The Land Development Corporation (LDC) was established in 1988 as the urban renewal agent in Hong Kong. Since then, the LDC has taken a caring and people-oriented approach in fulfilling its mission of undertaking, promoting and implementing redevelopment projects.
The Corporation's caring approach to redevelopment ensures that while the decaying areas are revitalised, the living environment of residents has been improved, and the community at large has benefited from the provision of much-needed community facilities and landscaped open space. The Corporation is proud that these achievements have laid a strong foundation for future urban renewal initiatives.

With the establishment of the Urban Renewal Authority (URA) in May 2001, which replaced the LDC to embark on a 20-year urban renewal programme, the Corporation is turning to its concluding chapter. This is an opportune time for the Corporation to review its achievements and to look ahead at the way forward.

Accomplishments of LDC

The Corporation, which started with a $31 million interest-bearing loan from the Government as initial funding, has operated under prudent commercial principles as stipulated by the LDC Ordinance. This means that without the approval of the Financial Secretary the Corporation should not engage in loss-making projects.

As in the case of the Tsuen Wan Town Centre and Kennedy Town New Praya projects which were considered not financially viable, the Government gave its approval to the LDC to undertake these projects with linked sites to cross subsidise the redevelopment.
Chairman’s Statement

Over the last 13 years, the Corporation has set in motion 27 projects, which involves a total development cost of $66 billion. Of these, 16 have already been completed and sold. The majority of the remaining ones have either completed site clearances or started demolition.

These projects will altogether provide 8,200 residential units and 540,000 square metres of commercial and office space. Moreover, they will make available 39,000 square metres of Government, Institution/Community (GIC) facilities and 40,000 square metres of open space at no cost of the public purse.

The Corporation has also preserved building of historical value and Hong Kong’s unique street activity. They are the Western Market and the Yuen Po Street Bird Garden. Besides, the LDC has built the Shun Ning Road Single-person Hostel to assist the Government in solving the problems of rehousing bedspace dwellers. The Corporation contributed these community projects to the people of Hong Kong.
公司還致力保存具歷史價值的建築物及獨特的地方色彩。西港城及園圃街雀鳥花園便是其中例子。此外，公司為協助政府解決床位住客的安置問題，興建了順寧道單人仕宿舍。公司把這些社區項目，貢獻給香港市民。

十三年來，公司一直都能履行其承諾，沒有人因其重建計劃而無家可歸，於此公司引以為傲。公司根據公平合理的政策，多年來通過私人協商，成功收購了重建項目共約二千七百個業權中的百分之九十一。而受影響的租客，均獲公司提供優惠現金補償；合資格者，亦可選擇安置。

公司倍感自豪的，是不但能改變舊區居民對重建的抗拒態度，亦為取得社群對市區重建的更大支持，奠下基礎。如今舊區居民均了解市區重建的必要，大大改善他們的生活環境；因此，他們都要求在居住地區加快推行市區重建。

一直以來，公司非常注重社區工作，特別設立了社區辦事處及熱線電話，並資助兩隊獨立運作的社工隊，為公司和社區之間建立有效的溝通渠道。公司員工及高層亦常深入社區，探訪區內居民，與受影響業主和租客，以及社區組織會面。聆聽受影響居民的訴求，是公司另一項堅守的承諾。

In its 13 years’ operation, the Corporation takes pride that it has met its commitment that no one was made homeless by its redevelopment projects. Under a fair and reasonable policy, the Corporation has over the years successfully acquired through private negotiations 91 per cent of some 2,700 property interests in its projects. It has offered to affected tenants generous compensation packages and the option of rehousing if they were eligible.

The Corporation takes greater pride that the LDC’s work has not only overcome resistance against redevelopment by residents of old districts, but also laid down the foundation for greater acceptance of urban redevelopment by them. They are well aware of benefits generated by redevelopment in improving their living environment, and as a result, they urge for the implementation of redevelopment projects in their districts in a speedier manner.

Throughout the years, the Corporation has put great emphasis on its community work. The LDC Neighbourhood Centres, LDC Hotline and the two independent Urban Renewal Social Services Teams financed by the Corporation have provided an effective communication link bridging the Corporation and the local community. The LDC staff and senior management have also reached out to the community by paying visits to the project areas and attended meetings with affected owners/tenants and the community groups. Listening to the needs of the affected residents is another commitment that the Corporation has lived up with.
Chairman's Statement

With the establishment of the URA, the LDC's 13-year achievements and invaluable experience have undoubtedly paved the way for a new approach to urban renewal.

New Chapter for Urban Renewal

In June 2000, the Legislative Council passed the Urban Renewal Authority Ordinance, which sets out a new and proactive approach for urban renewal in Hong Kong.

The Government undertook to review the compensation package for owners affected by land resumption before bringing the URA Ordinance into operation.

On 30 March 2001, the Finance Committee of the Legislative Council endorsed the Government’s compensation proposal after thorough deliberation and this, in turn, enabled the setting up of the URA.

With a smooth transition of the LDC to the URA, the latter was formally established on 1 May 2001. The URA is entrusted with an enormous task of implementing a 20-year urban renewal programme, consisting of 200 new projects and 25 LDC announced projects.

Endowed with greater powers and better resources, the URA is able to implement larger and more comprehensive redevelopment projects to upgrade the district environment as a whole.
Urban renewal must not simply replace old buildings with new ones; it must also build more endurable and maintenance-friendly buildings, upgrade the district transport network, provide a more spacious environment, improve air quality, create community facilities and provide more open space for the enjoyment of the public.

The URA will also undertake an exciting new mission long overdue. This involves preservation of buildings with architectural, cultural and historical interests while revitalising existing areas with local identity as well as places with heritage value.

Instead of large-scale redevelopment, the URA may explore ways to upgrade and improve these buildings. In parallel, the streets can be turned into pedestrian precincts and equipped with proper furniture and landscaping. With careful planning and management, there is no need to pull down these buildings while their economic attraction can be enhanced. This is a win-win situation for all.

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Company Deputy Chief Executive Mr. Can Tse Mak (first from right) officiating at the opening ceremony of the Wan Chai District Care for the Old Campaign.
People-oriented Approach

The Government has committed that the future URA would adopt a people-oriented approach when implementing urban renewal. To ensure redevelopment projects are carried out with compassion and in a socially caring manner, the Government has made a number of undertakings, including the following:

1. to establish District Advisory Committees in the nine target areas to strengthen communication with residents and community leaders;

2. to set up Urban Renewal Social Services Teams for the nine target areas to provide assistance and counselling services to affected residents;

3. to conduct social impact assessments to examine impacts of redevelopment projects on residents so that appropriate measures can be taken to help them; and

4. to give affected tenants different choices of rehousing flats and provide local rehousing as far as practicable.

In view of the massive redevelopment programme, the URA will be supported by the Hong Kong Housing Authority and the Hong Kong Housing Society in addressing the rehousing need. Each of them will provide 1,000 units each year to the URA for rehousing the tenants affected by its redevelopment projects. Besides, the Government will make available several sites for building premises to house those elderly people who prefer to be rehoused in the same district. Under this arrangement, they can continue to enjoy the same familiar environment and social network.

二) 於九個目標區分別設立市區重建社工隊，為受影響的居民提供協助及輔導；

三) 進行社會影響評估，以評估重建對居民的影響，從而採取適當的措施以幫助受影響的居民；及

四) 向受影響的租客提供多種安置單位的選擇，並在可行情況下盡力提供原區安置。
鉴于要推行庞大的重建计划，市民方面，市建局获香港房屋委员会及香港房屋协会支持，每发现提供一千个单位，供市建局安置受影响的租客。另外，政府会拨出数幅土地，为重建安置单位予希望原址安置的长者之用。通过这项安排，长者们可在他们熟悉的环境和社会网络中继续生活。

蓄势以待 全力以赴

推行诸多的重建计划和面对社会各界对市建局重建日益提高的期望，市建局将面临重大的挑战。过去一年，公司进行了多项的筹备工作，确保顺利过渡，并为市建局作好准备。

公司正为市建局编备首份业务大纲及业务计划。根据市建局条例，市建局须编备未来五年的工作大纲，包括建议推行的重建项目，另须编备每年的业务计划，列出下个财政年度实施的项目。两者均须呈交财政司司长审批。

为落实政府承诺「以人为本」的措施，公司正与房屋委员会及房屋协会商讨安置受影响租客的细节安排。

另外，筹备成立市区重建社工队及分区分区咨询委员会的工作亦在进行中。

鉴于市建局所肩负的职责更广泛，公司聘请顾问公司研究市建局的组织架构及运作模式，并包括人力及资源等问题。这些准备工作，有助于市建局成立后，可以有效及有效地执行其任务。

Gearing up the URA

Given the challenges of the URA in coping with the numerous projects to be implemented and the rising expectations of the community, the Corporation undertook a lot of preparatory work during the past year to ensure a smooth transition and better equip the URA.

The Corporation is in the process of working out details of the Corporate Plan and Business Plan for the URA. The URA Ordinance stipulates that the URA has to prepare a five-year Corporate Plan setting out its proposed programme of projects for the next five years and an annual Business Plan on projects to be implemented in the next financial year. These plans have to be approved by the Financial Secretary for implementation.

Working on the implementation of the people-oriented initiatives undertaken by the Government, the Corporation is holding discussions with the Housing Authority and the Housing Society to work out details of the rehousing arrangements for the affected tenants.

Preparatory works for the formation of the Urban Renewal Social Services Teams and the District Advisory Committees are also under way.

Because of the wider scope of work of the URA, the Corporation has commissioned a consultant to look at the organisation structure and mode of operation of the URA in terms of the manpower and resources. With these ground works in place, the URA can carry out its mission efficiently and effectively once it is set up.
Progress of LDC’s Major Projects

Apart from the preparatory work for the setting up of the URA, the LDC also actively engaged in its current redevelopment projects during the past year. Site clearances for the Corporation’s four major projects proceeded smoothly, paving the way for demolition and construction works. Details of the project progress are recorded and presented below:

The Tsuen Wan Town Centre and Kennedy Town New Praya projects, being the most challenging programmes ever undertaken by the Corporation, brought relief to about 10,000 people living in deplorable conditions.

Since the implementation of the two projects in mid-1997, the LDC secured remarkable results in property acquisition, site clearance and demolition work in four years, setting a record for the LDC projects. Most importantly, no one was rendered homeless as a result of the redevelopment.

Demolition of the buildings in the project sites is under way. Foundation work will begin shortly afterwards.

The Tsuen Wan Town Centre project, covering a site area of over 20,000 square metres, involved 770 property interests affecting about 3,500 households or 8,000 people. The LDC acquired 96 per cent or 736 property interests through negotiations and the remaining ones were resumed in May 2000 following approval by the Chief Executive in Council.

About 700 of the 2,200 eligible tenanted households opted for rehousing while 1,500 accepted cash compensation.
公司通過篩選方式成功收購了七百三十
個業權，達百分之九十六。行政長官
會同行政會議批准有關收地申請後，
政府於二零零零年五月收回其餘業權。

另外，二千二百個合資格租戶之中，
七百戶選擇了安置，一千五百戶接受了
現金補償。

堅尼地域新海旁重建項目的進度同樣取
得滿意的成績。公司收購了三百十個
業權中的二百六十六個，成功率達百分
之九十二。行政長官會同行政會議於
二零零零年五月通過收地申請，所餘業
權於同年八月由政府收回。

這項目的地盤面積達六千平方米，受影
響家庭達約一千二百戶，共三千五百名
居民。公司向約五百個合資格租戶提供了
優惠的現金補償或安置。

灣仔道／太原街是公司另一個在收購及
清場工作上取得成功的例子。公司收購
了二百四十一個業權中的百分之
八十九。行政長官會同行政會議批准有
關收地申請後，政府於二零零零年三月
收回餘下的二百六十個業權。

該地盤的拆卸工程已進入最後階段。
項目完成後，將會提供一所現代化的空
調街市大樓、日間幼兒園及與二千六百
平方米的休憩花園。

Progress of implementation in Kennedy Town New Praya
project was equally successful, with the Corporation
acquiring 286 interests or 92 per cent of the total 310
interests. The Chief Executive in Council approved the
resumption application by the Corporation in May 2000
and the remaining interests were reverted to the Government
in August 2000.

The project site, measuring 6,000 square metres, involved
about 1,200 households or 3,500 people. Generous cash
compensation and rehousing were offered to about 500
eligible tenanted households.

The Wan Chai Road/Tai Yuen Street project is another
redevelopment where the Corporation secured successful
implementation in terms of property acquisition and site
clearance. The LDC acquired 89 per cent of the total 241
property interests and the remaining 26 interests were
resumed in March 2000 after approval by the Chief Executive
in Council.

Site demolition has already entered an
advanced stage. Upon completion, the
project will deliver a modern and air-
conditioned market complex, a day nursery
and a landscaped open
space of 2,600 square
metres.
城市規劃委員會（城規會）於二零零零年九月通過了窩打老道／雲南里重建項目的修訂總體發展藍圖，以住宅為發展內容，並保留了「紅磚屋」。「紅磚屋」前身為九龍半島的首個水泵站，有逾百年歷史。這項目的地基工程將於清拆前展開。

項目完成後，將提供五百四十個優質單位及一千六百五十平方米具園林景致的休憩地方。

為保持發展的彈性，以寫字樓為發展內容的另一個修訂總體發展藍圖，亦於二零零零年十一月呈交城規會，並於二零零一年二月獲得通過。

公司收購了尖沙咀河內道重建計劃影響的一百四十三個業權中的百分之九十四，這些業權持有人同意參加業主參與發展計劃或接受公司的現金收購。行政長官會同行政會議於二零零零年六月批准該計劃的收地申請。

重建項目將提供四百七十六個服務式住宅單位、四萬五千六百平方米商業／寫字樓樓面，與及一千二百平方米的休憩用地。

亞皆老街／上海街重建計劃的地基工程正在進行中，為配合總建築圖則，修訂

For the Waterloo Road/Yunnan Lane project, the Town Planning Board approved in September 2000 a revised Master Layout Plan for residential development retaining the Red Brick Building, which was the first water pumping station in the Kowloon Peninsula with a history of over 100 years. Foundation work will soon begin following the completion of site clearance and demolition.

Upon completion, this residential development will deliver 540 quality units and 1,650 square metres of landscaped open space.

To allow flexibility for the project development, a revised Master Layout Plan for the optional office scheme was also submitted to the Town Planning Board in November 2000 and was approved in January 2001.

Amongst the 143 property interests affected by the Hanoi Road project in Tsim Sha Tsui, owners of over 94 per cent of the property interests have either agreed to join the Owners’ Participation Proposal or accepted the LDC’s acquisition offers. The Chief Executive in Council approved resumption of the remaining nine property interests in June 2000.

The redevelopment will provide 476 service apartment units, 45,600 square metres of commercial/office space and 1,200 square metres of landscaped open space.

Foundation work for the Argyle Street/Shanghai Street project is in progress. A revised Master Layout Plan to tie in with the General Building Plan for the project was submitted to the Town Planning Board in October 2000 and was approved the following month.
Covering a site area of 12,000 square metres, the Argyle Street/Shanghai Street project will deliver about 120,000 square metres of commercial/office space and a hotel, in addition to 1,100 square metres of open space and over 4,500 square metres of GIC facilities.

For the Queen Street project, construction work on the redevelopment is proceeding smoothly. Discussions over the land premium and land grant matters are under way.

The project covers a site area of 8,000 square metres. It will provide 1,150 quality residential flats, 370 square metres of commercial space and 4,000 square metres of landscaped open space when it is completed.

Discussions with the Government on the land premia of the Yeung Uk Road and Ka Wai Man Road linked-site projects are under way. The two linked-site projects were granted to cross subsidise the Tsuen Wan Town Centre and Kennedy Town New Praya projects.

Upon completion, the Yeung Uk Road project will provide 568 residential units and over 4,000 square metres of commercial space while the Ka Wan Man Road project will yield 128 residential units.
**Chairsman’s Statement**

**Financial Position**

The Corporation and its subsidiaries made an after tax loss of $417.7 million for the year as a result of the decreased revenue from sale of properties, and a further provision prudently made for estimated loss to be incurred on the Tsuen Wan project.

On financing, the Corporation’s development at Kennedy Town and Tsuen Wan are fully covered by the Corporation’s project implementation arrangements with the contractors. In addition to these arrangements which include some long-term fixed interest rate funding, the Corporation has also taken advantage of cheaper funding from money market during the year.

**Appeals Panel**

To uphold the principle of justice, an independent Appeals Panel, comprising community leaders and professionals, has been set up to hear submissions and representations from residents affected by LDC’s projects. Last year, the Appeals Panel handled four cases in a fair and reasonable manner.

Under the Chairmanship of Mr Pao Ping-wing, the Appeals Panel has handled some 170 cases since its establishment in April 1993. I take this opportunity to thank Mr Pao and all members of the Panel for their efforts and contribution over the years.
Conclusion

Remarkable achievements in urban renewal by the LDC over the years have been made possible with the leadership of all former Chairmen and the dedication of all present and past Managing Board members. With their guidance and support, the Corporation has improved the living environment of many people in old districts and delivered clear benefits to the community without using any public money. I offered them my sincere gratitude.

I must also place on record here my appreciation of the total commitment, hard work and professional excellence of the LDC staff, who will continue their mission with the URA zealously to implement redevelopment projects of a larger scale and in a speedier manner. While I am greatly honoured to be appointed by the Government to head the URA, I look forward to working with the URA Board and staff to bring about even greater accomplishments in urban renewal.

Urban renewal in Hong Kong now turns a new page with the setting up of the Urban Renewal Authority, and I believe the strong foundation of the LDC and support from the community will enable it to accomplish the 20-year massive urban renewal programme.

Lau Wah-sum

Chairman