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Nominated for the Public Eye Award 2005  
in the category:

**E N V I R O N M E N T**

Nomination by: Friends of the Earth Hong Kong\*

## Sun Hung Kai Properties Limited (SHK) and New World Development Company Limited (NWD)

Headquarters: Hong Kong (both)  
Turnover / Net profit: HK\$22 billion (turnover SHK 2003/2004 =US\$2.83 billion) / HK\$6.9 billion (net profit=US\$888 million), HK\$21 billion (turnover NWD 2003=US\$2.7 billion) / HK\$5 billion (net loss=US\$643 million)  
Branch of trade: SHK: property, hotel operation, telecommunication  
NWD: property, service and infrastructure, telecommunication  
CEO: SHK: Walter Kwok Ping-sheung  
NWD: Dato' Dr. Cheng Yu-Tung  
Members to the WEF: NO (in January 2004)

### Outline

*The seven 40-storey residential towers of Hunghom Peninsula were originally part of Hong Kong's government Home Ownership Scheme (HOS) and were designed for low-income people. After the Asian financial crisis, the HOS was abruptly ended and the residential towers were sold to the two companies Sung Hung Kai Properties Limited and New World Development Company Limited. The companies are planning to tear down the existing and never inhabited buildings and to reconstruct luxury flats in the same area. The NGO demands that the companies do not demolish the buildings.*

*UPDATE: Sung Hung Kai Properties Limited and New World Development Company Limited announced on 9 December 2004 that they had decided to cancel their plans to demolish the residential towers.*

### General Information on the Case

The residential towers of Hunghom Peninsula used to be part of the government's Home Ownership Scheme (HOS). The apartments were to be sold to people with low purchasing power. However, in order to lift up the gloomy estate market after the Asian financial crisis, the government put a sudden halt to the HOS. In February 2004, the government sold the Hunghom Peninsula residential towers to the two companies Sun Hung Kai Properties Limited (SHK) and New World Development Company Limited (NWD). In face of maximizing profits, SHK and NWD plan to tear down the buildings and to construct luxury flats in the same area. In that case, the massive never occupied Hunghom Peninsula project may be dumped to the landfill as waste before anyone ever sets foot in one of the flats. The demolition of the towers would generate approximately 200,000

The deadline for the submission of the nominations was 31 October 2004. Later developments were considered in the summaries as far as known.

tons of construction and demolition (C&D) waste. The volume would fill some 4,000 double-deckers. Intense public concern against this plan aroused. The major green groups in Hong Kong signed a joint petition to oppose to the developers' ruthless intention. The director of the Environmental Protection Department, Robert Law, wrote to the developers urging them to avoid the demolition of the towers.

### **Characteristics of Irresponsible Corporate Behaviour**

- Seven brand-new 40-storey towers (including 2,470 flats) may be destroyed and create 200,000 tons of unnecessary construction and demolition waste. That equals the total amount of 7 days' construction waste in Switzerland.
- Hong Kong does not have a landfill charging legislation and therefore all taxpayers will have to pay for the landfill-charging fee, calculated to be US\$3.2 million.
- Just 50 feet away from Hunghom Peninsula, there is the Ma Tau Chung Government Primary School. Its 1,000 pupils are among the most directly affected.

### **Current Status and Demands**

At the time of writing, the developers have not yet announced their final decision of demolition, probably still calculating the intensity of public concern.

In order to promote sustainability, Friends of the Earth\* Hong Kong urgently requires the companies not to tear down the buildings but to furnish them. According to the calculation of a local surveyor and legislator, the refurbishment of Hunghom Peninsula, including the change of the small flats into larger ones and the addition of a clubhouse to the estate, will increase its market value and will earn the developers US\$0.7 to 1.2 billion.

UPDATE: Following intense public pressure, Sung Hung Kai Properties Limited and New World Development Company Limited announced on 9 December 2004 that they would not demolish the seven towers. This is a victory for the protest groups and for sustainability.

### **Link to the details of the nomination:[www.evb.ch/nominations.htm](http://www.evb.ch/nominations.htm)**

Further information and links:

- [http://www.foe.org.hk/welcome/geten.asp?id\\_path=1,%207,%2026,%202449](http://www.foe.org.hk/welcome/geten.asp?id_path=1,%207,%2026,%202449)
- C-F Cheung (2004a) "Demolition of estate 'not acceptable'", *South China Morning Post*, 20 March 2004, Hong Kong <http://www.skyline-technologies.com/news/0304/200304.htm#2>

\*Not a member of Friends of the Earth International