URA's acquired buildings in H19 commenced in May 2021.

Upon the completion of works by end of 2022, the units in the revitalised buildings will be put to adaptive reuses as co-living spaces under the management of the co-living operator(s) to be procured, giving new impetus to rejuvenate the aged community and surrounding areas. Concurrently, the URA continued to advocate 'Collaboration, Innovation and Empowerment' under the community making initiatives by exploring rehabilitation opportunities in partnership with the building owners in the neighbourhood area to improve the overall built environment.



The URA and community members in the H19 neighbourhood join hands to revitalise the Staunton Street and Shing Wong Street area by setting up the community farm.



OPERATING REVIEW

Integrated Projects

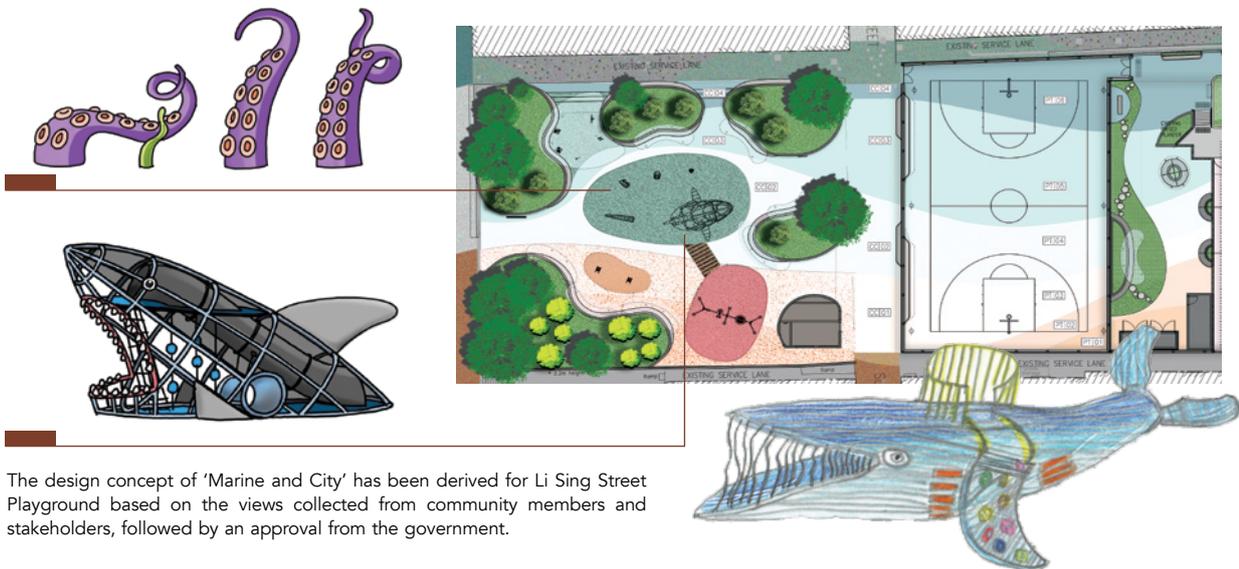
In line with the integrated '4Rs' business strategies, redevelopment projects undertaken by the URA were leveraged to improve the living environment of local residents in the vicinity by increasing or upgrading the provision of public open spaces, enhancing accessibility and walkability and incorporating attractive landscape and urban design. In addition to KC-017 with KC-015, as well as SSP-018 Projects as noted on Page 36 to 39, notable initiatives were also being pursued in this connection in following projects.

Queen's Road Central/In Ku Lane Project (C&W-006)

Under a holistic and integrated planning strategy, the URA proposed in 2019 to integrate rehabilitation/revitalisation initiatives with the redevelopment of C&W-006 to create more planning gains for the local community through enhancing the surrounding environment and communal facilities, such as the improvement works at Li Sing Street Playground. Based on public insights generated from the community engagement process, detailed design for the revitalisation works was completed in 2021 based on the feedback collected from community stakeholders. On-site works were commenced in early 2022. Upon the completion of works in 2023, the revitalised spaces coupled with the planning gains of the adjoining redevelopment project will become an exemplar to showcase the synergistic effects of an integrated project.



The URA listens to views from children, parents and elderly through community engagement activities, for the design of Li Sing Street Playground.



The design concept of 'Marine and City' has been derived for Li Sing Street Playground based on the views collected from community members and stakeholders, followed by an approval from the government.

Reclamation Street/Shantung Street/Thistle Street (YTM-010 and YTM-012)

Through the integrated approach, the neighbourhood will be revitalised through redevelopment by way of enhancement in the walkability and liveability of the community. A cluster of 'Nano-Parks' will be provided in the vicinity of the two projects. The 'Nano-Parks' concept aims to revitalise existing small-sized and scattered open spaces located in the dense and aged building fabrics, thereby creating a new network through place-making to connect small parks within walkable distances to generate greater design impact and opportunities for the local community's enjoyment.

Place-making Initiatives

The URA placed strong efforts in pursuing place-making initiatives in three of its completed projects, located within the same locality in the Central and Western District, namely The Center (H6), the Peel Street/Graham Street Project (H18) and the Central Market under the 'CONET⁵' concept.

In 2021/22, about 70 events were organised by the community groups at the exhibition space (Community CONET) of H6 CONET, with average of around 4,800 visitors on a weekday. Meanwhile, the market block and four-storey commercial space at H18 (Site B) continued to offer retail, food and beverage outlets to support the local community, complementing the nearby Graham Market. Whereas with the opening of the major portion of Central Market in mid-2021, more opportunities through mural art and other creative ideas for adjoining streets and buildings are being identified to generate more community interest and street vibrancy to sustain a wider network via CONET.

Other significant place-making events organised by the URA in 2021/22 include:

SPORTS EXPO

The cheering events for Hong Kong athletes at the Tokyo 2020 Olympic Games and Paralympic Games, attracting over **600,000** visitors (Co-organised with Yue Man Square)



Yue Man Square

'Love at Kwun Tong' Miniature Art Exhibition, attracting **550,000** visitors

Beyblade Burst · YM² Cup, attracting **360,000** visitors

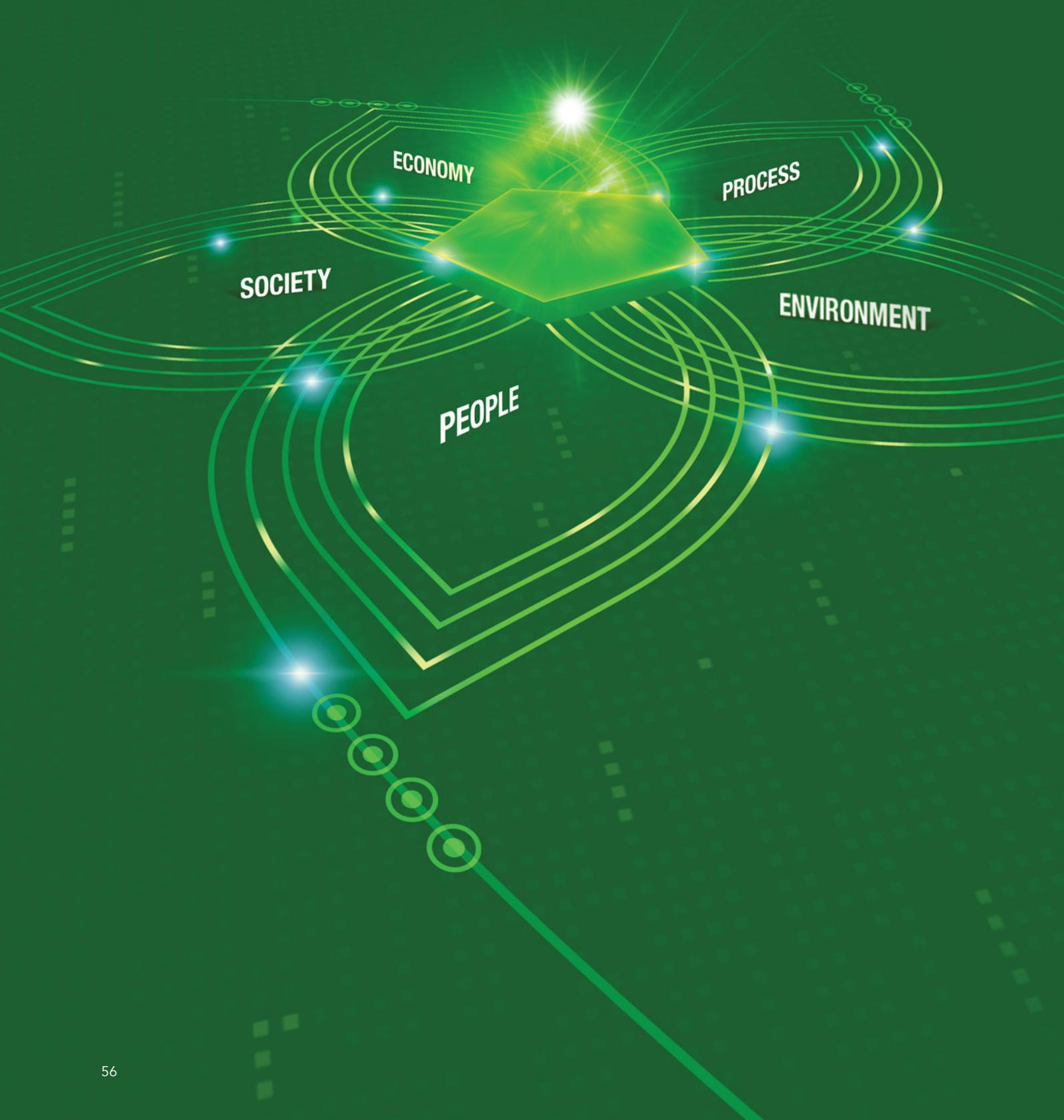
Central Market

Since August 2021, a total of over **750** events covering a diversified programme of exhibitions, performances, workshops, seminars and festive celebration activities took place at Central Market, attracting over **10 million** visitors. The miniature art exhibition titled 'An Art Journey Into the Past and Present Urban Reinvention · Advance Beyond 25' amassed over **400,000** visitors in particular.



⁵ CONET stands for Community, Open space and NETWORK, which seeks to connect the community spaces through diverse events, exhibitions, performances and cultural activities for the enjoyment of the local community.

CORPORATE SUSTAINABILITY



The URA embraces visionary concepts of sustainable development in its work of urban renewal, for people to live in, to run their business, to explore and enjoy.

A framework with measurable performance indicators (KPIs) was adopted to assess urban renewal performance in five domains, namely 'Economy', 'Environment', 'Society', 'Process' and 'People'.

The petals of the leaf associated with these five attributes that formed the basis of our sustainability is integral to urban renewal.

In the past year, selected KPIs under these five domains were applied to seven redevelopment/rehabilitation projects to gauge their effectiveness and performance for internal evaluation.

In addition to fostering environmental sustainability by promoting green landscapes and smart building design, the URA also endeavours to revitalise the urban neighbourhood by strengthening the social and economic fabrics for the benefits of the community. Through a process of careful planning for sustainable urban renewal, we create spaces for business and job opportunities at the renewed districts, while co-building neighbourhoods with community members through the innovatory initiative of community-making.

During the pandemic, URA cared about our stakeholders and society at large by working with local non-governmental organisations (NGOs) to deliver resource packs with sanitising products to needy tenants, and continuing to extend the special rent relief measures this year providing much needed financial aid to some 800 domestic and commercial tenants from different sectors with a total cumulative amount of rent concession exceeding \$200 million.

CORPORATE SUSTAINABILITY

Sustaining the Economy of Old Areas

The URA endeavours to revitalise the urban neighbourhood through strengthening the economic, social and environment fabrics for the benefit of the community. Through a process of careful planning for sustainable urban renewal, we create spaces for business and job opportunities at the renewed districts while helping social enterprises to thrive with a view to creating a vibrant community.

Helping our Tenants and the Needy amidst COVID-19

In view of the economic impact brought by the ongoing pandemic, the URA continued to extend the special rent relief measures¹ for its domestic and commercial tenants in 2021/22, covering the period until September 2022 to assist over 800 tenants with more targeted efforts and greater magnitude. The six rounds of measures in total since April 2020 has noted a cumulative amount of rent concession exceeding \$200 million.



(Left) A tenant is pleased with the boxes of face masks and other anti-epidemic supplies received from URA during the pandemic. (Right) Spraying of anti-virus coating in the common area of an old building.



In addition to financial assistance, the URA allocated over 50 vacant units in its rehousing blocks and acquired properties for its domestic tenants and staff for emergency isolation use amidst the fifth wave of the pandemic. We also teamed up with the Tung Wah Group of Hospitals (TWGHs) to deliver resource packs with sanitising and hygienic products to the tenants in need. In addition, the URA installed 'U-Trap Refill Automators' in over 700 flats to help prevent the spread of viruses due to dried-up drainage pipes. Contractors were also arranged to spray anti-virus coatings in common areas of over 200 buildings in old urban areas.

Promoting Local Economic Activities

Conscientious efforts were made to ensure local businesses continue to thrive in the process of urban renewal. The URA's completed projects, the Prince Edward Road West Revitalisation Project and the 618 Shanghai Street Project, served to showcase how the overall environment of decades-old structures can be transformed to cultivate a place where old meets new while enhancing economic vibrancy for the local community. Tactical measures were adopted for the implementation of the Peel Street/Graham Street Project (H18) in order to preserve the characteristics of the nearby century-old market while injecting new vitality into the neighbourhood. Following a series of promotional activities, Graham Market and the new market block at Site B of H18 have become an iconic spot for local residents to purchase a variety of fresh food and goods meeting their daily needs.

¹ The special rent relief measures for URA's domestic and commercial tenants have been in place since April 2020.

At the Yue Man Square of the Kwun Tong Town Centre Project (K7), the URA reserved shop areas (named as 'Yue Man Lane') for former operators in the Development Areas 4 and 5 of K7 to continue their businesses in the same locality, thereby retaining the customer network and neighbourhood ties. Meanwhile, a brand new Yue Man Hawker Bazaar was opened in April 2021, housing over a hundred licensed fixed-pitch hawkers formerly stationed at the temporary hawker bazaar in the project. The Yue Man Lane and Yue Man Hawker Bazaar together have become a new hub featuring the unique local characteristics and street culture of the Kwun Tong community. Multi-pronged promotional activities were conducted during the year with tailor-made market vibrancy programmes to enhance local awareness, strengthen operators' competitiveness and stimulate footfall.



Local small shop operators moved back to Yue Man Lane to continue business, making the venue an attraction featuring the unique characteristics and street culture of Kwun Tong.

Facilitating Social Enterprises to Thrive

Up to 2021/22, the URA provided about 6,000 square metres of premises at concessionary rent for NGOs and social enterprises to operate, including units leased to support the Community Housing Movement². At 618 Shanghai Street, a social enterprise named Dignity Kitchen has been operating with the mission of helping the disadvantaged and disabled to become self-reliant through employment and vocational training. As noted in the retrofitting projects on page 49 in Operating Review - the newly retrofitted building at Yu Chau West Street Industrial Building Project (IB-2:SSP) - a shop unit at the ground floor level was leased to Holy Café at concessionary rent. The café, run by a social enterprise, aims to provide training and job opportunities to people with intellectual disabilities. Another unit was let out to Music Children Foundation while three units were taken up by Hong Kong International Film Festival Society.



URA offers Holy Café, a social enterprise, concessionary rent for operating at the retrofitted Yu Chau West Street Industrial Building.

Besides, local communities, NGOs and creative talents can rent activity spaces on a daily basis to organise workshops, performances, exhibitions and promotions at the URA's community spaces at H6 CONET in Central, M7 in Wan Chai and 618 Shanghai Street in Mong Kok at a community rate.

All of the above have demonstrated URA's mandate to revitalise the old urban areas through adaptive reuses of the premises it has preserved.

² Community Housing Movement is a social movement launched by the Hong Kong Council of Social Service to provide an intermediary platform in soliciting and renovating idle residential properties from developers, and then sublet it to eligible NGOs/social enterprises as qualified operators.

CORPORATE SUSTAINABILITY

Caring for Our Environment

Environmental sustainability is a tenet that guides our urban renewal strategies and operations at various stages. The URA aims to spearhead the development of green-and-smart buildings and innovative urban designs in order to provide high quality housing and sustainable living to serve the needs of residents through active use of innovative technologies and digitalisation.

Promoting Green and Smart Buildings Designs

Green Building Designs

While acknowledging that redevelopment and construction works would inevitably pose impacts on the environment, the URA strives to create low-carbon neighbourhoods and green buildings to foster sustainable development of the city. Green provisions covering energy efficiency, water conservation, construction waste management and the use of recycled materials were incorporated into the development agreements of the URA's redevelopment projects to encourage Joint Venture (JV) developers to adopt sustainable practices in building design and construction.

To further its commitment in sustainable development, the URA adopted the best industry practices according to the BEAM/BEAM Plus standards for relevant redevelopment projects. As of June 2022, there were a total of 14 projects with final Hong Kong BEAM Platinum ratings, three projects with final BEAM Plus Platinum ratings and 15 projects with final BEAM Plus Gold ratings, of which four obtained the final BEAM Plus Platinum/Gold ratings in 2021/22. Meanwhile, 10 projects which are still in the design and construction stage, have already obtained provisional BEAM Plus ratings.

14 projects with final Hong Kong BEAM Platinum ratings



15 projects with final BEAM Plus Gold rating

3 projects with final BEAM Plus Platinum rating

* Four projects obtained the final BEAM Plus Platinum/Gold rating in 2021/22. For projects in design and construction stage, 10 projects have obtained provisional BEAM Plus rating.

In addition, URA's Kwun Tong Town Centre Project (K7) Development Areas 2 & 3 and a composite development, i.e. the Tonkin Street/Fuk Wing Street Project (SSP-015), clinched the Grand Awards of the Green Building Award 2021³ under the categories of Completed Projects (Commercial) and Project Under Construction and/or Design (Residential) respectively for their environmentally sustainable designs.



Winning projects of Grand Awards of Green Building Awards 2021 – (left) Grand Central in Development Areas 2 & 3 of Kwun Tong Town Centre Project, and (right) Tonkin Street/Fuk Wing Street Project which is under construction.



Artist Impression

³ The Awards were organised by the Hong Kong Green Building Council.

The URA not only dedicates its effort to promote new green building space, but also strives to improve the green elements of existing buildings through rehabilitation. The URA introduced the Green Item Subsidy (which won a Hong Kong Green Building Council Award in 2016) under the 'Common Area Repair Works Subsidy' to encourage property owners to use environmentally-friendly building materials and install energy-saving facilities when carrying out building maintenance and repair works. As of June 2022, the URA has approved a total subsidy of around \$23 million under the Green Item Subsidy, benefitting owners of about 370 building blocks (involving approximately 18,700 units).

Green Item Subsidy

370 building blocks with approved applications

amounting to **\$23** million subsidy

'Smart Building' Elements

To support smart city development in Hong Kong, the URA is keen to incorporate 'Smart Building' concepts into its development projects covering five aspects in Design, Information, Environment, Convenience and Management. Smart buildings enable efficient and economical use of resources while creating a safe and comfortable environment for occupants. Smart systems like home energy and water consumption, health and wellness, smart displays, home waste management, as well as building management were adopted in buildings of the URA projects.



Adopting the BIM-Facility Management system, Central Market can now monitor the visitors traffic and analyse their engagement data for effective crowd management and better customer experience.

Building Information Modelling (BIM) has been extensively applied to various stages of URA projects in recent years, leveraging digital information to improve efficiency and accuracy. With the use of BIM-Facility Management (FM) system for 618 Shanghai Street developed in 2019, the FM system has further integrated with two other URA projects, the eResidence and Central Market, enabling a centralised BIM-FM platform for effective cross-project comparisons.

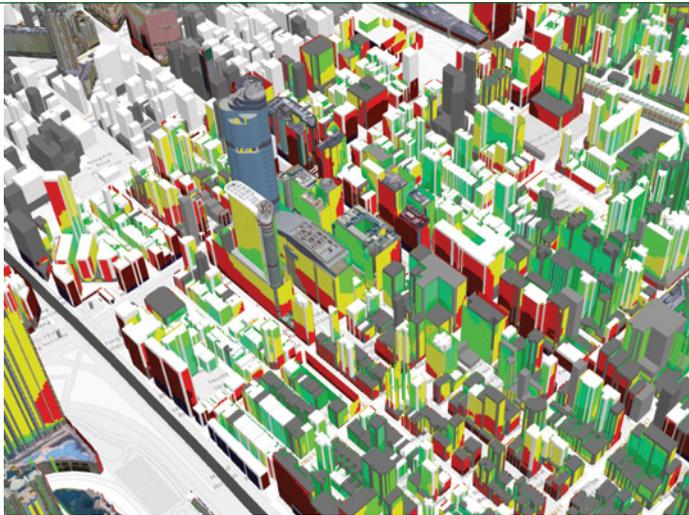
During the year, the URA collaborated with industry practitioners to conduct research and development of an AI-enhanced, BIM-based application to automate Gross Floor Area (GFA) calculation and prescribed checking of a selected number of regulatory requirements for compliance purpose, aiming to streamline and shorten the project development process and hence, expedite housing supply. The application, which was tested successfully in calculating the GFA of the URA's self-developed eResidence project, is ready for further expansion to cover the full spectrum of regulatory checking.

CORPORATE SUSTAINABILITY

Facilitating Planning with 'Digital Twin' Technology for a More Liveable Environment

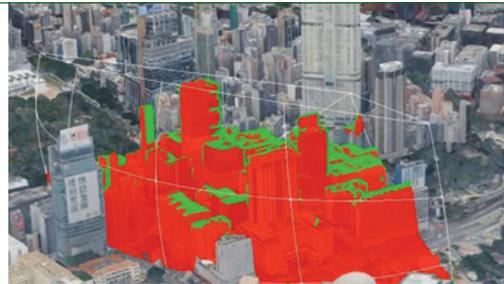
To support our district-based and people-first urban renewal approach, the Urban Renewal Information System (URIS) was developed to enable creation of digital twins of the built environment to support the analysis of geographic and environmental data such as conducting three-dimensional viewshed analysis and traffic noise assessment, and providing simulation of micro-climates to evaluate the impact and sustainability of design proposals including airflow and wind speed, thermal comfort level, daylight factor and so forth.

The development of the first phase of URIS was completed in 2021 with a suite of applications to shorten the processing time for preparation of planning and project reserves, design options analysis and project financial assessment. Through analysis of land uses by URIS, under-utilised government lands, obsolete recreational and public amenities can be integrated into district planning, which after redevelopment can be re-provisioned with enhanced community facilities with modern standard, for residents to enjoy. Other applications under URIS are instrumental in the planning of district building rehabilitation by simulating the ageing condition of buildings in the time ahead for assessment of rehabilitation needs in advance.



Traffic Noise (decibel)

≥81	76-80	71-75	66-70	61-65	56-60	≤55
-----	-------	-------	-------	-------	-------	-----



▲ URIS applications enable planners and architects to conduct 3D viewshed analysis. The visible area from the given location is shaded in green.

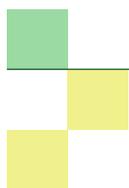
◀ Under the URIS, the impact of traffic noise can be analysed by consolidating geographical and environmental data of a district and displayed on a 3D map, with different colours denoting decibels level from low (in green) to high (in purple).

Applying Innovative Environmentally-Friendly Technology

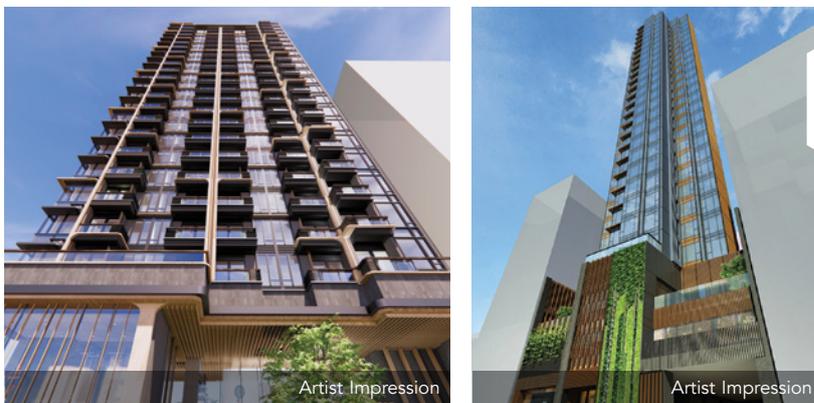
The URA is keen to explore applicability of green innovative technology in its projects. At the Public Transport Interchange of Yue Man Square which commenced operation in April 2021, the URA has installed an award-winning local invention - the bladeless Air Induction Units, which are capable of inducing up to 10 times of air movement as compared with conventional mechanical fan systems with less energy consumption.



The Air Induction Units installed at Yue Man Square Public Transport Interchange help improve airflow while consuming less energy.



The Concrete Modular Integrated Construction (MiC) method is being applied in URA's Ash Street Project (DL-11) and Tonkin Street/Fuk Wing Street Project (SSP-015). Under MiC, free-standing integrated modules are manufactured in a prefabrication factory and then transported to the site for installation in a building, thereby reducing dust and noise pollution from construction sites, minimising construction waste and improving construction waste management. Upon completion, the projects will become Hong Kong's first two private residential development using this innovative construction technology, serving as an exemplar for private property developers to follow.



Projects that will adopt the Concrete Modular Integrated Construction (MiC) method - Tonkin Street/Fuk Wing Street Project (left) and Ash Street Project (right).

Greening Business Operation

In recognition of the URA's continuous efforts to maintain green operation, the Environmental Campaign Committee (ECC) awarded the Carbon Reduction Certificate, which is valid until 2024, to the URA's headquarters premises in 2021. Furthermore, under the ECC's schemes in 2021, the URA obtained the Hong Kong Green Organisation (HKGO) Certification and the HKGO's Wastewi\$e Certification at 'Excellent Level'.

In 2021/22, the URA continued to adopt digitalisation initiatives on multiple fronts to improve organisational effectiveness. For instance, e-freezing surveys were adopted for new projects to reduce the use of paper in data capturing, reporting and analysis, while an electronic Document Management System was launched to facilitate office automation in information sharing, streamline internal workflow and reduce the filing of documents to save paper usage. More digitalisation initiatives covering building monitoring, acquisition/clearance case management and subsidy administration will be pursued in the coming year.



With the Smart Bench at Yue Man Square shopping mall, power collected from the solar panels can be converted into electricity for charging mobile phones.

Green initiatives were also implemented at the URA's commercial premises to promote sustainable development of society. At Yue Man Square, a food waste decomposer was set up to transform food waste into fertiliser for plantation purpose in the public open space. 'Smart Benches' equipped with solar panels to convert solar power into electricity for charging mobile phones were installed to promote the use of renewable energy and environmental consciousness. In addition, solar-powered compacting bins were installed at the public open space of Citywalk, in which energy collected from the solar panels fitted atop of the bins is used to sustain their automatic compression function. The real-time data monitoring and warning systems serve to enable effective waste management of the public space.

To align with the Government's long-term strategy on environmental sustainability, the URA has also commenced preparations for a consultancy study aiming to set long-term science-based targets and strategy to achieve carbon neutrality in response to the Government's Climate Action Plan 2050 published in October 2021.

CORPORATE SUSTAINABILITY

Contributing to Our Society

Our efforts to induce positive impacts through urban renewal have been extended to benefit the community at large. The URA has launched wide-range programmes for the public to learn, spread love and care to the residents, instill arts and culture in old districts and to create a vibrant environment for the community.

Caring for the Underprivileged

Adopting a people-first approach when delivering our core businesses of redevelopment and rehabilitation, the URA seeks opportunities to engage our partners and help people in need. During 2021/22, we continued to offer some refurbished flats in our acquired properties on Wing Lee Street and Staunton Street, as well as units in our rehousing blocks to NGOs and social enterprises for them to lease to underprivileged residents below the market rent.

Meanwhile, the URA's 'Home Repair Services Community Programme' has extended its services to cover common areas including the spraying of anti-virus coating, cleaning of patios and conducting minor repair works for old buildings in Kowloon City, Yau Tsim Mong and Sham Shui Po districts in 2021/22, benefitting over 800 families.

In addition, since January 2022, we have supported Food Angel by offering free space at Yue Man Square in Kwun Tong to set up their first smart food donation machine for the public to donate surplus food. The food collected will support Food Angel to prepare meals and food packs for those in need. We have also supported another of their initiatives by placing automated food dispensing machines at Yue Man Square and 618 Shanghai Street in Mong Kok for free, providing cook-chill meals 24 hours a day to the underprivileged, especially those working irregular hours. Up to June 2022, over 72,000 meal boxes have been distributed.



The 'Home Repair Services Community Programme' offers free repair services to grassroots families.



We have also collaborated with New World Development and non-profit community organisations since March 2022 to dispense free face masks to the underprivileged families. As of June 2022, over 23,600 masks have been distributed.

URA supports Food Angel by offering venue spaces to place the food donation machine (left) and food dispensing machine (right) for providing cook-chill meals to the underprivileged.

The URA continues to bring our love and care to the residents in the old districts through a series of programmes under the Community Service Partnership Scheme (CSPS). Partnering with local universities and NGOs, activities organised under CSPS included making bespoke furniture for families living in sub-divided units to improve their living conditions and study environment.



A family living in a sub-divided unit in old district (below) expresses their gratitude for the bespoke writing desk with drawer and shelf bestowed upon by the CSPS volunteers (above).



Educating the Community

The URA seeks to enhance the general public's understanding of different facets of urban renewal through its educational facilities. In 2021/22, the Urban Renewal Exploration Centre collaborated with the Eastern District Office, the Chinese University of Hong Kong, the Vocational Training Council and the Planning Department to promote urban renewal works to tertiary and secondary students, as well as professionals from various sectors, with tailored itineraries and contents. Around 2,700 visitors were recorded during the year. Meanwhile, the Urban Renewal Resource Centre served around 26,000 members of the public through briefings, meetings, community activities, mediation and enquiry handling services on matters relating to building repair and maintenance. In addition, guided tours were arranged to the URA's preservation and revitalisation projects including Central Market and 618 Shanghai Street to raise public understanding of the URA's work in the upkeep and rejuvenation of historical buildings.

CORPORATE SUSTAINABILITY

Grooming Our Next Generation

The 'oUR Amazing Kid Band', a URA initiative to strengthen the social network of participating kids and their families in To Kwa Wan, continued to conduct weekly online classes and parent-child classes during school suspension amidst the pandemic. Comprising 46 band members, of whom over 60% were residing or had resided in the URA's project sites, the Kid Band in 2021/22 strengthened its community presence by giving public performances and virtual visits to elderly centres operated by the Evangelical Lutheran Church Social Service and Tung Wah Group of Hospitals (TWGHs).



Parent-child classes help strengthen the family bonding of Kid Band members.



'oUR Amazing Kid Band' members give auspicious greetings to the elderly along with festive sing-songs at virtual visits to an elderly centre during the pandemic.



Through music performances and training, Kid Band serves to strengthen the social network of participating kids and their parents who live in the URA project area.

To raise the understanding of urban renewal among the youth, the URA co-organised with TWGHs the Young Leaders Programme 2021/22 to inspire secondary school students to devise creative proposals for enhancing the liveability of old district in To Kwa Wan through the application of spatial data. In collaboration with ESRI China, a total of 144 students attended training workshops on geographic information system to equip with knowledge and skill in the use of the application.



The Young Leaders Programme offers training on geographic information system to participating students bringing inspirations to their creative proposals on urban renewal.

The URA has also partnered with the Institute of Vocational Education to organise the Innovative Design Competition to encourage students of related disciplines to apply knowledge in creating innovative devices to help improve the living quality of residents in old urban districts.



▲ Co-organised with Hong Kong Institute of Vocational Education, the Innovative Design Competition encourages students to create innovative devices for improving the living quality of residents in old urban districts.

◀ Through remote communication with the cloud system, the award winning design 'Smart Bus Stop' can help the elderly and visually-impaired passengers avoid chances of skipping buses or getting on the wrong bus.

Promoting Arts and Culture in Old Districts

Urban renewal stresses also on the appreciation of local arts and culture which represent the characteristics of the old districts. In 2021/22, our 'Arts and Cultural Partnership Programme in Old Urban Districts' supported three new programmes and six ongoing programmes, reaching out to over 10,000 people. These programmes included activities to enliven old urban districts by bringing enjoyment to local residents and the general public who gathered to appreciate local characteristics. Since the programme inception, the URA has supported a total of 69 arts and cultural programmes, benefitting more than 686,000 people.



Through 'Arts and Cultural Partnership Programme in Old Urban Districts', URA supports community organisations to organise art and cultural activities to enrich the living quality of residents in old districts.

CORPORATE SUSTAINABILITY

Facilitating the Renewal Process

One of the critical success factors of urban renewal is how well our work can create satisfaction, bring happiness, goodwill and values among the community stakeholders. We are committed to putting people first and practices it in our work. It is therefore crucial to formulate effective urban renewal policies and procedures to facilitate tenants' relocation, and to address their needs and promote collaboration with our stakeholders in redevelopment projects. On the rehabilitation front, our initiatives to equip building owners with self-help tools and relevant knowledge empower them to initiate and take part in the renewal process with much ease and confidence.

Smoothering the Process with Advanced Technologies

The three-dimensional (3D) digital map technology in URIS was adopted in the freezing survey and social impact assessments of the To Kwa Wan Road/Wing Kwong Street Project (KC-016) and the Kim Shin Lane/Fuk Wa Street Project (SSP-017). Through automated spatial analysis of household characteristics and social impact of the projects, it enables the URA to expedite its responses to the needs of households affected by redevelopment projects by providing the necessary assistance.



(Above) URA leverages the use of three-dimensional (3D) intelligent map for integration and analysis of data collected in freezing surveys (right) to facilitate social impact assessment. Through automated spatial analysis of household information, quicker response to address the social and rehousing needs of the households can be made.



In parallel, we harness new technology to develop tools to facilitate the urban renewal process amidst the pandemic. To safeguard the health of both interviewers and the affected residents during freezing survey when the URA launched redevelopment project, a 'Health Code' mobile application was developed in 2020 and thereafter continued to enhance with ungraded functions. The latest upgraded version of 'Health Code 4.0' does not only store vaccination records and related QR codes of the interviewers, but also retain the COVID-19 test results, enabling the interviewers to show to the residents before entering into the premise to conduct surveys. The 'Health Code' application is instrumental in easing the concerns of residents while facilitating the survey process.

In view of the impact of the pandemic in which the tender opening for the appointment of consultants and contractors for building maintenance works could not be arranged physically due to tightened social distancing measures, the URA has trailed to use an online video portal to live stream the process of tender opening. The Owners' Corporation representatives can witness the tender opening sessions on live at home, in which the procedures of opening the tender submissions would be the same as the physical one. Security protective measures have also been undertaken in the implementation.

Engaging Stakeholders to Promote Understanding

Launched in 2016, the URA's Project Engagement Programme strengthens outreach support and establishes relationships with the affected owners and tenants of the properties in our redevelopment projects. In 2021/22, the Programme was conducted for the Shantung Street/Thistle Street Project (YTM-012), the To Kwa Wan Road/Wing Kwong Street Project (KC-016) and the Kim Shin Lane/Fuk Wa Street Project (SSP-017), with a total of 2,153 owners and residents being engaged over the past year.



Engagement programmes and online briefings including tailored sessions for the Thai ethnicity are conducted to help affected residents of Nga Tsin Wai Road/Carpenter Road Project better understand the redevelopment plan, compensation packages and relocation arrangement.

In addition, in view of the special needs of the ethnic minority groups including the Thai in the Nga Tsin Wai Road/Carpenter Road Project (KC-017), a series of enhanced supportive measures were implemented to assist them to better understand the redevelopment plan, compensation packages and relocation arrangements. Amongst the measures were the provision of interpretation services and information pamphlets in eight languages. Briefing sessions (including Thai) were conducted via online covering the planning procedures and URA's prevailing acquisition and compensation arrangements. Meanwhile, we also teamed up with a Thai NGO to form a volunteering team to help the URA to respond to community needs more efficiently. Other initiatives in the pipeline include the publication of a Thai newsletter to keep the affected Thai residents abreast on the project progress.

To gauge public's perception and understanding of the URA's roles and responsibilities and to understand their views to help promoting urban renewal work in future, the URA has for the first time commissioned a public perception survey in 2021/22. The views and feedbacks collected and the subsequent analysis would form the basis for formulating comprehensive and long-term communications strategies to promote better understanding and public participation in the work of urban regeneration.

CORPORATE SUSTAINABILITY

Co-building Neighbourhood through In-depth Collaboration with Community Members

To enliven the building clusters in the Staunton Street/Wing Lee Street Neighbourhood (H19) with a focus on sustainable community development, the URA has established shared visions on community development with residents and stakeholders through a Community Making Study alongside a series of engagement exercises, for all stakeholders to work on towards co-creating a vibrant neighbourhood with local characteristics. Volunteers from elderly centres and the neighbourhood joined hands with URA staff to manage the Community Farms and organise the 'Go Green' campaign in July 2021 to revitalise the environment with plants and decorations.



Handicraft workshops are organised for community members to decorate the neighbourhood with colourful plant pots.

Assisting Households in Ageing Districts to Relocate for the Better

Redevelopment not just concerns replacing rundown buildings with new stock. It is meant to improve the living standards of displaced households and the built environment. The offers by the URA, including ex-gratia payments under the seven-year rule (market value of a notional seven-year-old flat in the same locality), allow affected domestic owner-occupiers to purchase replacement premises that are in better condition than their existing ones. Over the past year as of 30 June 2022, acquisition offers were made to the owners of 891 property interests in the Shing Tak Street/Ma Tau Chung Road Project (CBS:1-KC), the Shantung Street/Thistle Street Project (YTM-012) and the To Kwa Wan Road/Wing Kwong Street Project (KC-016), who had been living under some very poor conditions in dilapidated buildings. In addition, through the Urban Redevelopment Facilitating Services Company Limited, the URA assisted the ground floor shop operators to locate replacement shops to continue their businesses. An Ombudsman Award was granted to one of the staff members for the caring service rendered.

The URA also places emphasis on enabling residents to retain their social network in the neighbourhood. Since the introduction of the Flat-for-Flat (FFF) Scheme in 2011, the FFF scheme has been offered to a total of 28 redevelopment projects⁴. Domestic owner-occupiers in these projects had the option to purchase in-situ FFF units in the respective redevelopment sites, FFF units in selected nearby URA development projects or FFF units in the completed Kai Tak Development. Up to June 2022, a total of 48 owners took up the FFF offers, comprising 41 units in the Kai Tak Development and seven in-situ units.

⁴ Nine of the projects were under the Demand-led Pilot Scheme.

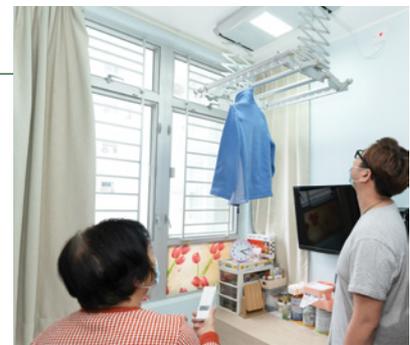


▲ The beneficiaries can now enjoy elderly-friendly design such as foldable bath chair and walk-in shower in their bathrooms.



▲ Under the Home Improvement Community Programme, pull down rails are designed to facilitate elderly tenants' access to high hanging clothes in their wardrobes.

▶ An elderly affected tenant can dry their laundry safely without having to lean out of the window with the newly installed electronic clothes hanger provided by the URA.



In addition, we strive to improve the living conditions of the elderly tenants in the URA projects through the 'Home Improvement Community Programme'. In 2021/22, four infirm elderly affected tenants in the URA projects were benefitted through partnership with two NGOs, in which we provided comprehensive refurbishment for their newly-allocated public rental housing units. The home design and tailor-made furniture provided in their refurbished flats were based on the assessments made according to the elderly's physical conditions, so as to address their practical needs for now and in the future while improving their living environment. The Programme received the Certificate of Merit in the Outstanding Partnership Project Award 2021-22 under the Caring Company Scheme from the Hong Kong Council of Social Service in recognition of the collaborative effort of the URA and the partnering NGOs.

Empowering Property Owners to Organise Rehabilitation Works

Proper and timely building rehabilitation and regular maintenance are the key to prolong structural integrity and serviceability of buildings, thereby slowing down the pace of urban decay. Over the years, the URA has devoted substantial resources in facilitating property owners to maintain their building conditions, meanwhile raising their awareness on preventative maintenance through education, financial assistance, as well as support on technical skills and market intelligence on maintenance works through the all-in-one online platform Building Rehabilitation Platform, as detailed on page 49 in the Operating Review.

In 2021/22, despite the challenges by the pandemic, we reached out to over 200 stakeholders from 18 District Councils, community leaders, local community groups, and participants of various subsidy schemes through conducting briefings to promote understanding on the concepts of building rehabilitation, the relevant subsidy schemes and the concept of preventive maintenance.

CORPORATE SUSTAINABILITY

Building our People Capacity

In addition to taking care of our stakeholders, the URA cares about the well-being and development of our staff whose contributions are vital to driving success of our urban renewal work.

Empowering Our Staff to Ride the Pandemic

The URA implemented various measures to maintain the productivity and efficiency of our staff amidst the pandemic. Four levels of Work-From-Home (WFH) arrangements were put in place in response to different severity levels of pandemic situation. A drill was conducted across the organisation to test the capability of the full WFH mode. Meanwhile, IT infrastructure resources were reallocated to enhance the performance of Virtual Desktop Interface, allowing all URA staff to hold video conferences and simultaneously access corporate emails, computer servers and applications remotely during the WFH period.

During the year, the We Care Programme was launched to promote physical and mental health awareness within the URA. All staff can get weekly tips on combating the COVID-19 pandemic, as well as attending wellness talks on health-related topics. In addition, we promote a work-life balance culture to support the workforce to ease stress brought by the pandemic. Staff were also incentivised with a one-off award as a recognition of their contributions during the difficult times.



Workshops were organised, as part of the URA's 'We Care Programme', to help employees relieve work stress.

Attracting, Motivating and Engaging Our Staff

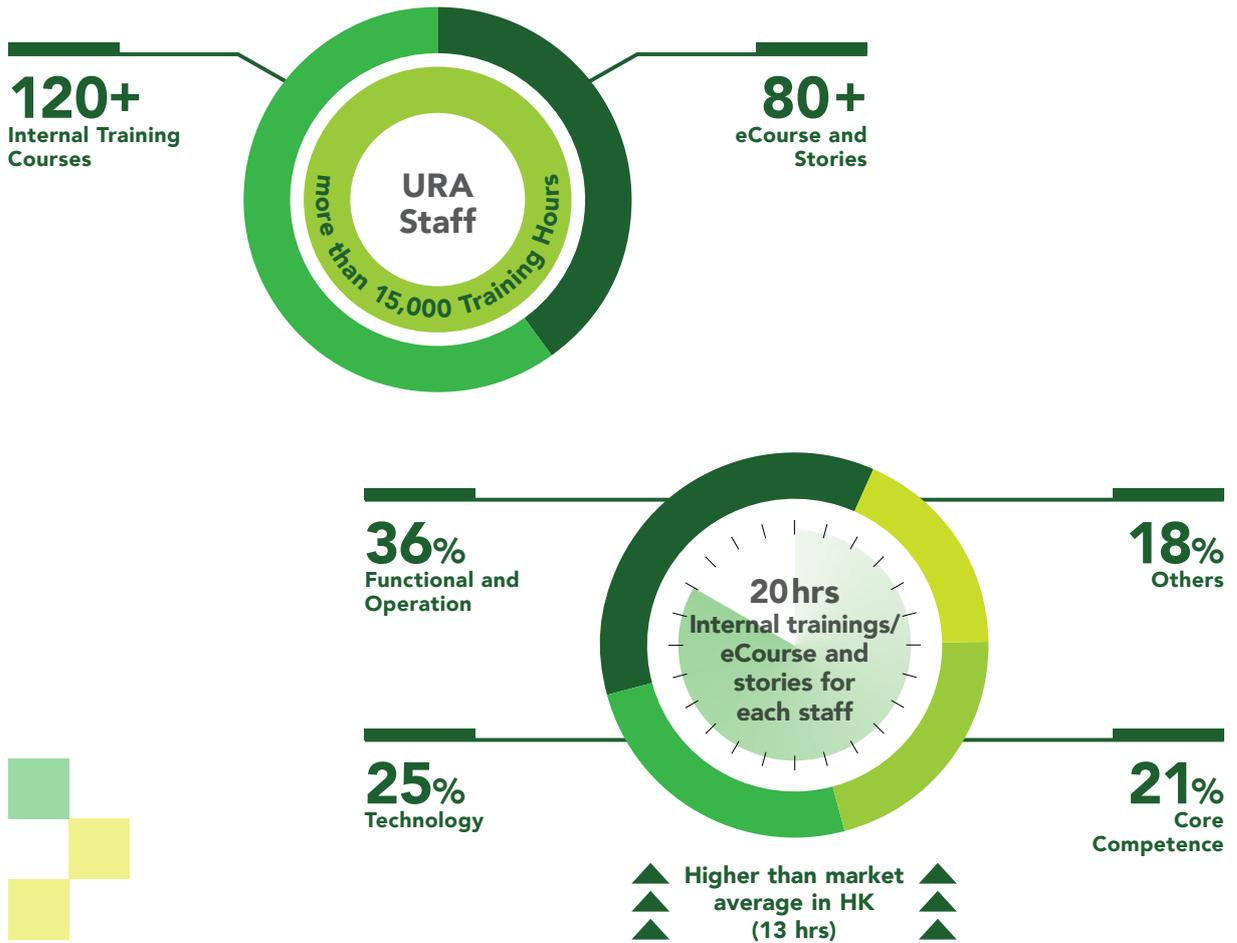
Facing a competitive labour market, the need for effective means to tap the right talent remains high. In order to attract, motivate and retain qualified and promising young professionals, upward mobility opportunities were provided to support and accelerate their growth needs. Professionals holding key strategic positions were closely managed for optimal career exposure and proper coaching.

During the year, an organisation structure review was conducted to reduce organisational layers and increase managers' span of control, with a view to enhancing collaboration, promoting development and empowering employees. Positive feedback, including expedited decision-making process and better communication between managers and team members, were received. To build talent pools for succession of key positions, a talent review and succession planning model was developed to identify candidates with potential for managerial grades and above, and support was provided to facilitate their career development. Meanwhile, a job rotation programme was in place to broaden the on-the-job experience of staff while promoting cross-divisional exposure. A Planner Trainee Programme with a well-designed career development path has also been introduced since 2020 to attract and retain high potential planning graduates, and develop them to professional planners.

We also strengthened internal communication amongst all staff. To minimise the health risks amidst the pandemic, staff briefing sessions, annual staff celebration and staff activities were conducted virtually in 2021/22. Separately, our Staff Suggestion Scheme continued to draw innovative ideas from staff members for improving work efficiency and effectiveness, and served as a platform to enhance their sense of belonging. During the year, around 54% of the staff suggestions were identified by the Management as beneficial to the organisation and subsequently implemented.

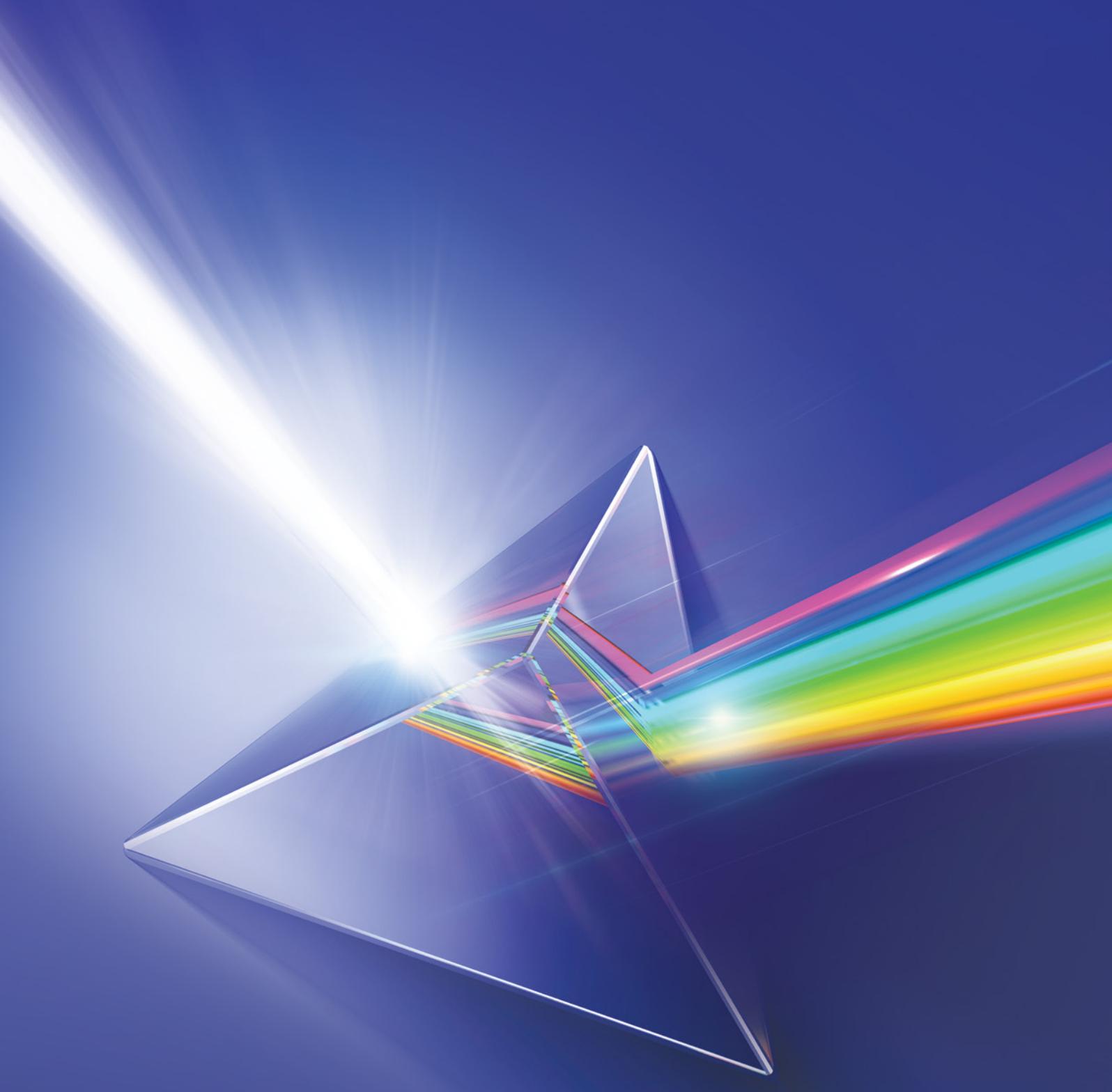
Training and Development

The URA places much emphasis on keeping our staff abreast of the latest industry trends while promoting knowledge sharing within the organisation. In 2021/22, more than 120 internal training courses were organised and over 80 eCourses and Stories were published, generating over 15,000 training hours among our staff. On average, the URA invested around 20 hours in internal trainings/eCourse and Stories for each member of staff, which is well ahead of the market average in Hong Kong. Among the eCourses and Stories published, 67% of them were created internally, representing an increase in internal multimedia creation capability during the year.



To assist new staff members to blend into the URA team, functional and operational trainings were given priority in the course line-up which accounted for 36% of the total training hours, followed by Technology Training (25%) and Core Competence Training (21%). More training on various sustainability-related topics and best practices was introduced to expand the knowledge base of our staff in support of URA's pursuit of sustainable development in the coming years.

Recognising our dedication in training and development, the Hong Kong Management Association awarded the URA with two Excellence Awards in the Award for Excellence in Training and Development in 2021. While two training and development projects have been shortlisted for the final review stage in the HR Excellence Awards 2021/22 organised by the Hong Kong Institute of Human Resource Management.



MANAGEMENT DISCUSSION AND ANALYSIS

Revitalisation

Preservation

Redevelopment

Rehabilitation

Retrofitting

Urban renewal is a long-term and arduous task which also requires heavy resources commitment. Two decades on, Hong Kong is still in the first cycle of urban renewal with thousands of dilapidated buildings remain to be redeveloped.

Old urban districts in general, are densely populated with fully utilised plot ratios, and lack land resource for development. This has made redevelopment projects unviable, both from the planning and financial perspectives, resulting in a slow pace of urban regeneration.

To overcome the hurdle, it is important for us to constantly evolve to adopt innovative thinking in carrying out urban renewal work, and to make the best use of technologies and new planning tools to achieve seemingly impossible goals.

As we embarked upon a new level of urban renewal, we will continue to be bold and innovative in pursuit of our mission, and focus on taking up sizeable challenging redevelopment projects which have the potential of creating greater benefits to the community, as well as promoting building rehabilitation and preventive maintenance among property owners to improve living environment and prolong service life of buildings.

MANAGEMENT DISCUSSION AND ANALYSIS

Challenges

Challenging Macro-economic Environment

Geo-political issues in 2022 and the resultant surge in commodity prices have compounded the pandemic-induced pressure on the global economy. Some economists have warned of a protracted period of feeble growth and elevated inflations in coming years. Hong Kong as an open economy cannot be immune to these economic challenges worldwide. The US Federal Reserve has announced successive interest rate hikes in 2022 to contain the inflation risks. Given the Hong Kong-US dollar peg, the low-interest rate environment in Hong Kong has started to reverse in the second half of 2022, with observed dampening effect on the local property market. The financial position of the URA with its substantial acquired property holdings is sensitive to price fluctuations in the local property market.

Notwithstanding the adverse economic impact and market uncertainties caused by the COVID-19 pandemic particularly the fifth wave in Hong Kong, the financial health of the URA remained robust with strong asset and liquidity positions. In 2021/22, the URA completed the clearance of seven redevelopment projects. With the upfront payments from the awarded joint-venture tenders, the URA achieved an annual surplus of \$6.6 billion, making its accumulated surplus at \$43.8 billion as at 31 March 2022 (excluding the \$10 billion initial capital injection from the Government).

The growing accumulated surplus position has enabled the URA to undertake larger-scale challenging projects which can bring great benefits to society. They included two large-scale projects in the 21st Annual Business Plan (covering 2022/23) involving around 200 old buildings with about 1,500 domestic property interests.

Despite its prevailing cash reserve, the URA must build sufficient financial reserve for the very large acquisition expenses incurred in these projects. Based on our projection, the projects under planning will involve a financial commitment of about \$120 billion. Currently there is only about \$27 billion in our cash reserve. Even if we include the upfront payments to be received from the tendered projects in the next few years, there will still be a cash shortfall to cover the projected cost of \$120 billion. In this regard, to uphold the self-financing principle as stipulated in the Urban Renewal Strategy, the URA will make full use of all of its financial resources, including borrowing capacities.

Urban Decay Remains a Hard Nut to Crack

Regenerating our ageing built environment is a race against time. Despite the implementation of several major redevelopment projects and massive resources committed to the regeneration of the old districts, our urban renewal effort is still being outpaced by urban decay. With this in mind, a holistic and comprehensive study was conducted to look into the key issues that have been accelerating the pace of urban decay in old districts.

Our study found that building conditions would generally start getting poor when they reached 40 years of age, structural integrity and serviceability would be affected, undermining public safety and liveability. There are over 26,000 building blocks aged 30 years or above in the territory with around 20% (5,200 buildings) identified as in 'varied' or 'poor' condition. If no rehabilitation or maintenance works is being taken to these dilapidated buildings, more than 20,000 building blocks would be in 'varied' and 'poor' condition by 2030. It also revealed that the negligence of property owners to conduct maintenance works for their buildings has aggravated the problem of ageing buildings. Complicated by the fact that the plot ratios of the sites of these bulky and high-density aged buildings had generally been fully utilised, leaving only a few in the market that were considered to be favourable for private developers to pursue for redevelopment. The lack of development potential of the ageing buildings had become a stumbling block to private market participation resulting in increasing reliance on the URA to take up this daunting task, thereby slowing down the pace of urban renewal.

Meanwhile, rehabilitation, as one of the two URA's core businesses, is a cornerstone to tackle the problem of urban decay. To tackle the problem of a lack of building rehabilitation awareness among owners, we embarked on the Study on New Strategy on Building Rehabilitation (NSBR) to understand the views of owners of old buildings and the difficulties they encountered in building maintenance, so as to explore measures that could better motivate them to carry out rehabilitation work on their own. Results of the study showed that owners of old buildings usually faced three main challenges that hindered their willingness to organise repair and maintenance works on their own, and we have pressed on with our rehabilitation efforts to assist building owners to overcome these hurdles through proactive and targeted measures.

Striking Balance between Urban Renewal and Additional Government Initiatives

A number of Government initiatives have been entrusted to the URA in recent years, including the active provision of Starter Homes (SH) in our redevelopment projects, and assisting NGOs to develop transitional housing and redevelop community facilities on their sites. Inevitably, implementing these initiatives for the Government would compromise the deployment of resources for urban renewal work. In the face of our resources constraints, it is therefore important for the URA to strike a balance between the sustainable development of our core businesses in urban renewal and delivering Government initiatives. Continuous support from the Government, in the form of both policy and resources, would be required so as to enable the URA to optimise its resources to achieve both objectives.

Opportunities

Expediting the Pace of Urban Renewal Work Through Implementing New Strategic Studies and Data Analysis

In view of the challenges faced by the accelerating pace of urban decay, this necessitates us to formulate and implement a more holistic and forward looking approach to urban regeneration, and to expedite urban renewal work through the implementation of new strategic studies and data analysis.

In the Yau Mong District Study (YMDS), potential projects are being formulated based on the Master Urban Renewal Concept Plan and the use of new planning tools. Drawing on the conceptual proposals in the YMDS, the URA supported Planning Department in initiating a batch of amendments to the relevant Outline Zoning Plan within Mong Kok district to implement the proposed recommendations and new planning tools of the YMDS. These amendments included relaxing the plot ratio for the commercial spine along Nathan Road and allowing the interchangeability of domestic and non-domestic plot ratio to increase the flexibility to cater for market changes.

The greenlight given to these amendments bodes well for the application of new planning tools in other old districts in Hong Kong. In addition, Planning Department is expected to announce details of other planning tools, including the proposed locations and implementation mechanisms for the street consolidation areas, by the end of this year.

Looking forward, we will take the lead in adopting new planning tools in our projects which we see as appropriate, so that we can share the experience with private market as a reference. Meanwhile, we will work with the Government to expedite the formulation of implementation mechanisms for the new planning tools, in order to provide the private developers with clear guidelines and specifications to follow. Ultimately, we hope to unleash redevelopment potential to maximise the use of urban land resources in old districts, and to motivate more private market participation, thereby speeding up the pace of urban renewal work.

MANAGEMENT DISCUSSION AND ANALYSIS

With a wider application of new planning tools in the URA projects, we will in parallel expand the development of the Urban Renewal Information System (URIS) to include more advanced functions. They include automatic exploration of sites in old districts that are suitable for applying the transfer of plot ratio, moving data applications from 2D to 3D, and creating 'digital twins' in the virtual world for building clusters in old districts. All these initiatives will enable us to accelerate the formulation of different development options and assess their impact on the neighbourhood, thereby expediting the planning and execution of arduous redevelopment urban renewal projects.

Government Facilitation to Expedite Renewal Process

The Government has made positive moves to propose streamlining of development-related processes and procedures that are conducive to speeding up urban renewal.

In this regard, the URA has submitted a proposal to the Development Bureau in early 2022 proposing to streamline mechanisms and processes involved under different procedures in development based on URA's past experiences in redevelopment projects, with a view to compressing project delivery cycles for the URA as well as the private sector. The proposals were well received by the Government and being taken forward progressively.

Meanwhile, in response to the calls to lower the compulsory sale application threshold to expedite redevelopment of aged buildings, the Government has been exploring further legislative amendments to the Land (Compulsory Sale for Redevelopment) Ordinance to achieve the objective. It is anticipated that lowering the 80% threshold for certain categories of buildings would help to increase private market participation in urban renewal work.

Enhancing the 'Integrated Approach' of Urban Renewal

The planning studies we have undertaken covered areas where they are characterised by a mix of redeveloped projects with individual single-block buildings constructed by private sector in recent years, and aged buildings in the locality, coupled with a lack of coordination in the overall planning and design for the built environment of the area.

In view of this, the challenge for future urban regeneration lies in integrating the old and new elements at planning level, and at the same time, increasing community facilities and retaining the local characteristics. We will take forward the redevelopment projects in Kowloon City as a test bed for adopting an integrated approach. By way of redevelopment, rehabilitation and the revitalisation works carried out in our projects, the overall built environment and public facilities of the area will be enhanced as a whole, as well as blending the old and new cityscapes upon redevelopment.

The adoption of this integrated approach to our urban renewal work will inevitably involve considerable expenses as it not only incur costs for the acquisition of property titles, but also the construction of new government facilities, in addition to the work on building rehabilitation, district preservation and revitalisation. Riding on the redevelopment project in Kowloon City, we shall carefully study the cost implications on our financial reserves and the work accordingly, so as to ensure sufficient resources will be available for the implementation of the integrated approach in our future redevelopment projects.

New Strategies to Promulgate a Culture of Preventive Maintenance

To tackle the problem of a lack of building rehabilitation awareness among others and to achieve the long-term objective of self-initiated maintenance amongst building owners, a step-by-step approach is crucial.

Our foremost priority is to motivate the building owners to carry out repair and maintenance works proactively to upkeep both structural integrity and serviceability of the building as a whole as well as internal units. Promotional efforts have also been stepped up to instill in owners and the industry the concept of preventive maintenance to maintain the building in good condition.

To achieve this, we studied local and overseas practices and compiled template of maintenance manual and plan to be adopted in the URA's self-developed projects. This aims to test the practicability of the template and to promote a wider application to the buildings across the city. We have also applied the design of a maintainability checklist in our self-developed projects, and will extend such practice to our joint-venture projects, before promoting to private buildings.

In addition, we finalised the proposed clauses for implementing preventive maintenance and facilitating owners' regular contribution to the special fund for future maintenance, which will be incorporated in the Deed of Mutual Covenant (DMC).

We will test the preventive maintenance measures in the second phase of eResidence to be launched next year. Guidelines and regulations will be added to the DMC requiring owners to draw up a regular maintenance plan for the building and set money aside as reserves for future execution of the maintenance plan.

Based on our experience and insights in promoting building rehabilitation, we will work with the property management industry to develop a standard manual of building maintenance for new development projects. Such manual will help owners of these private buildings to draw up regular maintenance plans by the time when they move into the new property. With these strengthened promotional efforts in place, we look forward to boosting confidence among building owners in carrying out preventive maintenance.

Twenty Years and Beyond

20 years marks a significant milestone for the URA. As we ventured beyond the 20th anniversary, the URA commits to press ahead with urban renewal works and progressively increase the number of redevelopment projects in its Corporate Plan. In the next five years, we have included 10 new redevelopment projects covering 137,000 square metres of land, and are expected to yield over 13,400 new residential units.

In view of more land will be required for undertaking these urban renewal work, the URA has to focus its resources on taking up more large-scale challenging redevelopment projects which have the potential of creating greater benefits to the community, but less appeal to private market participation. A sound financial plan must thereby be in place to ensure sufficient resources are adequate to meet the substantial acquisition costs incurred in these projects. To achieve this, we will make cash reserves flexible by completing the initial planning and design of new projects as early as possible, as well as arranging loan facilities in advance in the event of any possible shortfall of funds and when available resources have been exhausted. We will also improve project returns by incorporating the under-utilised streets in the vicinity of the project areas into our master development plans, and advance restructuring and replanning of land uses with the application of new planning tools, so as to achieve the optimum utilisation of the residual plot ratios for redevelopment.

Urban renewal has always been full of opportunities and challenges. As we embark on this long but rewarding journey of urban renewal, the URA will go from strength to strength, forging ahead to sustain our urban renewal mission and turn Hong Kong into a smart and liveable city for our and future generations.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

(I) Review of 2021/22 Results

(a) Revenue

The revenue for the year ended 31 March 2022 was \$22,653 million, which comprised upfront payments from four tenders involving 7 redevelopment projects, share of surplus from joint development projects and proceeds from flat sale. The amount was higher than the revenue of \$3,439 million in 2020/21 by \$19,214 million.

The total upfront payments in 2021/22 of \$20,900 million were significantly higher than that in 2020/21 of \$913 million. There were four project tenders during the year, namely (a) Bailey Street / Wing Kwong Street, (b) Hung Fook Street / Ngan Hon Street, (c) Hung Fook Street / Kai Ming Street / Wing Kwong Street involving four redevelopment projects, and (d) Oak Street / Ivy Street, with a total site area of 18,044 m². Comparatively, there was only one project tendered in 2020/21, namely Tonkin Street / Fuk Wing Street with site area of 1,268 m².

The share of surplus from joint development projects of \$1,362 million in 2021/22 (2020/21: \$426 million) was revenue from projects where the sales proceeds exceeded the thresholds stipulated in the development agreements.

The revenue from sale of properties of \$391 million in 2021/22 largely related to the residential units at eResidence sold at discounted prices under the Starter Homes Scheme.

(b) Other Income

Of the \$253 million (2020/21: \$265 million) in other income for 2021/22, \$84 million (2020/21: \$195 million) were interest income from bank deposits and fixed income investments, with an overall yield of 0.66% p.a. (2020/21: 1.62% p.a.). The lower yield reflected the low interest rate environment in 2021/22.

Other income also included rental income of \$141 million (2020/21: \$66 million) from certain properties retained by the URA. The increase in rental income in 2021/22 was primarily attributable to the opening of Yue Man Square (YM²) in Kwun Tong Development Area and Central Market.

(c) Administrative Expenses

Administrative expenses for 2021/22 of \$623 million (2020/21: \$593 million) mainly covered staff costs, outsourcing service charges, accommodation costs and office expenses. Cost control measures were implemented whenever possible to minimise administrative expenses.

(d) Provision for Impairment on Properties and Committed Projects

Based on the accounting policy detailed in Notes 2(h) and 2(n) to the financial statements, provision for impairment on properties and committed projects of \$672 million was made in 2021/22 as a result of (a) the changes in the development plan and estimated cost of certain projects, and (b) downturn in the retail property market.

(e) Surplus for the Year

For the year 2021/22, the URA recorded a net surplus of \$6,568 million, showing an increase of \$6,418 million as compared to \$150 million for 2020/21. The major contributing factors to the increase were (a) more projects tendered and awarded and (b) greater share of surplus from joint development projects.

(II) Financial Position at 31 March 2022

(a) Properties under Development

Properties under development before provision for impairment was \$22,501 million as at 31 March 2022 (31 March 2021: \$33,287 million). This sum represented the acquisition and development costs of 10 projects under various states of implementation, out of which Kowloon City Projects, Kwun Tong Town Centre Project and the Civil Servants' Co-operative Building Society (CBS) project at Shing Tak Street accounted for 78% of the total value.

The aforesaid value was off-set against the cumulative provision for impairment totalling \$654 million (31 March 2021: \$724 million), resulting in a net value of \$21,847 million (31 March 2021: \$32,563 million). The decrease in the net value was mainly due to the removal of the development costs of the projects tendered out in 2021/22 as mentioned in paragraph I (a) above, after offsetting the costs incurred for property acquisitions for the CBS Project and the remaining Kowloon City Projects.

(b) Total Liquidity

As at 31 March 2022, the URA's total liquidity, including cash, bank deposits and debt securities investments, was \$26,943 million (31 March 2021: \$9,618 million).

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

The liquidity position, off-set by the borrowings of \$1,098 million (31 March 2021: \$1,097 million) mentioned in paragraph II (c) below, resulted in the net liquidity position including the securities holdings as at 31 March 2022 of \$25,845 million (31 March 2021: \$8,521 million).

MANAGEMENT DISCUSSION AND ANALYSIS

(c) Debt Securities Issued

The URA is rated AA+ by Standard & Poor's Rating Services. As at 31 March 2022, the outstanding debt securities issued by the URA under the Medium Term Note (MTN) Programme was \$1,098 million.

(d) Net Asset Value

The URA's net asset value as at 31 March 2022 was \$53,810 million (31 March 2021: \$47,242 million), representing the Government's capital injection of \$10,000 million (31 March 2021: \$10,000 million) and an accumulated surplus of \$43,810 million (31 March 2021: \$37,242 million).

The financial summary of the past ten years is described on page 117 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. A total of 48 land grants have been waived in respect of all the tendered projects with aggregate land premia totalling \$20,805 million up to 31 March 2022.

Without this waiver, the URA's accumulated surplus as at 31 March 2022 would have been lowered by \$20,805 million to \$23,005 million; and its net asset value as at 31 March 2022 would have been decreased to \$33,005 million.

(V) Financial Resources, Liquidity and Commitments

As at 31 March 2022, the URA's net liquidity position totaled \$25,845 million. At the same date, the URA's 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, were estimated at \$6,276 million.

In addition to the MTN Programme mentioned in paragraph II (c) above, the URA also maintained uncommitted bank credit facilities in Hong Kong. The external funding and credit facilities ensured the URA would have sufficient financial resources to carry out its urban renewal programme as planned.

Individual projects, with various development potentials, are tendered out at different times during property market cycles. 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 2022, the total costs of properties under development, excluding provision for impairment, was \$22,501 million. The value of properties under development is exposed to the risk of property price fluctuation. Should the projected future value of the properties under development is lower than its actual/estimated acquisition and clearance costs, impairment loss will be recognised in the URA's books.

It is estimated that a total cash outlay of about \$84,000 million, excluding operational overheads, will be required in the coming five years to meet both of the URA's currently outstanding commitments and its forthcoming cash outlay for the implementation of the projects. This amount covers the URA's works in redevelopment, rehabilitation, preservation, revitalisation and retrofitting. In addition to current liquidity, the projected cash outlay will be met by future upfront payments from project tenders, share of surplus sales proceeds from joint development projects and proceeds from sale of properties in the corresponding period. A financing strategy study to explore different financing options was completed. Should funding is required for URA's urban renewal works, financing will be sought via bank loans and/or bond issuance as appropriate.

Operating in a prolonged pandemic environment, the URA will continue to manage its businesses in an agile manner and monitor its financial position closely, with an aim to accomplishing its urban renewal missions while maintaining long-term sustainability.

PROJECTS AT A GLANCE

						Site Information before Development				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
1-47 - 47 still ongoing URA projects commenced by URA												
1 ^(2,5)	KC-017	Nga Tsin Wai Road / Carpenter Road, Kowloon City	2022/23	May		37,061	73,103	96	3,450	4,353	274,718	202,416
2 ⁽²⁾	SSP-018	Cheung Wah Street / Cheung Sha Wan Road, Sham Shui Po	2021/22	September		19,054	1,168	3	0	838	83,068	38,978
3 ⁽²⁾	SSP-017	Kim Shin Lane / Fuk Wa Street, Sham Shui Po	2021/22	September		7,377	50,082	90	3,149	995	55,494	46,245
4 ⁽²⁾	KC-016	To Kwa Wan Road / Wing Kwong Street, To Kwa Wan	2020/21	March		6,592	29,132	32	1,880	900	55,480	41,610
5 ⁽²⁾	YTM-012	Shantung Street / Thistle Street, Mong Kok	2020/21	October		2,796	9,364	16	608	300	17,790	12,450
6 ⁽²⁾	CBS-1:KC	Shing Tak Street / Ma Tau Chung Road, Kowloon City	2020/21	May		5,164	15,446	30	540	640	38,692	32,243
7 ⁽²⁾	CBS-2:KC	Kau Pui Lung Road / Chi Kiang Street, To Kwa Wan	2020/21	May		16,473	43,447	71	1,200	2,491	134,495	122,263
8 ⁽²⁾	KC-015	Kai Tak Road / Sa Po Road, Kowloon City	2018/19	February		6,106	23,204	41	940	810	48,168	40,140
9 ⁽²⁾	KC-014	Wing Kwong Street / Sung On Street, To Kwa Wan	2018/19	June		3,016	16,874	36	831	560	25,713	21,427
10 ⁽²⁾	YTM-011	Oak Street / Ivy Street, Tai Kok Tsui	2017/18	March		820	2,999	6	205	115	5,985	4,987
11 ⁽²⁾	C&W-006	Queen's Road West / In Ku Lane, Sai Ying Pun	2017/18	March		2,046	4,107	6	160	189	11,290	9,690
12 ⁽²⁾	C&W-005	Sung Hing Lane / Kwai Heung Street, Sai Ying Pun	2017/18	July		1,120	3,984	9	231	165	8,804	8,404
13 ⁽²⁾	KC-013	Kai Ming Street / Wing Kwong Street, To Kwa Wan	2016/17	March		1,749	7,458	12	463	414	22,419	18,682
14 ⁽²⁾	KC-012	Wing Kwong Street, To Kwa Wan	2016/17	June		1,258	5,023	14	388	see Remarks		

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
25,302	0	47,000	10,450	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project KC-017 comprises Site A, Site B and Site C. A standalone G/IC complex will be built at Site B for reprovisioning community facilities in Kowloon City Municipal Services Building, Kowloon City Lions Clubs Health Centre and Lee Kee Memorial Dispensary	Project commencement gazetted on 27-05-22	
5,197	0	38,893	10,395	Project SSP-018 mainly consists of open space and G/IC site. No property acquisition is therefore required Project SSP-018 comprises Site A and Site B. A standalone G/IC complex will be built at Site B, which will include indoor sports centre, health and social welfare facilities	Project commencement gazetted on 24-09-21	
9,249	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project commencement gazetted on 24-09-21 SDEV authorised URA to proceed on 13-06-22	
8,322	0	5,548	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project commencement gazetted on 05-03-21 DSP approved by CE in C on 31-05-22 Initial acquisition offers issued on 29-06-22	
2,490	0	2,850	980	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Initial acquisition offers issued on 10-03-22 Acquisition works in progress	
6,449	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Subsidised sale flats of Dedicated Rehousing Estates to be developed and managed by HKHS are also offered to eligible domestic owner-occupiers as an alternative option to URA's Flat-for-Flat units	Initial acquisition offers issued on 05-08-21 Resumption gazetted on 24-06-22 Site to be reverted to Government on 25-09-22 Acquisition works in progress	
10,082	0	2,150	400	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Subsidised sale flats of Dedicated Rehousing Estates to be developed and managed by HKHS will also be offered to eligible domestic owner-occupiers as an alternative option to URA's Flat-for-Flat units	Project commencement gazetted on 22-05-20 Draft DSP submitted to TPB on 22-05-20 An opinion survey conducted in 11-21 The way forward for project implementation to be determined	
7,228	0	800	1,000	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Initial acquisition offers issued on 19-10-20 Resumption gazetted on 06-05-22 Site to be reverted to Government on 07-08-22 Acquisition works in progress	
4,286	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Initial acquisition offers issued on 03-05-19 Resumption gazetted on 26-02-21 Site reverted to Government on 27-05-21 Clearance works in progress	
998	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Joint Venture Development tender awarded on 10-06-21 Site clearance completed on 07-01-22 Land Grant executed on 04-05-22 Demolition works in progress	
540	0	1,060	538	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Site clearance completed on 29-04-22 Demolition works to be commenced	
400	0	0	150	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Site clearance completed on 24-09-21 Invitation to Joint Venture Development tender issued on 10-06-22 Demolition works to be commenced	
3,737	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project KC-013 has combined with KC-012 for development under a single land grant	Joint Venture Development tender awarded on 03-03-22 Land Grant executed on 07-06-22 Demolition works completed	
see Remarks				Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project KC-012 has combined with KC-013 for development under a single land grant (please refer to Project KC-013 for the details of development parameters)	Joint Venture Development tender awarded on 03-03-22 Land Grant executed on 07-06-22 Demolition works completed	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
15 ⁽²⁾	KC-011	Hung Fook Street / Kai Ming Street, To Kwa Wan	2016/17	June		2,635	12,628	23	813	475	26,523	22,102
16 ⁽²⁾	KC-010	Hung Fook Street / Ngan Hon Street, To Kwa Wan	2016/17	June		4,951	21,495	43	1,468	750	41,229	34,357
17 ⁽²⁾	KC-008(A)	Chun Tin Street / Sung Chi Street, To Kwa Wan	2016/17	May		2,475	3,738	14	179	260	13,717	12,270
18 ⁽²⁾	KC-009	Bailey Street / Wing Kwong Street, To Kwa Wan	2015/16	March		8,042	39,644	94	2,640	1,152	66,654	55,545
19 ^(2,3)	DL-11:YTM	Ash Street, Tai Kok Tsui	2015/16	May		474	3,228	5	206	69	3,551	3,085
20 ^(2,3)	DL-10:KT	Hang On Street, Kwun Tong	2014/15	November	Bal Residence	865	5,304	10	387	156	6,661	5,920
21 ⁽²⁾	SSP-016	Castle Peak Road / Un Chau Street, Sham Shui Po	2013/14	February	The Harmonie	1,900	7,335	16	476	337	14,841	12,367
22 ^(2,3)	DL-8:KC	Kai Ming Street, To Kwa Wan	2013/14	December		553	2,467	6	122	see Remarks		
23 ⁽³⁾	DL-6:YTM	Fuk Chak Street / Li Tak Street, Tai Kok Tsui	2013/14	June	Sablier	769	3,461	2	171	144	5,738	5,101
24 ^(2,3)	DL-5:SSP	Tung Chau Street / Kweilin Street, Sham Shui Po	2013/14	April	The Symphonie	1,490	10,313	1	552	262	13,409	9,355
25 ⁽³⁾	DL-4:SSP	Kowloon Road / Kiu Yam Street, Sham Shui Po	2013/14	April	Madison Park	599	3,817	1	229	100	4,884	4,070
26 ⁽²⁾	SSP-015	Tonkin Street / Fuk Wing Street, Sham Shui Po	2012/13	March		1,268	4,964	13	270	192	9,675	8,062
27 ^(4,8)	IB-2:SSP	Yu Chau West Street, Cheung Sha Wan	2012/13	January		1,393	12,145	1	0	0	16,716	0
28 ⁽³⁾	DL-1:SSP	229A-G, Hai Tan Street, Sham Shui Po	2012/13	April	Astoria Crest	483	2,547	1	172	87	3,640	3,235
29 ⁽³⁾	DL-2:SSP	205-211A, Hai Tan Street, Sham Shui Po	2012/13	April	Hyde Park	470	2,952	1	222	76	3,600	3,132
30 ⁽³⁾	DL-3:YTM	Pine Street / Oak Street, Tai Kok Tsui	2012/13	April	L • Living 23	865	5,105	11	330	142	6,597	5,608
31 ⁽²⁾	YTM-010	Reclamation Street / Shantung Street, Mong Kok	2011/12	February	One Soho	1,640	10,024	20	637	322	12,510	10,425
32	KC-007	Kowloon City Road / Sheung Heung Road, Ma Tau Kok	2011/12	November	Artisan Garden	1,622	7,258	16	475	294	12,456	10,380
33	KC-006	Pak Tai Street / San Shan Road, Ma Tau Kok	2010/11	March	Downtown 38	1,277	6,389	12	296	228	9,783	8,152

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
3,871	0	550	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project KC-011 has combined with DL-8:KC for development under a single land grant	Joint Venture Development tender awarded on 03-03-22 Land Grant executed on 07-06-22 Demolition works completed	
6,872	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Joint Venture Development tender awarded on 16-12-21 Land Grant executed on 16-03-22 Demolition works completed	
1,447	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme The project is developed by URA and all 260 flats will be sold as 'Starter Homes'	Land Grant executed on 30-06-21 Demolition works completed Foundation works to be commenced	
11,109	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Joint Venture Development tender awarded on 09-09-21 Land Grant executed on 03-12-21 Demolition works in progress	
466	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme The project is developed by URA URA will adopt the Modular Integrated Construction method for the project	Foundation works in progress	
222	0	519	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Superstructure works in progress	
2,474	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Pre-sale consent issued on 22-12-21 Sale of residential flats launched on 22-01-22 Superstructure works in progress	
				see Remarks Eligible domestic owner-occupiers can join the Flat-for-Flat scheme Project DL-8:KC has combined with KC-011 for development under a single land grant (please refer to Project KC-011 for the details of development parameters)	Joint Venture Development tender awarded on 03-03-22 Land Grant executed on 07-06-22 Demolition works completed	
637	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 20-05-21 Certificate of Compliance issued on 28-09-21 Sale of remaining flats in progress	
4,054	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Pre-sale consent issued on 16-05-22 Superstructure works in progress	
814	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 20-05-20 Certificate of Compliance issued on 09-11-20	
1,613	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Foundation works completed Main contract works in progress	
16,716	0	0	0	The project is switched from redevelopment to retrofitting	Retrofitting works for acquired properties and common areas of the project completed in 11-21 The refurbished premises occupied by URA, a social enterprise and NGOs	
405	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 31-12-18 Certificate of Compliance issued on 03-04-19	
468	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 09-04-20 Certificate of Compliance issued on 18-12-20	
989	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 30-09-21 Certificate of Compliance obtained on 22-12-21 Sale of remaining flats in progress	
2,085	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Presale consent issued on 20-04-21 Sale of residential flats launched on 01-05-21 Superstructure works in progress	
2,076	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 15-09-20 Certificate of Compliance issued on 08-03-21	
1,631	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Occupation Permit issued on 12-07-19 Certificate of Compliance issued on 24-03-20 Sale of remaining flats in progress	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
34	SSP/3/001	Shun Ning Road, Sham Shui Po	2009/10	June	The Ascent	825	3,820	8	130	157	7,159	5,959
35 ⁽⁶⁾	MK/01	Shanghai Street / Argyle Street, Mong Kok	2008/09	September	618 Shanghai Street	1,128	3,944	14	157	0	5,223	0
36 ⁽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
37	TKW/1/001	Chi Kiang Street / Ha Heung Road, Ma Tau Kok	2007/08	February	City Hub	931	5,226	10	302	175	8,378	6,980
38 ^(2,5)	K1	Nga Tsin Wai Village, Wong Tai Sin	2007/08	October		6,013	2,051	116	124	300	16,219	13,900
39 ^(2,5)	H18	Peel Street / Graham Street, Sheung Wan	2007/08	July	One Central Place (Site A) My Central (Site B)	5,267	20,219	47	740	306	67,402	22,638
40 ⁽²⁾	K7	Kwun Tong Town Centre	2006/07	March	Park Metropolitan (DA 1) Grand Central (DAs 2&3)	53,500	96,104	63	3,139	2,298	401,250	160,610
41 42 43	SSP/1/003-005	Hai Tan Street / Kweilin Street & Pei Ho Street, Sham Shui Po	2005/06	February	Seaside Sonata	7,507	25,344	70	1,589	876	57,399	50,024
44	H14	Sai Wan Ho Street, Shau Kei Wan	2005/06	September	Monti	710	3,796	2	21	144	5,680	5,680

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
1,200	0	0	0		Occupation Permit issued on 08-03-18 Certificate of Compliance issued on 27-07-18 Sale of shops in progress	
5,223	0	0	0	Zoned 'Other Specified Uses' annotated 'Historic Buildings Preserved for Commercial and/or Cultural Uses'	Occupation Permit issued on 07-05-19 Certificate of Compliance issued on 05-07-19 Operation commenced in 11-19	
6,126	0	0	0	Zoned 'Other Specified Uses' annotated 'Historic Buildings Preserved for Commercial and/or Cultural Uses'	Renovation works of acquired properties completed Renovated units leased out	
1,398	0	0	0		Occupation Permit issued on 25-05-17 Certificate of Compliance issued on 15-01-18 Sale of remaining flats in progress	
2,319	0	0	0	At-grade conservation park accessible to public will be provided. 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	Site clearance completed on 26-01-16 Further excavation and field investigation works conducted between 2019 and 2021 to update and ascertain the findings on heritage significance and areas for preservation and future rescue excavation An enhanced conservation proposal submitted to AMO in 02-22 for consideration	
43,294	210	1,260	2,142	G/IC is a 1,260m ² multi-purpose activity hall at Site B Commercial space includes a Market Block at Site B, office space and 9,159m ² for hotel; 210m ² non-domestic GFA is used for the covered Public Open Space at Site A	Site A Pre-sale consent issued on 22-11-21 Superstructure works in progress Site B Occupation Permit issued on 28-12-18 Certificate of Compliance issued on 20-06-19 Completed in 2020-21 Site C Foundation works in progress	
209,523	0	31,117	13,350	Commercial GFA includes 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 YWS Site and 8,601m ² for Government uses in Main Site and 16,316m ² for Public Transport Interchange (PTI) in Main Site Commercial Space includes 1,300m ² for social enterprises Residential flats include 299 flats in Yuet Wah Street site and 1,999 flats in the Main Site (DAs 2 & 3) Public space includes a minimum of 9,350m ² at-grade public open space as required under the approved S16 A/K14/745 and a minimum of 4,000m ² podium public open space as required under the lease	YWS Site (DA 1) Occupation Permit issued on 08-07-14 Certificate of Compliance issued on 29-10-14 Completed in 2021-22 Main Site (DAs 2 & 3) Occupation Permit issued on 26-11-20 PTI started operation on 02-04-21 Certificate of Compliance issued on 28-04-21 Sale of remaining flats in progress Main Site (DAs 4 & 5) Site clearance of DA 4 completed on 31-03-21 Site clearance of DA 5 completed on 17-05-21 Demolition works completed A fresh S16 application for floating planning parameters submitted to TPB on 15-07-22	
5,317	0	2,058	1,500	Three projects taken forward as one G/IC includes 1,900m ² for Special Child Care Centre cum Early Education Centre, Day Care Centre for Elderly and Sub-base for a Neighbourhood Elderly Centre; 150m ² for either social enterprise or non-domestic use	Occupation Permit (Site A) issued on 07-06-21 Occupation Permit (Site B) issued on 10-06-21 Occupation Permit (Site C) issued on 06-07-21 Certificate of Compliance issued on 26-10-21 Sale of remaining flats in progress	
0	0	0	0		Occupation Permit issued on 28-10-19 Certificate of Compliance issued on 30-03-20 Sale of remaining flats in progress	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
45 ⁽⁷⁾	WC/001	Mallory Street / Burrows Street, Wan Chai	2004/05	March	7 Mallory Street	780	2,687	10	122	0	2,435	0
46	K32	Pine Street / Anchor Street, Tai Kok Tsui	2004/05	December	Park Summit	2,328	11,802	30	518	462	20,952	17,460
47 ⁽⁷⁾	H19	Staunton Street / Wing Lee Street, Sheung Wan	2002/03	March		1,997	3,049	24	98	0	1,828	1,097
1-47 Commenced Sub-Total (A)						226,829	632,581	1,156	30,661	22,534	1,654,351	1,097,049

0 Ongoing project commenced by HKHS

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

0 Ongoing project taken over from ex-LDC

All projects were completed						0	0	0	0	0	0	0
Nil Commenced Sub-Total (C)						0	0	0	0	0	0	0
Commenced Total (A) + (B) + (C)						226,829	632,581	1,156	30,661	22,534	1,654,351	1,097,049

48-69 - 22 Completed projects commenced by URA ⁽⁸⁾

48	SSP-014	Fuk Wing Street, Sham Shui Po	2010/11	March	The Amused	649	2,456	6	194	136	5,030	4,471
49	TKW/1/002	Ma Tau Wai Road / Chun Tin Street, Ma Tau Kok	2009/10	February	eResidence	3,377	10,393	33	660	493	24,398	20,332
50	MTK/1/002	San Shan Road / Pau Chung Street, Ma Tau Kok	2009/10	May	93 Pau Chung Street	1,171	6,046	14	290	209	10,345	8,778
51	TKT/2/002	Anchor Street / Fuk Tsun Street, Tai Kok Tsui	2007/08	March	iclub Mong Kok Hotel	726	3,855	11	245	0	6,529	0
52	MTK/1/001	Pak Tai Street / Mok Cheong Street, Ma Tau Kok	2007/08	February	My Place	772	3,772	9	229	168	6,944	5,787
53	K28	Sai Yee Street, Mong Kok	2007/08	December	Skypark	2,478	14,434	25	431	439	22,301	17,346
54	K9	MacPherson Stadium, Mong Kok	2005/06	March	MacPherson Place	2,400	2,788	1	0	293	24,767	16,705
55	TKT/2/001	Fuk Tsun Street / Pine Street	2005/06	December	Park Ivy	560	4,071	4	273	113	4,843	4,003
56 ⁽⁵⁾	SYP/1/001	Third Street / Yu Lok Lane / Centre Street, Sai Ying Pun	2005/06	December	The Nova	2,150	4,140	22	213	255	16,463	16,218
57 58	SSP/1/001-002	Lai Chi Kok Road / Kweilin Street & Yee Kuk Street, Sham Shui Po	2004/05	March	Trinity Towers	3,339	13,197	33	551	402	29,720	24,780
59	K31	Larch Street / Fir Street, Tai Kok Tsui	2004/05	December	Lime Stardom	2,195	10,332	29	474	377	19,735	16,425

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
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	Occupation Permit issued on 20-05-13 Certificate of Compliance issued on 04-08-17 URA took over the management and operation of the project in 08-18	
3,492	0	0	450	Public Open Space not required under lease	Occupation Permit issued on 20-09-12 Certificate of Compliance issued on 27-12-12	
331	400	0	135	The project is switched from redevelopment to revitalisation	Notification of Withdrawal of H19 gazetted on 13-11-20 Revitalisation works in progress	
420,452	3,045	133,805	41,790			
0	0	0	0			
0	0	0	0			
0	0	0	0			
0	0	0	0			
420,452	3,045	133,805	41,790			
559	0	0	0	Eligible domestic owner-occupiers can join the Flat-for-Flat scheme	Project completed in 2021-22	
3,114	952	0	500	Project commenced at request of Government following collapse of one building and demolition of damaged adjacent one The project was developed by URA All 493 flats were assigned for sale as 'Starter Homes' A new Building Rehabilitation Resources Centre is set up at the project	Project completed in 2021-22	
1,567	0	0	0		Project completed in 2019-20	
6,529	0	0	0	Commercial space is for hotel with 288 rooms	Project completed in 2019-20	
1,157	0	0	0		Project completed in 2016-17	
4,955	0	0	0		Project completed in 2017-18	
2,443	0	5,619	0	Land grantee is Hong Kong Playground Association G/IC is for Indoor Stadium and Youth Centre	Project completed in 2018-19	
840	0	0	0		Project completed in 2015-16	
245	0	0	1,304	Commercial space includes 24.9m ² for shop and 84.4m ² other covered areas and 135.5m ² like preserved buildings and covered public open space	Project completed in 2016-17	
4,940	0	0	580	Two projects taken forward as one Commercial space includes some space for social enterprises	Project completed in 2015-16	
3,310	0	0	0	Commercial space includes the Urban Renewal Resource Centre	Project completed in 2017-18	

PROJECTS AT A GLANCE

	Project Code	Project Name	Launch Year	Launch Month	Development Name	Site Information before Development				Project Development Information		
						Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
60 ⁽⁵⁾	H15	Lee Tung Street / McGregor Street, Wan Chai	2003/04	October	The Avenue	8,236	36,534	85	1,613	1,275	79,932	67,939
61	K33	Baker Court, Hung Hom	2003/04	July	Baker Residences	277	834	3	9	68	2,338	2,077
62	K30	Bedford Road / Larch Street, Tai Kok Tsui	2003/04	July	i-home	1,229	6,313	13	280	182	10,363	9,215
63	H17	Queen's Road East, Wan Chai	2002/03	March	Queen's Cube	378	1,806	6	25	96	3,984	3,543
64	H20	First Street / Second Street, Sai Ying Pun	2002/03	November	Island Crest	3,536	15,690	41	777	488	38,178	34,259
65	K27	Reclamation Street, Mong Kok	2002/03	October	MOD 595	535	2,411	7	122	85	4,921	4,119
66	K19	Po On Road / Shun Ning Road, Sham Shui Po	2002/03	July	Beacon Lodge	1,394	4,898	14	327	166	12,534	10,451
67	K26	Fuk Wing Street / Fuk Wa Street, Sham Shui Po	2001/02	January	Vista	1,384	5,129	13	246	173	12,453	10,378
68 ⁽⁵⁾	H16	Johnston Road, Wan Chai	2001/02	January	J Residence	1,970	7,640	28	333	381	20,567	17,967
69	K3	Cherry Street, Tai Kok Tsui	2001/02	January	Florient Rise	4,510	14,416	64	1,020	522	43,231	36,466
48-69 Completed Sub-Total ⁽⁹⁾ (D)						43,266	171,155	461	8,312	6,321	399,576	331,259

70-75 - 6 Completed projects commenced by HKHS ⁽⁹⁾

70	K20	Castle Peak Road / Cheung Wah Street, Sham Shui Po	2004/05	April	Heya Delight	1,003	5,935	22	158	130	9,030	7,525
71	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
72	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
73	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
74	H21	Shau Kei Wan Road / Nam On Street, Shau Kei Wan	2003/04	November	Harmony Place	1,871	9,834	17	400	274	19,555	16,338
75	K25	Po On Road / Wai Wai Road, Sham Shui Po	2003/04	July	Heya Green	2,592	9,923	19	528	327	21,214	17,680
70 - 75 Completed Sub-Total ⁽⁹⁾ (E)						11,613	58,285	115	2,288	1,531	105,116	87,640

76-85 - 10 Completed projects commenced by ex-LDC and completed by URA ⁽⁹⁾

76	K11	Hanoi Road, Tsim Sha Tsui	⁽¹⁰⁾		The Masterpiece	8,299	27,309	35	220	345	102,625	45,600
77 ⁽⁵⁾	H9	Wanchai Road / Tai Yuen Street, Wan Chai	⁽¹⁰⁾		The Zenith / One Wanchai	6,793	12,555	41	975	889	62,310	52,539
78	K17	Yeung Uk Road, Tsuen Wan	⁽¹⁰⁾		The Dynasty	7,230	0	0	0	256	44,404	27,031
79	K13	Tsuen Wan Town Centre, Tsuen Wan	⁽¹⁰⁾		Vision City	20,300	56,851	96	7,119	1,466	134,185	107,884
80	H12	New Praya Kennedy Town, Kennedy Town	⁽¹⁰⁾		The Merton	6,075	24,808	65	1,683	1,182	62,904	62,794
81	H13	Ka Wai Man Road, Kennedy Town	⁽¹⁰⁾		Mount Davis 33	728	4,000	1	0	89	7,280	7,280

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
9,405	0	2,588	3,972	Commercial space includes some space for social enterprises and three historical buildings G/IC includes Residential Care Home for the Elderly/ Community Service Support Centre, Refuse Collection Point and Public Toilet	Project completed in 2017-18	
261	0	0	0		Project completed in 2011-12	
1,148	0	0	0		Project completed in 2010-11	
441	0	0	0		Project completed in 2011-12	
1,722	0	2,197	700	G/IC is for Residential Care Home for the Elderly	Project completed in 2012-13	
802	0	0	0		Project completed in 2009-10	
2,083	0	0	251		Project completed in 2010-11	
2,075	0	0	255		Project completed in 2010-11	
2,600	0	0	0		Project completed in 2008-09	
4,916	0	1,849	0	G/IC is for Residential Care Home for the Elderly	Project completed in 2014-15	
55,112	952	12,253	7,562			

1,505	0	0	0		Occupation Permit issued on 20-05-15 Certificate of Compliance issued on 30-09-15
3,921	0	0	150		Occupation Permit issued on 23-08-16 Certificate of Compliance issued on 07-12-16
448	0	2,753	150	G/IC is for Residential Care Home for the Elderly	Occupation Permit issued on 12-09-16 Certificate of Compliance issued on 01-03-17
2,098	0	0	0		Occupation Permit issued on 26-08-15 Certificate of Compliance issued on 22-01-16
3,217	0	0	0		Occupation Permit issued on 13-11-14 Certificate of Compliance issued on 11-02-15
957	0	2,577	0	G/IC is for Residential Care Home for the Elderly	Occupation Permit issued on 15-10-13 Certificate of Compliance issued on 30-12-13
12,146	0	5,330	300		

57,025	0	0	1,219	Commercial space includes 25,816m ² for 381-room hotel	Project completed in 2018-19
3,453	0	6,318	0	G/IC includes Market, Day Nursery, Refuse Collection Point and Public Toilet	Project completed in 2017-18
17,373	0	0	0		Project completed in 2010-11
23,221	0	3,080	3,700	G/IC is for transport and community facilities	Project completed in 2010-11
0	0	110	2,300	G/IC is for Public Toilet	Project completed in 2007-08
0	0	0	0		Project completed in 2007-08

PROJECTS AT A GLANCE

						Site Information before Development				Project Development Information		
	Project Code	Project Name	Launch Year	Launch Month	Development Name	Project Site Area m ²	Existing GFA m ²	Building Blocks	Population	Residential Flats Number	Total GFA m ²	Residential GFA m ²
82	K10	Waterloo Road / Yunnan Lane, Yau Ma Tei	(10)		8 Waterloo Road	3,869	6,610	27	444	576	32,012	32,012
83	H1	Queen Street, Sheung Wan	(10)		Queen's Terrace	7,964	25,792	86	648	1,148	66,233	60,579
84	K2	Argyle Street / Shanghai Street, Mong Kok	(10)		Langham Place	11,976	40,810	108	2,603	0	167,414	0
85	K8	Kwong Yung Street, Mong Kok	(10)		Paradise Square	1,607	4,190	19	178	272	15,160	12,746
76 - 85 Completed Sub-Total ⁽⁹⁾ (F)						74,841	202,925	478	13,870	6,223	694,527	408,465
Completed Total ⁽⁹⁾ (D) + (E) + (F)						129,720	432,365	1,054	24,470	14,075	1,199,219	827,364
Commenced + Completed						356,549	1,064,946	2,210	55,131	36,609	2,853,570	1,924,413
<p>Note</p> <p>(1) This table includes only Public Open Space and not any private open space</p> <p>(2) The details of project is yet to be finalised and are still subject to change during the statutory, planning and land grant approval processes</p> <p>(3) Demand-led project</p> <p>(4) Industrial Building</p> <p>(5) Redevelopment project contains some preservation elements</p> <p>(6) Preservation project</p> <p>(7) Revitalisation project</p> <p>(8) Retrofitting project</p> <p>(9) In this table, a project is deemed to be fully completed once all residential units have been sold and all commercial and other accommodation, apart from car and motor cycle parking spaces, have been sold or substantially leased out</p> <p>(10) The project was commenced by ex-Land Development Corporation</p>												

Project Development Information					Remarks	Status
Commercial GFA m ²	Other Uses GFA m ²	G/IC GFA m ²	Public Open Space ⁽¹⁾ m ²			
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	
264,752	0	21,310	11,169			
332,010	952	38,893	19,031			
752,462	3,997	172,698	60,821			
<p><u>Glossary of Terms</u></p> <p>AMO = Antiquities and Monuments Office CE in C = Chief Executive in Council DA = Development Area DSP = Development Scheme Plan GFA = Gross Floor Area G/IC = Government, Institution or Community HKHS = Hong Kong Housing Society</p> <p>LDC = Land Development Corporation NGO = Non-governmental Organisation SDEV = Secretary for Development TPB = Town Planning Board URA = Urban Renewal Authority YWS = Yuet Wah Street</p>						

CORPORATE GOVERNANCE

Introduction

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

Board

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

Constitution

The Board is appointed by the Chief Executive under Section 4 of the URA Ordinance. All members of the Board, including the Chairman, are appointed by the Chief Executive for a term not exceeding 3 years.

As at 31 March 2022, the Board comprised a Chairman and 23 other members. There are three executive Board members who are not public officers, namely the Managing Director (MD), who is by law also the Deputy Chairman, and the two Executive Directors (EDs). The Director of Lands, the Director of Planning, the Director of Buildings and the Deputy Director of Home Affairs (2) are Board members who are Non-Executive Directors (NEDs) and public officers.

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

Chairman and MD

Chairman

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

MD

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

Committees

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

Committees

Function Areas

Audit Committee

- Internal control and risk management
- Reliability, integrity, timeliness and conformity of financial and operational information
- Compliance of business operations and management practices
- Economy, efficiency and effectiveness in the employment of URA's resources
- Special projects and investigations
- Accounting policies
- External audit reviews and internal audit charter
- Annual financial reporting and auditing

Development Project Objection Consideration Committee

- To consider and deliberate on objections lodged under Section 24(1) of the URA Ordinance
- To prepare URA's deliberations on the objections, which will be submitted to SDEV in accordance with Section 24(3)(b) of the URA Ordinance

Finance Committee

- URA's funding requirements
- Financial and treasury policies
- Investment of surplus funds
- Financial aspects of the Annual Business Plan and Five-year Corporate Plan
- Annual budgets
- Market selling prices and target rents of development projects

Human Resources and Remuneration Committee

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

Land, Rehousing and Compensation Committee

- Policies and matters relating to land grants, property acquisition, compensation and rehousing
- Acquisition strategies, approaches and offers for individual projects
- Policy and criteria for loans under Section 12 of the URA Ordinance

CORPORATE GOVERNANCE

Committees

Function Areas

Planning, Development and Conservation Committee

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

Review Committee

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

Decision Making System

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

Internal Audit

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

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

Measures to Promote Transparency of Work

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

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

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

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

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

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

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

	Standard Response Time	Maximum Response Time (for complicated cases)
Enquiries	Within 1 working day	Within 5 working days
Requests	Within 5 working days	Within 14 working days
Complaints	Within 14 working days	Within 30 working days

In the year 2021/22, the URA has handled a total of 35,754 cases including enquiries, requests and complaints. All cases were addressed and replied within the response time as pledged.

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

MEMBERS OF BOARD AND PROFILES

Chairman & Managing Director



Mr CHOW Chung-kong
GBM, GBS, JP
Chairman



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

Executive Directors



Mr Eric POON Shun-wing
Executive Director
(Commercial)



Mr Ian WONG Wai-kuen
Executive Director
(Operations)
(from 6 January 2022)



Mr Ben LUI Sau-shun
Executive Director
(Operations)
(up to 31 December 2021)

Non-Executive Directors (Non-Official)



Mr Evan AU YANG Chi-chun



Mr William CHAN Fu-keung,
BBS



Mr CHAN Ka-kui, GBS, JP
(from 1 May 2022)



The Honourable
Judy CHAN Ka-pui, MH
(up to 30 April 2022)



The Honourable Vincent
CHENG Wing-shun, MH, JP



Ms Ivy CHUA Suk-lin



Mr Andy HO Wing-cheong



The Honourable
KWOK Wai-keung, JP



Ir Janice LAI Wai-man
(from 1 May 2022)



Mrs Sylvia LAM YU Ka-wai, SBS
(from 1 May 2022)



Dr LEE Ho-yin



Ms Elaine LO Yuen-man, MH



Mr Roger LUK Koon-hoo, BBS, JP
(up to 30 April 2022)



Professor TANG Bo-sin, MH



Ms Judy TONG Kei-yuk



The Honourable Tony TSE
Wai-chuen, BBS, JP



Mrs Cecilia WONG NG Kit-wah
(up to 30 April 2022)



Mr Michael WONG Yick-kam,
MH, JP
(up to 30 April 2022)



Dr the Honourable
Mr Stephen WONG
Yuen-shan



Ms Yvonne YEUNG Kin-ha
(from 1 May 2022)

Non-Executive Directors (Official)



Ms Clarice YU Po-mei, JP
Director of Buildings
(from 29 November 2021)



Mr YU Tak-cheung, JP
Director of Buildings
(up to 28 November 2021)



Mr Andrew LAI Chi-wah, JP
Director of Lands



Mr Ivan CHUNG Man-kit, JP
Director of Planning



Miss Vega WONG Sau-wai, JP
Deputy Director of Home
Affairs (2)

MEMBERS OF BOARD AND PROFILES

Chairman:

Mr CHOW Chung-kong, GBM, GBS, JP

Managing Director:

Ir WAI Chi-sing, GBS, JP, FHKEng

Executive Directors:

Mr Ben LUI Sau-shun Executive Director (Operations) (up to 31 December 2021)

Mr Eric POON Shun-wing Executive Director (Commercial)

Mr Ian WONG Wai-Kuen Executive Director (Operations) (from 6 January 2022)

Non-Executive Directors (Non-Official):

Mr Evan AU YANG Chi-chun

Mr William CHAN Fu-keung, BBS

Mr CHAN Ka-kui, GBS, JP (from 1 May 2022)

The Honourable Judy CHAN Ka-pui, MH (up to 30 April 2022)

The Honourable Vincent CHENG Wing-shun, MH, JP

Ms Ivy CHUA Suk-lin

Mr Andy HO Wing-cheong

The Honourable KWOK Wai-keung, JP

Ir Janice LAI Wai-man (from 1 May 2022)

Mrs Sylvia LAM YU Ka-wai, SBS (from 1 May 2022)

Dr LEE Ho-yin

Ms Elaine LO Yuen-man, MH

Mr Roger LUK Koon-hoo, BBS, JP (up to 30 April 2022)

Professor TANG Bo-sin, MH

Ms Judy TONG Kei-yuk

Mr Andy TONG Sze-hang (up to 8 September 2021)

The Honourable Tony TSE Wai-chuen, BBS, JP

Mrs Cecilia WONG NG Kit-wah (up to 30 April 2022)

Mr Michael WONG Yick-kam, MH, JP (up to 30 April 2022)

Dr the Honourable Stephen WONG Yuen-shan

Ms Yvonne YEUNG Kin-ha (from 1 May 2022)

Non-Executive Directors (Official):

Mr YU Tak-cheung, JP Director of Buildings (up to 28 November 2021)

Ms Clarice YU Po-mei, JP Director of Buildings (from 29 November 2021)

Mr Andrew LAI Chi-wah, JP Director of Lands

Mr Ivan CHUNG Man-kit, JP Director of Planning

Miss Vega WONG Sau-wai, JP Deputy Director of Home Affairs (2)

Chairman

Mr CHOW Chung-kong, GBM, GBS, JP

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

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

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

Managing Director

Ir WAI Chi-sing, GBS, JP, FHKEng

Ir Wai Chi Sing has been appointed the Managing Director of the 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 the Permanent Secretary for Development (Works) from June 2010 to April 2015 before retirement.

Ir Wai holds a master's degree in transportation engineering from Purdue University in the United States. He has professional experience in civil, structural and geotechnical engineering and is a fellow of the Hong Kong Academy of Engineering Sciences.

MEMBERS OF BOARD AND PROFILES

Executive Directors

Mr Eric POON Shun-wing

Executive Director (Commercial)

Mr Eric Poon is a professional quantity surveyor. He joined the former Land Development Corporation in 1997 and has been working in the URA since its establishment in 2001. In 2017, he assumed the position of Director (Works and Contracts), and was appointed as Executive Director with effect from July 2020. He is currently a Director of the Hong Kong Green Building Council, and a member of the Committee on Building Information Modelling and Task Force on Construction Digitalisation of the Construction Industry Council.

Mr Ian WONG Wai-kuen

Executive Director (Operations)

Mr Ian Wong is a professional surveyor. He joined the former Land Development Corporation in 1989 and has been working in the URA since its establishment in 2001. In 2012, he assumed the position of Director (Acquisition & Clearance), and was appointed as Executive Director with effect from 6 January 2022.

Non-Executive Directors (Non-Official)

Mr Evan AU YANG Chi-chun

Mr Evan Au Yang is the Group President of Animoca Brands, a Hong Kong-based multinational blockchain technology and investment company focused on developing the digital property rights ecosystem, including play-to-earn games, non-fungible tokens (NFTs), decentralized finance (DeFi), blockchain marketplaces, infrastructure and more.

Mr Au Yang is also the Chairman of the Board of Civic Exchange, a non-partisan public policy think tank. He serves as an Independent Non-Executive Director on three boards: the Urban Renewal Authority, Sun Hung Kai & Co. Ltd., and Asia Financial Holdings Limited. He is an Advisor for Our Hong Kong Foundation, and serves on the Innovation and Technology Advisory Committee of the Hong Kong Trade Development Council, the Transport Policy Committee of the Chartered Institute of Logistics and Transport, the Development Fund Committee of the Hong Kong Council of Social Service, the Advisory Council for Institute at Brown for Environment and Society for Brown University, as well as the Board of Advisors of Hong Kong 2050 is Now. In addition, Mr Au Yang is a lecturer at the Hong Kong Academy of Politics and Public Policy.

Prior to joining Animoca Brands, Mr Au Yang was the Managing Director and Head of GLG International (Gerson Lehrman Group), a technology-enabled expert insight platform where he ran and grew its business spanning Europe, Middle East, Africa and Asia-Pacific across 15 locations. Before GLG, Mr Au Yang was the Deputy Managing Director of the Kowloon Motor Bus Co. (1933) Ltd. ('KMB') and a Board Director of Transport International Holdings Limited, the parent company of KMB. Prior to joining Transport International and KMB, Mr Au Yang was an Associate Partner at McKinsey & Company. Before that, Mr Au Yang worked at Citigroup's Derivatives Structuring and Marketing unit.

He obtained his undergraduate degree in Economics and Political Science from Brown University and his MBA degree from the Kellogg School of Management.

Mr William CHAN Fu-keung, BBS

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

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

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

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

Mr CHAN Ka-kui, GBS, JP

Mr Chan Ka-kui is the Immediate Past Chairman of the Construction Industry Council (CIC). He is a quantity surveyor with over 40 years of experience in the construction field.

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

Mr Chan was appointed as the first Honorary Supervisor of the Hong Kong Construction Association in 2021 for his outstanding contribution to the Hong Kong construction industry. He is a Fellow Member of the Hong Kong Institute of Surveyors. He is also an Adjunct Professor of the Hong Kong Polytechnic University and Honorary Fellow of the City University of Hong Kong.

MEMBERS OF BOARD AND PROFILES

The Honourable Vincent CHENG Wing-shun, MH, JP

Hon. Vincent Cheng is an incumbent Member of the Legislative Council for the geographical constituency of Kowloon West and he previously served as an elected member of the Sham Shui Po District Council from 2007 to 2019. He has served in different public services, currently at the Equal Opportunities Commission, the Court of the University of Hong Kong and the Board of Hong Kong Sports Institute. He graduated from the University of Auckland and holds a Bachelor of Science degree in Statistics.

Ms Ivy CHUA Suk-lin

Ms Ivy Chua is a practicing accountant in Hong Kong, a fellow member of the Hong Kong Institute of Company Secretaries and the Taxation Institute of Hong Kong. She is also the past president and council member of the Society of Chinese Accountants & Auditors. Ms Chua holds a Master of Business Administration from University of Warwick and holds a number of overseas professional qualifications, including Fellow member of the Association of Chartered Certified Accountants and Fellow member of the Institute of Chartered Secretaries and Administrators. Ms Chua was appointed as a committee member of Securities and Futures Commission Process Review Panel in November 2018 and previously a committee member of Disciplinary Panel of Hong Kong Institute of Certified Public Accountants.

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

Mr Andy HO Wing-cheong

Mr Andy Ho is the Executive Director of the Hong Kong Federation of Youth Groups (HKFYG).

As a Registered Social Worker in Hong Kong, with a M.A. from the Hong Kong Polytechnic University and a B.Soc.Sc. (Hons.) from the Chinese University of Hong Kong, Mr Ho has a life-long commitment to serving young people and has tirelessly worked for their whole person development.

Mr Ho continues to actualise a solid vision of leadership and management, with innovative ideas and an analytical approach towards organisational development and strategic planning for the Federation and its services to young people. Mr Ho seeks results that actually impact young people, motivating them to be creative, forward looking and well equipped in mastering their future skills. He also places priorities on their wellness and dedication to caring for others.

Mr Ho's management experience ensures a high quality of collaboration with partners and supporters, as illustrated by his current positions as a Non-Executive Director of the Urban Renewal Authority, a Non-official Member of both the Social Welfare Advisory Committee and the Human Resources Planning Commission of the Hong Kong Government. He is also a Member of the Consultation Panel of the West Kowloon Cultural District Authority and an elected Executive Committee Member of the Hong Kong Council of Social Service. In addition, Mr Ho is a Director of the Dragon Foundation.

The Honourable KWOK Wai-keung, JP

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

Hon. Kwok is now a member of the Lantau Development Advisory Committee and the Chairman of Hong Kong Youth Power Association.

Ir Janice LAI Wai-man

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

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

Mrs Sylvia LAM YU Ka-wai, SBS

Born and educated in Hong Kong, Mrs Sylvia Lam graduated from the Faculty of Architecture in the University of Hong Kong before joining the Hong Kong Government in 1986. She is an architect by profession and is a Fellow Member of the Hong Kong Institute of Architects.

She was the Director of Architectural Services when she retired in December 2020. During her tenure as the Director, she has led the Department to obtain various prestigious awards such as the Quality Excellence Award of the Quality Building Award 2020 for the Hong Kong Children Hospital, the Gold Award for Excellence in Training and Development 2018 of the Hong Kong Management Association, Top Winner of the MIKE (Most Innovative Knowledge Enterprise) Award 2019.

Mrs Lam received the Silver Bauhinia Star Award in 2021. She was commended for her remarkable contribution to providing excellent service in the design, planning, construction, maintenance and development of public buildings, in particular, the adoption of innovative technologies to enhance construction productivity and operational efficiency, including the use of the Modular Integrated Construction (MiC) technology.

After retirement, Mrs Lam continues to link up with the professional circle, the construction industry and the community in other capacities, including as Honorary Architect of the Chinese University of Hong Kong, Expert Panel Member of the BEAM Society and Manager of the Incorporated Management Committee of her Alma Mater, the Maryknoll Convent School.

MEMBERS OF BOARD AND PROFILES

Dr LEE Ho-yin

Dr Lee Ho-yin is a co-founder of the postgraduate and undergraduate architectural conservation programmes at the University of Hong Kong. Before taking up teaching at the university, he was an Associate Director of an architectural practice, involving in architectural projects in Hong Kong, Indonesia, Mainland China and Singapore. As a well-published academic and an experienced practitioner in built-heritage conservation, he has been appointed by government agencies in Hong Kong, Mainland China and overseas as an expert advisor or a consultant for conservation projects and the designation and monitoring of UNESCO World Heritage Sites. In 2017, he was cited in the award certificate for the highest UNESCO conservation award for the “Blue House Cluster” revitalisation project.

Ms Elaine LO Yuen-man, MH

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

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

Elaine actively participates in public service. She has been appointed by the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) to various government advisory and statutory bodies, including:

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

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

Professor TANG Bo-sin, MH

Prof. Tang Bo-sin is currently Professor at the Department of Urban Planning and Design of the University of Hong Kong. Before joining this University, he was Professor and Associate Head at the Department of Building and Real Estate of the Hong Kong Polytechnic University.

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

He previously served as chairman of the Appeal Panel (Estate Agents Ordinance), chairman of Planners' Registration Board, member of the Town Planning Appeal Board and member of Kowloon City District Urban Renewal Forum.

Ms Judy TONG Kei-yuk

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

The Honourable Tony TSE Wai-chuen, BBS, JP

Hon. Tony Tse is currently a member of the Hong Kong Legislative Council for the Architectural, Surveying, Planning and Landscape functional constituency. He is a Fellow of the Hong Kong Institute of Surveyors, Chairperson of the Property Management Services Authority, member of the Harbourfront Commission, the Standing Committee on Disciplined Services Salaries and Conditions of Service and the National Committee of the Chinese People's Political Consultative Conference. Hon. Tse has been awarded the Bronze Bauhinia Star in 2014 and has been appointed as a Justice of the Peace in 2020.

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

Hon. Tse has been engaged in the property development field for more than 40 years. Besides being active in the development circle, he participates enthusiastically in public affairs and has been appointed to public services by the Hong Kong Government on many occasions, including member of the Land and Building Advisory Committee and Town Planning Board, Vice-Chairman of the Independent Police Complaints Council, Chairman of VTC Real Estate Services Training Board, the Court of Lingnan University and Chairman of HKTDC Infrastructure Development Advisory Committee, etc. He has also been appointed Chairman of the Surveyors Registration Board in 2002-2003, elected as President of the Hong Kong Institute of Surveyors in 2003-2004, and member of the 5th Hong Kong Legislative Council for the Architectural, Surveying and Planning functional constituency in 2012.

MEMBERS OF BOARD AND PROFILES

Dr the Honourable Stephen WONG Yuen-shan

Hon. Stephen Wong received a B.A. Degree in Economics from the University of Chicago, Phi Beta Kappa, and an M.A. Degree in East Asian Studies (Whitney and Betty MacMillan Center for International and Area Studies) from Yale University. He completed his Doctorate Degree in Public Administration (DPA) from the University of Hong Kong. He worked for a number of global financial institutions, including as an Executive Director in UBS (London) and a Managing Director at RBS. Hon. Wong joined Our Hong Kong Foundation as Senior Consultant in May 2015, and was appointed Deputy Executive Director and Head of Public Policy in November of the same year. He is now Senior Vice President & Executive Director of Public Policy Institute.

Hon. Wong is currently a member of the Hong Kong Legislative Council for the Election Committee constituency and his public service includes various advisory roles appointed by the Hong Kong Government, including Board Member of the Financial Services Development Council, Board Member of the Urban Renewal Authority, Member of Investment Sub-Committee of the Housing Authority, Co-opted Member of Social Innovation & Entrepreneurship Development Fund Task Force of Commission on Poverty, Non-official Member of the Assessment Panel of the 'Innovation and Technology Fund for Application in Elderly and Rehabilitation Care' of the Social Welfare Department, Member of Investment Working Group to Advise the Director of Social Welfare on Investment Matters Relating to the Special Needs Trust, ex-Member of the Town Planning Board and ex-Member of Task Force on Land Supply, etc.

Hon. Wong is also active in community service. He is Vice Chairman of the Admissions, Budgets & Allocations Committee and Investment Sub-Committee Member of the Community Chest, and Executive Committee Member & Chairman of the Advisory Committee of Social Enterprise and Innovation Platform of the Hong Kong Council of Social Service. Hon. Wong is also an Adjunct Associate Professor at the Hong Kong University SPACE for the Institute for China Business.

Ms Yvonne YEUNG Kin-ha

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

Previously she had worked as a Financial Consultant in banking industry and later established a leading social enterprise to create job opportunities for disadvantaged people. She has been actively engaging in enhancing social impact via cross-sector collaboration. Her volunteer services include Member of Executive Committee, Chairperson of Standing Committee on Sector & Capacity Development, Chairperson of Assessment Committee for Membership Application, and Member of Specialized Committee on Sector Finance of the Hong Kong Council of Social Service, Non-Official Non-Executive Director of the Board of Urban Renewal Authority, Advisor of Our Hong Kong Foundation, Member of Advisory Committee on Enhancing Self-Reliance Through District Partnership Programme of Home Affairs Department, Ex-officio Member of the Advisory Committee of Jockey Club Community eHealth Care Project, Member of Ray Bakke Centre for Urban Transformation (RBC) Committee, and Member of the Advisory Board of the HKUST Division of Integrative Systems and Design. She was also ex-Associate Member of the Central Policy Unit, Member of the Women's Commission and Member of the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption. She was awarded as the JESSICA Most Successful Women 2022.

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

Non-Executive Directors (Official)

Ms Clarice YU Po-mei, JP Director of Buildings

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

Mr Andrew LAI Chi-wah, JP Director of Lands

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

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

Mr Ivan CHUNG Man-kit, JP Director of Planning

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

Miss Vega WONG Sau-wai, JP Deputy Director of Home Affairs (2)

Miss Vega Wong is currently the Deputy Director of Home Affairs. Prior to this, Miss Wong has been in various directorate positions in a number of departments, including the Assistant Director of the Home Affairs Department and Assistant-Director General of the Trade and Industry Department, etc.

Note:

Mr Ben LUI Sau-shun served the Board as Executive Director (Operations) until 31 December 2021.

The Non-Executive Directors (Non-Official), namely the Honourable Judy CHAN Ka-pui, Mr Roger LUK Koon-hoo, Mrs Cecilia WONG NG Kit-wah and Mr Michael WONG Yick-kam served the Board until 30 April 2022, while Mr Andy TONG Sze-hang served the Board until 8 September 2021.

Mr YU Tak-cheung served the Board as Non-Executive Director (Official) until 28 November 2021.

MEMBERS OF COMMITTEES

AUDIT COMMITTEE

Chairperson

Mr Roger LUK Koon-hoo,
BBS, JP
(up to 30 April 2022)
Ms Ivy CHUA Suk-lin
(from 16 May 2022)

Members

Mr CHAN Ka-kui, GBS, JP
(from 16 May 2022)
Ms Ivy CHUA Suk-lin
(up to 15 May 2022)
Mr Andy HO Wing-cheong
Mr Michael WONG Yick-kam, MH, JP
(up to 30 April 2022)
Ms Yvonne YEUNG Kin-ha
(from 16 May 2022)

Co-opted Member

Ms Rosanna CHOI Yi-tak

DEVELOPMENT PROJECT OBJECTION CONSIDERATION COMMITTEE

Chairperson

The Honourable Vincent
CHENG Wing-shun, MH, JP

Members

The Honourable Judy CHAN Ka-pui, MH
(up to 30 April 2022)
The Honourable KWOK Wai-keung, JP
Mrs Sylvia LAM YU Ka-wai, SBS
(from 16 May 2022)
Dr LEE Ho-yin
The Honourable Tony TSE Wai-chuen, BBS, JP
Mrs Cecilia WONG NG Kit-wah
(up to 30 April 2022)

Co-opted Members

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

FINANCE COMMITTEE

Chairperson

Mr CHOW Chung-kong,
GBM, GBS, JP

Members

Mr Evan AU YANG Chi-chun
Ms Ivy CHUA Suk-lin
Ms Elaine LO Yuen-man, MH
Professor TANG Bo-sin, MH
Mr Andy TONG Sze-hang
(up to 8 September 2021)
The Honourable Tony TSE Wai-chuen, BBS, JP
Dr the Honourable Stephen WONG Yuen-shan
Ms Yvonne YEUNG Kin-ha
(from 16 May 2022)
Managing Director
(Ir WAI Chi-sing, GBS, JP, FHKEng)

Co-opted Member

Mr Alexander LAM Tsan-wing

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Chairperson

Mr CHOW Chung-kong,
GBM, GBS, JP

Members

Mr Evan AU YANG Chi-chun
Mr Willian CHAN Fu-keung, BBS
The Honourable KWOK Wai-keung, JP
Ms Elaine LO Yuen-man, MH
Professor TANG Bo-sin, MH
Dr the Honourable Stephen WONG Yuen-shan
Managing Director
(Ir WAI Chi-sing, GBS, JP, FHKEng)

LAND, REHOUSING AND COMPENSATION COMMITTEE

Chairperson

Ms Elaine LO
Yuen-man, MH

Members

Mr Willian CHAN Fu-keung, BBS
Mr CHAN Ka-kui, GBS, JP (from 16 May 2022)
The Honourable KWOK Wai-keung, JP
Ms Judy TONG Kei-yuk
Mr Michael WONG Yick-kam, MH, JP
(up to 30 April 2022)
Dr the Honourable Stephen WONG Yuen-shan
Managing Director
(Ir WAI Chi-sing, GBS, JP, FHKEng)
Executive Director (Operations)
(Mr Ben LUI Sau-shun) (up to 31 December 2021)
(Mr Ian WONG Wai-kuen) (from 6 January 2022)

Co-opted Members

Mr Patrick LAU Lai-chiu, SBS
Mr Timothy MA Kam-wah, MH, JP
Assistant Director / Specialist 3,
Lands Department
(Ms Lily CHIU Lee-lee)

PLANNING, DEVELOPMENT AND CONSERVATION COMMITTEE

Chairperson

Dr LEE Ho-yin

Members

The Honourable Judy CHAN Ka-pui, MH
(up to 30 April 2022)
The Honourable Vincent CHENG Wing-shun,
MH, JP
Mr Andy HO Wing-cheong
Ir Janice LAI Wai-man (from 16 May 2022)
Mrs Sylvia LAM YU Ka-wai, SBS (from 16 May 2022)
Professor TANG Bo-sin, MH
Ms Judy TONG Kei-yuk
Mr Andy TONG Sze-hang (up to 8 September 2021)
The Honourable Tony TSE Wai-chuen, BBS, JP
Director of Lands[△]
(Mr Andrew LAI Chi-wah, JP)
Director of Planning[△]
(Mr Ivan CHUNG Man-kit, JP)
Managing Director
(Ir WAI Chi-sing, GBS, JP, FHKEng)
Executive Director (Commercial)
(Mr Eric POON Shun-wing)

Co-opted Members

Mr Alexander LAM Tsan-wing
Mr Andy LEUNG Kit-man
Assistant Director /
New Buildings 1,
Buildings Department
(Ms Karen CHEUNG Yuk-ching)

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

REVIEW COMMITTEE

Chairperson

The Honourable Judy
CHAN Ka-pui, MH
(up to 30 April 2022)
Mr Willian CHAN
Fu-keung, BBS
(from 16 May 2022)

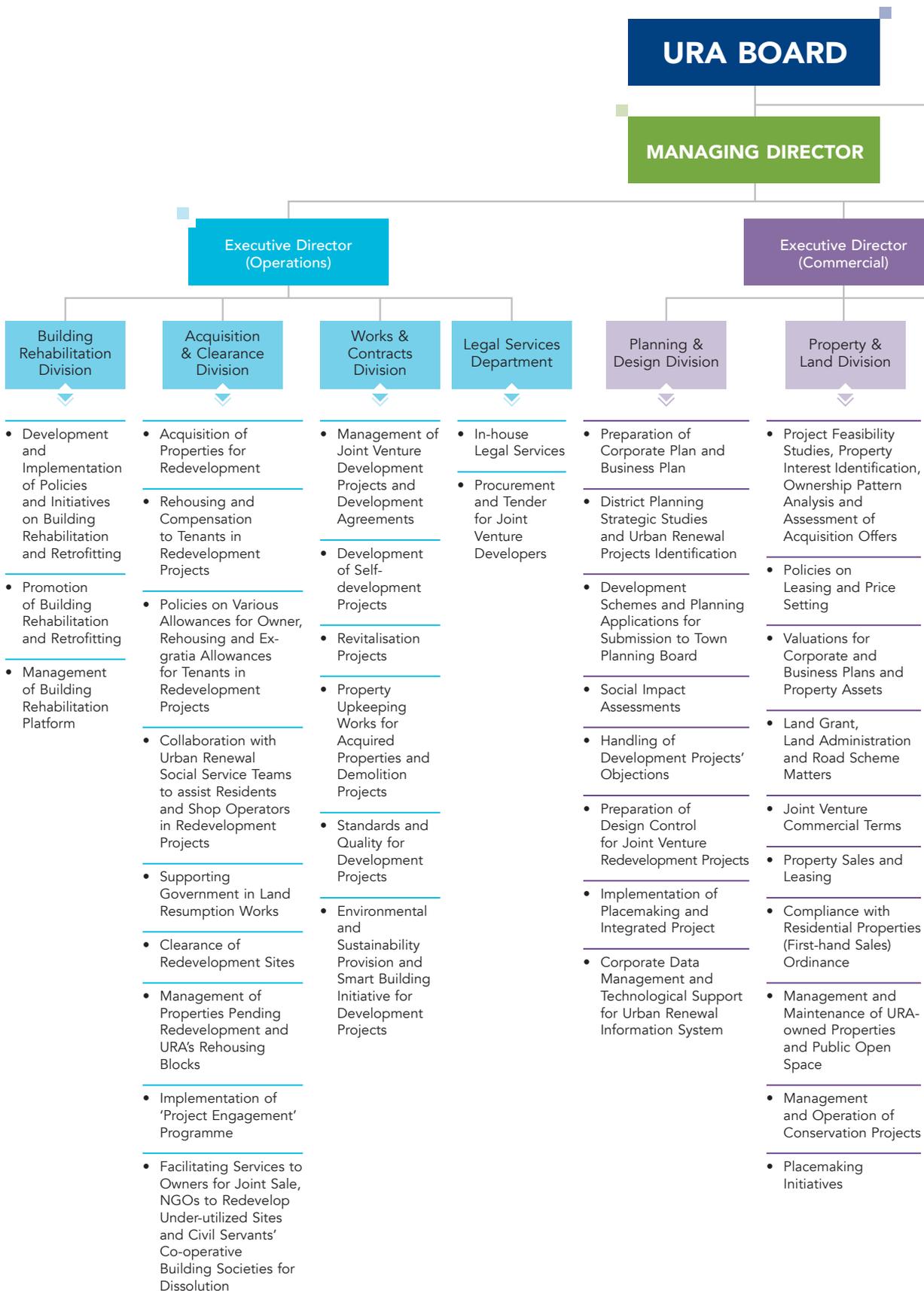
Members

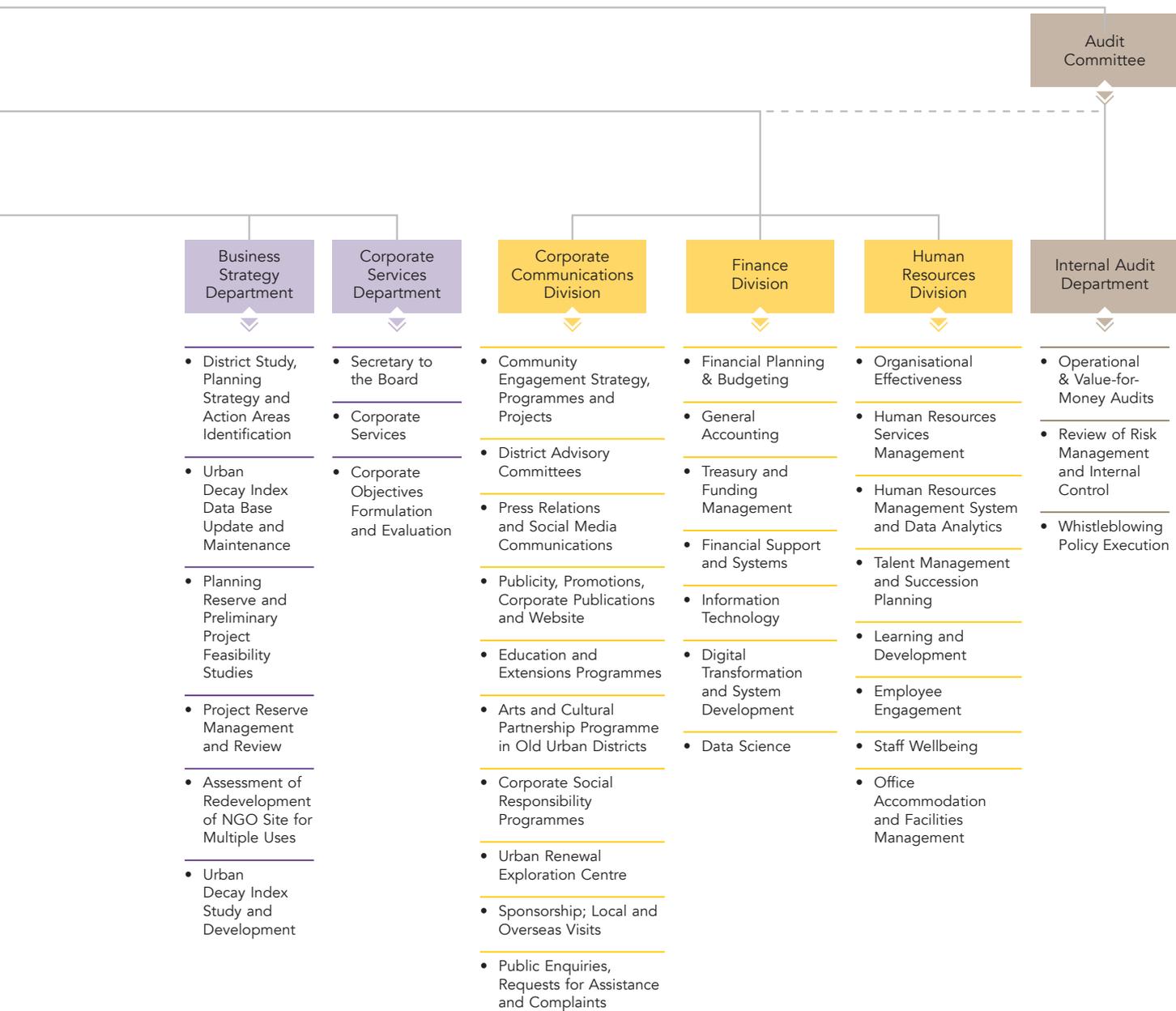
Mr Willian CHAN Fu-keung, BBS
(up to 15 May 2022)
The Honourable Vincent CHENG Wing-shun,
MH, JP
Ir Janice LAI Wai-man (from 16 May 2022)
Dr LEE Ho-yin
Ms Elaine LO Yuen-man, MH

Co-opted Members

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

ORGANISATION STRUCTURE





MEMBERS OF DISTRICT ADVISORY COMMITTEES

(as at 31 March 2022)

CENTRAL AND WESTERN DISTRICT ADVISORY COMMITTEE

Chairperson	Dr LEE Ho-yin		
Members	Dr Roger CHAN Chun-kwong	Mr Kenneth LEE Fung-nin	Ms Cherry WONG Kin-ching (up to 13 July 2021)
	Ms CHENG Lai-king	Dr Edmund LEE Tak-yue	Ms Anna YEN Lau-fan
	Mr CHENG Po-hung	Mr MAN Chi-wah, BBS, MH	Mr YEUNG Hok-ming, MH
	Ms CHEUNG Kai-yin	Ms Bonnie NG Hoi-yan	
	District Officer (Central & Western)		

KOWLOON CITY DISTRICT ADVISORY COMMITTEE

Chairperson	Professor TANG Bo-sin, MH		
Members	Mr CHIK Chun-wah	Mr NG Po-keung, MH	Mr Robert WONG Kin-ming (up to 31 August 2021)
	Mr KWOK Tin-lap	Mr NGAN Siu-lun	Mr YEUNG Chun-yu
	Mr LAI Kwong-wai	Mr PUN Kwok-wah, JP	
	Mr LEE Hin-long	Dr SIU Miu-man, MH	
	Mr MA Hei-pang	Mr TAM Man-chi	
	District Officer (Kowloon City)		

KWUN TONG DISTRICT ADVISORY COMMITTEE

Chairperson	Mr Evan AU YANG Chi-chun		
Members	Mr Anthony BUX Sheik	Mr KWOK Lit-tung, JP	Mr LING Chi-keung, MH
	Mr CHENG Keng-ieong	Mr Patrick LAI Shu-ho, BBS, MH, JP	Mr MOK Kin-shing
	Mr CHONG Yam-ming, MH	Mrs LEUNG CHAN Siu-hing	Mr Kevin SO Koon-chung
	Mr CHOW Yiu-ming, BBS, MH	Ms Edith LEUNG Yik-ting	Mr TAM Siu-cheuk
	Mr KAN Ming-tung, MH	Mr LI Hung	Mr Jason TANG Yiu-lun
	District Officer (Kwun Tong)		

SHAM SHUI PO DISTRICT ADVISORY COMMITTEE

Chairperson	The Honorable Vincent CHENG Wing-shun, MH, JP		
Members	Mr CHAN Wai-ming, MH, JP	Mr Aaron LAM Ka-fai, BBS, JP	Mr WAI Woon-nam
	Mr Waillen CHUI Wai-lan	Dr LAU Kwok-yu, JP	Mr MAK Wai-ming
	Mr CHUM Tak-shing	Ms LAU Pui-yuk, MH	
	Ms POON Choi-chun	Dr LEUNG Kai-chi	
	District Officer (Sham Shui Po)		

YAU TSIM MONG DISTRICT ADVISORY COMMITTEE

Chairperson	The Honorable Judy CHAN Ka-pui, MH		
Members	Mr CHU Kong-wai	Mr Edward LEUNG Wai-kuen, JP	Sr Kenny TSE Chi-kin
	Mr CHUNG Chak-fai	Mr LUI Fan-yuk	Mr Benny YEUNG Tsz-hei, BBS, MH
	Mr HUI Tak-leung, JP	Mr Ernest NG Kwok-wa	Mr YU Tak-po
	Mr LAU Pak-kei, MH	Ir Michelle TANG Ming-sum	Dr Simon YUEN Sheung-man
	Mr Eric LEE Chung-ming	Mr TSANG Tsz-ming	
	District Officer (Yau Tsim Mong)		

FINANCIAL SUMMARY

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

	In HK\$'million									
Year ended 31 March	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues for the year	5,341	1,169	9,904	7,422	5,035	13,868	3,423	2,107	3,439	22,653
Surplus/(deficit) for the year (before interest income)	4,292	(2,387)	918	4,302	2,898	11,718	1,895	(278)	(45)	6,484
Surplus/(deficit) for the year	4,437	(2,270)	1,076	4,451	3,142	12,038	2,330	118	150	6,568
Accumulated surplus	16,207	13,937	15,013	19,464	22,606	34,644	36,974	37,092	37,242	43,810
Capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net assets	26,207	23,937	25,013	29,464	32,606	44,644	46,974	47,092	47,242	53,810
Debt securities issued less unamortised finance charges	3,288	4,777	4,582	3,285	3,288	2,791	2,793	1,796	1,097	1,098
Properties under development (Note 1)	22,421	27,677	20,984	20,199	19,087	25,769	29,609	33,494	33,287	22,501
Land premia waived by the Government during the year	(1,018)	–	(7,785)	(940)	(180)	(4,077)	(190)	(4)	(17)	(1,106)
Surplus/(deficit) for the year if no land premium waiver	3,419	(2,270)	(6,709)	3,511	2,962	7,961	2,140	114	133	5,462
Accumulated surplus if no land premium waiver	9,701	7,431	722	4,233	7,195	15,156	17,296	17,410	17,543	23,005

Note:

1. "Properties under development" represents properties under development before provision for impairment.

REPORT OF THE MEMBERS OF THE BOARD

The members of the Board submit their report together with the audited financial statements for the year ended 31 March 2022.

BOARD MEMBERS

Members of the Board for the year and up to the date of this report are set out on page 102.

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, preservation, revitalisation and retrofitting. 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 2022 and the financial position of the Group and of the Authority at that date are set out in the consolidated financial statements on pages 122 to 167.

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 2022, 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 22 to the consolidated financial statements.

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

AUDITOR

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

By order of the Board

CHOW Chung-kong

Chairman

Hong Kong, 9 June 2022

INDEPENDENT AUDITOR'S REPORT



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

OPINION

We have audited the consolidated financial statements of Urban Renewal Authority (the "Authority") and its subsidiaries (together the "Group") set out on pages 122 to 167, which comprise the consolidated statement of financial position as at 31 March 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE BOARD MEMBERS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
9 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2022
(expressed in Hong Kong Dollars)

	Note	2022 \$'000	2021 \$'000
Revenue	5(a)	22,652,901	3,439,178
Direct costs		<u>(14,576,548)</u>	<u>(2,706,937)</u>
Gross surplus		8,076,353	732,241
Other income, net	5(b)	252,688	265,285
Administrative expenses		(622,586)	(593,338)
Other expenses		(466,650)	(355,142)
(Provision for)/write back of impairment on properties and committed projects, net		<u>(672,452)</u>	<u>100,916</u>
Operating surplus before income tax	6	6,567,353	149,962
Income tax expenses	7(a)	<u>-</u>	<u>-</u>
Surplus and total comprehensive income for the year		<u><u>6,567,353</u></u>	<u><u>149,962</u></u>

The notes on pages 127 to 167 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2022
(expressed in Hong Kong Dollars)

	Note	2022 \$'000	2021 \$'000
Non-current assets			
Property, plant and equipment	8	7,250,697	5,365,640
Properties under development	9	20,701,475	32,272,141
Building rehabilitation loans	10	8,348	9,834
Prepayments		928,969	889,117
Other receivables	11(a)	309,527	2,570,306
Investments	12	650,000	-
Bank deposits	13	976,400	76,000
		<u>30,825,416</u>	<u>41,183,038</u>
Current assets			
Properties held for sale	14	979,542	1,104,302
Properties under development for sale	9	1,145,392	291,222
Amounts due from joint development projects	15	40,937	34,877
Building rehabilitation loans	10	3,935	4,348
Trade and other receivables	11(b)	160,401	133,941
Investments	12	83,325	324,077
Cash and bank balances	13	25,233,143	9,217,493
		<u>27,646,675</u>	<u>11,110,260</u>
Total assets		<u><u>58,472,091</u></u>	<u><u>52,293,298</u></u>
Capital and reserves			
Capital	16	10,000,000	10,000,000
Accumulated surplus		43,809,500	37,242,147
		<u>53,809,500</u>	<u>47,242,147</u>
Non-current liabilities			
Trade and other payables	17	387,085	418,292
Debt securities issued	18	797,920	1,096,914
		<u>1,185,005</u>	<u>1,515,206</u>
Current liabilities			
Amounts due to joint development projects	15	252,796	243,545
Trade and other payables	17	2,600,335	3,292,400
Debt securities issued	18	299,855	-
Provision for committed projects	19	324,600	-
		<u>3,477,586</u>	<u>3,535,945</u>
Total capital, reserves and liabilities		<u><u>58,472,091</u></u>	<u><u>52,293,298</u></u>

Approved by the Board
on 9 June 2022



CHOW Chung-kong
Chairman



WAI Chi-sing
Managing Director

The notes on pages 127 to 167 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022
(expressed in Hong Kong Dollars)

	Note	2022		2021	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Operating surplus before income tax		6,567,353		149,962	
Adjustments for:					
Interest income	5(b)	(83,766)		(195,242)	
Depreciation	6(a)	211,078		139,243	
Interest expenses	6(a)	911		1,441	
Loss/(gain) on disposal of property, plant and equipment	5(b)	75		(2)	
Net foreign exchange gain		(25,115)		(776)	
Provision for/(write back of) impairment on properties and committed projects, net		<u>672,452</u>		<u>(100,916)</u>	
Operating surplus/(deficit) before working capital changes		7,342,988		(6,290)	
Changes in balances with joint development projects		3,191		137,722	
Decrease/(increase) in properties under development		8,480,361		(3,059,088)	
Decrease in properties held for sale		307,439		1,867,813	
Decrease/(increase) in building rehabilitation loans		1,899		(4,519)	
Increase in prepayments		(186,660)		(287,975)	
Decrease in other receivables		2,260,779		594,322	
(Increase)/decrease in trade and other receivables		(37,456)		184,885	
Decrease in trade and other payables		<u>(692,656)</u>		<u>(361,975)</u>	
Cash generated from/(used in) operations		17,479,885		(935,105)	
Interest received		94,762		342,759	
Interest paid		<u>(32,222)</u>		<u>(45,115)</u>	
Net cash generated from/(used in) operating activities			17,542,425		(637,461)

The notes on pages 127 to 167 form part of these consolidated financial statements.

for the year ended 31 March 2022
(expressed in Hong Kong Dollars)

	Note	2022		2021	
		\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities					
(Increase)/decrease in bank deposits with original maturities of more than 3 months			(14,540,153)	418,627	
Payment for purchase of investments at amortised cost			(732,710)	(324,077)	
Payment for purchase of property, plant and equipment			(192,004)	(61,960)	
Redemption of investments at amortised cost			324,077	1,253,000	
Proceeds from sale of property, plant and equipment			10	2	
Net cash (used in)/generated from investing activities			(15,140,780)		1,285,592
Cash flows from financing activities					
Redemption of debt securities	13		-	(700,000)	
Capital element of lease rentals paid	13		(47,906)	(47,734)	
Interest element of lease rentals paid	13		(2,342)	(3,350)	
Net cash used in financing activities			(50,248)		(751,084)
Net increase/(decrease) in cash and cash equivalents					
			2,351,397		(102,953)
Cash and cash equivalents at 1 April					
Exchange gain on cash and cash equivalents			20,528		-
Cash and cash equivalents at 31 March					
			<u>4,442,366</u>		<u>2,070,441</u>
Analysis of cash and bank balances					
Cash and cash equivalents			4,442,366		2,070,441
Bank deposits with original maturities of more than 3 months			<u>21,767,177</u>		<u>7,223,052</u>
Cash and bank balances at 31 March					
	13		<u>26,209,543</u>		<u>9,293,493</u>

The notes on pages 127 to 167 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022
(expressed in Hong Kong Dollars)

	<u>Capital</u>	Accumulated <u>Surplus</u>	<u>Total</u>
	\$'000	\$'000	\$'000
Balance at 1 April 2020	10,000,000	37,092,185	47,092,185
Surplus and total comprehensive income for the year	<u>-</u>	<u>149,962</u>	<u>149,962</u>
Balance at 31 March 2021	<u>10,000,000</u>	<u>37,242,147</u>	<u>47,242,147</u>
Balance at 1 April 2021	10,000,000	37,242,147	47,242,147
Surplus and total comprehensive income for the year	<u>-</u>	<u>6,567,353</u>	<u>6,567,353</u>
Balance at 31 March 2022	<u>10,000,000</u>	<u>43,809,500</u>	<u>53,809,500</u>

The notes on pages 127 to 167 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

1. General information

The Urban Renewal Authority (the "Authority") is a statutory body established by the Government of the Hong Kong Special Administrative Region ("Government") under the Urban Renewal Authority Ordinance (Chapter 563). The principal activities of the Authority and its subsidiaries (the "Group") have been to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, preservation, revitalisation and retrofitting. 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 significant 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 investments 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 individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance.

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(b) Relevant standards effective in the current year

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest Rate Benchmark Reform - phase 2*

Amendments to HKFRS 16, *Covid-19-Related Rent Concessions beyond 30 June 2021*

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

(c) Standards, amendments to standards and interpretations that are not yet effective for the current year

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 March 2022 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to HKAS 37, <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to HKFRSs 2018-2020 Cycle	1 January 2022
Amendments to HKAS 1, <i>Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of accounting policies</i>	1 January 2023
Amendments to HKAS 8, <i>Definition of accounting estimates</i>	1 January 2023
Amendments to HKAS 12, <i>Deferred tax related to assets and liabilities arising from a single transaction</i>	1 January 2023

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

(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(h)). Any such provisions are recognised as an expense in profit or loss.

(e) Revenue recognition

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

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

- (i) Income from sale of properties developed for sale in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in contract liabilities (see Note 2(f)).
- (ii) Where the Group receives its share of surplus from property development projects undertaken as joint development projects, sharing of such surplus is recognised in accordance with the terms of the joint development agreements, unless the control of the underlying properties under development have not been transferred. Proceeds received in advance from sale of properties of joint development projects prior to their completion are included in trade and other payables.
- (iii) When the developer is obligated to settle the upfront premium to the Group at the inception of joint development agreement, such upfront premium is recognised as revenue when the Group has no further substantial acts to complete. Generally, such revenue is recognised as soon as the Group has performed its obligations in respect of the upfront premium and it has become non-refundable/non-cancellable.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(e) Revenue recognition (continued)

- (iv) Interest income is recognised on a time-proportion basis using the effective interest method.
- (v) Rental income net of any incentives given to the lessee is recognised on a straight line basis over the periods of the respective leases.
- (vi) Income from Urban Redevelopment Facilitating Services Company Limited is recognised upon completion of the sale of the properties by the owners in accordance with the terms of the sale agreement.

(f) Contract liabilities

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

(g) Property, plant and equipment

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

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(g) Property, plant and equipment (Continued)

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

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

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

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

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

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

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

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

Measurement of ECLs

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

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

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

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

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

ECLs are measured on either of the following bases:

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

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

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

Significant increases in credit risk

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

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

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

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

Write-off policy

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

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

(ii) Impairment of other assets

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

(i) Financial assets and liabilities

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(i) Financial assets and liabilities (Continued)

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

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

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

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

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

(j) Leased assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(j) Leased assets (Continued)

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

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and presents lease liabilities under "trade and other payables" in the statement of financial position.

(k) Properties under development

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

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

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

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

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

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

(n) Provisions and contingencies

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(o) Current and deferred income tax

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

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

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

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

(p) Borrowing costs

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

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

(q) Translation of foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(r) Joint development projects

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

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

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(s) Cash and cash equivalents

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

(t) Employee benefits

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

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

(u) Related parties

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

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

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

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

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

3. Financial risk management and fair value of financial instruments

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: cash flow interest rate risk, credit risk, liquidity risk, 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.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

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

(a) Financial risk factors (Continued)

(ii) Credit risk

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

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

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

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

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

The 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.

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

(iii) Liquidity risk

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

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

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

(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)

	2022	2021
	\$'000	\$'000
Less than 1 year		
Trade and other payables	2,593,163	2,698,974
Amounts due to joint development projects	252,796	243,545
Debt securities issued	<u>332,240</u>	<u>32,222</u>
Between 1 to 3 years		
Trade and other payables	33,163	61,009
Debt securities issued	<u>340,125</u>	<u>653,168</u>
Between 3 to 5 years		
Trade and other payables	14,920	14,920
Debt securities issued	<u>519,250</u>	<u>538,447</u>
Over 5 years		
Trade and other payables	<u>339,269</u>	<u>343,160</u>

(iv) Foreign exchange risk

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

Foreign exchange risk sensitivity

There would have no significant effect on the surplus of the Group resulting from the foreign exchange gains/losses on translation of cash and bank balances and investments denominated in foreign currencies as the Group currently considered the risk of movements in exchange rates between the Hong Kong dollars and foreign currencies to be insignificant.

(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 credit facilities to ensure the availability of funding when needed.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

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

(c) Fair value measurement

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

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

4. Critical accounting estimates and judgments

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 a committed project

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

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

The valuations of properties and provision for committed projects are made on the basis of the "Market Value" adopted by the Hong Kong Institute of Surveyors ("HKIS"). The valuation is performed annually by 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.

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgments (Continued)

Impairment of properties and provision for a committed project sensitivity

As at 31 March 2022, 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 for the year would increase/decrease by approximately \$89,500,000/\$89,500,000 respectively (2020/21: \$108,700,000/\$171,900,000) resulting from the change in provision for impairment on properties and committed projects.

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

5. Revenue and other income, net

(a) Revenue

(i) Disaggregation of revenue

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

	2022	2021
	\$'000	\$'000
Revenue recognised outside the scope of HKFRS 15		
- Upfront premium from property developers	20,900,300	912,800
- Share of property development surplus on joint development projects	1,362,166	426,441
Revenue from contracts with customers within the scope of HKFRS 15		
- Sale of properties	390,435	2,099,937
	<u>22,652,901</u>	<u>3,439,178</u>

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

At 31 March 2022, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of comprehensive income in the future from pre-completion sales contracts entered into in relation to the Group's properties held for sale pending transfer of control amounted to \$37,501,000 (2020/21: \$259,373,000) which will be recognised when the properties are assigned to the customers. The Group will recognise the expected revenue in future on the basis that control over ownership of the property has been passed to the customer, which is expected to occur over the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

5. Revenue and other income, net (Continued)

(b) Other income, net

Other income, net recognised during the year represents:

	2022	2021
	\$'000	\$'000
Interest income	83,766	195,242
Rental income	141,127	66,167
Miscellaneous income	2,755	2,051
(Loss)/gain on disposal of property, plant and equipment	(75)	2
Net foreign exchange gain	25,115	1,823
	<u>252,688</u>	<u>265,285</u>

6. Operating surplus before income tax

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

(a) Other items:

	2022	2021
	\$'000	\$'000
Cost of properties under joint development projects	14,207,055	769,804
Cost of properties sold	307,439	1,867,813
Staff costs* (excluding directors' and senior management's remuneration)	485,196	462,955
Rehabilitation and retrofit expenses	36,267	40,017
Revitalisation and preservation expenses	8,345	6,495
Place making expenses^	7,992	7,172
Outgoings in respect of preservation properties, retained properties and rehousing units	<u>153,735</u>	<u>96,392</u>
Depreciation		
- Depreciation	234,893	161,594
- Less: Depreciation capitalised	<u>(23,815)</u>	<u>(22,351)</u>
	<u>211,078</u>	<u>139,243</u>
Auditor's remuneration		
- Audit services	518	509
- Non-audit services	<u>-</u>	<u>2,593</u>

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(a) Other items (Continued)

	2022	2021
	\$'000	\$'000
Impairment on properties		
- Write back of provision for impairment on properties held for sale	(8,679)	(2,460)
- Provision for impairment on property, plant and equipment	242,631	165,444
- Provision for/(write back of provision for) impairment on properties under development	438,500	(263,900)
	<u>672,452</u>	<u>(100,916)</u>
Interest expenses		
- Interest on lease liabilities	2,342	3,350
- Less: Interest on lease liabilities capitalised [#]	(1,431)	(1,909)
	911	1,441
- Interest expenses on debt securities issued	32,240	42,411
- Less: Interest expenses capitalised [#]	(32,240)	(42,411)
	-	-
	<u>911</u>	<u>1,441</u>

* Including salaries and other benefits of \$453,383,000 (2020/21: \$431,244,000) and contribution to provident fund scheme of \$31,813,000 (2020/21: \$31,711,000).

^ Excluding depreciation of \$1,006,000 (2020/21: \$1,315,000) and finance cost of \$15,000 (2020/21: \$22,000) for properties leased for own use.

The borrowing costs have been capitalised at rates ranging from 2.15% to 3.85% per annum (2020/21: 1.64% to 3.85% per annum).

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

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

	2022					
	Fees	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director						
- Wai Chi-sing	-	4,491	-	4,491	1,338	5,829
Executive Directors						
- Ben Lui Sau-shun ¹	-	2,146	15	2,161	515	2,676
- Ian Wong Wai-kuen ²	-	-	-	-	-	-
- Eric Poon Shun-wing	-	3,092	393	3,485	770	4,255
9 Senior management staff ²	-	23,868	2,610	26,478	6,717	33,195
Total ⁶	-	33,597	3,018	36,615	9,340	45,955
	2021					
	Fees	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Managing Director						
- Wai Chi-sing	-	4,032 ³	2	4,034	1,338	5,372
Executive Directors						
- Ben Lui Sau-shun	-	2,575 ³	18	2,593	686	3,279
- Michael Ma Chiu-tsee ⁴	-	806 ³	6	812	226	1,038
- Eric Poon Shun-wing ⁵	-	2,194	280	2,474	549	3,023
9 Senior management staff & 1 Ex-senior management staff ⁵	-	22,930	2,533	25,463	6,650	32,113
Total ⁶	-	32,537	2,839	35,376	9,449	44,825

Notes:

- The Executive Director retired on 31 December 2021.
- A senior management staff was appointed as Executive Director with effect from 6 January 2022 on top of his current employment as senior management staff.
- Voluntary salaries reduction by 10% in 2020/21.
- The Executive Director retired on 14 July 2020.
- The Executive Director ceased to be a senior management staff on 14 July 2020 and assumed his role with effect from 15 July 2020.
- Excluding compensation in lieu of leave in the aggregate sum of \$776,000 (2020/21: \$629,000).

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

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

	2022	2021
	No. of Individuals	No. of Individuals
Their remuneration fell within the following bands:		
\$500,000 to \$1,000,000	-	1
\$1,000,001 to \$1,500,000	-	1
\$2,500,001 to \$3,000,000	2	-
\$3,000,001 to \$3,500,000	3	4
\$3,500,001 to \$4,000,000	2	2
\$4,000,001 to \$4,500,000	3	3
\$4,500,001 to \$5,000,000	1	1
\$5,000,001 to \$5,500,000	-	1
\$5,500,001 to \$6,000,000	1	-
Total	<u>12</u>	<u>13</u>

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

There were no loans, 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.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(c) Other members of the Board

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

	2022	2021
	\$'000	\$'000
Chairman		
Mr Chow Chung-kong, GBM, GBS, JP	100	90*
Non-Executive Directors (non-public officers)		
Mr Evan Au Yang Chi-chun	65	65
Mr William Chan Fu-keung, BBS (from 1 Dec 2020)	65	22
The Honourable Judy Chan Ka-pui, MH (up to 30 Apr 2022)	65	65
The Honourable Vincent Cheng Wing-shun, MH, JP	65	65
Ms Ivy Chua Suk-lin	65	65
Mr Andy Ho Wing-cheong	65	65
The Honourable Kwok Wai-keung, JP (from 1 Dec 2020)	65	22
Dr Lee Ho-yin	65	65
Professor Joseph Lee Kok-long, SBS, JP (up to 30 Nov 2020)	-	43
Ms Elaine Lo Yuen-man, MH	65	65
Mr Roger Luk Koon-hoo, BBS, JP (up to 30 Apr 2022)	65	65
The Honourable Alice Mak Mei-kuen, BBS, JP (up to 30 Nov 2020)	-	43
Dr Lawrence Poon Wing-cheung, JP (up to 30 Nov 2020)	-	43
Professor Tang Bo-sin, MH	65	65
Ms Judy Tong Kei-yuk	65	65
Mr Andy Tong Sze-hang (up to 8 Sep 2021)	29	65
The Honourable Tony Tse Wai-chuen, BBS, JP (from 1 Dec 2020)	65	22
Mrs Cecilia Wong Ng Kit-wah (up to 30 Apr 2022)	65	65
Mr Michael Wong Yick-kam, MH, JP (up to 30 Apr 2022)	65	65
Dr the Honourable Stephen Wong Yuen-shan	65	65
Mr Wu Chi-wai, MH (up to 30 Nov 2020)	-	43
	<u>1,169</u>	<u>1,238</u>

* Voluntary fee reduction by 10% in 2020/21

(expressed in Hong Kong Dollars)

6. Operating surplus before income tax (Continued)

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

(d) Five highest paid individuals

	2022	2021
	\$'000	\$'000
The five individuals whose emoluments were the highest in the Group for the years ended 31 March 2022 and 2021 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	16,783	16,215
- Provident fund scheme contributions	1,464	1,508
Sub-total	<u>18,247</u>	<u>17,723</u>
Variable pay	<u>4,693</u>	<u>4,858</u>
Total**	<u><u>22,940</u></u>	<u><u>22,581</u></u>

Their remuneration fell within the following bands:

	No. of Individuals	No. of Individuals
\$4,000,001 to \$4,500,000	3	3
\$4,500,001 to \$5,000,000	1	1
\$5,000,001 to \$5,500,000	-	1
\$5,500,001 to \$6,000,000	<u>1</u>	<u>-</u>
Total	<u><u>5</u></u>	<u><u>5</u></u>

** For the year ended 31 March 2022, compensation in lieu of leave of \$223,000 (2020/21: \$629,000) were excluded from the aggregate sum.

7. Income tax expenses

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

No provision for Hong Kong profits tax has been made for the Group's subsidiaries as they have no estimated assessable profit for the year (2020/21: Nil).

- (b) As at 31 March 2022, the subsidiaries of the Group have unrecognised deductible temporary differences arising from tax losses of \$43,164,000 (31 March 2021: \$38,843,000) to carry forward against future taxable income. These tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

8. Property, plant and equipment

(a) Reconciliation of carrying amount

	Other property, plant and equipment							Total
	Retained properties*	Preservation properties	Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipment and motor vehicles	Properties leased for own use	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2020								
Cost	1,249,780	2,733,897	1,993,892	169,316	79,636	22,706	141,008	6,390,235
Accumulated depreciation	(56,812)	(225,903)	(342,074)	(59,508)	(51,798)	(12,505)	(45,205)	(793,805)
Accumulated impairment	-	(836,360)	(262,514)	-	-	-	-	(1,098,874)
Net book value	<u>1,192,968</u>	<u>1,671,634</u>	<u>1,389,304</u>	<u>109,808</u>	<u>27,838</u>	<u>10,201</u>	<u>95,803</u>	<u>4,497,556</u>
Year ended 31 March 2021								
Opening net book value	1,192,968	1,671,634	1,389,304	109,808	27,838	10,201	95,803	4,497,556
Additions / Adjustments (Note)	92	(3,660)	-	58,688	-	3,180	40,234	98,534
Transfer from properties under development	715,591	301,847	79,150	-	-	-	-	1,096,588
Depreciation	(37,775)	(37,815)	(13,244)	(12,643)	(6,066)	(5,132)	(48,919)	(161,594)
Provision for impairment	-	(110,904)	(54,540)	-	-	-	-	(165,444)
Closing net book value	<u>1,870,876</u>	<u>1,821,102</u>	<u>1,400,670</u>	<u>155,853</u>	<u>21,772</u>	<u>8,249</u>	<u>87,118</u>	<u>5,365,640</u>
At 31 March 2021								
Cost	1,965,463	3,266,084	2,073,042	228,004	79,636	25,525	156,724	7,794,478
Accumulated depreciation	(94,587)	(263,718)	(355,318)	(72,151)	(57,864)	(17,276)	(69,606)	(930,520)
Accumulated impairment	-	(1,181,264)	(317,054)	-	-	-	-	(1,498,318)
Net book value	<u>1,870,876</u>	<u>1,821,102</u>	<u>1,400,670</u>	<u>155,853</u>	<u>21,772</u>	<u>8,249</u>	<u>87,118</u>	<u>5,365,640</u>
Year ended 31 March 2022								
Opening net book value	1,870,876	1,821,102	1,400,670	155,853	21,772	8,249	87,118	5,365,640
Additions / Adjustments (Note)	-	44,739	(15,859)	96,411	59,327	7,386	19,622	211,626
Transfer from properties under development	2,151,097	-	-	-	-	-	-	2,151,097
Disposal	-	-	-	-	-	(84)	(58)	(142)
Depreciation	(93,535)	(44,485)	(22,703)	(13,664)	(6,774)	(5,524)	(48,208)	(234,893)
Provision for impairment	(25,709)	(121,546)	(95,376)	-	-	-	-	(242,631)
Closing net book value	<u>3,902,729</u>	<u>1,699,810</u>	<u>1,266,732</u>	<u>238,600</u>	<u>74,325</u>	<u>10,027</u>	<u>58,474</u>	<u>7,250,697</u>
At 31 March 2022								
Cost	4,116,560	3,310,823	2,057,183	312,832	133,643	32,216	149,370	10,112,627
Accumulated depreciation	(188,122)	(308,203)	(378,021)	(74,232)	(59,318)	(22,189)	(90,896)	(1,120,981)
Accumulated impairment	(25,709)	(1,302,810)	(412,430)	-	-	-	-	(1,740,949)
Net book value	<u>3,902,729</u>	<u>1,699,810</u>	<u>1,266,732</u>	<u>238,600</u>	<u>74,325</u>	<u>10,027</u>	<u>58,474</u>	<u>7,250,697</u>

* The Group receives rental income for the retained properties and their fair value as at 31 March 2022 was \$4,625,925,000 (31 March 2021: \$2,999,625,000).

Note: Adjustments represent the changes in estimated resumption and construction costs of properties and leasehold improvements.

(expressed in Hong Kong Dollars)

8. Property, plant and equipment (Continued)

(a) Reconciliation of carrying amount (Continued)

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.

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 March 2022	31 March 2021
	\$'000	\$'000
Properties leased for own use, carried at depreciated cost, with remaining lease term less of 5 years	<u>58,474</u>	<u>87,118</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2022	2021
	\$'000	\$'000
Net depreciation charge of right-of-use assets by class of underlying asset:		
- Properties leased for own use	<u>24,393</u>	<u>26,568</u>
Interest on lease liabilities (Note 6(a))	911	1,441
Expense relating to short-term leases	<u>-</u>	<u>702</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

9. Properties under development

As at 31 March 2022, the properties under development are analysed as follows:

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Cost, including Home Purchase Allowance ("HPA") (Note (i))		
At 1 April	33,287,263	33,494,426
Add: Additions during the year*	5,987,345	4,007,014
Less: Charged to profit or loss during the year	(14,435,544)	(740,860)
Transferred to property, plant and equipment	(2,151,097)	(1,330,588)
Transferred to properties held for sale	<u>(187,000)</u>	<u>(2,142,729)</u>
At 31 March**	22,500,967	33,287,263
Provision for impairment at 31 March	<u>(654,100)</u>	<u>(723,900)</u>
Balance as at 31 March	<u><u>21,846,867</u></u>	<u><u>32,563,363</u></u>

* The amount includes depreciation of \$23,815,000 (31 March 2021: \$22,351,000) and interest expense of \$1,431,000 (31 March 2021: \$1,909,000) for properties leased for own use.

** The amount includes accumulated interest and other borrowing costs capitalised of \$243,524,000 (31 March 2021: \$319,115,000).

As at 31 March 2022, the properties under development are analysed as follows:

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Non-current portion	20,701,475	32,272,141
Current portion (development for sale)	<u>1,145,392</u>	<u>291,222</u>
	<u><u>21,846,867</u></u>	<u><u>32,563,363</u></u>

Notes:

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

(expressed in Hong Kong Dollars)

9. Properties under development (Continued)

Notes (Continued):

(i) (Continued)

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

As at 31 March 2022, the Group's estimated cash outflow in respect of project under acquisition and resumption as well as construction cost for self-developed projects was \$6.3 billion (31 March 2021: \$7.1 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.

10. Building rehabilitation loans

As at 31 March 2022, the building rehabilitation loans are analysed as follows:

	2022	2021
	\$'000	\$'000
Non-current portion	8,348	9,834
Current portion	3,935	4,348
	<u>12,283</u>	<u>14,182</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

11. 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 2022, the trade and other receivables are current in nature and analysed as follows:

	2022	2021
	\$'000	\$'000
Trade receivables and prepayments	67,539	60,080
Interest receivables	33,272	44,268
Other receivables and deposits	59,590	29,593
Balance at 31 March	<u>160,401</u>	<u>133,941</u>

All of trade and other receivables are expected to be recovered within one year.

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

12. Investments

As at 31 March 2022, the debt securities investments are analysed as follows:

	2022	2021
	\$'000	\$'000
Investments at amortised cost		
- Non-current portion	650,000	-
- Current portion	83,325	324,077
	<u>733,325</u>	<u>324,077</u>

As at 31 March 2022, the Group's debt securities investments represent high quality corporate bonds.

(expressed in Hong Kong Dollars)

13. Cash and bank balances

	2022	2021
	\$'000	\$'000
Bank deposits		
Original maturities of 3 months or less	4,364,834	1,854,447
Original maturities of more than 3 months	21,767,177	7,223,052
	26,132,011	9,077,499
Less: Amounts held in trust for joint development projects	(1,218)	(1,213)
	26,130,793	9,076,286
Cash at banks and in hand	78,750	217,207
	<u>26,209,543</u>	<u>9,293,493</u>
Maximum exposure to credit risk	<u>26,209,528</u>	<u>9,293,478</u>
Representing:		
	2022	2021
	\$'000	\$'000
Non-current portion		
- Bank deposits	<u>976,400</u>	<u>76,000</u>
Current portion		
- Cash at banks and in hand	78,750	217,207
- Bank deposits	<u>25,154,393</u>	<u>9,000,286</u>
	<u>25,233,143</u>	<u>9,217,493</u>

As at 31 March 2022, cash and bank balances of the Group are denominated in Hong Kong Dollars except for an amount of \$538,342,000 and \$1,023,284,000 (31 March 2021: \$286,194,000 and Nil) which are denominated in USD and Renminbi respectively.

The average effective interest rate of time deposits with banks was 0.65% per annum (2020/21: 1.63% per annum). These deposits have an average maturity of 192 days (2020/21: 151 days).

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

	2022	2021
	\$'000	\$'000
Rating (Moody's)		
Aa1 – Aa3	11,490,983	3,660,110
A1 – A3	14,163,614	5,583,855
Others	554,931	49,513
	<u>26,209,528</u>	<u>9,293,478</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

13. Cash and bank balances (Continued)

Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities and liabilities for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flow from financing activities.

	Debt securities issued	
	2022	2021
	\$'000	\$'000
At 1 April	1,096,914	1,795,557
Changes from financing cash flows:		
- Redemption of debt securities	-	(700,000)
Other changes:		
- Amortisation of debt securities issuing costs	861	1,357
Balance as at 31 March	<u>1,097,775</u>	<u>1,096,914</u>
	Lease liabilities	
	2022	2021
	\$'000	\$'000
At 1 April	91,302	98,802
Changes from financing cash flows:		
- Capital element of lease rentals paid	(47,906)	(47,734)
- Interest element of lease rentals paid	(2,342)	(3,350)
Total changes from financing cash flows	<u>(50,248)</u>	<u>(51,084)</u>
Other changes:		
- Increase in lease liabilities from entering into new leases during the year	19,622	40,234
- Lease terminated during the year	(58)	-
- Interest expense (Note 6(a))	2,342	3,350
Total other changes	<u>21,906</u>	<u>43,584</u>
At 31 March	<u>62,960</u>	<u>91,302</u>

(expressed in Hong Kong Dollars)

14. Properties held for sale

The Group's properties held for sale are located in Hong Kong and their carrying amounts are analysed as follows:

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
In Hong Kong, with remaining lease term of:		
- 50 years or more	5,674	5,674
- between 10 and 50 years	<u>973,868</u>	<u>1,098,628</u>
	<u><u>979,542</u></u>	<u><u>1,104,302</u></u>

15. Balances with joint development projects

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Amounts due from joint development projects	40,937	34,877
Amounts due to joint development projects	<u>(252,796)</u>	<u>(243,545)</u>
	<u><u>(211,859)</u></u>	<u><u>(208,668)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

15. Balances with joint development projects (Continued)

The Group has the following active joint development projects as at 31 March 2022.

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
The Zenith/One Wanchai (Wan Chai)	Commercial/Residential	62,310	2006 (Site A & B) 2013 (Site C)	-
* Vision City / Citywalk (Tsuen Wan)	Commercial/Residential	137,885	2007	-
* The Dynasty / Citywalk 2 (Tsuen Wan)	Commercial/Residential	44,404	2008	-
* Vista (Sham Shui Po)	Commercial/Residential	12,708	2009	-
Lime Stardom (Tai Kok Tsui)	Commercial/Residential	19,735	2011	-
* Park Summit (Tai Kok Tsui)	Commercial/Residential	21,402	2013	-
Park Metropolitan (Kwun Tong)	Residential	27,830	2014	-
Park Ivy (Tai Kok Tsui)	Commercial/Residential	4,843	2014	-
* The Avenue / Lee Tung Avenue (Wan Chai)	Commercial/Residential	83,898	2015	-
My Place (Ma Tau Kok)	Commercial/Residential	6,944	2016	-
* SKYPARK / The Forest (Mong Kok)	Commercial/Residential	22,301	2017	-
City Hub (To Kwa Wan)	Commercial/Residential	8,378	2018	-
The Ascent (Sham Shui Po)	Commercial/Residential	7,159	2018	-
93 Pau Chung Street (Ma Tau Kok)	Commercial/Residential	10,345	2018	-

(expressed in Hong Kong Dollars)

15. Balances with joint development projects (Continued)

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
The Amused (Sham Shui Po)	Commercial/Residential	5,030	2018	-
My Central (Sheung Wan)	Commercial/Residential	18,240	2019	-
Astoria Crest (Sham Shui Po)	Commercial/Residential	3,640	2019	-
Downtown 38 (Ma Tau Kok)	Commercial/Residential	9,783	2020	-
The Monti (Sai Wan Ho)	Residential	5,680	2020	-
HYDE PARK (Sham Shui Po)	Commercial/Residential	3,600	2020	-
Madison Park (Sham Shui Po)	Commercial/Residential	4,884	2020	-
Artisan Garden (Ma Tau Kok)	Commercial/Residential	12,456	2021	-
Grand Central (Kwun Tong)	Commercial/Residential	179,248	2021	-
Seaside Sonata (Sham Shui Po)	Commercial/Residential	58,899	2021	-
Sablier (Tai Kok Tsui)	Commercial/Residential	5,738	2021	-
L • LIVING 23 (Tai Kok Tsui)	Commercial/Residential	6,597	2021	-
One Soho (Yau Ma Tei)	Commercial/Residential	12,510	-	2023
The Symphonie (Sham Shui Po)	Commercial/Residential	13,409	-	2023
Hang On Street (Kwun Tong)	Commercial/Residential	6,661	-	2023

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

15. Balances with joint development projects (Continued)

Project Name/Location	Land use	Total gross floor area (m ²)	Actual completion date (calendar year)	Expected completion date (calendar year)
The Harmonie (Sham Shui Po)	Commercial/Residential	14,841	-	2023
One Central Place (Sheung Wan)	Commercial/Stadium and Youth Centre/ Residential	9,630	-	2024
Peel Street / Graham Street – Site C (Sheung Wan)	Commercial/Office/Hotel	41,460	-	2024
Tonkin Street / Fuk Wing Street (Sham Shui Po)	Commercial/Residential	9,675	-	2025
@Oak Street / Ivy Street (Yau Tsim Mong)	Commercial/Residential	5,985	-	2026
@Bailey Street / Wing Kwong Street (Kowloon City)	Commercial/Residential	66,654	-	2027
@Hung Fook Street / Ngan Hon Street (Kowloon City)	Commercial/Residential	41,229	-	2027
@Hung Fook Street / Kai Ming Street / Wing Kwong Street (Kowloon City)	Commercial/Residential	48,942	-	2027

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

@ Newly awarded project during the year

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

In respect of the commercial portions of certain projects, the Group has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issuance of the occupation permits. The Group shares certain percentage of any net proceeds derived from the operation of the commercial portions before the sale and includes it as surplus for the year and would also share the future sales proceeds at the same ratio. The Group would account for its share of sales proceeds as surplus from the joint development projects when these commercial portions are sold in the future.

(expressed in Hong Kong Dollars)

16. Capital

On 21 June 2002, the Finance Committee of the Legislative Council approved a commitment of \$10 billion for injection as equity into the Authority. The Government injected the equity into the Authority in phases over the five financial years from 2002/03 to 2006/07. At 31 March 2022, the Authority had received all five tranches of equity injection of \$10 billion in total.

17. Trade and other payables

As at 31 March 2022, the trade and other payables are analysed as follows:

	Note	2022	2021
		\$'000	\$'000
Contract liabilities	(a)	6,255	29,175
Lease liabilities		62,960	91,302
Trade payables		97,550	103,448
Rental and other deposits received		599,992	148,415
Proceeds received in advance from sale of properties of joint development projects		2,033	566,460
Other payables		5,585	5,567
Accrued expenses		2,213,045	2,766,325
		<u>2,987,420</u>	<u>3,710,692</u>
Representing:			
		2022	2021
		\$'000	\$'000
Non-current portion		387,085	418,292
Current portion		2,600,335	3,292,400
		<u>2,987,420</u>	<u>3,710,692</u>

Note:

(a) Contract liabilities

Contract liabilities recognised arise from property development activities. Typical payment terms are as follows:

The Group receives certain percentage of the contract value as deposit from customers when they sign the sale and purchase agreement. The deposit is recognised as a contract liability until the properties are completed and transferred to the customers. The rest of the consideration is typically paid when the property is assigned to the customer.

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

17. Trade and other payables (Continued)

(a) Contract liabilities (Continued)

Movements in contract liabilities

	2022	2021
	\$'000	\$'000
Balance at 1 April	29,175	210,084
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(29,175)	(210,084)
Increase in contract liabilities as a result of receiving forward sales deposits and instalments during the year in respect of property sales not yet completed as at 31 March	6,255	29,175
Balance at 31 March	<u>6,255</u>	<u>29,175</u>

18. Debt securities issued

As at 31 March 2022, the Group has issued the following fixed rate notes under a Medium Term Note programme.

	2022	2021
	\$'000	\$'000
Non-current portion		
HK dollar Fixed rate notes with coupon of 2.18% due 2023	-	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 debt securities issuing costs	(2,080)	(3,086)
	<u>797,920</u>	<u>1,096,914</u>
Current portion		
HK dollar Fixed rate notes with coupon of 2.18% due 2023	300,000	-
Less: Unamortised debt securities issuing costs	(145)	-
	<u>299,855</u>	<u>-</u>

(expressed in Hong Kong Dollars)

19. Provision for committed projects

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Charged to profit or loss	324,600	-
Balance at 31 March	<u>324,600</u>	<u>-</u>

The amount represents the provision for committed projects and the provision charge is recognised in profit or loss.

As at 31 March 2022, the total provision for impairment on projects are analysed as follows:

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Provision for impairment classified under properties under development as set out in Note 9	654,100	723,900
Provision for committed projects as set out above	324,600	-
Total provision for projects	<u>978,700</u>	<u>723,900</u>

20. 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 2022 was \$34,831,000 (2020/21: \$34,550,000), net of forfeitures of \$2,212,000 (2020/21: \$1,089,000), which has been charged to the Group's profit or loss for the year.

21. Commitments

(a) Capital commitments

Capital commitments in respect of acquisition of property, plant and equipment at 31 March 2022 are as follows:

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Contracted but not yet incurred	<u>37,171</u>	<u>156,889</u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

21. Commitments (Continued)

(b) Operating lease rental receivable

As at 31 March 2022, undiscounted lease payments under non-cancellable operating leases in place in respect of properties will be receivable by the Group in future periods, except for those commercial portions jointly developed by the developer and the Group, are as follows:

	2022	2021
	\$'000	\$'000
Within 1 year	123,737	29,914
After 1 year but within 2 years	101,396	22,734
After 2 years but within 3 years	73,153	6,716
After 3 years but within 4 years	61,364	2,595
After 4 years but within 5 years	7,605	520
	<u>367,255</u>	<u>62,479</u>

22. 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 \$53,578,000 (2020/21: \$61,323,000) 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 2022, there was an amount of \$4,068,000 (31 March 2021: \$4,852,000) due to the Lands Department yet to be settled. The amount is unsecured, interest-free and repayable on demand and included in trade and other payables.

In 2011/12, the Authority has contributed \$500,000,000 to Urban Renewal Trust Fund (the "Fund"). During the year, the Authority provided administrative and support services to the Fund for \$2,209,000 (2020/21: \$2,098,000).

During the year, the Authority received \$226,000 (2020/21: \$328,000) from the said Fund for rental of an office premise.

As at 31 March 2022, there was an amount of \$239,168,000 (31 March 2021: \$301,223,000) 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).

(expressed in Hong Kong Dollars)

23. Statement of Financial Position of the Authority

In accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Authority as at 31 March 2022 is set out as follows:

	Note	2022	2021
		\$'000	\$'000
Non-current assets			
Property, plant and equipment		7,209,104	5,327,464
Properties under development		20,701,475	32,272,141
Interest in subsidiaries	23(a)	40,320	40,320
Loan to a subsidiary		14,600	14,600
Building rehabilitation loans		8,348	9,834
Prepayments		928,969	889,117
Other receivables		309,527	2,570,306
Investments		650,000	-
Bank deposits		976,400	76,000
		<u>30,838,743</u>	<u>41,199,782</u>
Current assets			
Properties held for sale		979,542	1,104,302
Properties under development for sale		1,145,392	291,222
Amounts due from joint development projects		40,937	34,877
Building rehabilitation loans		3,935	4,348
Trade and other receivables		164,767	134,187
Investments		83,325	324,077
Cash and bank balances		25,233,143	9,217,493
		<u>27,651,041</u>	<u>11,110,506</u>
Total assets		<u><u>58,489,784</u></u>	<u><u>52,310,288</u></u>
Capital and reserves			
Capital		10,000,000	10,000,000
Accumulated surplus		43,827,477	37,259,231
	23(b)	<u>53,827,477</u>	<u>47,259,231</u>
Non-current liabilities			
Trade and other payables		387,085	418,292
Debt securities issued		797,920	1,096,914
		<u>1,185,005</u>	<u>1,515,206</u>
Current liabilities			
Amounts due to joint development projects		252,796	243,545
Trade and other payables		2,600,051	3,292,306
Debt securities issued		299,855	-
Provision for committed projects		324,600	-
		<u>3,477,302</u>	<u>3,535,851</u>
Total capital, reserves and liabilities		<u><u>58,489,784</u></u>	<u><u>52,310,288</u></u>

NOTES TO THE FINANCIAL STATEMENTS

(expressed in Hong Kong Dollars)

23. Statement of Financial Position of the Authority (Continued)

(a) Interest in subsidiaries

	2022	2021
	\$'000	\$'000
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	74,617	70,439
Less: Provision for impairment	(34,298)	(30,120)
	<u>40,320</u>	<u>40,320</u>

Note:

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

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

Name	Number of shares	Total share capital	Principal activities
		\$	
Champ Dragon Properties Limited	1	1	Property holding
Ease Shine Development Limited	1	1	Property holding
Full Wisdom Enterprises Limited	1	1	Property holding
High Union Development Limited	1	1	Property holding
Hong Kong Building Rehabilitation Facilitation Services Limited	1	1	Building rehabilitation facilitation services
Joyful Success Investment Limited	1	1	Property holding
Max Grace Properties Limited	1	1	Property holding
Opalman Limited	2	2	Property holding
Sunny Joy Properties Limited	1	1	Property holding
Urban Redevelopment Facilitating Services Company Limited	1	10	Urban redevelopment facilitating services
Well Nice Properties Limited	1	1	Property holding

(expressed in Hong Kong Dollars)

23. Statement of Financial Position of the Authority (Continued)

(b) Statement of Changes in Equity

	Capital	Accumulated Surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2020	10,000,000	37,092,186	47,092,186
Surplus and total comprehensive income for the year	-	167,045	167,045
Balance at 31 March 2021	<u>10,000,000</u>	<u>37,259,231</u>	<u>47,259,231</u>
Balance at 1 April 2021	10,000,000	37,259,231	47,259,231
Surplus and total comprehensive income for the year	-	6,568,246	6,568,246
Balance at 31 March 2022	<u>10,000,000</u>	<u>43,827,477</u>	<u>53,827,477</u>

24. Approval of financial statements

The financial statements were approved by the Board on 9 June 2022.



26/F COSCO Tower, 183 Queen's Road Central, Hong Kong
Tel: (852) 2588 2222 Fax: (852) 2827 0176 / 2827 0085
Website: www.ura.org.hk



Printed with environmentally friendly ink