

Environment and Conservation Fund

Trustee Report 2024-2025

For Presentation to the Legislative Council

on 15 October 2025

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Report by the Trustee on the Administration of the Environment and Conservation Fund

This report covers the financial year ending 31 March 2025.

Environment and Conservation Fund

2. In the 1993 Policy Address to the Legislative Council, the then Governor proposed to set up the Environment and Conservation Fund (“ECF”) for funding educational and research projects in relation to environmental and conservation matters.

3. The Environment and Conservation Fund Ordinance (“the Ordinance”), which established the ECF, was enacted in June 1994. With an initial capital injection of \$50 million approved by the Finance Committee of the Legislative Council, the ECF came into operation in August 1994. In 1998, 2002, 2006, 2008 and 2011, the Finance Committee further approved injections of \$50 million, \$100 million, \$35 million, \$1,000 million and \$500 million respectively.

4. As a long-term commitment to environmental protection and conservation, the Government obtained the approval of the Finance Committee on 14 June 2013 for a capital injection of \$5,000 million into the ECF, which served as seed money to generate annual investment returns to support community-initiated green and educational projects and activities. This seed money was placed with the Hong Kong Monetary Authority for earning an investment return that is linked to the performance of the Hong Kong Exchange Fund.

Trustee

5. Section 5 of the Ordinance provides for the Secretary for Environment and Ecology to act as the trustee of the ECF.

ECF Committee and vetting of applications

6. The ECF Committee, established in accordance with section 7 of the Ordinance, is to advise the trustee on the use of the ECF for the purposes of funding educational, research and other project proposals and activities in relation to environmental and conservation matters. The Committee consists of a chairman and not more than eight non-official members appointed by the Chief Executive for a term of two years, and four ex-officio members. The membership list is on page 6.

7. The ECF Committee has set up the following vetting subcommittees, which comprise ECF Committee members and co-opted members, for its major funding schemes:

- (i) Research and Development Projects Vetting Subcommittee (formerly known as Research Projects Vetting Subcommittee) – It is responsible for vetting applications under the research and development projects funding scheme. The membership list is on page 7.
- (ii) Practice and Action Projects Vetting Subcommittee (formerly known as Waste Reduction Projects Vetting Subcommittee) – It is responsible for vetting applications under the practice and action projects funding scheme. The membership list is on page 8.
- (iii) Publicity and Education Projects Vetting Subcommittee (formerly known as Environmental Education and Community Action Projects Vetting Subcommittee) – It is responsible for vetting applications under the publicity and education projects funding scheme. The membership list is on page 9.

Vetting subcommittees are responsible for vetting all applications and submitting funding recommendations to the ECF Committee for decision.

8. The ECF Committee has set up the 30th Anniversary Events Subcommittee in June 2023 to organise activities in connection with the promotion of the ECF during the 30th anniversary of the establishment of the ECF. The membership list is on page 10.

9. The ECF Investment Committee has been set up to set policies for investment and monitor the investment of the ECF. The membership list is on page 11.

10. The Environment and Ecology Bureau collectively provides secretariat support required by the ECF Committee, its Research and Development Projects Vetting Subcommittee, Practice and Action Projects Vetting Subcommittee, Publicity and Education Projects Vetting Subcommittee and 30th Anniversary Events Subcommittee, and the ECF Investment Committee.

Criteria for vetting applications

11. Applications from local non-profit making organisations and community groups are considered for funding support. Since 2014, application invitations under each funding scheme would be called at scheduled intervals, so that the received applications could be considered on a competition basis on account of their merits.

12. In general, an application to be considered for funding support should fulfill the following requirements:

- (i) the project must help enhance the overall environmental quality of Hong Kong, raise environmental awareness of the local community, promote public participation in green and low-carbon living, and assist the Government in protecting the environment through their actions;
- (ii) the benefits of the project must accrue to the local community as a whole, and not just to individuals, a private organisation or a group; and
- (iii) the project must be non-profit making in nature.

13. On top of the above basic requirements, there is a set of vetting criteria for each funding scheme, which were developed on the basis of the nature of projects involved, as well as the outcomes and deliverables expected to be derived from these projects. The vetting subcommittees assess applications based on the relevant vetting criteria, which also take into account the past performance of applicants in implementing ECF-funded projects, where appropriate, and select the best applications for full or partial funding support. Details of the vetting criteria are set out in the Guide to Application for the respective funding schemes, which are public documents available at the ECF website at <https://www.ecf.gov.hk/en>.

Approved applications

14. From 1 April 2024 to 31 March 2025, a total of 736 applications were vetted. The results are as follows:

(i)	applications approved	130
(ii)	applications not approved	557
(iii)	invalid applications	49
Total:		736

15. The total amount of approved grants for the 130 approved applications was about \$129 million. Under a collaboration with the Woo Wheelock Green Fund (“WWGF”), WWGF would provide matching fund for research projects that meet its funding objective. From 1 April 2024 to 31 March 2025, one research and development project was jointly funded by the WWGF with a grant of \$250,000.

16. During the financial year 2024-2025, the ECF Committee also granted about \$103 million to the Environmental Campaign Committee for organising environmental education projects and publicity campaigns.

17. A list of the approved projects is on pages 12 to 22.

Accounts

18. The report of the Director of Audit, the balance sheet, income and expenditure account, statement of changes in equity and statement of cash flows for the period between 1 April 2024 and 31 March 2025 are on pages 23 to 36.

TSE Chin-wan
Secretary for Environment and Ecology
The Trustee of the Environment and Conservation Fund

2 October 2025

Environment and Conservation Fund Committee

Membership List

(1 April 2024 - 31 March 2025)

Dr CHENG Kam-chung, Eric, SBS, MH, OStJ, JP (Chairman)

Ms CHAN Yuen-sau, Kelly, JP (from 16 October 2024)

Professor FUNG Chi-hung, Jimmy (up to 15 October 2024)

Ms HO Pui-suen, Judy

Dr IP Chung-man, Tony, MH

Ms KWOK May-han, Grace (up to 15 October 2024 and from 1 January 2025)

Mr LAM Tsz-kai, Charles

Dr LEUNG Sai-man, Sigmund, BBS, JP (from 16 October 2024)

Professor TAM Fung-yee, Nora, BBS, JP

Professor WONG Kit-lung, Simon, BBS, JP (up to 31 December 2024)

Ir Professor WONG Sze-chun, BBS, JP

Secretary for Environment and Ecology, or his representative

Permanent Secretary for Education, or his representative

Director of Agriculture, Fisheries and Conservation, or his representative

Director of Environmental Protection, or his representative

Environment and Conservation Fund Committee

Research and Development Projects Vetting Subcommittee

(formerly known as Research Projects Vetting Subcommittee)

Membership List

(1 April 2024 - 31 March 2025)

Professor FUNG Chi-hung, Jimmy (Chairman)	(up to 15 October 2024)
Dr LEUNG Sai-man, Sigmund, BBS, JP (Chairman)	(from 23 October 2024)
Mr CHEUNG Ki-tang, Jack, MH	(from 23 October 2024)
Ms CHOW Ming, Alice	(from 23 October 2024)
Mr CHU Man-yin Arthur Newton	
Mr CHUK Hau-chung, Howard	(from 23 October 2024)
Mr HUNG Wing-yip, Howard, MH	(from 23 October 2024)
Dr KWOK Chung-yee, Fiona	
Professor LEE Kwan-hon, Patrick	(up to 15 October 2024)
Dr LEUNG Chi-kin, Randolph	
Mr LO Kwok-leung, Daniel	
Professor TAM Fung-yee, Nora, BBS, JP	(from 18 March 2025)
Dr PUN Chun-shing, Jason	(up to 15 October 2024)
Professor WONG Kam-bo	(up to 15 October 2024)
Ir WONG Siu-wai, Kenny	
Ir YEE Kwong-fai	(from 23 October 2024)
Representative from Agriculture, Fisheries and Conservation Department	
Representative from Environmental Protection Department	

Environment and Conservation Fund Committee

Practice and Action Projects Vetting Subcommittee

(formerly known as Waste Reduction Projects Vetting Subcommittee)

Membership List

(1 April 2024 - 31 March 2025)

Ir Professor WONG Sze-chun, BBS, JP (Chairman)

Mr CHAN Kin-yip

Ir Dr CHAN Wing-hong, Cary, MH, JP (up to 15 October 2024)

Ms CHAN Yuen-sau, Kelly, JP (from 18 March 2025)

Mr CHAU Cheuk-yin, Nathan, MH

Mr CHEUNG Lap-yan, Ian (from 23 October 2024)

Ms HO Pui-suen, Judy (from 18 March 2025)

Sr KAM Siu-lam, Angel

Mr LAM Tak-shing, MH

Mr Jhonny LEUNG Huang (up to 15 October 2024)

Dr LEUNG Sai-man, Sigmund, BBS, JP (from 18 March 2025)

Ms LIU Ling-ling, Samantha, MH

Ir LOK Ka-ming, Kenny (from 23 October 2024)

Mr TONG Chun-kit, Jonathan (up to 15 October 2024)

Mr WU Ka-ming, Ryan (from 23 October 2024)

Mr YAN Wai-kiu, Mickey, MH, JP (up to 15 October 2024)

Representative from Environmental Protection Department

Environment and Conservation Fund Committee

Publicity and Education Projects Vetting Subcommittee

**(formerly known as Environmental Education and Community Action
Projects Vetting Subcommittee)**

Membership List

(1 April 2024 - 31 March 2025)

Dr IP Chung-man, Tony, MH (Chairman)

Mr CHAN Ka-lok, Jason (up to 15 October 2024)

Mr CHU Wun-chiu, Henry

Ms KWOK May-han, Grace (from 18 March 2025)

Ms LAU Wing-fung, Jen

Dr LEUNG Sai-man, Sigmund, BBS, JP (from 18 March 2025)

Ms MAN Sze-wing, Jessica, MH (up to 15 October 2024)

Dr PUN Chun-shing, Jason (from 23 October 2024)

Mr QUAN Wing-yeung, Marwick (from 23 October 2024)

Mr SIN Kar-wah, Matthew (up to 15 October 2024)

Ms SO Pui-man, Maria (up to 15 October 2024)

Ms WONG Lai-mei, Josephine

Representative from Education Bureau

Representative from Environmental Protection Department

Environment and Conservation Fund Committee

30th Anniversary Events Subcommittee

Membership List

(1 April 2024 - 15 October 2024)

Ms KWOK May-han, Grace (Chairman)

Ir Dr CHAN Wing-hong, Cary, MH, JP

Dr IP Chung-man, Tony, MH

Ms LI Chun-chau, Jenny

Ms LIU Ling-ling, Samantha, MH

Representative from Environmental Protection Department

Secretary, Environment and Conservation Fund Committee

Environment and Conservation Fund

Investment Committee

Membership List

(1 April 2024 - 31 March 2025)

Permanent Secretary for Environment and Ecology (Environment) (Chairman)

Ms CHAN Yuen-sau, Kelly, JP (from 16 October 2024)

Mr CHAU Cheuk-yin, Nathan, MH (up to 15 October 2024)

Dr CHENG Kam-chung, Eric, SBS, MH, OStJ, JP

Mr SIU Tin-hung, Terence (from 16 October 2024)

Ms TAM Hing-lui, Becky (up to 15 October 2024)

Ms WONG Mei-chun, Phoebe

Mr WOO Chun-kuen, Douglas, BBS, JP (up to 15 October 2024)

Commissioner for Climate Change, Environment and Ecology Bureau

**List of Approved Projects under
the Environment and Conservation Fund
(1 April 2024 - 31 March 2025)**

Research and Development Projects (formerly known as Environmental Research, Technology Demonstration and Conference Projects)

	Recipient Organisation	Project Title	Approved Grant
1.	City University of Hong Kong	Environment and Conservation Fund Camel-Fur-Inspired Graphite-Based Hygroscopic Membrane for Passive Building Cooling: A Route to Net Zero Emissions	\$500,000.00
2.	City University of Hong Kong	Environment and Conservation Fund Establishing a Long-Term Air Quality Health Index through Localised Scientific Evidence in Hong Kong	\$2,012,560.00
3.	City University of Hong Kong	Environment and Conservation Fund Evaluating Trophodynamic Impacts of Halogenated Flame Retardants and Their Metabolites as New Pollutants in Resident Cetaceans and Their Preys	\$499,000.00
4.	City University of Hong Kong	Environment and Conservation Fund The Third International Conferences on Biodiversity, Ecology and Conservation of Marine Ecosystems (BECOME-2025)	\$499,600.00
5.	City University of Hong Kong	Environment and Conservation Fund Unravelling the Fish Diversity Dynamics in Four Marine Parks Following Commercial Fishing Ban: A Comprehensive Spatiotemporal Study Using Environmental DNA Methods	\$499,500.00
6.	Hong Kong Baptist University	Environment and Conservation Fund Accelerating Food-Waste Digestate Maturation through Microbiome Analysis and De-Novo Process Optimization	\$446,000.00
7.	Hong Kong Baptist University	Environment and Conservation Fund Restoration of Degraded Coral Communities by Outplanting: An Assessment of Attachment Method, Urchin Erosion, and Water Quality	\$1,188,000.00
8.	Institute of Sustainability and Technology	Environment and Conservation Fund One Earth Innovation Forum Research	\$1,000,000.00
9.	Lingnan University	Environment and Conservation Fund An Overlooked Soft Spot: Uncovering the Illegal Trade of Live Softshell Turtles and Calipees	\$476,500.00

	Recipient Organisation	Project Title	Approved Grant
10.	Lingnan University	Environment and Conservation Fund Integration of Environmental DNA Technique into Wildlife Monitoring and Management of Mai Po Nature Reserve	\$484,000.00
11.	Lingnan University	Environment and Conservation Fund Using Genome Skimming to Uncover the Hidden Genetic Diversity of Hong Kong's Rocky Shores	\$973,680.00
12.	Ocean Park Corporation Zoological Operations and Conservation	Environment and Conservation Fund From Ex-Situ to In-Situ: Enhancing Adaptive Ex-Situ Conservation for Translocation of Freshwater Turtles into Wild	\$964,000.00
13.	The Chinese University of Hong Kong	Environment and Conservation Fund Large Heat Storage Thermo- Responsive Smart Window	\$500,000.00 *
14.	The Chinese University of Hong Kong	Environment and Conservation Fund Sustainable Food Packaging Revolution: Bacterial Cellulose Production through Carbon Capture by Algae	\$1,505,760.00
15.	The Hong Kong Polytechnic University	Environment and Conservation Fund A Novel Acoustic Metagrating Barrier for Traffic Noise Reduction	\$760,592.00
16.	The Hong Kong Polytechnic University	Environment and Conservation Fund Designing a Prototype for Simultaneous Solar Desalination and Hydrogen Production	\$500,000.00
17.	The Hong Kong Polytechnic University	Environment and Conservation Fund Developing Modular Engineered Bamboo Hoarding Structures for Carbon-Neutral Construction	\$1,239,200.00
18.	The Hong Kong Polytechnic University	Environment and Conservation Fund From Emissions to Resources: Electrochemical Conversion of Carbon Dioxide into Sustainable Methanol	\$499,225.00
19.	The Hong Kong Polytechnic University	Environment and Conservation Fund From Simulation to Reality: A Real- Time Platform for Operational Carbon Monitoring in Modular Integrated Construction	\$499,000.00
20.	The Hong Kong Polytechnic University	Environment and Conservation Fund Integrating Close-Proximity Sound Power Measurement and Numerical Propagator Technologies for Realistic Prediction and Assessment of Tyre/Road Noise Nuisance in Hong Kong Urban Environment	\$1,060,140.00

	Recipient Organisation	Project Title	Approved Grant
21.	The Hong Kong Polytechnic University	Environment and Conservation Fund Investigating Atmospheric Oxidation Capacity of Hong Kong: Measurement and Modelling of Hydroxyl Radicals, Hydroperoxyl Radicals, and Hydroxyl Radicals Reactivity	\$1,469,500.00
22.	The Hong Kong Polytechnic University	Environment and Conservation Fund Sonic Metagrating Barrier for Broadband Sound Absorption and Wave Manipulation	\$472,000.00
23.	The Hong Kong Polytechnic University	Environment and Conservation Fund Unravelling the Complexities of Secondary Organic Aerosols Formation in Hong Kong's High-Vehicle Environment	\$487,800.00
24.	The Hong Kong University of Science and Technology	Environment and Conservation Fund Advanced Nanobubble Aeration Technology to Improve Sewage Treatment Efficiency and Reduce Energy Consumption	\$356,200.00
25.	The Hong Kong University of Science and Technology	Environment and Conservation Fund Advancing Shipping Pollution Monitoring and Emission Estimates Over Coastal Waters of the Greater Bay Area: A Satellite-Based Remote Sensing Approach	\$499,980.00
26.	The Hong Kong University of Science and Technology	Environment and Conservation Fund Designing Efficient Polyethylene terephthalate Waste Bio-Upcycling Strategies in Hong Kong Using Artificial Intelligence-Assisted Protein Topology Engineering	\$460,000.00
27.	The Hong Kong University of Science and Technology	Environment and Conservation Fund Development of an Ultra-Portable Methane Monitoring System and Its Mobile Application for Ground-Based Measurement to Identify Hotspots from Mobile Emission Sources in Hong Kong	\$497,000.00
28.	The Hong Kong University of Science and Technology	Environment and Conservation Fund Evaluating Air Pollutant Emissions in the Greater Bay Area of China Using New-Generation Geostationary Satellite Measurements and Machine Learning	\$499,500.00
29.	The Hong Kong University of Science and Technology	Environment and Conservation Fund Genetic Engineering and Large-Scale Cultivation of Cyanobacteria for Industrial Biofuel Production - A Novel Route towards Renewable Energy and Carbon Neutrality	\$964,000.00

	Recipient Organisation	Project Title	Approved Grant
30.	The Hong Kong University of Science and Technology	Environment and Conservation Fund Plastic Recycling to Produce Hydrogen and Carbon Nanotubes	\$1,272,000.00
31.	The Hong Kong University of Science and Technology	Environment and Conservation Fund The 9th Convection-Permitting Climate Modeling Workshop 2025	\$342,400.00
32.	The University of Hong Kong	Environment and Conservation Fund Constructing the First DNA Barcode Reference Library of Hong Kong Moths	\$1,318,639.00
33.	The University of Hong Kong	Environment and Conservation Fund Development of a Cost-Effective Sensor for Rapid Pb ²⁺ Monitoring in Water Utilising Clock Reaction Technology	\$500,000.00
34.	The University of Hong Kong	Environment and Conservation Fund Expansion Dynamics and Ecological Impacts of the Invasive Saltmarsh <i>Spartina Alterniflora</i> in Hong Kong: Management Implications for Biodiversity and Ecosystem Functioning of Coastal Wetlands	\$659,200.00
35.	The University of Hong Kong	Environment and Conservation Fund For Species Identification of Ahermatypic Scleractinian Corals in Hong Kong Waters	\$486,000.00
36.	The University of Hong Kong	Environment and Conservation Fund Intelligent Structural Design Optimisation of Steel-Concrete Composite Modular Integrated Construction Buildings for Reducing Carbon Emission and Energy Consumption Considering Climate Change	\$362,270.00
37.	The University of Hong Kong	Environment and Conservation Fund Isotopic Methods for Protecting Incense Trees (<i>Aquilaria sinensis</i>) in Hong Kong SAR	\$1,513,280.00
38.	The University of Hong Kong	Environment and Conservation Fund Low-Carbon Multi-Functional Compressed Stabilized Earth Bricks Made from Hong Kong Marine Deposits, Recycled Tire Rubber and Waste Ash	\$392,000.00
39.	The University of Hong Kong	Environment and Conservation Fund Materials Development for Liquid Hydrogen Storage Systems with Reduced Boil-Off Rate	\$398,000.00

	Recipient Organisation	Project Title	Approved Grant
40.	The University of Hong Kong	Environment and Conservation Fund Unveiling the Hidden Threats in the Global Fish Maw Trade: A Baseline for Species Protection and Regulation	\$469,000.00
Subtotal (I) :			\$29,525,526.00

* Jointly funded by the Environment and Conservation Fund and the Woo Wheelock Green Fund on an equal share basis.

Practice and Action Projects (formerly known as Community Waste Reduction Projects)

	Recipient Organisation	Project Title	Approved Grant
41.	Business Environment Council Limited	Environment and Conservation Fund BEC Beverage Bottles & Cartons: Return to Renew	\$3,449,268.00
42.	Dashun Foundation	Environment and Conservation Fund Food Waste Reborn: Food TranSmarter Recycling Scheme	\$5,787,474.00
43.	Dream Companion Association Limited	Environment and Conservation Fund Cities and Countryside Unite: Reduce Waste, Embrace Nature!	\$2,329,687.56
44.	Eco City Foundation Limited	Environment and Conservation Fund Source Separation Initiative for Beverage Carton and Plastic Bottle Recycling	\$1,894,214.20
45.	Food Commons Foundation Limited	Environment and Conservation Fund Food Commons@Shatin	\$2,001,956.00
46.	Food For Good Limited	Environment and Conservation Fund Save and Share, Reduce to Produce (New Territories West)	\$1,292,770.00
47.	Green Council	Environment and Conservation Fund Food Waste Recycling Pilot Trial for Shopping Malls & Camp Site	\$7,370,800.00
48.	Hong Kong Community & Construction Association Charitable Foundation Limited	Environment and Conservation Fund Yan Oi Food Waste Reduction Movement	\$1,573,087.80
49.	Hong Kong Education Association	Environment and Conservation Fund Regional Rural Food Waste Recycling Scheme (Shuen Wan)	\$2,763,291.60
50.	Hong Kong Youth Development Volunteer Company Limited	Environment and Conservation Fund Green Outreach Volunteer: Green Village Representative Training cum Smart EV-Recycling Program in NT Rural Area	\$2,565,007.21

	Recipient Organisation	Project Title	Approved Grant
51.	Hung Hom (Three Districts) Kaifong Association	Environment and Conservation Fund Environmental Community Food Waste Recycling Continuation Program	\$1,844,432.00
52.	Luen Heep Social Service Limited	Environment and Conservation Fund Continue Waste Reduction in North District	\$631,572.40
53.	MASS Education Foundation Limited	Environment and Conservation Fund Recycling and Mapping Program in Joint Village Office for Villages in Shuen Wan Tai Po & Tai Po School Campus	\$1,517,400.00
54.	Ning Wang Society	Environment and Conservation Fund Food Waste Reduction Movement in Shap Pat Heung Rural	\$1,910,650.00
55.	OIWA Limited	Environment and Conservation Fund Assemble Green Platform	\$3,687,880.00
56.	Sharing and Giving Foundation Limited	Environment and Conservation Fund "Urban-Rural Integration" Community Resource Sharing Program	\$1,583,424.34
57.	Tin Shui Wai Resident Association Limited	Environment and Conservation Fund Green Childlike Food Waste Recycling Station	\$2,454,926.40
58.	West Kowloon Environmental Protection Association	Environment and Conservation Fund Treasure Car 2.0: Old Clothes, Toys, Accessories, and Books	\$938,770.00
59.	West Kowloon Parents Association	Environment and Conservation Fund Chill Exchange Programme	\$1,049,094.00
Subtotal (II):			\$46,645,705.51

Publicity and Education Projects (formerly known as Environmental Education and Community Action Projects)

	Recipient Organisation	Project Title	Approved Grant
60.	Ava Green Leaning Hub Limited	Environment and Conservation Fund Kids' Joy in Nature: Exploring Biodiversity - Co-Creating Ecological Stories	\$469,666.66
61.	Bunc Art Foundation	環境及自然保育基金資助 拯救海岸守護者^	\$5,800.00
62.	Business Environment Council Limited	Environment and Conservation Fund BEC Net-Zero Recognition Programme - Construction and Property Management Sectors	\$3,521,990.00
63.	Butterflyers Association Limited	Environment and Conservation Fund Plastic Reduction Pioneer Alliance	\$929,166.66

	Recipient Organisation	Project Title	Approved Grant
64.	Caring Power of Elderly and Youth Limited	Environment and Conservation Fund Blue Ocean, Green Future	\$432,013.33
65.	Chinese YMCA of Hong Kong - Tin Shui Wai Tin Chak Centre	Environment and Conservation Fund Shorelines Cleanup Day	\$7,090.00
66.	Community Development Pulsation	Environment and Conservation Fund Green Innovation for Future - Origin Initiation Action	\$1,263,250.00
67.	Conservation Foundation Limited E3	Environment and Conservation Fund Green Schools Together: Creating a Plastic-Free Community	\$1,703,112.00
68.	Consumer Council	Environment and Conservation Fund Study on Tracking Sustainable Consumption to Achieve Carbon Neutrality Attitudes and Behaviours in Hong Kong	\$1,101,400.00
69.	Department of Building and Real Estate, The Hong Kong Polytechnic University	Environment and Conservation Fund Green Futures: Empowering Students for a Zero Carbon World	\$446,648.00
70.	Department of Earth and Environmental Sciences, The Chinese University of Hong Kong	Environment and Conservation Fund Air Explorers - Mini Air Quality Sensor Workshop	\$414,360.00
71.	Drama Wonderland	環境及自然保育基金資助 「生物多樣性」《地球寶藏·牠牠牠》^	\$1,918,800.00
72.	Earth Rescue Team	Environment And Conservation Fund The Pan Hong Kong School Children Recycle Education Campaign	\$1,662,250.00
73.	Friends of the Earth (HK) Charity Limited	Environment and Conservation Fund Adopt Neighborhood Trees Programme	\$754,943.00
74.	GDCD Association Limited	Environment and Conservation Fund “Zero Waste” Community Education Project	\$925,456.00
75.	GS1 Hong Kong Limited	Environment and Conservation Fund Product Package Recycling Program	\$858,500.00
76.	Green Council	Environment and Conservation Fund Promotion of Residential Food Waste Recycling (Housing Estates in Wong Tai Sin & Kowloon City District)	\$1,244,906.25
77.	Green HK Limited	Environment and Conservation Fund Green HK	\$9,180.00
78.	Green Resources Management Co., Limited	Environment and Conservation Fund Coastal Clean-Up Campaign	\$4,770.00
79.	Harbour Bay Society	Environment and Conservation Fund True Love of Harbour Bay 4.0	\$8,870.00

	Recipient Organisation	Project Title	Approved Grant
80.	Hong Kong Baptist University Division of Transdisciplinary Undergraduate Programmes	Environment and Conservation Fund “Create and Share” Low-Carbon Living Educational Resource Platform	\$368,666.63
81.	Hong Kong Children Foundation Limited	Environment and Conservation Fund Shorelines Cleanup Day	\$8,984.00
82.	Hong Kong Construction Services Association	Environment and Conservation Fund “Build Green·Reduce Waste” - “Waste Reduction at Source” Education Program for Ethnic Minorities & New Arrivals	\$887,576.00
83.	Hong Kong Education Association (International) Limited	Environment and Conservation Fund Wu Kai Sha Pebbles Beach Summer shorelines Cleanup 2024	\$8,000.00
84.	Hong Kong Environmental Friendly Organization	Environment and Conservation Fund Green Canoe Guardians of Green Egg Island	\$10,000.00
85.	Hong Kong Green Building Council Limited	Environment and Conservation Fund Green Building Education and Capacity Building Programmes	\$2,432,000.00
86.	Hong Kong Green Grass Notes Care Limited	Environment and Conservation Fund MUSICYCLE	\$45,000.00
87.	Hong Kong Institute of Qualified Environmental Professionals	Environment and Conservation Fund Environmental Education for Green Finance in Community	\$1,040,600.00
88.	Hong Kong Oceans Protection Society	Environment and Conservation Fund Hand in Hand Family Beach Cleanup Day	\$10,000.00
89.	Hong Kong Red Cross	Environment and Conservation Fund Community Guardians: Sustainable Environment and Disaster Preparedness	\$100,000.00
90.	Hong Kong Youth Affairs Development Foundation	Environment and Conservation Fund “Tuen Mun Green Living” School-Community Collaboration Project	\$1,171,872.00
91.	Hong Kong Youth Hostels Association	Environment and Conservation Fund Rescue the Earth: Plan of Grooming Eco-Protector	\$701,014.50
92.	ICT-in-Physical Education Foundation Limited	Environment and Conservation Fund Ocean Walk V.5	\$10,000.00
93.	ISA Hong Kong Chapter Limited	Environment and Conservation Fund Exploring Urban Trees and Biodiversity	\$253,162.50
94.	Inspire Education Association Limited	Environment and Conservation Fund Blue Sea and Sky Coastal Cleanup Program	\$8,600.00
95.	Integer Foundation Association Limited	Environment and Conservation Fund Nature Portraits of Victoria Park	\$303,300.00

	Recipient Organisation	Project Title	Approved Grant
96.	Kowloon City District United Youth Network	Environment and Conservation Fund Ocean Guardian	\$9,270.00
97.	Kowloon City Heart Linking Organization	Environment and Conservation Fund Food Waste Educational Program in Lung Shing	\$287,760.00
98.	Lions Club of Tsuen Wan Charity Foundation Limited	Environment and Conservation Fund Shorelines Cleanup Day	\$9,684.00
99.	Live Green Charity Limited	Environment and Conservation Fund Conservation of Berry Plants and Environmental Education	\$181,138.89
100.	Love Together Services Limited	Environment and Conservation Fund Love Together Services Clean Shorelines Activity 2025	\$10,000.00
101.	Lung Shing Residential Service Association	Environment and Conservation Fund Build Clean Country Park Together	\$122,920.00
102.	Meta Force Green Living Company Limited	Environment and Conservation Fund Smart Food Waste Recycling Education Program	\$1,810,880.00
103.	Miracle Generations International Limited	Environment and Conservation Fund Hong Kong Food Waste Academia	\$1,960,453.75
104.	New Home Association Limited	Environment and Conservation Fund Green Outreach Volunteers at New Territories West District	\$915,860.00
105.	New Life Psychiatric Rehabilitation Association	環境及自然保育基金資助 「源頭有 你」計劃^	\$266,320.00
106.	Noah's Academy Foundation Limited	Environment and Conservation Fund Love the Earth	\$335,350.00
107.	OIWA Limited	Environment and Conservation Fund Shoreline Sparklers	\$465,105.00
108.	Ocean Guardian Union Limited	Environment and Conservation Fund Ocean Guardian Union Lai Chi Chong Beach Cleaning	\$9,914.80
109.	Ocean Guardian Union Limited	Environment and Conservation Fund Ocean Guardian Union Sam Mun Tsai Beach Cleaning	\$9,810.80
110.	Ocean Park Corporation Zoological Operations and Conservation	Environment and Conservation Fund Coral Ecosystem and Restoration Exploration Centre	\$3,575,050.00
111.	Oriental Kindness Limited	Environment and Conservation Fund Oriental Kindness Clean Shorelines Activity 2025	\$10,000.00
112.	Po Leung Kuk Mr. & Mrs. Chan Pak Keung Tsing Yi School	Environment and Conservation Fund CPKers Beach Clearing & Coast Protection	\$9,500.00
113.	Rural Community Welfare Association Limited	Environment and Conservation Fund Rural Community Clean Shorelines Activity 2025	\$10,000.00

	Recipient Organisation	Project Title	Approved Grant
114.	Sea Education Association Limited	Environment and Conservation Fund Community Ocean Litter Obliteration and Education Programme Plus (CO-OP+)	\$1,476,665.07
115.	Sea Education Association Limited	Environment and Conservation Fund Connect the Coast (C the C) - Ocean Literacy and Coastal Education Programme	\$650,999.40
116.	Sham Shui Po District Council Yan Oi Tong Mei Foo Neighbourhood Activity Centre	Environment and Conservation Fund Mei Foo Buddies - Low Carbon Life	\$474,500.00
117.	Surein Foundation	Environment and Conservation Fund Study of the Ecology of Hoi Ha Wan and Near-Shore Marine Conservation Sites and Alternative Clean-Up Where Applicable	\$3,900.00
118.	Tai Po Force	Environment and Conservation Fund Love the Sea, Clean the Beach Together	\$1,124,941.67
119.	Technological and Higher Education Institute of Hong Kong	Environment and Conservation Fund Hydrogen Energy Education and Talent Development Centre	\$1,973,850.00
120.	The Alliance for Sustainable Schools Limited	Environment and Conservation Fund Sustainable School Food Programme	\$105,420.00
121.	The Education University of Hong Kong	Environment and Conservation Fund Educating Secondary Schools to Manage School Indoor Air Quality	\$938,966.67
122.	The Kids Athletic Development Foundation Limited	Environment and Conservation Fund Set Sail to Clean, Build Coasts Pristine	\$8,343.00
123.	The Kowloon City Youths Association	Environment and Conservation Fund Ocean Guardian	\$9,270.00
124.	The Theatre Wonderland	Environment and Conservation Fund No WASTE Detective Agency - Hong Kong Waste Reduction at Source Campaign	\$2,121,640.00
125.	The University of Hong Kong	Environment and Conservation Fund The Hong Kong Biodiversity Museum: Pursuing Successful Environmental Education and Biodiversity Awareness	\$2,376,321.00
126.	West Kowloon Environmental Protection Association	Environment and Conservation Fund "Reduce Plastic, Go!" Campaign	\$1,719,200.00
127.	West Kowloon Parents Association	Environment and Conservation Fund Net Zero Community Programme	\$1,073,190.00
128.	West Kowloon Parents Association	Environment and Conservation Fund Net Zero School Program	\$1,200,071.25

	Recipient Organisation	Project Title	Approved Grant
129.	Wonderful Green Limited	Environment and Conservation Fund Food Waste Recycling “Maid” Easy	\$497,600.00
130.	Yan Oi Tong Limited - Sustainable Development	Environment and Conservation Fund Food Waste Recycling Scheme (Tuen Mun, Yuen Long, Tin Shui Wai)	\$1,808,145.00
Subtotal (III):			\$52,602,987.83

^ Project title in Chinese only.

Environmental Education Projects Coordinated by the Environmental Campaign Committee

	Project Title	Approved Grant
131.	Student Environmental Protection Ambassador Scheme	\$2,250,000.00
132.	Green Prefect Programme	\$350,000.00
133.	GreenLink - Environmental Education Support Programme	\$2,200,000.00
134.	Hong Kong Awards for Environmental Excellence	\$18,200,000.00
135.	Hong Kong Green Organisation Certification	\$7,000,000.00
136.	Carbon Neutrality Publicity Campaign	\$31,600,000.00
137.	Promotional Activities of the Environment and Conservation Fund 30th Anniversary	\$2,000,000.00
138.	Promotion Projects and Activities	\$6,000,000.00
139.	Provision of Free Environmental Campaign Committee Recycling Bins	\$3,300,000.00
140.	Pilot Scheme on Food Waste Smart Recycling Bins in Private Housing Estates	\$5,000,000.00
141.	Manpower	\$22,000,000.00
142.	Social Media Management	\$3,000,000.00
143.	General Support	\$300,000.00
Subtotal (IV) :		\$103,200,000.00
Total (I)+(II)+(III)+(IV) :		\$231,974,219.34

Report of the Director of Audit



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Auditor's Report To the Legislative Council

Opinion

I certify that I have audited the financial statements of the Environment and Conservation Fund set out on pages 4 to 14, which comprise the balance sheet as at 31 March 2025, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In my opinion, the financial statements give a true and fair view of the financial position of the Environment and Conservation Fund as at 31 March 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in accordance with section 8(1) of the Environment and Conservation Fund Ordinance (Cap. 450).

Basis for opinion

I conducted my audit in accordance with section 8(2) of the Environment and Conservation Fund Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the Environment and Conservation Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Secretary for Environment and Ecology for the financial statements

The Secretary for Environment and Ecology is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards

as issued by the HKICPA and section 8(1) of the Environment and Conservation Fund Ordinance, and for such internal control as the Secretary for Environment and Ecology determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary for Environment and Ecology is responsible for assessing the Environment and Conservation Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Environment and Conservation Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Environment and Ecology;
- conclude on the appropriateness of the Secretary for Environment and Ecology's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the Environment and Conservation Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Environment and Conservation Fund to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary for Environment and Ecology regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ms Elaine Chang
Principal Auditor (Acting)
for Director of Audit

25 June 2025

Audit Commission
6th Floor, High Block
Queensway Government Offices
66 Queensway
Hong Kong

Environment and Conservation Fund
Balance Sheet as at 31 March 2025

	Note	2025 HK\$	2024 HK\$
Non-current Assets			
Placement with the Exchange Fund	3	-	4,700,000,000
Current Assets			
Placement with the Exchange Fund	3	6,196,944,108	1,519,780,308
Cash and cash equivalents	4	7,285,845	4,426,469
		<u>6,204,229,953</u>	<u>1,524,206,777</u>
Current Liabilities			
Deferred income	5	1,762,262	1,762,262
Net Current Assets			
		6,202,467,691	1,522,444,515
Non-current Liabilities			
Deferred income	5	83,217,656	81,793,658
Net Assets			
		<u>6,119,250,035</u>	<u>6,140,650,857</u>
ACCUMULATED FUND			
Capital	3	5,000,000,000	5,000,000,000
Accumulated surplus		<u>1,119,250,035</u>	<u>1,140,650,857</u>
		<u>6,119,250,035</u>	<u>6,140,650,857</u>

The accompanying notes 1 to 10 form part of these financial statements.


 (TSE Chin-wan)
 Secretary for Environment and Ecology
 The Trustee of the Environment and Conservation Fund

25 June 2025

Environment and Conservation Fund
Income and Expenditure Account for the year ended 31 March 2025

	2025	2024
	HK\$	HK\$
INCOME		
Interest income	232,083,787	223,849,896
Refund of grants	836,438	2,393,676
Donation income	1,762,262	1,321,697
	234,682,487	227,565,269
EXPENDITURE		
Grants for environmental research and other projects	165,557,372	156,168,957
Grants to the Environmental Campaign Committee	90,525,937	80,269,151
	256,083,309	236,438,108
Deficit for the year	(21,400,822)	(8,872,839)
Other comprehensive income	-	-
	(21,400,822)	(8,872,839)
Total comprehensive loss for the year	(21,400,822)	(8,872,839)

The accompanying notes 1 to 10 form part of these financial statements.

Environment and Conservation Fund
Statement of Changes in Equity for the year ended 31 March 2025

	Capital HK\$	Accumulated surplus HK\$	Total HK\$
Balance at 1 April 2023	5,000,000,000	1,149,523,696	6,149,523,696
Total comprehensive loss for 2023-24	-	(8,872,839)	(8,872,839)
Balance at 31 March 2024 and 1 April 2024	5,000,000,000	1,140,650,857	6,140,650,857
Total comprehensive loss for 2024-25	-	(21,400,822)	(21,400,822)
Balance at 31 March 2025	5,000,000,000	1,119,250,035	6,119,250,035

The accompanying notes 1 to 10 form part of these financial statements.

Environment and Conservation Fund
Statement of Cash Flows for the year ended 31 March 2025

	Note	2025 HK\$	2024 HK\$
Cash flows from operating activities			
Refund of grants		836,438	2,393,676
Grants for environmental research and other projects		(165,557,372)	(156,168,957)
Grants to the Environmental Campaign Committee		(90,525,937)	(80,269,151)
Net cash used in operating activities		<u>(255,246,871)</u>	<u>(234,044,432)</u>
Cash flows from investing activities			
Interest received from time deposits		106,247	439,841
Withdrawal of interest earned from placement with the Exchange Fund		258,000,000	229,000,000
Net cash from investing activities		<u>258,106,247</u>	<u>229,439,841</u>
Net increase/(decrease) in cash and cash equivalents		2,859,376	(4,604,591)
Cash and cash equivalents at beginning of year		4,426,469	9,031,060
Cash and cash equivalents at end of year	4	<u>7,285,845</u>	<u>4,426,469</u>

The accompanying notes 1 to 10 form part of these financial statements.

Environment and Conservation Fund Notes to the Financial Statements

1. General

The Environment and Conservation Fund (the Fund) was established for the purposes of funding educational, research and other projects and activities in relation to environmental and conservation matters in accordance with section 4 of the Environment and Conservation Fund Ordinance (Cap. 450).

The address of the Fund's office is Room 605, Chinachem Exchange Square, 1 Hoi Wan Street, Quarry Bay, Hong Kong.

2. Material accounting policies

(a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with section 8(1) of the Environment and Conservation Fund Ordinance and all applicable HKFRS Accounting Standards, which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). Material accounting policies adopted by the Fund are set out below.

(b) Basis of preparation of the financial statements

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgements involved in the application of the Fund's accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.

(c) Impact of new and revised HKFRS Accounting Standards

The HKICPA has issued certain new or revised HKFRS Accounting Standards which are first effective or available for early adoption for the current accounting period of the Fund. There have been no changes to the accounting policies applied in these financial statements for the years presented as a result of these developments.

The Fund has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. These include the following which may be relevant to the Fund.

**Effective for accounting
periods beginning on or after**

HKFRS 18 “Presentation and Disclosure
in Financial Statements”

1 January 2027

The Fund is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

(d) Financial assets

(i) Initial recognition and subsequent measurement

The Fund’s financial assets comprise placement with the Exchange Fund, time deposits and cash and cash equivalents. They are held for the collection of contractual cash flows which represent solely payments of principal and interest. They are recognised on the date the Fund becomes a party to the contractual provisions of the financial instrument, and are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. The measurement of loss allowances for these financial assets is based on the expected credit loss model as described in note 2(d)(iii).

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows by considering all contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(ii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership have been transferred.

(iii) Impairment of financial assets

For financial assets measured at amortised cost, the Fund measures the expected credit losses to determine the loss allowance required to be recognised.

Expected credit losses are a probability-weighted estimate of credit losses. They are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Fund expects to receive, discounted at the effective interest rate. They are measured on either of the following bases:

- 12-month expected credit losses (for financial instruments for which there has not been a significant increase in credit risk since initial recognition): these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime expected credit losses (for financial instruments for which there has been a significant increase in credit risk since initial recognition): these are losses that are expected to result from all possible default events over the expected life of the financial instruments.

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

For a financial asset with lifetime expected credit losses recognised in the previous reporting period, if its credit quality improves and reverses the previously assessed significant increase in credit risk, then the loss allowance reverts from lifetime expected credit losses to 12-month expected credit losses.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(e) Revenue recognition

Interest income is recognised as it accrues using the effective interest method.

Donation is recognised once the amount is received and approval for acceptance is obtained. Donations for specific purposes are initially recognised as deferred income and are recognised in the Income and Expenditure Account over the period necessary to match with the related costs.

(f) Grants

Grants for environmental research and other projects are recognised as expenditure when they are approved by the Trustee except in those cases when the release of grant is subject to certain conditions, such grants are recognised as expenditure when the grantees comply with the conditions.

Grants to the Environmental Campaign Committee are recognised as expenditure when they are approved by the Trustee and due for payment.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

3. Placement with the Exchange Fund

In June 2013, the Legislative Council approved to inject a one-off sum of HK\$5 billion as seed capital into the Fund for generating investment returns to provide the Fund with a long-term and sustainable funding source for supporting community green actions. Of the HK\$5 billion received, HK\$4.7 billion was placed with the Exchange Fund. The term of the placement is six years from the date of placement, during which the amount of original placement cannot be withdrawn. Upon its maturity, this placement was extended for another six years commencing on 1 August 2019. Interest on the placement is at a rate determined annually in January and payable annually in arrears on 31 December. The rate is the average annual rate of return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year government bond in the previous year subject to a minimum of zero percent, whichever is the higher. The interest rate has been fixed at 3.7% per annum for January to December 2024 and 4.4% per annum for January to December 2025.

Placement with the Exchange Fund is analysed as follows:

	2025	2024
	HK\$	HK\$
Balance of the placement with the Exchange Fund		
Original placement with the Exchange Fund	4,700,000,000	4,700,000,000
Interest earned but not withdrawn at end of year	1,430,142,485	1,462,918,027
	6,130,142,485	6,162,918,027
Accrued interest	66,801,623	56,862,281
Balance at end of year	6,196,944,108	6,219,780,308

	2025	2024
	HK\$	HK\$
Classified as:		
Non-current assets	-	4,700,000,000
Current assets	6,196,944,108	1,519,780,308
	6,196,944,108	6,219,780,308

The interest earned but not yet withdrawn and the accrued interest stated above, amounting to HK\$1,496,944,108 (2024: HK\$1,519,780,308), were classified as current assets in the balance sheet.

4. Cash and cash equivalents

	2025	2024
	HK\$	HK\$
Cash at bank	7,285,845	4,426,469

5. Deferred income

With an agreement signed between the Trustee of the Fund and a company dated 26 January 2021, the company made a donation of HK\$75 million in 2021 to the Fund for conservation purposes. The donation and its investment returns are deferred and recognised in the Income and Expenditure Account over the period necessary to match with the related costs.

	2025	2024
	HK\$	HK\$
Deferred income	84,979,918	83,555,920
Classified as:		
Current liabilities	1,762,262	1,762,262
Non-current liabilities	83,217,656	81,793,658
	84,979,918	83,555,920

6. Financial risk management

The Fund's financial instruments are placement with the Exchange Fund, cash at bank and time deposits. The major risks associated with these financial instruments are set out below.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum exposure to credit risk of the financial assets of the Fund at the reporting date is equal to their carrying amounts.

The credit risk from bank deposits is limited because the Fund's bank balances and time deposits are placed with reputable licensed banks in Hong Kong. For the placement with the Exchange Fund, the Fund's exposure to credit risk is considered to be limited. The credit quality of bank balances, analysed by the ratings designated by Moody's, at the reporting date is shown below.

	2025	2024
	HK\$	HK\$
Cash at bank, by credit rating		
Aa1 to Aa3	7,285,845	4,426,469

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Since the Fund's time deposits bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as they are all stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's surplus/deficit for the year.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is not exposed to material cash flow interest rate risk because interest income from financial instruments bearing interest at a floating rate is not significant.

(c) Other financial risk

The Fund is exposed to financial risk arising from the placement with the Exchange Fund due to changes in the interest rate which is determined in January each year (note 3). As at 31 March 2025, it is estimated that an increase/decrease of 50 basis point (2024: 50 basis point) in the interest rate, with all other variables held constant, would have decreased/increased the deficit for the year by HK\$31 million (2024: HK\$31 million).

7. Capital management

The capital structure of the Fund consists of capital and accumulated surplus. The Fund's objectives when managing capital are:

- to comply with the Environment and Conservation Fund Ordinance; and
- to maintain a strong capital base for carrying out the purposes of the Fund as stated in note 1 above.

The Fund manages capital to ensure that its level is adequate to fund future grants and expenditure, taking into account its projected cash flow requirements, future financial obligations and commitments.

8. Commitments

As at 31 March 2025, the commitments for approved grants, subject to the satisfactory compliance with certain conditions of the relevant projects, were HK\$345,875,754 (2024: HK\$430,117,885).

9. Cost of administration of the Fund

The cost of administration of the Fund, other than the salaries and fees paid under section 6(3) of the Environment and Conservation Fund Ordinance, was borne by the Government of the Hong Kong Special Administrative Region in accordance with section 9(1) of the Environment and Conservation Fund Ordinance.

10. Fair values of financial assets

All financial assets are stated in the balance sheet at amounts equal to or not materially different from their fair values.