

HARVEST

10th Anniversary Publication and Annual Report 2010



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WORDS FROM DIRECTORS

STEPHEN BROWN

"Civic Exchange was established to promote the development of Civic Society, and the use of research and rational debate in the formation of public policy. Looking back over the last ten years, I think Hong Kong has seen a real awakening in its sense of 'ownership', with people of all views and hues developing their own voices. Hong Kong is very much the better for this and, if Civic Exchange has played any role in this blossoming, it will have more than achieved Christine's original vision."

WINSTON CHU

"Civic Exchange has achieved a lot in the past despite extremely limited resources. The success of Civic Exchange is due to two attributes externally: first, it is able to win over the trust and confidence of the community. A think tank is measured by the regard of the community as well as the quality of its work. They have produced so much on so many important topics in such a short time that I'm filled with disbelief even as a director. Its second attribute is that it has extremely capable administrators Christine, Kylie and Yan Yan bring the best out of those working with Civic Exchange."

GLADYS LI, SC

"The aphorism 'Small is beautiful' to my mind most aptly describes Civic Exchange in its first ten years. An organisation born out of Christine's intense frustration with conventional politics and choosing a different way by presenting cogent arguments based upon solid research, Civic Exchange has matured into a well-respected and influential think-tank which punches above its weight. With limited resources, Civic Exchange's superb team have drawn on experts from a wide range of disciplines to present reports on diverse topics of utmost importance; from our political system to the air we breathe, to our sources of water and energy and to the planning of our built environment. The list and the work goes on. Long may it do so."

DR. ANTHONY NG

"I've been proud to work with Civic Exchange and to see the way it's grown into the expert and respected organisation it is today. It really is going from strength to strength, and I believe it's working in the interests of all Hong Kong people."

PETER THOMPSON

"Being a director of Civic Exchange has taught me a great deal about civil society and the way the government works in Hong Kong. I'm proud that Civic Exchange has become such a major force in local civil society – the team has brought issues of great importance into the public discourse, and my experience working with everyone has been inspiring. Hong Kong is indeed fortunate to have someone of Christine's talent, with the excellent team she has gathered, to address these vital issues."

1 CREATION, MISSION AND PEOPLE

Civic Exchange was founded in 2000 by Christine Loh, who had just stepped down from the Hong Kong Legislative Council, and Lisa Hopkinson, a former environmental campaigner and Loh's chief legislative aide. The two were concerned by the dearth of evidence-based public policy solutions in Hong Kong, and during their time in politics had broken new ground by conducting extensive research to formulate alternative policy addresses and budgets, as well as publish policy papers in many areas. They left frontline politics in order to create an independent, non-profit research body built on their belief that there must be a 'thinking side' to politics, and that unpopular issues also need to be tackled.

"While Lisa and I founded Civic Exchange and we have watched it grow, it now has its own organizational personality that are not just extensions of the founders. Our vision was to do good quality, evidence-based policy research and create a think tank with an open and collaborative attitude. I think after ten years, the essential DNA that defines Civic Exchange is there. My greatest pleasure is of course working with all the people who are part of the now quite large Civic Exchange family. I know now that they will take the organization forward and our current work shows the amazing capacity that has been built-up by their energy and vision."



Christine Loh
Chief Executive Officer

"Setting up and working at Civic Exchange was incredibly satisfying to me, particularly in making connections between issues and bringing people together. I was lucky to work with Christine, who is fantastic at getting professionals out of their individual 'silos' and helping them collaborate to move issues forward. This has not only helped with particular issues, it's shown that debate is healthy and brings new ideas."



Lisa Hopkinson
Co-founder

With this vision Civic Exchange was born, and with the support of many people over the past decade, it has conceived and realised policy innovations in areas including air quality management, climate change, urban planning, good governance and political reform.

Hopkinson and Loh were joined by founding directors who were close collaborators on various policy issues during their time in frontline politics. Lawyer Winston Chu worked with Loh on harbour reclamation from 1995; fellow lawyer Peter Thompson, an old family friend of Loh's, was interested in good governance and constitutional development issues. Economists Stephen Brown and Bill Barron had provided insights on economic and land policy issues and on environmental economics respectively. In subsequent years, the board was expanded to include barrister Gladys Li and surgeon Anthony Ng, who brought strong backgrounds in law, public health and communications technology. While Professor Barron stepped down from the board in 2005, he switched to being an active researcher on transport and other issues and remains very much a part of the Civic Exchange family—as does Hopkinson, who lives in England today.



Kylie Uebergang, who has been Civic Exchange's Chief Financial Officer from its early days, came from the financial services sector but was motivated by environmental issues to work with Civic Exchange. Others had been associated with Loh in her legislative days. Yan-yan Yip had been a junior legislative aide to Loh before joining Civic Exchange in 2001. Today she is the Chief Operating Officer, and in addition to ensuring the smooth running of the organisation, she also manages key projects. Michele Weldon, the first full-time environmental programme manager, stepped down in 2008 and moved to Spain, but remains a close member of the family. Initial office manager Esther Lam worked hard to hold the small office on Wyndham Street together and was succeeded by Iris Chan after she retired in 2008. Since leaving, Lam has returned each year to lend a helping hand whenever possible.

Yan-yan Yip
Chief Operating Officer

Yan-yan Yip joined Civic Exchange in 2001. She had been a junior legislative aide to Christine Loh and administrator for Citizens Party, before going to England to do a postgraduate degree at the London School of Economics. Over the past nine years, Yip has worked on political and social development projects, written and published a significant amount of Civic Exchange's work and now, as Chief Operating Officer, manages much of the day-to-day running of the organisation as well as the internship programme.

Yip is also now the co-trainer for Civic Exchange's social risk management project in Mainland China and India, conducted in collaboration with the Plowshares Institute. The training programme includes mediation, interactive teaching and key communication skills. Beginning with demonstration sessions in Nanjing and Shanghai in 2008, the project has progressed to involve training in both cities as well as Beijing and most recently to training of trainers in order to seed and further grow the programme; these new trainers are organising their own training sessions around the country. Hosts have included universities and civil society groups. The programme has been very successful and Yip is now conducting similar training in India.

See page 14 for further information on the programme.



Back row: Andrew Lawson, Anna Beech
 Middle row: Iris Chan, Michelle Wong, Rita Leung, Rita Li, Kylie Uebergang, Mike Kilburn
 Front row: Yan-yan Yip, Su Liu, Jonas Chau

The core management team today includes Mike Kilburn, a conservation expert; Andrew Lawson, an expert in land and agriculture; Veronica Booth (nee Galbraith), a specialist in corporate stakeholder relations; Simon Ng, a transport specialist and Civic Exchange's Research Fellow; and Michelle Wong, a biologist, who is Civic Exchange's communications manager.

Another great asset is Civic Exchange's intern alumni, some of whom have done extensive work with the organisation. Veronica Booth started as an intern in 2003 and is now heavily involved in the organisation's environmental work. Carine Lai was an undergraduate intern and worked as a Civic Exchange researcher for some years after graduation before furthering her studies at graduate school. Rachel Stern, an undergraduate summer intern in the early years of Civic Exchange, also worked for the organisation after graduation and is a Junior Fellow at Harvard University today. A number of past and current interns are featured on pages 24–27 of this report.

Civic Exchange began its life with substantial intellectual, reputational and network capital. To make the most of this, Loh and Hopkinson decided that rather than a focus on raising funds for overheads, effort was shifted to acquiring project funding so that they could develop policy solutions immediately. Civic Exchange's first research project was to contribute a chapter on environmental NGOs in a book financed by the Asian Development Bank. From that small beginning, the think tank has produced and published a large number of reports, papers and books, most of which are available on the Civic Exchange website. Today, Civic Exchange is an acknowledged leader in numerous policy areas which are featured in this anniversary publication.

Changing public policy takes enormous effort for any society. Hong Kong is no exception; the pace of change can be slow, and extensive engagement is needed. As a pathfinder, Civic Exchange has complemented its research and publishing by convening dialogue with decision-makers, stakeholders and opinion-shapers in the public and private sectors to enable reflection about the assumptions behind existing ways of doing things, bring new perspectives and propose solutions. By 2002, it had facilitated 15 workshops and round-tables, and 12 community events involving 900 people. This pace of engagement continued in the ensuing years and convening policy dialogue remains a key aspect of Civic Exchange's work today. The various skills required in designing and convening dialogue can be learned, and Loh has coined a name for them—'Sustainability Tools' (see page 14.)

The core team at Civic Exchange has raised its competency substantially over the years. They are proactive in creating opportunities to 'think and act' in policy innovation. The multiple track of working within policy circles, engaging stakeholders and catalysing the community is conscious and continuous.



Michele Weldon

Former Environmental Programme Manager

"Civic Exchange is very focussed on people and on meaningful dialogue. In its work, it understands how to maintain both a steady burn and—especially in Christine's case—an exhilarating pace. Working there was fantastic—every day was packed with energy. And because people are always building on what others have done, the organisation has taken on a life of its own and continues to grow."



Esther Lam

Former Office Manager

"My memory of working for Civic Exchange was the positive and proactive way that people worked together—and being surprised at how quickly we could do so many things! As an employee of Civic Exchange and also as a citizen, I can see the impact Civic Exchange has had on the city and the media attention it has gained in political, environmental and other areas."

CORE TEAM

Mike Kilburn

Environmental Programme Manager

"It's great to work with like-minded people on issues that matter. The culture here demands that we do things as well as we can, which has positive impacts on the work each one of us does."



Andrew Lawson

*Project Manager:
Climate Dialogue*

"Working at Civic Exchange involves a lot of team work and learning, as we continue to nurture conversations on issues of importance for Hong Kong, Southern China and beyond. It's very rewarding to watch and be a part of."



Veronica Booth

Researcher

"Civic Exchange has grown with me and presented me with opportunities I would never otherwise have had. I was given responsibility from the beginning and helped in a way that 'mentoring' doesn't begin to describe. I've been exposed to stimulating issues and ideas and to world-class people and organisations—and the people here are like family."



Simon Ng

Research Fellow

"In age, Civic Exchange is still a kid. But this kid is special—she loves greenness, she knows how to communicate and help others communicate better, and she's grasping the art of influencing the world around her in a positive manner. Most important of all, she's sowing the seeds of sustainability and love for harvest in the generations to come. It's been a privilege to see her grow and to grow with her."



Michelle Wong

Events & Communications Manager

"I am so glad to be involved with Civic Exchange as it moves forward from its first 10 years. Just as our project teams are ready to deliver an even wider and deeper range of findings, our communications team is ready to work in new ways to reach our stakeholders with information on how we can all create a better Hong Kong."



Iris Chan

Office Manager

"I am fortunate to work at Civic Exchange, working with a group of people who are knowledgeable, passionate and dedicated to the environment. I have gained invaluable experience and have learnt a lot from the team on environmental and social issues."



Hoseinee House

To save on initial costs, Christine Loh and Lisa Hopkinson first worked from home and hired meeting facilities as necessary. By March 2001, however, the need for an office was obvious. Room 601 Hoseinee House on Wyndham Street, discovered on a chance visit, was perfect with its bright and open ambience. The area, with its art and food, its mixture of old and new Hong Kong, also suited Civic Exchange; the organisation has been in the same building since, with only a move upstairs to room 701 giving a slight change of scenery.

People who serve the tenants of Hoseinee House and make Civic Exchange's daily life a pleasure:



Ho Chun Yuen
*Former Building Attendant
Hoseinee House*



Danny Yip
*Building Attendant
Hoseinee House*



Lai Kiu-wan
*Janitorial Staff
Hoseinee House*

IS Department, Javacatz and Computancy

Civic Exchange places a great degree of importance on the quality and delivery of its digital content and how this contributes to the public communication its work demands. In this regard, it has been fortunate to work with IT companies that understand its mission and how to achieve it.

Javacatz provided Civic Exchange with many insightful ideas on the design and user-friendliness of its website, as well as hosting the site itself for some time. IS Department has provided Civic Exchange with valuable support and services for email and other maintenance from the start, and Computancy supports and currently hosts the Civic Exchange website.

*Hoseinee House
Painter—Jens Munk*

CIVIC EXCHANGE'S "FIRSTS"

The groundbreaking research and action Civic Exchange has undertaken over the past decade is reflected in the organisation's milestones and the number of 'firsts' it has achieved. Some highlights are listed below by year.

2001	2002	2003	2004	2005
<p>'Taking Charge, Cleaning Up' is Hong Kong's first in-depth survey of residents' environmental behaviour</p>	<ul style="list-style-type: none"> • The 'Getting Heard' project produces the first book and seminar designed to help community organisations have a greater say in policymaking • Conducts the first air quality science project in Hong Kong led by a private organisation • Conducts the first survey of Pearl River Delta residents' attitudes on the environment 	<ul style="list-style-type: none"> • The report 'Accountability without Democracy' is the first on the new ministerial system • Report 'The Budget and Public Finance in Hong Kong' is the first to present Hong Kong's public accounts on an accrual basis • Conducts research on competition policy, focussing on telecommunications, electricity and public transport 	<ul style="list-style-type: none"> • 'At The Epicentre: Hong Kong and the SARS Outbreak' is the first book on SARS • Conducts first rolling surveys on Legislative Council election • Creates the Civic Express blog as part of the VOTE04 website 	<ul style="list-style-type: none"> • Embarks on a series of studies on population • Conducts the first research on reforming the Executive Council

2006

- Publishes 'Functional Constituencies: A Unique Feature of Hong Kong Legislative Council', the first book on functional constituencies
- Produces first comprehensive air management policy for Hong Kong
- Publishes groundbreaking report on local vs regional air pollution sources
- Report 'Democracy: Asian Perspectives, Voices and Traditions' examines cultural impacts on political development, drawing on scholarship from Malaysia, Japan, India and Taiwan
- Begins Energy Forum series

2007

- Publishes first report on climate change in Hong Kong and the Pearl River Delta
- Publishes first report on public records management in Hong Kong
- Publishes a set of four books to commemorate the 10th anniversary of reunification

2008

- The Green Harbours project meetings mark the first time maritime stakeholders are brought together to discuss environmental issues, including air pollution
- The survey 'Hong Kong's Silent Epidemic—Public Opinion Survey on Air Pollution, Environment and Public Health' is the first public opinion survey on the subject
- Begins work in social risk management in Mainland China
- Launches bilingual online magazine on the 2008 LegCo election as GOTV project during LegCo election period

2009

- The Hedley Environmental Index is the world's first online tool giving information on the public health impacts of air pollution in real-time
- Conducts first public seminar on public records management
- 'The Air We Breathe: A Public Health Dialogue' is Hong Kong's first major public conference on air quality and public health
- Publishes first report on water resources management in the Pearl River Basin

2010

- Designs and presents Climate Dialogue, which includes the first C40 Cities workshop in Hong Kong
- The Fair Winds Charter is the first voluntary industry agreement of its kind in the region
- Hedley Environmental Index acknowledged at Shanghai Expo for its innovation

2 THE SARS CHALLENGE

Dr Colin Day

Former Publisher, Hong Kong University Press

"There have been so many advantages for Hong Kong University Press in working with Civic Exchange. There have been the good topics, both interesting and of obvious policy relevance; there has been the strong intellectual coherence of what CE does; and last but by no means least, the miraculous way Christine makes things happen and gets things done. We were able at HKU Press to publish a whole sequence of books that were of intellectual and political significance, with 'At the Epicentre' in particular not only the best book on the SARS epidemic, but an important book on Hong Kong at that time."

2003 was a watershed for Hong Kong in its frontline struggle against the sudden SARS outbreak. The unknown was scary, and presented Civic Exchange with its first major challenge.

Friends in the travel and hospitality sector asked Civic Exchange if it could help to rally people together to 'do something'. Civic Exchange responded to the call by launching the *Fearbusters* campaign in collaboration with many individuals and institutions. As a think tank, Civic Exchange felt its role should be to raise awareness about SARS and to bring people from different disciplines together to deliberate and decide what they could do for the community—this was what *Fearbusters* set out to achieve.

Civic Exchange partnered with others to conduct cross-sectoral workshops, which in turn spawned further projects as stakeholders took on specific activities. One of these was the new English language website *hkunmasked*, which fought the international image that Hong Kong was 'death city' by using the voices and images of Hong Kong residents to inform the global community that there was in fact plenty of life in Hong Kong.

How to make sense of the daily announcements of the infection rate was a question addressed through the creation of the *Fearbusters* website with Professor Michael DeGolyer of Hong Kong Baptist

University. The website showed the public how to interpret the data released by the HKSAR Government so as to demystify the reporting surrounding the disease, and thereby to reduce unnecessary fear and alarm. This building of public knowledge was buttressed by two public seminars on many aspects of SARS organised with the Hong Kong University of Science and Technology.

Once SARS had subsided, Civic Exchange reflected on the crisis and what it had learnt. In view of the fact that Civic Exchange played a part in many efforts to deal with SARS, the then publisher of Hong Kong University Press, Colin Day, invited Civic Exchange to put the key issues together in a book to be brought to print as soon as possible. Civic Exchange and its collaborative partners 'speed wrote' *At the Epicentre: Hong Kong and the SARS Outbreak*, which was published in early 2004. The book's content reflects Civic Exchange's deep engagement during the epidemic.

The SARS episode had barely subsided when another key event of the year, the controversy over Article 23, came to the forefront of debate in Hong Kong. *Politics in High Gear*, a report commissioned by the investment bank CLSA and published in December 2002, proved to be prescient. It anticipated the climate and many of the issues that led up to the large 1 July 2003 protest. Civic Exchange again broke ground in commissioning public opinion surveys of

Hong Kong people's attitudes towards the draft Article 23 legislation shortly before the protest and immediately after. Further political analysis was undertaken in the report *Accountability without Democracy*, which was the first detailed report on Hong Kong's new ministerial system.

This period also saw Civic Exchange pioneer research into Hong Kong's Small House Policy—a much-neglected subject with enormous impact on land policy and planning in the New Territories. The landmark report, *Rethinking the Small House Policy*, detailed a raft of options the government could take to move forward on the gridlocked issue, and included thorough political, legal, economic and planning analysis for each option. *Rethinking the Small House Policy* remains the key reference on the issue today.

In addition, the conference *Hong Kong: Not Just an Economic City*, which tapped into public sentiment post-SARS, was co-organised with two other think tanks. Civic Exchange also conducted the first surveys of Pearl River Delta residents' attitude towards environmental issues with the Shenzhen think tank China Development Institute.

At The Epicentre was a critically important work in the context of the SARS outbreak. As a policy organisation, Civic Exchange realised it had the responsibility to record and analyse the outbreak from multiple perspectives and in the depth needed to serve the public interest.

The book brought together contributions from over a dozen people, and covered the following areas:

- The initial spread and transmission of the disease
- The role of scientists and the most recent knowledge of SARS
- The response of local officials and institutions
- Scope for non-medics to help clarify infection and death rates
- The story behind the Amoy Gardens outbreak
- The outbreak of dissent concurrent with SARS
- The political relationships between regional and international actors
- What the outbreak demonstrated about politics in China
- The economic impact of the outbreak
- The role and actions of the media
- The diary of a doctor who became a SARS patient
- The experiences of individuals
- Impacts of SARS on the community
- Lessons learned from SARS
- A timeline of key events

The book remains a highly useful reference and is available through Civic Exchange's publishing collaborator, Hong Kong University Press.

3 HONG KONG AND ITS POLITICS



The Rise of Hong Kong Politics: The View through Political Cartoons 1984–2005
Written by Carine Lai, published in 2006

Politics don't always have to be turgidly serious. Taking something of a different tack to much of Civic Exchange's work, this book explored the development of Hong Kong's political consciousness through two decades of its political cartoons spanning from the signing of the Sino-British Joint Declaration to the end of Tung Chee Hwa's administration. By fusing political exploration and cartoons, the publication has become a collector's item.

Constitutional development is an ongoing issue of great public interest in Hong Kong. Civic Exchange has contributed to the debate through research of the political system and by offering insights into how the current system works and how it can be improved. Beginning in 2004, Civic Exchange has contributed in election years by helping voters to assess candidates' platforms and reminding people to vote. There is also continuing interest in good governance issues, as well as dissection of the public expenditure and budgetary issues. Public finance and budgetary literacy is a critical skill in public affairs, although it is much-neglected.

To aid understanding in the latter area, Civic Exchange analysed and considered Hong Kong's fiscal practices in the groundbreaking report *The Budget and Public Finance in Hong Kong*, partly sponsored by the *South China Morning Post*. Civic Exchange produced a set of the government's accounts on an accrual basis in order to gain insights into the true state of public finance in Hong Kong, which had not been done before in Hong Kong.

After the 1 July 2003 demonstration, there was a surge of public interest in political reform and the government was willing to engage in dialogue. Civic Exchange collaborated with the University of Hong Kong on a seminar covering free markets and constitutional development. It co-organised a major conference with SynergyNet and

the Hong Kong Policy Research Institute to reflect on the experience of governing Hong Kong, and with SynergyNet on providing public education materials relating to 2003 District Council elections. It also worked with JUSTICE, another NGO, in 2004 to conduct a seminar about the National People's Congress Standing Committee's decision on delaying universal suffrage, at a time when the Hong Kong community felt deeply disappointed with the turn of events.

As for the political process, 2004 saw Civic Exchange pilot an electronic 'get out the vote' project for the Legislative Council election. Inspired by e-activism around the world, Civic Exchange created the website *Vote04.hk* as both a resource and a platform. In addition to blogs, a series of rolling polls (a first in Hong Kong) and election-related news, the site incorporated an SMS platform enabling users to spread election-related messages. The key public opinion survey partners were the Hong Kong Transition Project and Hong Kong University Public Opinion Programme. The experience provided valuable learning for further projects in the 2008 election aimed at reminding the public to vote.

The dominant research achievements in 2004 were in constitutional development and public education, especially with respect to functional constituencies and functional elections. It became clear that finding a way to deal with this system was central to progress in political

reform in Hong Kong. Civic Exchange published a series of research papers on the subject. They contained comprehensive coverage of the history of the functional constituency system, its composition and functional legislators' performance. In 2006, the papers were updated and released as a book by Hong Kong University Press, with added chapters and a CD-ROM containing a range of relevant data. This publication remains the 'bible' on functional constituencies. Building on this foundation, Civic Exchange published fresh insights in 2007, and also embarked on a new project in collaboration with legal scholars at the University of Hong Kong on the Hong Kong Chief Executive election, as this is a form of functional election. Another seminal book resulting from this effort was published in 2010.

Civic Exchange's work on constitutional reform also aimed to build a critical mass in the polity, one example being the 2007 collaboration with the Hong Kong Democratic Foundation. The joint effort produced a practical visual roadmap to assist citizens' groups in their own discussion and work on constitutional redesign, which proved helpful to many local groups interested in being a part of the ongoing public debate. To mark the 10th anniversary of Hong Kong becoming a Special Administrative Region of China, Civic Exchange also published four books, two of which reviewed the city's politics and constitutional development (see list on page 19 for more information).

George Cautherley

*1st Vice-Chairman,
Hong Kong Democratic Foundation*

"Civic Exchange's greatest achievement has been to put Hong Kong's environment into daily conversation and keep it at the forefront as an issue. It has been a very productive partner, and is always well-organised, objective and results-driven. The way it works and the way it has made itself an expert organisation in its fields gives great value to its supporters and to Hong Kong."

Simon Chu

*Former Director, Government Records Service,
HKSAR Government*

"My collaboration with Civic Exchange has been extremely fulfilling. I'm impressed with the professionalism and devotion of the people working there, and am very proud to be working with such a dedicated group. The excellent network of Civic Exchange has helped raise the profile of our campaign for the enactment of the archives law. Civic Exchange provides me with a platform and all the assistance I need for my part of the campaign. Most important of all, I feel that I am not alone anymore and I am further convinced that my cause is a just cause!"

Professor Robert Evans

Executive Director, Plowshares Institute

Professor Alice Evans

Director of Writing, Plowshares Institute

"Plowshares Institute, based in the U.S., considers Civic Exchange one of its most valuable global partners. Cooperation between Plowshares staff and Christine Loh began more than two decades ago, and since Civic Exchange was launched in 2000 we have collaborated with Civic Exchange's skilled staff on a broad range of programmes. These include intensive training workshops in alternative dispute resolution for political, government and community leaders focused on controversial issues related to transportation, housing and the environment. Civic Exchange has been a valued colleague and supporter of Plowshares Institute through critical networking, presentations for Plowshares programs, creative dialogue on policy issues and development of creative educational methodologies. We warmly congratulate Civic Exchange as one of the premier think tanks in China on its 10th Anniversary."



SUSTAINABILITY TOOLS

In seeking to have a positive impact with each project, Civic Exchange pays close attention to its processes. Projects often involve examining and deliberating on complex issues with a range of stakeholders and community members.

For this purpose, Civic Exchange has designed a set of core communication and management competencies called 'Sustainability Tools', which can be learnt and applied by anyone and any organisation. These are essentially listening, meeting and convening skills; they include how to bridge the communication gap, sending clear messages, active listening, speaking and presentation, organising successful meetings, group facilitation, mediation, conflict transformation, dealing with assumptions, and understanding thinking preferences.

Not only does Civic Exchange use these skills, it teaches them explicitly as part of its social risk management work in Mainland China and India. It collaborates closely with the Plowshares Institute, and from 2005 has worked with various partners on the Mainland, including Jiangsu International Cultural Exchange Center, Peking University, Nanjing University, Shanghai Normal University, Pudong Social Workers Association, the Amity Foundation and Women Watch China. In the spirit of sustainability, participants are now establishing their own networks and organising further training sessions.

How we work—Sustainability Tools

How does Civic Exchange's research feed in to its policy influence? The process is based on TRCM—think, reframe, convene and mobilise.

1. Think tanks are in the thinking business in public policy. We begin by doing research about why something is as it is.
2. To change, we need to reframe the issue so as to enable people to change their assumptions or broaden their perspectives.
3. Since there are many stakeholders, convening dialogue is important.
4. We often need to mobilise people who can act, e.g. policy makers, government officials or authorities, the business sector, etc.

Steps 2 and 4 are where our Sustainability Tools are most useful (see page 14). The success of this process is exemplified well in the following projects.

Functional Constituencies (see page 13)

Civic Exchange conducted research ('thinking') on functional constituencies and sub-sector elections from 2004 based on the belief that these are critical to changing the political system. This research work has provided the 2 'bibles' of these elections, which are now standard reading for anyone interested in these subjects, from officials to activists ('reframing'). We have also held workshops and seminars together with various groups to discuss reform over the years ('mobilising').

Fair Winds Charter (FWC) (see page 29)

Commenced in 2006, Civic Exchange's Green Harbours Project is an ongoing project with research on marine emissions ('thinking'), and is complemented by gathering the port and shipping industry in Hong Kong together to discuss how to move the port and shipping sectors towards cleaner operations ('reframing'). The stakeholders have been 'convened' over several years for co-learning and dialogue together with government officials to assist them in coming up with the FWC ('mobilising'). Since the FWC's launch, we have seen interest from various Asian ports in exploring the same thing in their territory—the TRCM process will continue with them.

Nature conservation

Civic Exchange is currently establishing a process to develop a new nature conservation policy for Hong Kong based on the Convention for Biological Diversity ('thinking'/'reframing'), and in early 2011 started to 'convene' a dialogue with all Hong Kong-based groups working on nature conservation. This will also serve to 'mobilise' them to develop consensus on the need for policy reform.

4 THE POLITICS OF MAINLAND CHINA AND ASIA

Civic Exchange has always had an interest in Chinese politics and various aspects of national policies, as there is a need to better understand how they impact locally and internationally. Since its inception, Civic Exchange has produced briefing reports on Mainland-Hong Kong relations. From 2002 to 2004, it collaborated with Peking University and other institutions in Hong Kong and overseas on a major air quality research project on Hong Kong and the Pearl River Delta, a first; and in 2005 and 2006, it commissioned research on the Mainland's village elections and the internal electoral reform of the Chinese Communist Party. In 2009 Civic Exchange focused on the Pearl River watershed, and in 2010 it looked at water pricing reform in China together with environmental consultant SynTao in Beijing. In 2010, the Hong Kong University Press published Christine Loh's *Underground Front: The Chinese Communist Party in Hong Kong*, a project she had worked on since 2007 (see list on page 18).

From the fall of 2008, Civic Exchange and longstanding partner Plowshares Institute began a 3-year project on social risk management in China, with the aim to equip those in organisational leadership positions

with communications and mediation skills. This is part of Civic Exchange's implementation of its 'Sustainability Tools': to engender better communication in all types of social settings. Civic Exchange continues to work with a range of partners in China and India on the skills needed to transform conflict into dialogue (see page 14).

Civic Exchange's research and reach also extends beyond China to other parts of Asia. In particular, collaboration with the Singapore Institute of International Affairs (SIIA) led to several rounds of projects. The first research in 2005 studied the Singaporean executive government model. The second initiative in 2006 examined the cultural impulses that affect political development, involving scholars from Malaysia, Japan, India and Taiwan. The research was captured in the report *Democracy: Asian Perspectives, Voices and Traditions*. The third opportunity in 2008-2009 looked at climate change and Asia's position, culminating in a report published before the United Nations Framework Convention on Climate Change's (UNFCCC's) Conference of the Parties meeting in Bali (COP13) in 2008, followed by a book for COP14 in Poznan (detailed on page 33).



Simon Tay

*Associate Professor of Law, the National University of Singapore;
Chairman, Singapore Institute of International Affairs*

"The SIIA, Singapore's oldest think tank, cooperated with the Civic Exchange on Asian approaches to climate change issues—with research, publications and a public conference. The partnership was effective in bringing some of the leading experts together from across the region. We also worked quickly and efficiently to complete both a policy paper and then a book on the issues to present in time for the Bali and Copenhagen meetings. Civic Exchange is a smaller institute, as are we, but working together we were able to reach out to the media, policy makers and corporations."

Civic Exchange relies heavily on the written word in sharing its message, and has produced a large range and number of reports, books and other materials. The information it produces must be credible to specialists and accessible to the public and to other stakeholders, or else its mission would be undermined. The organisation therefore places a high priority on the skill of its report and book editors, language translators and layout designers. Civic Exchange has been fortunate to work with many talented people.

List of Books

A key part of Civic Exchange's work is publishing its research findings. Apart from reports, Civic Exchange has published many books on its own or in partnership with Hong Kong University Press.

Getting Heard: A Handbook for Hong Kong Citizens
By Christine Loh and Civic Exchange, 2002

Building Democracy—Creating Good Government for Hong Kong
Edited by Christine Loh and Civic Exchange, 2003

At the Epicentre: Hong Kong and the SARS Outbreak
Edited by Christine Loh and Civic Exchange, 2004

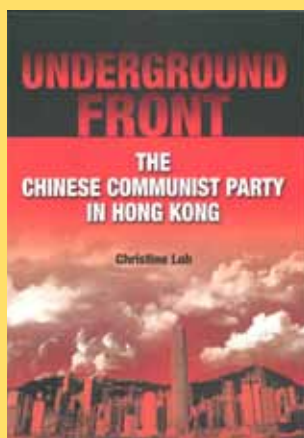
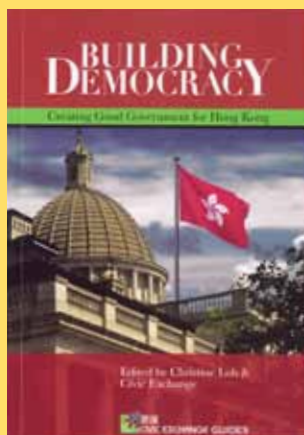
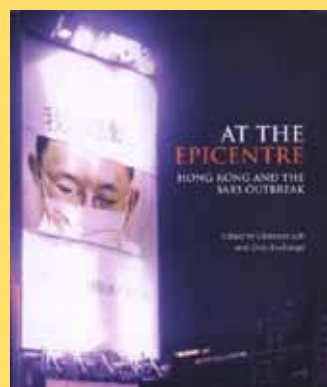
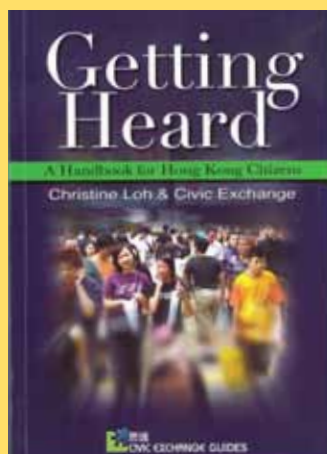
The Rise of Hong Kong Politics: The View through political cartoons 1984–2005
By Carine Lai, 2006

Functional Constituencies: A Unique Feature of Hong Kong Legislative Council
Edited by Christine Loh and Civic Exchange, 2006

Climate Change Negotiations: Can Asia Change the Game?
Edited by Christine Loh, Andrew Stevenson and Simon Tay, 2008

The Great Disconnect
By Bill Barron, 2009

Underground Front—The Chinese Communist Party in Hong Kong
By Christine Loh, 2010





To commemorate the 10th anniversary of the reunification, Civic Exchange published a series of four books.

Idling Engine: Hong Kong's Environmental Policy in a Ten-Year Stall (1997–2007)

By Bill Leverett, Lisa Hopkinson, Christine Loh and Kate Trumbull, 2007

Reflections of Leadership: Tung Chee Hwa and Donald Tsang (1997–2007)

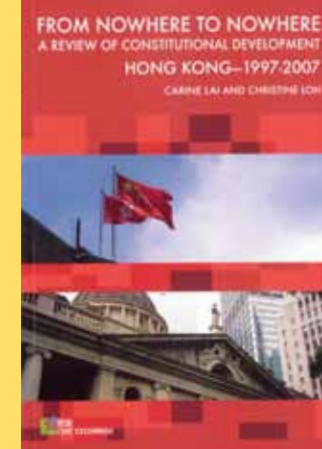
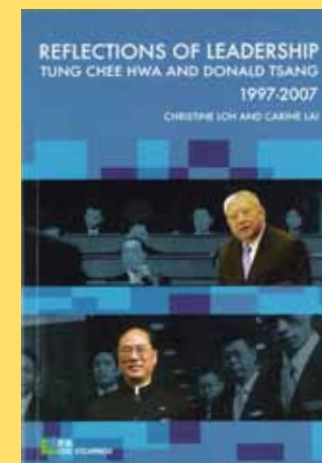
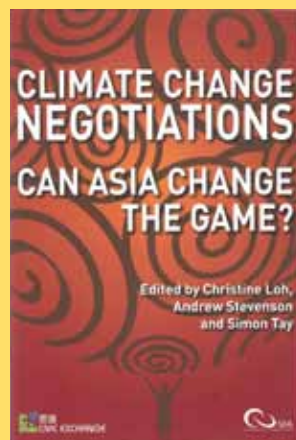
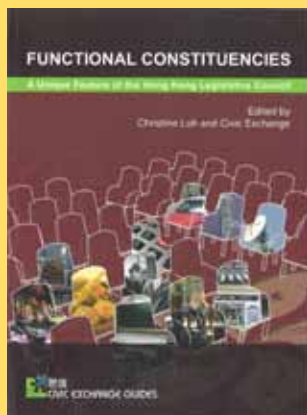
By Christine Loh and Carine Lai, 2007

Still Holding Our Breath: A Review of Air Quality Policy in Hong Kong, 1997–2007

By Kate Trumbull, 2007

From Nowhere to Nowhere: Constitutional Development Hong Kong (1997–2007)

By Carine Lai and Christine Loh, 2007



The Budget and Finance in Hong Kong

Public finance literacy is essential to understanding policy. Civic Exchange was the first NGO to delve into the minutiae of the government's accounts. In 2003, its report *The Budget and Public Finance in Hong Kong* examined the post-1997 budgets and used accrual methods to produce a set of complementary accounts to the government's cash accounts. The true state of Hong Kong's public accounts was in fact quite healthy and the authorities could afford to be more generous in their spending.

LIST OF AUTHORS (2000–2010)

An, Jiali
Barron, Bill
Bergin, Michael
Booth, Veronica
Bradbury, Louis A.
Bronstein, Stephen
Brown, Stephen
Chameides, William
Chan, Moira
Chan, Thierry Tak-chuen
Chau, Jonas
Chau, June
Chau, P.Y. K.
Chau, Patsy
Cheng, Eric
Chu, Cecilia
Chung, K. W. Y.
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Corradi, Jesse
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Dobridge, Christine
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Eastman, Alicia
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Fung, Edward
Fung, Jimmy
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Gilbert, Richard
Goodstadt, Leo
Graham, Jaimie C.

Gray, Joe
Guo, Peiyuan
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Heimark, Eric
Hetherington, John
Ho, Betty
Hopkinson, Lisa
Jiang, C. Q.
Kan, Flora
Kiang, C. S.
Kilburn, Mike
Koon, Alan
Kot, S. C.
Krever, Tor
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Lau, Anson
Lawson, Andrew
le Clue, Sophie
Lee, Joseph
Leverett, Bill
Li, Shaoyi
Liebreich, Michael
Lin, Ben Chubin
Lin, Joanne
Lin, Feng
Littlewood, Michael
Lo, Andrew

Loh, Christine
Loper, Kelly
Luo, Roy
Ma, Jun
McGhee, Sarah
Modini, Rob
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Ng, Simon Ka-wing
Nissim, Roger
Ogus, Simon
Patient, John
Pillsbury, Megan
Powell, Simon
Raufer, Roger
Rogers, Geoffrey
Roth, Peter
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Salmon, Lynn
Schauer, James
Seymour-Hart, Iain
Sing, Ming
Skinner, Suzanne
So, Hoi-ying
Steele, Nicholas
Steinhardt, Christoph H.
Stern, Rachel
Steveson, Andrew
Surman, Julia
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Tam, Alison Mai-ling
Tam, Hsien-li
Tay, Simon
Taylor, John Russell

Taylor, Andrew
Telesetsky, Anastasia
Terry, Edith
Tracy, Alexandre
Trumbull, Kate
Tsui, Catherine
Tsui, Ingrid
Uebergang, Kylie
Van Rafelghem, Marcos
Vickers, Edward
Wan, Joyce
Wang, Jingjing
Weldon, Michele
Whish, Richard
Williams, Mark
Willmott, Elizabeth
Wong, Antonietta
Wong, Chit-ming
Wong, Tsz-Wai
Woodring, Douglas
Xu, Steve
Yeo, Lay-hwee
Yip, Yan-yan
Yip, Paul S. F.
Young, Simon N. M.
Yu, Jian
Yuan, Zibing
Yuk, Carissa
Yung, Peggy
Zheng, Mei

Surveys

Civic Exchange has worked with various partners to conduct a number of public opinion surveys alongside its policy research, as surveying public views provides important insights on public concerns and attitudes. For example, it may be that for certain policies to be widely accepted more public education needs to be done, or certain issues must be more clearly articulated if they are to gain public acceptance; this has obvious impacts on the policy formulation process. Surveys can also measure the responsiveness of the government to public concerns; election-related surveys are particularly relevant, as voters' perceptions of candidates and parties can be assessed in order to predict outcomes. Over the course of a decade, Civic Exchange's key survey partners were the Hong Kong Transition Project and Hong Kong University Public Opinion Programme.

Year	Institute	Title
2001	Hong Kong Transition Project	Taking charge, Cleaning up: A public opinion survey on Hong Kong People's environmental behaviours
2002	China Development Institute	Attitudes on the Environment: A Survey on Pearl River Delta Residents
2003	Hong Kong Transition Project	Political Tsunami: District Council Election Forecast 2003
2003	Hong Kong University Public Opinion Programme	Post-July 1st Demonstration: Opinion Survey on Article 23 Legislation
2003	Hong Kong University Public Opinion Programme	Survey Reports on Article 23 Legislation
2004	Hong Kong Transition Project	2004 Legislative Council Election: 1st Survey (All Constituencies in Hong Kong)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: 2nd Survey (All Constituencies in Hong Kong)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: 3rd Survey (All Constituencies in Hong Kong)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: Survey on Individual Constituency (Hong Kong Island)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: Survey on Individual Constituency (Kowloon East)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: Survey on Individual Constituency (Kowloon West)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: Survey on Individual Constituency (New Territories East)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: Survey on Individual Constituency (New Territories West)
2004	Hong Kong Transition Project	2004 Legislative Council Direct Election: Rolling surveys
2004	Hong Kong Transition Project	Countdown to Decision: The Final Days of 2004 LegCo Election Campaign
2004	Hong Kong Transition Project	Half-way to Where? The Electoral Structures and Public Opinion Contexts: 2004 Hong Kong Legislative Council Election
2004	Hong Kong Transition Project	Listening to the Wisdom of the Masses
2004	Wirthlin Worldwide Asia	Survey on Hong Kong People's Views on SCNPC Decision
2005	Hong Kong Transition Project	Constitutional Reform Survey 2005: Reforming the Chief Executive Election
2005	Hong Kong Transition Project	Constitutional Reform Survey 2005: Reforming the Legislative Council
2005	Hong Kong Transition Project	Hong Kong Constitutional Reform: What do the People Want?
2006	Hong Kong Transition Project	Reforming the District Councils
2008	Hong Kong Transition Project	Racing for the Gold: The 2008 Hong Kong Olympic LegCo Elections
2009	Hong Kong Transition Project	Hong Kong's Silent Epidemic: Public Opinion Survey on Air Pollution, Environment and Public Health 2008
2010	Hong Kong Transition Project	Less Talk, More Action
2010	Hong Kong Transition Project	A Climate of Change: Public Opinion Survey on Global Climate Change in Hong Kong 2010
2010	Hong Kong Transition Project	A follow up survey on climate change - specifically looking at nuclear power use in Hong Kong

Professor Michael DeGolyer

Professor, Department of Government and International Studies, Hong Kong Baptist University; Director, Hong Kong Transition Project

"The Hong Kong Transition Project focuses on the development of democratic government in Hong Kong. This focus includes policy and development related issues in which the role of public opinion and government response are foremost. We have worked many times with Civic Exchange to conduct research—much by public opinion—on a range of political and environmental issues.

Besides the intrinsic importance of the issues involved, these issues form crucial means of measuring democratic practice in Hong Kong. Civic Exchange has been a key and especially valued partner in the Hong Kong Transition Project's ability to track and document changes in the behaviour and attitudes of government leaders, political parties, social and economic elites and among the general public.

Truly independent, non-partisan, high quality research is hard to come by. Civic Exchange, though, is genuinely objective. Its members are well versed in their fields of expertise and understanding of the specific requirements of research, and are just as focused on understanding the data and translating it to the public and other interested parties. Civic Exchange commissions bases its advocacy and informational work on extensive and often exhaustive world class research. Civic Exchange is the thinker's think tank."

5 SEARCH FOR THE LIVEABLE CITY

As a small and densely populated city, Hong Kong needs coherent and forward-looking urban planning. However, this had historically been a neglected issue of public discourse; fortunately, this is changing and many professional and civic groups are now highly engaged.

Civic Exchange seeks to articulate the conditions and processes that achieve 'liveability' in dense cities. In 2004, Civic Exchange's *Vision Project* collaborated with urban planners, designers, architects and academics to explore seven historical areas of Hong Kong Island; the collaboration produced public information about their heritage and the positive impact future sustainable development, including rail transport, could have on the areas. The project also involved local residents, who gave feedback through a series of exhibitions and gatherings. The feedback showed residents were keen to achieve sustainability and wanted to engage in the development process.

Civic Exchange's Population Study in 2005 connected issues of urban planning to health, competitiveness and infrastructure needs. This was followed in early 2006 by an alternative concept for the Tamar site in preference to using it for a large government office; Civic Exchange also offered ideas on preserving Government Hill.

In late 2006, Civic Exchange went beyond alternative ideas to working on policy. This began with the workshop *Innovative Solutions for City Planning and Living*, which showcased ideas and innovations from four locally-based pioneers in the field that demonstrated the need for integration of planning, design and technology in urban planning policy. The workshop also brought many knowledgeable participants together from a range of disciplines to outline opportunities for implementing these changes and to identify barriers to their introduction.

Civic Exchange also began to focus more strongly on the link between air pollution and urban planning; this included projects in collaboration with various groups on the sustainable development of Lantau Island and Hong Kong Harbour as the city's 'green lungs', and on sustainable management and conservation of Hong Kong's rural land.

This area of research has progressed to become ever more multidisciplinary. Highlights include the 2008 report '*Green' House or Greenhouse? Climate Change and the Building Stock of Hong Kong & Macau*', published with the Architects Association of Macau (AAM). The report shows that with government and private partnerships, Hong Kong and Macau can become leaders in energy efficiency and low carbon living in Asia. Civic Exchange and the AAM followed the report with two forums: 'An Introduction

to Climate Disruption in Macau' and a multi-stakeholder workshop called 'Planning for a Low-carbon Hong Kong'.

In *Urban Transformers: High-Performance Buildings Clean Up*, Civic Exchange looked at how buildings can be designed or retrofitted so as to reduce carbon emissions and therefore mitigate climate change in a cost effective way. Work in this area was complemented by, amongst other local and regional activities, a report investigating the Urban Renewal Authority, its background and policies and its effectiveness in delivering urban renewal that matches public aspirations—the report, *Treating the Symptoms: A Critical Review of Urban Planning in Hong Kong*, was the first of its kind.



TESTIMONY FROM OUR FORMER INTERNS

Civic Exchange developed its internship programme as its contribution to help young people become policy-proficient. Internships are designed to challenge interns on an intellectual level while fostering curiosity and passion for public policy. Civic Exchange has longstanding relationships with Wellesley College and Yale University and has partnered with other institutions including the Worcester Polytechnic Institute, though the majority of interns apply directly. Interns conduct independent research tailored to their interests and produce papers reporting on the research; many have been published and added to Civic Exchange's policy work. To date, Civic Exchange has worked with more than 120 interns.

Some impressions from our interns of their time with Civic Exchange are below.



Andy Stevenson (USA)

Director of Research and Policy at Climate Advisers, Washington DC

"As a recent graduate interested in environmental policy and China, I could not have hoped for a better internship experience than with Civic Exchange ... I had the opportunity to work with some of the leading local and international researchers on climate change, air pollution and urban development issues, and completed several publications. I participated in and present at a variety of events and outreach activities, including conferences in Singapore, India and Thailand. Everybody at Civic Exchange pushed me to think big about what I could accomplish ... my experience in Hong Kong surely would not have been the same without them."

Carine Lai (Hong Kong)

Teaching Assistant, Department of Social Work and Social Administration, The University of Hong Kong

"Working at Civic Exchange gave me a tremendous opportunity to learn about Hong Kong's history, political system, tax system, and urban planning—basically, how it works as a society. I feel like the amount I learned was equivalent to a whole extra degree. The research, analytical, writing and graphic design skills that I honed while at Civic Exchange have also been extremely valuable. I would say it's been a great experience, my colleagues were a wonderful bunch of people, and I'll miss them. I'm sure that my research experience was a big factor in helping me earn a full scholarship for my graduate studies."





Eric Cheng (USA)

JD Candidate, University of Pennsylvania Law School; Associate Editor for the University of Pennsylvania Law Review

"I had complete flexibility to craft my experience. I was involved with a diverse range of projects: assisting events with hundreds of attendees, interviewing politicians for my own research, attending networking events and conferences and publishing articles I wrote. The Civic Exchange team and the collegial environment made every day a joyful one. Moreover, interns take on substantive responsibilities early."



Marlene Grundström (Sweden)

LLM student; Independent Consultant, Climate Change & Development

"My time with Civic Exchange in the spring of 2006 was a great source of inspiration—not only for future career choices, but also for a way of looking at the world. Civic Exchange's holistic approach to environment, democracy, human rights and governance issues has inspired my thinking in subsequent jobs—working on environment and development policy in the European Parliament, lobbying for a development NGO in the UNFCCC climate negotiations and negotiating foreign policy in the Swedish Prime Minister's Office. I still consider Civic Exchange to be one of the most exciting and inspiring workplaces I have experienced—and appreciate in particular its combination of in-depth research and knowledge, and relevance and influence in the political arena. I am truly thankful for the support, responsibility and opportunities given to me by Civic Exchange at the time, and am happy that years later, we are still in touch."



Kevin Lee Coll (USA)

Student, Columbia University Graduate School of Business

"Though I did not fully realise it at the time, my summer internship at Civic Exchange fostered the passion I now have for public policy issues. When I first interned at Civic Exchange in 2002, I was fascinated by what it meant to be a member of Chinese society. While I explored the issue of citizenship in Hong Kong, Civic Exchange also gave me the rare opportunity to participate in projects related to sustainable development in the NW New Territories, environmental waste and civic engagement. This experience showed me how a small network of committed people working towards a common goal could have an outsized and meaningful impact on society. Several years later, I found myself as a graduate student in Taiwan collaborating with a former minister of economic affairs to explore how social enterprises can meet social needs. I am grateful to Christine, Yanyan, Esther and everyone at Civic Exchange for opening my eyes to the real challenges facing our society and inspiring me to reflect more on how I, too, can make a positive, lasting impact on our community."

Rui Luo (China)

Senior Associate, ICF International, energy, environment and aviation consultants

"Civic Exchange provided me with an irreplaceable platform for self-growth in forming and consolidating ideas through discussion. I really appreciate the environment Civic Exchange created—everyone brings passion to their work that makes it more meaningful, as well as being professional. I feel proud to have been part of the Civic Exchange team through my internship and for two years after. It was more than work experience to me. I hope it continues to have positive impacts on Hong Kong and elsewhere in environment protection and sustainable development."



Jason Ma (Hong Kong)

MBA, UCLA Anderson, USA

"The internship program at Civic Exchange is not one usual lack-of-responsibility internships. From deciding on a topic of my interest to investigate on, to structuring an approach for the research, identifying data to collect and interviews to construct, and even to formulating suggested actions for the stakeholders, I was challenged to take charge of my own project and make managerial decisions individually. The learning process was particularly rewarding and thought-provoking, and has drastically altered my prior understanding of public policy development. I highly value my summer experience at Civic Exchange—this program has allowed me to better understand and appreciate the society we currently live in, and has inspired me to become an active participant in this society in the future."



Neda Noraie-Kia (Germany)

*Student of International Relations and Development Policy,
University of Duisburg-Essen*

"My internship with Civic Exchange really was a great experience. What I liked most was the fact that I was totally free to choose a field of interest and to design my own research, while I was still given guidance and supervision from the team and benefitted from Civic Exchange's broad international network of researchers and experts. Furthermore, I enjoyed the many events like lectures and workshops that I could attend within my internship. These events were not only informative in terms of my academic career, but also a unique experience regarding my political work on climate issues in Germany. All in all I gained a lot of ideas and inspiration during my time with Civic Exchange and I hope to have a chance to work with them again in the future."



Patrick Lau (Hong Kong)

Undergraduate, University of Michigan—Ann Arbor

"As a high school graduate, I wasn't sure what I wanted to do at university. I took a year off and was able to get an internship at Civic Exchange. This opportunity allowed me to see things I otherwise wouldn't have been able to see, meet people I otherwise wouldn't have been able to meet, and it opened my eyes to a bigger world. At Civic Exchange, I had explored issues relating to climate change and air pollution, and was able to develop skills ranging from research to web design; as well as look into the inner workings of organizing conferences and forums. Most importantly, I got to meet the amazing people who work at Civic Exchange every day. As an undergraduate student at university, I have continued to develop interests in politics, policy and the environment that began while I was an intern."



Rachel Stern (USA)

Junior Fellow, Harvard University

"I'm grateful to Civic Exchange for an experience that set my career spinning in an unexpected direction ... Living and working in Hong Kong at the age of 22 and on my first trip to Asia, it was clear to me that one of the most interesting political stories of our time was unfolding across the border in Mainland China. And now ten years later, my field of research is Chinese politics and I'm finishing up a book manuscript on environmental lawsuits in Mainland China. As a young person at Civic Exchange, I appreciated being given so much responsibility—there was support for creative, independent work. Considering that I still do research on environmental issues in East Asia, all of this turned out to be much more useful than I even suspected at the time."



Luis Coruche (Portugal)

"As a research intern at Civic Exchange, I have experienced the rare benefit of aligning work with its true meaning, which is to give to others through labour what they really need. And by seeing the positive changes taking place around me, as a result of this team's work, whatever I did took little effort because I enjoyed being part of this constructive process. And in the end, unsurprisingly, I saw that others would also joyfully give back."

6 THE CHALLENGE OF AIR POLLUTION

Professor Alexis Lau

*Associate Professor, Division of Environment;
Associate Professor, Civil and Environmental
Engineering;
Manager, Environmental Central Facility,
Institute for the Environment,
Hong Kong University of Science and Technology*

"As an academic, working with Civic Exchange has shown me the value of teaching as well as research—focussing on the role of the environment in society and explaining why things are done teaches students about stakeholders and the benefits of engaging them in issues. Academics have roles to play in defining what kind of a city Hong Kong wants to be and need to engage publicly. This has been the greatest impact of Civic Exchange: improving the policy climate by bringing quality research into the debate. I hope this work and its impacts continue."

Air pollution is one of Hong Kong's major public health threats. Working with numerous partners in Hong Kong, the Mainland and overseas, Civic Exchange has contributed cutting edge research and policy recommendations in air quality and related public health issues.

The organisation's first major research project from 2002 to 2004 brought scientists, industry and government together to collect and analyse emissions data in Hong Kong and the PRD. This was the first time an air science project was privately led and mostly privately funded, though the Hong Kong Environmental Protection Department also participated. In addition to the valuable research findings, the project provided a model for future collaboration among the various local, Mainland and overseas parties.

In 2006, Civic Exchange began active collaboration with public health experts and health economists at the University of Hong Kong and the Chinese University of Hong Kong. By putting the scientists and public health professionals together, new research projects became possible, leading to many collaborations resulting in new data and insight for policy recommendations. This team of partners formed the Air Quality Objectives Concern Group, the purpose of which was to be better organised to prepare submissions to the government and the Legislative Council as air pollution became a subject of great public concern.

A major innovation and achievement is the Hedley Environmental Index—a collaborative project between Civic Exchange and the Department of Community Medicine in the University of Hong Kong's School of Public Health. The Hong Kong University team is now working with Civic Exchange to improve the website. This project will also build on the local gains by transferring knowledge to Mainland health experts on how the index is constructed and how it can be used.

Hong Kong is one of the busiest ports in the world. Together with the main ports in the Pearl River Delta—Shenzhen and Guangzhou—it acts as the gateway for around one eighth of global container traffic and therefore plays a substantial role in the local and regional economies.

Green Harbours Project

Ocean-going vessels run on bunker fuel, the dirtiest grade of petroleum-based fuel products. Bunker fuel produces highly toxic emissions that contribute significantly to air pollution; this was an issue that had not been raised at the local level before it was taken up by Civic Exchange in 2006. Under its Green Harbours project, Civic Exchange looked at green port policies from around the world and started a stakeholder engagement programme to bring together the key players in the port and shipping sectors for discussion and collaboration on ways of reducing marine emissions across the Pearl River Delta.

By 2008, Civic Exchange had become extensively engaged with key stakeholders from both the shipping industry and government—the latter including the Marine Department and the Environmental Protection Department. The stakeholders came together in numerous workshops organised by Civic Exchange that resulted in a range of ideas and policy recommendations. Cross-sectoral dialogue eventually led to the landmark Fair Winds Charter in 2010. Seventeen shipping companies committed for a period of two years to switch voluntarily to low-sulphur fuel when their ships berth in Hong Kong. The charter also calls on the Hong Kong and Guangdong governments to regulate marine emissions in order to create a new level playing field so that all ships will have to burn cleaner fuel in the future.

Professor CM Wong

Associate Professor, Department of Community Medicine,
The University of Hong Kong

"Working in the field of air pollution, I have found Civic Exchange's capability and experience in advocating and motivating the media, people and legislators to be helpful in transferring scientific knowledge into public health legislation and advocacy. Civic Exchange is dedicated to ideals and objectives yet still practical, as well as being reliable and open-minded. To me, its greatest impact has been as a bridge between environmental professionals and policymakers. I hope Civic Exchange can help to further integrate science into legislation decisions."

The Fair Winds Charter

Civic Exchange's Green Harbours Project enabled it to build a network of relations with the maritime sector through a highly focused stakeholder engagement programme. The idea of a voluntary switch to cleaner fuel to curb emissions from ships came to fruition as the Fair Winds Charter in October 2010. Key actions under the Charter include shipping lines switching to low-sulphur fuel while at berth in Hong Kong, and collaborating with local and regional governments to introduce regulations on marine emissions consistent with the best international standards.

In addition, signatories have urged governments, terminals, other ship liners and cargo producers and buyers to support the Charter by relevant means—for example, by undertaking to implement the principles or by supporting participating lines.

The Charter has thus far been signed by 14 shipping lines, two cruise lines and one autoliner. As it expires in 2012, Civic Exchange is working with the Government and the shipping lines to make the fuel switch mandatory for all ships in Hong Kong and Pearl River Delta waters.

Civic Exchange also plans to take its work to other ports in the region, to terminal operators and the manufacturers whose goods are shipped worldwide from the Delta. For more information, see <http://www.civic-exchange.org/wp/fair-winds-charter/>.

The Air We Breathe

Civic Exchange's record of achievement in bringing air pollution into the public discourse reached another milestone in 2009, with the conference 'The Air We Breathe'. The conference brought together years of research and dozens of collaborators and overseas experts. It also created its own critical mass: participants were eager to ensure that the momentum for action created by the conference was not lost. To back this up, private donations were pledged as seed money towards supporting not only research but advocacy efforts.

Civic Exchange gave birth to Clean Air Network (CAN) in July 2009 as a fully independent organisation with its own board, staff and funding. This allowed Civic Exchange to continue its focus on research and policy while CAN broke new ground in advocacy and campaigning. The distinction was important—it meant that Civic Exchange's policy research would retain its focus rather than be guided by campaigning goals.

Despite its short existence, CAN has already made a major impact in Hong Kong. CAN's activities can be found at its website, <http://www.hongkongcan.org/>.



Joanne Ooi
CEO, Clean Air Network

"The quality of Civic Exchange's scholarship and research gives CAN a model for our own work and credibility. We always ask ourselves, 'Would Civic Exchange publish it?' They truly are the benchmark in Hong Kong. Personally, I've found the guidance Civic Exchange has provided—and particularly inspiration from Christine—invaluable in navigating Hong Kong's political landscape and working towards CAN's goals."

The Hedley Environmental Index

With many years of experience in epidemiology and public health, including a large body of research and a medal from the World Health Organization, Professor Anthony Hedley brings a wealth of knowledge to Civic Exchange projects; his work in conjunction with the team of public health experts at the University of Hong Kong has been invaluable. In particular, the team's recent work in pollution and its impacts on health have been the key underpinning to Civic Exchange's work in the area.

The Hedley Environmental Index, operational since 2008, is one of a kind, and a major step in Hong Kong's fight against air pollution. It integrates epidemiological, medical and economic data to provide a real-time feed of key health and economic impacts of air pollution on Hong Kong—impacts which often go unseen. This includes data on excess deaths, hospital and doctor visits, and lost productivity. The index is continually being developed to further its improvement.

The Hedley Environmental Index can be viewed at
<http://hedleyindex.sph.hku.hk/home.php>



Professor Anthony Hedley

Honorary Professor, School of Public Health,
The University of Hong Kong

"The expertise Civic Exchange brings to both its investigation and advocacy has been crucial in solidifying the link between air pollution and public health. It has also been tremendous in raising the profile of the issue, which helps to support scientists and their work. Personally, I've found working with Civic Exchange challenging and rewarding. Civic Exchange has not only created mutually beneficial alliances, it's made our collaboration a joy and an inspiration."

7 THE 2010 HARVEST

The past year can be characterised as a 'harvest', as earlier work has borne fruit in each of Civic Exchange's key research areas.



Back row: Jasmine Tsai, Veronica Booth, Anna Beech, Luis Coruche, Iris Chan, Andrew Lawson, Mike Kilburn
Front row: Su Liu, Yan-yan Yip, Christine Loh, Rita Li, Theodor Boentgen, Michelle Wong

LAND USE AND ENERGY

Land use and energy policies are critical areas for any society, but they are seldom given the pride of place they deserve. Sensitive urban planning and design coupled with efficient use of energy improve liveability, as well as saving money and scarce resources.

Civic Exchange has become a leader in fusing areas of knowledge related to urban planning. These include land policy, town planning, urban renewal, air quality, energy efficiency and climate change. This fusion can be seen in the report *Hot, Stacked and Crowded*, which was a response to government ideas on how to deal with the problems related to Hong Kong's overbuilt cityscape. Other reports examined the local government's outdated policy relating to urban regeneration, which had resulted in many problems with the Urban Renewal Authority's developments.

In the area of energy, Civic Exchange has built a reputation as not only a leading voice on energy use but as a force to move public understanding forward. One example of this is the Energy Forum series, which began in 2006 with an exploration of energy use, air pollution and climate change. There have now been 14 forums; they have covered topics including energy markets, alternative energy, climate change politics, transport and nuclear power. The forums are usually 'full-house' events and have attracted speakers and attendees

from government, academia and business, as well as many professionals and civic activists. Where funding was available, the forums were videotaped and made available online together with a transcript; they now serve as useful briefing and teaching materials in many institutions and schools.

CLIMATE CHANGE

Still an under-researched area in 2007, climate change is now a subject of wide interest in Hong Kong. Civic Exchange was the first to report on the impacts of climate change on Hong Kong and the Pearl River Delta in 2007; this was followed by a report in 2007 and one in 2008 that examined what Asia could do in United Nations climate change negotiations at the the UNFCCC's Conference of the Parties in Bali (COP13) and Poznan (COP14). Civic Exchange attended those meetings and became known in the field, and continued to publish papers related to climate negotiations before and after Copenhagen (COP15) in 2009.

Building on this knowledge, Civic Exchange won grants to design and host a four-day pre-Cancun (COP16) conference in November 2010 entitled *Climate Dialogue* that was attended by almost 1,600 delegates from Hong Kong as well as from many parts of the world. An additional 2,340 people attended related side events organised by Civic Exchange and others during the same week. Moreover, the final judging for the youth competition project on


climate change, *Get It Green*, also took place in the same week. The online project attracted more than 800 entries.

Crucially, the conference included steps cities could take, and was tied to the C40 Cities Climate Leadership Group. Representatives from 30 municipal authorities from around the world attended the conference together with those from 12 cities in Mainland China. Civic Exchange worked closely with the HKSAR Government's Environment Bureau and Environmental Protection Department to play host to the many guests. More details about the conference and the youth competition will be found in the next annual report.

AIR & HEALTH

As the work on The Air We Breathe Conference, Green Harbours and the Hedley Environmental Index projects show, Civic Exchange is a leader in air pollution research and policy. The highlight of recent work here is undoubtedly the signing of the Fair Winds Charter (see page 29) that brought the maritime sector together in a significant voluntary emissions reduction initiative.

Another significant research breakthrough was the collaboration with the Hong Kong University of Science and Technology on using its mobile air pollution monitoring system (MAP) to show more accurate air pollution levels at roadsides and under certain urban conditions. For



example, MAP showed the importance of open areas in dispersing pollutants, and how marine emissions from container vessels at berth impacted nearby residents.

Civic Exchange continued to work closely with Clean Air Network (CAN), public health professionals and other groups to encourage cross-disciplinary collaboration.

GOVERNANCE

The Hong Kong political community began to note and use Civic Exchange's early work on functional constituencies and functional elections as the climate ripened for discussion on how to redesign the political system. Moreover, the Hong Kong University Press published a new book by Civic Exchange on the Chief Executive Election and Election Committee election, authored in partnership with legal scholars Richard Cullen and Simon Young of the University of Hong Kong's Faculty of Law.

A further culmination of years of research is the book *Underground Front: The Chinese Communist Party in Hong Kong* (see list on page 18), which examines the role of the Party in the city from 1921 to the present day and includes data on public attitudes towards the Party.

Finally, another 'harvest' area now gaining coverage in the wake of work by Civic Exchange several years ago is the neglected

field of public archives: Civic Exchange conducted well-received public projects in 2006 on government archival practices, as these are critical to transparency. Local groups are now building on Civic Exchange's work in devising campaigns of their own.

PEOPLE

The other important result of the quality of Civic Exchange's work over the decade is the development of its people. Chief Operating Officer Yan-yan Yip has become a key part of Civic Exchange's Mainland work on social risk management with the Plowshares Institute, and has co-trained more than 100 leaders from across the academic, government and not-for-profit sectors. She is now taking the work to India (see box on page 3).

Civic Exchange's expertise in other areas is also being recognised outside Hong Kong, with Andrew Lawson, Mike Kilburn, Simon Ng, Veronica Booth, Michelle Wong and Anna Beech being invited to share their expertise at events involving climate, air and conservation, and Christine Loh continuing to speak at events around the world.

RE-SOWING

Any harvest would be incomplete without re-sowing seeds for the future, and Civic Exchange is undertaking this activity to build on 2010.

In the area of energy and climate change, Civic Exchange plans to focus on energy sources, including nuclear power, as new government policy points to Hong Kong buying significantly more nuclear electricity from Guangdong. From the demand end, the energy efficiency of buildings is critical; Civic Exchange plans to continue the organisation's tradition of cross-disciplinary work by looking at how design, engineering, management, operation and financing aspects can maximise gains.

In the area of air and health, the Fair Winds Charter has opened up possibilities for Civic Exchange to focus on green port policies for Hong Kong and Asia. Moreover, Civic Exchange will work with its public health partners to transfer knowledge from the design of the Hedley Environmental Index to Mainland experts, as well as develop new projects to focus on air pollution's impacts on children.

Civic Exchange has done considerable groundwork in nature conservation through 2009 and 2010 with little funding. The moment is ripe to expand this towards a comprehensive nature conservation policy for Hong Kong based on the United Nations Convention on Biological Diversity. In addition, there are also significant opportunities to collaborate with ecological filmmaker and teacher John D Liu and the International Union for Conservation of Nature (IUCN) on ecosystems restoration.

Water is another area in which Civic Exchange has invested time, focusing on water management in the Pearl River Basin, Hong Kong and the Mainland as well as the role of water pricing in promoting good management. Civic Exchange continues to seek funding for ongoing work.

The success of the conference *Climate Dialogue* in November 2010 has created a springboard from which to launch Civic Exchange's vision of modern liveable cities, where working across sectors and disciplines is needed to gain new insights and develop blueprints. Civic Exchange looks forward to further collaboration with C40 Cities.

Finally, building on the wealth of earlier work in the areas of democratic and constitutional development, as well as Civic Exchange's ability to involve and catalyse community groups, the organisation hopes to undertake new work in public engagement and consultation processes. Much of Civic Exchange's success in various policy areas can be attributed to its ability to collect data, make sense of them, bring stakeholders together to deliberate on the information and then to work in cross-disciplinary ways to help people see practical solutions and define a path to realise them.



MESSAGE FROM KYLIE UEBERGANG, CHIEF FINANCIAL OFFICER



Kylie Uebergang
Chief Financial Officer

Funding Levels

Project donations in the FY09/10 amounted to HK\$12 million, which is our highest funding year ever and 117.5% higher than last year's HK\$5.5 million. However we reported a net loss of HK\$348,416 which is higher than last year's loss of HK\$146,505. This higher financial loss reflects our investment in projects that have high intellectual capital value but lower financial profit value. Resultantly, our general funds carried forward dropped to HK\$393,533 as at 30 September 2010.

Funding Sources

Local Hong Kong funding continued to dominate our funding sources in FY09/10 (91% this year compared to 96% last year) and although international foundation

funding increased by almost HK\$1 million, it represented only 9% of our total funding (compared to 4% last year).

Almost 40% of total funding came from local charitable foundations/NGOs, 25% from the local private business sector, 15% from local individuals and 12% from Hong Kong's Public Sector (which includes government and other publically funded entities). The main difference in our year-on-year funding sources included an increase in public sector funding and a decrease in local foundations/ NGO funding.

Our increase in public sector funding was due to our successful application to the Environment and Conservation Fund (ECF, which is a funding body associated with the Hong Kong Government Environmental Protection Department). We requested ECF to co-fund an international Climate Dialogue in November 2010 bringing together over 1,600 delegates including world leading scientists, energy and transport experts, officials and policy makers from both Hong Kong and Mainland China, Mayors and other representatives of the C40 cities (a group of the worlds large cities committed to tackling climate change <http://www.c40cities.org/>) as well as other stakeholders. Although the conference will actualise after this financial year end, the preparation for such an event started over 12-months in advance.

This ground breaking Climate Dialogue is co-funded by the Hong Kong Jockey Club Charities Trust (HKJCCT), a foundation that has provided pioneering support in other air quality and pollution projects starting from 2002. In addition to the Climate Dialogue the HKJCCT funded a public conference on transport and air quality, the “International Public Transport Dialogue”, in November 2009 including an expert’s symposium. The HKJCCT also funded a survey of all air quality across all 18 districts of Hong Kong (using the Mobile Air monitoring Platform (MAP) developed by Hong Kong University of Science and Technology (HKUST) which was originally developed using HKJCCT funding.

We are also delighted that the ADM Capital Foundation approved its fourth Civic Exchange Grant in FY09/10 and has recently confirmed a further grant for FY10/11. These grants continue to focus on critical air pollution, health and sustainability issues both in Hong Kong and the Pearl River Delta (PRD) Region.

Breakdown of Funding Sources:

	FY09/10	FY08/09
HK Business'	25%	21%
HK Individuals	15%	17%
HK Public Sector (incl. Government)	12%	1%
HK NGOs and/ or Foundations	39%	56%
International NGOs and /or Foundations	9%	4%
	100%	100%

The Millipede Foundation’s Green Harbours II grant, which was mentioned in last years annual report, also continued to be utilised in FY09/10, driving air pollution related dialogue within the ports and port related industries in both Hong Kong and the PRD Region.

Environment and Conservation

Projects of the environment and conservation nature made up 54% of our total project focus this year compared to 67% last year. Much of the decrease arises from an increasing scope of a number of environmentally focussed projects which have expanded to include review of wider sustainability issues such as health, quality of life, liveability and economic impact. These wider societal considerations result in an increasing number of our projects being categorised as “Overall Sustainable Development”. I expect this trend to continue in the future as it becomes ever more important to make decisions based on multiple impacts which are impossible to consider in isolation.

Breakdown of Funding Uses by Project Focus:

	FY09/10	FY08/09
Environment and Conservation	54%	67%
Civic Participation and Social Development	3%	8%
Overall Sustainable Development	43%	25%
	100%	100%

Almost 60% of our environment and conservation project expenditure were grants made to the Clean Air Network Limited which is an organisation that was incubated by Civic Exchange, particularly after the success of Civic Exchange’s HKJCCT funded 2009 Air Conference. Under the reins of Joanne Ooi, CAN (<http://www.hongkongcan.org/eng/>) has become a powerful driver in the public’s understanding and debate of Hong Kong’s air quality, health and pollution issues. A list of CAN’s activities and achievements can be found at: <http://www.hongkongcan.org/eng/past-events-3/>. Now its own registered Hong Kong charity, CAN operates independently of Civic Exchange although we share common values and platforms in relation to air pollution and health issues.

Social Development and Civic Participation

Spending on Social Development and Civic Participation projects dropped to 3% of total funding for this year, down from 8% last year. The majority of Social Development spending was utilised through our ongoing collaboration with the Plowshares Institute (USA) which focuses on the understanding and development of collaborative processes and conflict resolution in China.



Sustainable Development

More than ever we would argue that all of the work we do contributes to the multi-faceted, multi-stakeholder building blocks required in pursuit of sustainable development. This is reflected by the increase in Sustainable Development related projects from 25% of total project spending in FY08/09 to a significant 43% of total project spending in FY09/10.

66% of our sustainable development funding was utilised on the Climate Dialogue and 16% was utilised within the International Public Transport Dialogue (both mentioned under funding sources section above). The International Public Transport Dialogue was originally envisaged as a discussion of transport pollution and mitigation issues but grew into a discussion of liveable cities, better planning and energy integration.

Other projects developed within the Sustainable Development context and funded by the ADM Capital Foundation included "Voice of the Planet" which developed a number of presentations on 3 of the 9 planetary scale processes with tipping-points identified in a recent scientific paper, including Ocean Acidification, Biodiversity and Pollution. These are all complicated areas of study and the project aimed to be able to present them in a way that laymen including policy makers could easily understand, yet without losing the complexity of the

issue. Another project focussing on Global Prosperity considered the imperative of climate change adaptation as an opportunity to improve cityscapes through maximizing the adaptation co-benefits. Further, Civic Exchange's response to the National Reform and Development Commission's (the main policy planning agency of the Central People's Government of China) outline of the plan for the reform and development of the PRD (2008-2020) "A New Vision of Industrial Transformation" aimed to highlight sustainable development considerations in the PRD.

Our Team

I would like to honour Ms. Iris Chan, Civic Exchange's dedicated Office Manager for her continued meticulous book keeping and administrative assistance during the past year. Iris has taken her role to new levels and I am truly grateful for her capabilities and teamwork. I am also happy that we continue to have John Oaten as a Consultant on our team to prepare our monthly accounts.

A copy of our audited Financial Statements is included in pages 43 to 49.

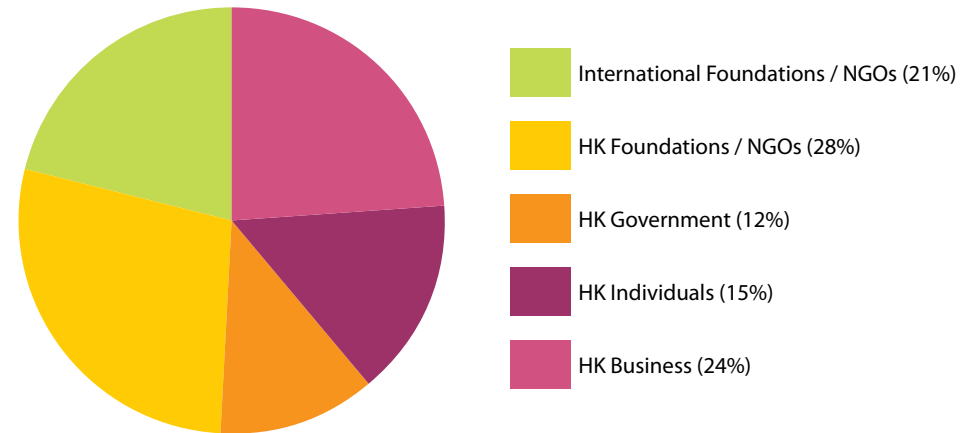
Sincerely,

Kylie Uebergang
CFO

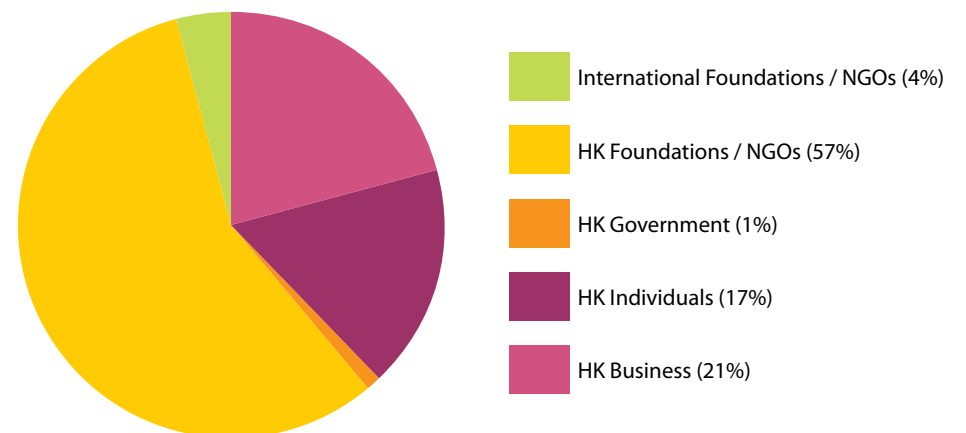
FUNDING SOURCES BREAKDOWN

Funding Sources	For the Financial Year Ended 30 September 2010				
	2010	2009	2008	2007	2006
Total Funding—HK\$	12,036,530	5,534,458	5,991,214	5,182,148	3,752,975
y-o-y % change	117.5%	-7.6%	15.6%	38.1%	9.3%
Total Funding—%:					
HK Business	24%	21%	39%	43%	29%
HK Individuals	15%	17%	18%	29%	19%
HK Government	12%	1%	6%	2%	5%
HK Foundations / NGOs	28%	57%	19%	7%	26%
International Foundations / NGOs	21%	4%	19%	19%	20%
	100%	100%	100%	100%	100%

Funding Uses					
Environment and Conservation	54%	67%	80%	58%	53%
Civic Participation and Social Development	3%	8%	14%	30%	35%
Overall Sustainable Development	43%	25%	6%	12%	12%
	100%	100%	100%	100%	100%



2010



2009

ACKNOWLEDGEMENTS (2009–2010)

Collaborators

Alissa, Moosa
 Au, Bruce
 AuYeung, Horest
 Baldwin, Kate
 Barretto, Ruy
 Barron, William
 Barter, Paul
 Beech, Anna
 Bi, Wenjuan
 Böntgen, Theodor
 Booth, Veronica
 Brech, Don
 Brennan, Clare
 Brown, Stephen
 Brownlee, Ian
 Bruckner, Christine
 Burnett, John
 But, Ho-ming
 Chan, Chak
 Chan, Emily
 Chan, Iris
 Chan, Joyce
 Chan, Siu-wai
 Chan, Winnie
 Chan-Combrink, Sophia
 Chau, Jonas
 Cheung, Pui-ki
 Cheung, Tak-hai
 Chin, Catherine
 Choy, Sarah
 Chu, Simon
 Chu, Winston
 Cornish, Andy
 Corradi, Jesse
 Crolius, Steve

Cullen, Richard
 Cunningham, James
 Da Rosa, Antonio
 DeGolyer, Michael
 Dunn, Michael
 Evans, Alice
 Evans, Robert
 Fast, Sharron
 Ge, Yang
 Hedley, Anthony
 Hopkinson, Lisa
 Irwin, Felicity
 Kendrick, Roger
 Kilburn, Mike
 Kong, Janice
 Kwok, Hilda
 Lai, Carine
 Lai, Hak Kan
 Lalogianni, Helena
 Lam, Cherry
 Lam, Esther
 Lau, Patrick
 Lau, Alexis
 Lau, Arthur
 Lau, NT
 Lawson, Andrew
 Leung, Elliot
 Leung, Elsa
 Leung, Rita
 Leverett, Bill
 Li, Gladys
 Li, Rita
 Li, Simon
 Liu, Su
 Loh, Christine
 Lorrimer Shanks, Jennifer
 Lu, Yunfeng

Luis, Coruche
 Luo, Roy
 Ma, Jason
 Ma, Jun
 McGhee, Sarah
 Ng, Anthony
 Ng, Simon K. W.
 Nguyen, Thanh
 Noffke, Clive
 Noraie-Kia, Neda
 Oaten, John
 Ooi, Joanne
 Pak, Mijon
 Pion, Audrey
 Pun, Peter
 Qie, Qian
 Qiu, Zhonghui
 Rainer, Timothy
 Reddy, Simon
 Riester, Cheyenne
 Roberts, Stephen
 Sadhwani, Dinesh
 Shannon, Ciara
 She, Hongyu
 Shen, Li
 Soden, Philip
 Swan, Robert
 Tao, Peng
 Tsai, Jasmine
 Uebergang, Kylie
 Wang, Xiaobei
 Wei, Keqin
 Weldon, Michele
 Wong, Chit-Ming
 Wong, Michelle
 Wong, Peter
 Woodring, Douglas

Yan, Kejia
 Yep, Ray
 Yin, Sara
 Yip, Yan-yan
 Young, Simon
 Zhang, Haibo
 Zhang, Jinglong
 Zhang, Liwei
 Zhang, Yulian
 Zhou, Liting

Individuals

Allender, Robert
 Annetta, Philip
 Au, Elvis
 Barrett, John
 Batten, John
 Belsky, Shenyu
 Bloomberg, Michael
 Bonomally, Rita
 Bowring, Arthur
 Bradshaw, Dan
 Brandler, Andrew
 Breithaupt, Manfred
 Brooke, Maggie
 Bruckner, Christine
 Callis, Richie
 Chan, Aaron
 Chan, Chak
 Chan, Cynthia
 Chan, Daisy
 Chan, David
 Chan, Erica
 Chan, Eunice
 Chan, Evette
 Chan, Grace

Chan, Imelda
 Chan, Jack
 Chan, Jazz
 Chan, Kin-man
 Chan, Man-hung
 Chan, Tony
 Chan, Wing
 Chan, Winifred
 Chan, Winnie
 Chau, Jonas
 Chau, Winnie
 Chen, Hung-yee
 Cheng, Wendy
 Cheung, Barry
 Cheung, Billy
 Cheung, Dennis
 Cheung, Freda
 Cheung, Janet
 Cheung, KaYu
 Cheung, Yan-leung
 Ching, Godwin
 Choi, Dave
 Choi, Katharine
 Choi, Sonny
 Choy, Linda
 Chu, Jamie
 Chuen, Yu
 Chung, Herman
 Coates, Gavin
 Corlett, Richard
 Danielsson, Lars
 Duckworth, Michael
 Dunn, Michael
 Edge, Sandy
 Ekander, Bo
 Ekman, Bo
 Elman, Richard

Erhlich, Craig
 Finamore, Barbara
 Fitzgerald, John
 Fleishman, Rachel
 Fong, Sherman
 Footman, Robert
 Foster, Lucy
 Frommer, Glenn
 Fu, Hua-ling
 Fung, Kenneth
 Fung, Monika
 Garnaut, Michelle
 Genasci, Lisa
 Gerlach-Hansen, Olaf
 Gibson, Robert
 Grundström, Marlene
 Guo, Peiyuan
 Guttikunda, Sarath
 Hakes, Jay
 Hall, Beth
 Han, Dongfong
 Han, Lirong
 Har, Philip
 Harris, Simon
 Haycock, Bill
 Head, Peter
 Hedley, Anthony
 Heitz, Stephen
 Ho, Chun-yan Albert
 Ho, Hui Nam
 Hong, Teresa
 Hung, Ching-tin
 Hung, Wing-Tat
 Ip, Emily
 Jewell, Emma
 Kim, Chang-Kyun
 Ko, Winne

Kolaritsch, Diane
Kong, Kathy
Koo, Benedict
Kwan, Calvin
Kwok, Angela
Kwok, Kwok Chuen
Kwong, P.Y.
Lai, Kiu-wan
Lam, Venus
Lau, Ada
Lau, Alexis
Lau, Arthur
Lau, Anthony
Lau, Chun-to
Lau, Edwin
Lau, Jane
Lau, Sophia
Lau, Vivian
Law, Justina
Law, Iris
le Clue, Sophie
Lee, Anthony
Lee, Brenda
Lee, Joseph
Lei, Chit Yuk Becky
Leung, Andrea
Leung, Cathy
Leung, Cherry
Leung, Hon Fung
Leung, Louise
Leung, Man-to
Leung, Yen
Li, Catherine
Li, Esther
Li, Pui-pui
Li, Stephanie
Littlewood, Michael
Liu, Eva
Llorca, Veronica
Lo, Sze-ping

Lobo, Nasci
Loong, Louis
Lou, Miranda
Lui, Francis
Luk, Regina
Luk, Roger
Lui, Tai-lok
Macdonald, Georgina
Mahtani, Shalini
Malhotra, Reenita
Man, Allan
McDaid, Samantha
McDuffie, Angela
McEwan, Alison
Menon, Gopinath
Meyer, Alex
Miller, David
Mok, Beatrice
Mok, Vivian
Morse, Rick
Munk, Jens
Ng, June
Ng, Margaret
Ngan, Queenie
Nissim, Roger
Oosthuizen, Edward
Oswin, Joanne
Pak, Mijon
Pang, Joe
Pang, Michael
Pearse, Merrin
Pearson, James
Pion, Audrey
Plumbridge, Glen
Pong, Yuen-yee
Poon, Lawrence
Poon, Vera
Powell, Simon
Pozon, Ina
Putnam, Martin

Quinton, Jenny
Ramsay, Susan
Reddy, Simon
Rogers, Geoffrey
Sadoway, David
Salkeld, Kim
Salter, Liam
Seaton, Andrew
Segerblom, Bjorn
Shum, Carmen
Sieh, Mabel
Smith, Tim
So, Ivan
Soden, Phil
Suen, Eddie
Sze, Alvin
Szeto, Anna
Tam, Anita
Tam, Iris
Tan, Jowyn
Tanaka, Masami
Tang, Janet
Tang, Karen
Tang, Sophie
Taylor, Ellen
Ting, Jessica
Tong, Billy
Tong, Christina
Touzard, Catherine
Tsang, Bonnie
Tsang, Connie
Tsang, Mary
Tsui, Laurel
Wah, Petal
Wang, Clarissa
Wong, Alex
Wong, Anissa
Wong, Anthony
Wong, David
Wong, Eva

Wong, Kathleen
Wong, Leona
Wong, Leonard
Wong, May
Wong, Sylvester
Wong, Tracy
Wong, T.W.
Wong, Vincent
Wong, Wai-lun, Max
Woo, Michael
Xu, Steve
Yau, Edward
Yau, Lawrence
Yeung, Charlotte
Yeung, Sam
Yim, Amy
Yim, Ivy
Young, Stephen
Yu, William
Yu, Gino
Yue, Judy
Yuen, Edmond
Zimmerman, Paul

Organisations (2009–2010)

2041

American Institute of Architects—Hong Kong Chapter
Business Environment Council
C40 Climate Leadership Group
CAI-Asia
Canadian International School
Cathay Pacific
China Green Building Council (Hong Kong)
Chinadialogue
City University of Hong Kong
Climate Change Business Forum
Clinton Climate Initiative
Commercial Radio Interactive
Computancy Ltd.
Council for Sustainable Development
Crown Motors (Toyota)
Dept of Community Medicine, HKU
Eco Vision Asia
Electric Vehicle Association of Asia Pacific
Environment Bureau
Environmental Campaign Committee
Environmental Protection Department
European Union Business Information Programme/
European Chamber of Commerce
Financial Times
Fu Tak lam Foundation
Hong Kong Airport Authority
Hong Kong Association of Energy Engineers
Hong Kong Baptist University
Hong Kong Economic Times
Hong Kong Green Building Council
Hong Kong Institute of Urban Design
Hong Kong Liner Shipping Association
Hong Kong Meteorological Society
Hong Kong Productivity Council
Hong Kong Policy Research Institute
Hong Kong Science & Technology Parks
Hong Kong Shipowners' Association
Hong Kong Thoracic Society

Hong Kong Transition Project
Hong Kong University Press
Hongkong Electric
Institute for the Environment, HKUST
IS Department Ltd.
Jane Goodall Institute, Hong Kong
Javacatz Limited
Lingnan University
Millepede Foundation
MTR Corporation
Research Centre for Urban Environmental Technology
& Management, Hong Kong Polytechnic University
School of Public Health & Primary Care, CUHK
South China Morning Post
South Island School, ESF
Sum Kee Book Store
Swire Properties
SynergyNet
Tällberg Foundation
Tencent (QQ.com)
The Chinese University of Hong Kong
The Climate Group
The Hong Kong Academy for Performing Arts
The Hong Kong Institute of Architects
The Hong Kong Institute of Education
The Hong Kong Institute of Engineers
The Hong Kong Institute of Landscape Architects
The Hong Kong Institute of Surveyors
The Hong Kong Polytechnic University
The Hong Kong University of Science and Technology
The Law Society of Hong Kong
The Link Real Estate Investment Trust
The Open University of Hong Kong
The Real Estate Developers Association of Hong Kong
The University of Hong Kong
The Vocational Training Council (includes Hong Kong
Institute of Vocational Education)
TriHK (Hong Kong Triathletes)

Project Funders

Organisations

ADM Capital Foundation Limited
Bowen Capital Management Limited
The British Council
CLP Holdings Ltd
CLSA Limited
Environment and Conservation Fund
ExxonMobil Hong Kong Limited
The Hong Kong Jockey Club Charities Trust
The Hong Kong University of Science and Technology
ICAP (Hong Kong) Ltd
JP Morgan Chase Bank
Millepede Foundation
M at the Fringe
Noble Group Limited
Plowshares Institute
PwC Charitable Foundation
The Real Estate Developers Association of Hong Kong
Rockefeller Brothers Fund Inc.
Royal Sweden Hong Kong Society
Urban Renewal Authority

Individuals

Chu, Winston
d'Auriol, Sandra
Lee, Chien
Long, Frederick and Marcy
Ng, Anthony
Reina Louise, Chau
Reina Louise, Tom
Shaw, Markus
Thompson, Peter and Nancy

CIVIC EXCHANGE

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 2010**

CIVIC EXCHANGE
(Incorporated in Hong Kong and limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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Statement of cash flows	5
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CIVIC EXCHANGE

DIRECTORS' REPORT

Page 1

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 30 September 2010.

FINANCIAL STATEMENTS

The results for the year are set out in the statement of income and general fund on page 3.

The state of affairs of the company at 30 September 2010 is set out in the statement of financial position on page 4.

The cash flows of the company for the year are set out in the statement of cash flows on page 5.

PRINCIPAL ACTIVITIES

The principal activities of the company are to promote civic education, public awareness and participation in governance and to undertake research and development of economic, social and political policies.

There have been no significant changes in the nature of these activities during the year.

PROPERTY, PLANT AND EQUIPMENT

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

DIRECTORS

The directors during the year and up to the date of this report were:

Chu Ka Sun, Winston
Stephen James Brown
Gladys Veronica Li
Peter James Thompson
Ng Sung Man, Anthony

In accordance with the company's Articles of Association, one-third of the directors retire at the forthcoming Annual General Meeting and, being eligible, are available for re-election.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance, to which the company, its fellow subsidiaries or its holding company was a party and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

AUDITORS

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chu Ka Sun, Winston
Chairman

25 FEB 2011

William Po & CO.

Certified Public Accountants
蒲錦文會計師事務所

Page 2

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIVIC EXCHANGE (Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Civic Exchange set out on pages 3 to 11, which comprise the statement of financial position as at 30 September 2010, and the statement of income and general fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

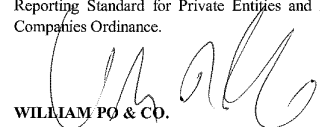
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



WILLIAM PO & CO.
Certified Public Accountants

Hong Kong, 25 FEB 2011

CIVIC EXCHANGE

STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 30 SEPTEMBER 2010

Page 3

	Notes	2010 HK\$	2009 HK\$
Income			
Project donations	4	12,036,530	5,534,458
General donations		43,200	71,649
Miscellaneous income		2,612	6,693
Service income		7,209	848
Sub-letting income		25,760	6,000
		12,115,311	5,619,648
Less: Expenditure			
Accounting fees		37,000	45,000
Audit fees		17,500	16,500
Bank charges		610	1,460
Company secretarial fee		3,705	3,705
Computer costs		7,432	9,164
Consultant fees		289,082	123,500
Courier and postage		9,293	2,962
Depreciation		43,672	43,561
Insurance		1,394	1,900
Internet charges		8,122	8,257
Mandatory provident fund		30,550	19,850
Membership fees		45,470	32,300
Office supply		25,203	27,911
Photography		1,600	-
Printing and stationery		23,630	29,741
Repairs and maintenance		55,804	57,012
Research project expenses		3,987	186,246
Utilities		16,247	16,077
Project costs	5	11,403,313	4,701,231
Government rates		5,138	1,875
Rent		264,000	223,238
Salaries		94,700	170,550
Sundry expenses		458	10,302
Telecommunication expenses		7,235	5,787
Translation fees		12,263	1,389
Travelling expenses		18,120	19,435
Website Expenses		38,199	7,200
		12,463,727	5,766,153
Deficit for the year		(348,416)	(146,505)
General Fund brought forward		741,949	888,454
General fund carried		393,533	741,949

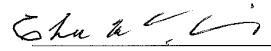
CIVIC EXCHANGE

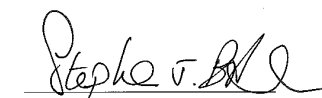
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

Page 4

	Notes	2010 HK\$	2009 HK\$
Non-current assets			
Property, plant and equipment	9	77,099	103,164
Current assets			
Account receivables		242,967	369,518
Prepayment and other receivables	10	387,551	88,884
Cash and bank balances		3,471,290	2,272,714
		4,101,808	2,731,116
Current liabilities			
Account payables		133,443	103,472
Accruals and other payables	11	3,651,931	1,988,859
		3,785,374	2,092,331
Net current assets		316,434	638,785
Total assets		393,533	741,949
Funds			
General fund		393,533	741,949

Approved by:


 Chu Ka Sun, Winston
 Director


 Stephen James Brown
 Director

The notes on pages 6 to 11 form an integral part of these financial statements.

CIVIC EXCHANGE

Page 5

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 HK\$	2009 HK\$
Operating activities			
Cash generated from operations	12	1,216,183	22,172
Investing activities			
Purchase of property, plant and equipment		(17,607)	(49,689)
Increase/(decrease) in cash and cash equivalents		1,198,576	(27,517)
Cash and cash equivalents		2,272,714	2,300,231
Cash and cash equivalents at the end of the year		3,471,290	2,272,714
Analysis of cash and cash equivalents			
Cash and bank balances		3,471,290	2,272,714

CIVIC EXCHANGE

Page 6

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**1 COMPANY LIMITED BY GUARANTEE**

The company is incorporated in Hong Kong under the Companies Ordinance as a company with limited liability. The Company's registered office is located at Room 701, Hoseinee House, 69 Wyndham Street, Central, Hong Kong. The principal activities of the company are to promote civic education, public awareness and participation in governance and to undertake research and development of economic, social and political policies. Under the provision of its Memorandum and Articles of Association, every member shall, in the event of the company being wound up, contribute such amount as many be required to meet the liabilities of the company but not exceeding the sum of HK\$100 each.

2 PRINCIPAL ACCOUNTING POLICIES**(a) Basis of preparation**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(b) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment

Office	equipment
20%	
Furniture	and
20%	fixtures

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

(c) Impairment of non-financial assets

At each reporting date, property, plant equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(d) Operating leases

Leases where substantially all of the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of income and general as incurred over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

2 PRINCIPAL ACCOUNTING POLICIES (cont'd)

(e) Foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the year end date. Exchange gains and losses are recognised in statement of income and general fund.

(f) Recognition of revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when revenue can be measured reliably, on the following bases:

- * Donations are recognised when the right to receive payment is established.
- * On the rendering of services, based on the stage of completion of the transaction, provided that this and the costs incurred as well as the estimated costs to completion can be measured reliably. The stage of completion of a transaction associated with the rendering of services is established by reference to the costs incurred to date as compared to the total costs that would be incurred under the transaction.

(g) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the company of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the company. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) The company operates a Mandatory Provident Fund scheme ("MPF Scheme") for the employees. Contributions are made based on a percentage of the employee's basic salaries and are charged to the statement of income and general fund as they become payable. The assets of the MPF Scheme are held in an independently administered fund. The Company's contributions vest fully with the employees when contributed into the MPF Scheme.

(h) Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

(i) Cash and equivalents

Cash and cash equivalents includes cash on hand and demand deposits with original maturities of three months or less.

(j) Payables

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

3 TRANSACTION TO THE HKFRS FOR PRIVATE ENTITIES

The company's final statements for the year ended 30 September 2010 are its first annual financial statements prepared under accounting policies that comply with HKFRS for Private Entities. The company applied full Hong Kong Financial Reporting Standards (HKFRSs) to prepare its financial statements prior to the application of the HKFRS for Private Entities.

The company's date of transaction is 1 October 2008 and the company prepared its opening statement of financial position in compliance with the HKFRS for Private Entities at that date.

There are no material differences between the financial statements prepared under the HKFRS for Private Entities and that under the full HKFRSs.

4 PROJECT DONATIONS

	2010 HK\$	2009 HK\$
Air – Air Projects 2010	3,157	-
Air – Clean Air Network	3,691,177	4,86,261
Air – Climate Change Asia 2008	-	361,411
Air – Climate Change Dialogue 2010	3,431,901	-
Air – Climate Change Dialogue 2010 (CLP Sponsorship)	156,215	-
Air – Policy 2007-08	-	142,201
Air – Policy 2008-09	131,051	2,255
Air – Fu Tak Iam Foundation Grant	127,015	273,774
Green Harbours I (Millipede Foundation Grant)	-	72,470
Green Harbours II (Millipede Foundation Grant)	420,320	52,881
Air – Hong Kong Jockey Club Charities Trust Air Conference	11,824	1,791,112
Air – Hong Kong Jockey Club Charities Trust Transport Conference	847,987	410,252
Air – LNG Project	-	146,298
Air – ADM Capital Foundation 2008 Grant	-	197,492
Air – ADM Capital Foundation 2009 Grant	448,829	223,917
Air – ADM Capital Foundation 2010 Grant	366,338	-
Air – PRD Air Emissions (Rockefeller Brothers Fund Grant)	1,174,149	-
Budgetary Project	-	305,000
Capacity Building in China	243,370	146,159
CLSA Asian Water Project	194,470	-
CLSA Research	-	60,000
Conservation Policy 2010	45,953	-
Constitution Building	22,986	-
Democracy – National Democratic Institute for International Affairs 2008	-	31,587
Democracy- National Endowment for Democracy 2008	-	55,720
HKSAR School Outreach	10,000	8,000
Migrant Womens' Project	39,000	90,000
One-day Programmes	289,617	302,434
Parking Policy in Asian Cities	11,638	-
Sustainable Planning – Designing Hong Kong / Harbour Planning	-	79,595
Sustainable Planning – Sustainable Built Environment (REDA)	120,00	-
Urban Renewal Authority – Urban Strategy Review	-	50,686
Water Project 2009	249,533	244,953
Total for the Year	12,036,530	5,534,458

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2010

5 PROJECT COSTS

	2010 HK\$	2009 HK\$
Accounting fee	11,000	3,000
Advertising	26,121	16,057
Bank charges	5,592	6,877
Computer costs	11,660	-
Conference expenses	209,336	277,782
Courier and postage	4,222	30,520
Grants	5,333,666	459,511
Internet charges	2,310	506
Membership fee	10,144	6,150
Office supplies	9,259	5,598
Printing and stationery	105,821	141,547
Prize expenses	155,915	-
Professional and legal fee	3,000	4,010
Project management and research fees	4,751,524	2,890,687
Rent	-	18,629
Salaries	221,500	43,000
Sundry expenses	1,200	1,009
Telecommunication expenses	274	771
Translation fees	110,420	64,588
Travelling expenses	428,439	703,981
Utilities	-	1,679
Website expenses	1,910	25,329
Total for the year	11,403,313	4,701,231

6 EMPLOYEE BENEFIT EXPENSE

The Company has employee benefit expenses included in various expenditure. Details are as follows:

	2010 HK\$	2009 HK\$
Expenditure other than project costs	125,250	190,400
Salaries – project costs	221,500	43,000
	346,750	233,400

Analysis of the employee benefit expenses is as follows:

	2010 HK\$	2009 HK\$
Salaries	316,200	213,550
Mandatory fund contribution	30,550	19,850
	346,750	233,400

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2010

7 DIRECTORS' EMOLUMENTS

During the years ended 30 September 2009 and 30 September 2010, no amounts have been paid in respect of directors' emoluments, directors' pensions or past directors' or for any compensation to directors or past directors in respect of loss of office.

8 TAXATION

No provision for Hong Kong profits tax is made in the financial statements as the company is approved charitable institution, and has obtained exemption from Hong Kong profits tax.

9 PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK\$	Furniture and fixtures HK\$	Total HK\$
Cost:			
At 1 October 2009	128,689	141,626	270,315
Additions	7,607	10,00	17,607
At 30 September 2010	136,296	151,626	287,922
Accumulated depreciation:			
At 1 October 2009	76,126	91,025	167,151
Charge for the year	21,182	22,490	43,672
At 30 September 2010	97,308	113,515	210,823
Net book value			
At September 2010	38,988	38,111	77,099
At 30 September 2009	52,563	50,601	103,164

10 PREPAYMENTS AND OTHER RECEIVABLES

	2010 HK\$	2009 HK\$
Deposit	47,500	47,500
Prepayments	340,051	41,384
	387,551	88,884

11 ACCRUALS AND OTHER PAYABLES

	2010 HK\$	2009 HK\$
Deposit	47,500	47,500
Prepayments	340,051	41,384
	387,551	88,884

12 CASH GENERATED FROM OPERATIONS

Reconciliation of deficit for the year to cash generated from operations:

	2010 HK\$	2009 HK\$
Deficit for the year	(348,416)	(146,505)
Adjustment for:		
Depreciation of property, plant and equipment	43,672	43,561
Operating cash flows before changes in working capital	(304,744)	(102,944)
Decrease in accounts receivables	126,551	272,268
Increase in prepayments and other receivables	(298,667)	(374)
Increase/(decrease) in accounts payables	29,971	(86,910)
Increase/(decrease) in accruals and other payables	1,663,072	(59,868)
Cash generated from operations	1,216,183	22,172

13 OPERATING LEASE COMMITMENTS

At the year end date, the company had commitments for future minimum lease payment under noncancellable operating leases which fall due as follows:

	2010 HK\$	2009 HK\$
Within one year	132,000	264,000
In the second to fifth years, inclusive	-	132,000
	132,000	396,000

14 RELATED PARTY TRANSACTIONS

During the year, the company undertook the following transactions with a related party in the normal course of its business:

	2010 HK\$	2009 HK\$
Grants to Clean Air Network Limited	3,533,666	-

15 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on 25 FEB 2011 .



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www.civic-exchange.org