

## **Greenpeace East Asia**

(Limited by guarantee)  
Consolidated financial statements  
For the year ended 31 December 2016



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(Limited by guarantee)  
Consolidated financial statements  
For the year ended 31 December 2016**

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**Greenpeace East Asia  
(Limited by guarantee)  
Report of the council of members**

The council of members presents its annual report together with the audited consolidated financial statements for the year ended 31 December 2016.

**Principal activities**

The principal activities of the Company during the year were to promote, encourage, further establish, procure and achieve the protection of wildlife, the elimination of threats and damage to the environment and all other objectives of the Greenpeace International and those of its subsidiaries are set out in note 17(a) to the consolidated financial statements.

**Council of members**

Members of the council of members during the year and up to the date of this report were :-

Pai Kundapur Santosh  
Lee Tae Dong  
Yang Ailun  
Xie Lei  
Chang Wei Hsiu

In accordance with the Company's articles of association, the council members shall continue in office in the ensuing year.

**Auditor**

A resolution to re-appoint the retiring auditor, Messrs. PKF, is to be proposed at the forthcoming annual general meeting.

By order of the council



Council member  
Pai Kundapur Santosh  
Hong Kong  
26 April 2017

**Greenpeace East Asia  
(Limited by guarantee)  
Business review**

**Objectives**

Greenpeace is an independent, non-profit, global campaigning organisation that uses non-violent, creative confrontation to expose global environmental problems and their causes.

Greenpeace's goal is to ensure the ability of Earth to nurture life in all its diversity.

Greenpeace acts to change attitudes and behaviour, to protect and conserve the environment and to promote peace by:

- Catalysing an **energy revolution** to address the number one threat facing our planet: climate change.
- Creating a **toxic-free future** with safer alternatives to hazardous chemicals in today's products and manufacturing.
- **Protecting the world's ancient forests** and the animals, plants and people that depend on them.
- Campaigning for **sustainable agriculture** by rejecting genetically engineered organisms, protecting biodiversity and encouraging socially responsible farming.
- **Defending our oceans** by challenging wasteful and destructive fishing, and creating a global network of marine reserves.
- Working for **disarmament and peace** by tackling the causes of conflict and calling for the elimination of all nuclear weapons and nuclear power.

Greenpeace is present in over 55 countries across Europe, the Americas, Asia, Africa and the Pacific. Greenpeace East Asia opened its Hong Kong office in 1997, Beijing in 2002, Taipei in 2010 and Seoul in 2011.

**Greenpeace East Asia  
(Limited by guarantee)  
Business review**

**Our Work**

Greenpeace is in East Asia to fight climate change, stop toxic pollution, ensure food security, end illegal deforestation, and defend the oceans.

Environmental problems know no borders. Greenpeace recognizes the importance of regional offices that work together to achieve effective solutions for a sustainable future.

Surging economic development in East Asia has brought widespread prosperity, but has also taken a severe environmental toll, both regionally and worldwide. Greenpeace is committed to ensuring a green development pathway together with the people of Mainland China, Hong Kong, Taiwan and South Korea.

**Issue areas**

- **Stop Climate Change.** From extreme weather events to glacial melting, climate change is already happening all around us. By replacing fossil fuels with clean, renewable energy, we can still save our planet before it's too late.
- **Reduce Air Pollution.** China's economy has skyrocketed, but at a price. Power plants, factories and heavy industries are all belching out black, dirty air, at the cost of our health and our environment.
- **Eliminate Toxics Chemicals.** China's role as the factory of the world has taken a severe toll on its water resources, and especially the people that rely on them.
- **Food & Agriculture.** We are working to protect agriculture and food safety from genetically engineered crops as well as chemical fertilisers and hazardous pesticides.
- **Protect Forests.** Our last ancient forests are being turned into tissue paper, packaging, chocolates and more, threatening biodiversity and worsening climate change.
- **Defending Our Oceans.** Our oceans are under threat on all fronts: overfishing, species extinction, waste dumping, acidification and climate change.
- **Our Actions.** Greenpeace believes in using creative, non-violent confrontation to communicate its messages and bring about solutions for a green and peaceful future.

## **Financial Performance**

### **Key Financial Performance**

- Total fundraising income increased to HKD152.7 million, that is HKD31.6 million or 26% more than last year;
- Contribution from Greenpeace International, amounting HKD68 million, decreased a marginal 1% compared to last year;
- Overall programme expenditure was HKD120.7 million, representing an increase of 15% over the prior year and amounting 59% of our total expenditure;
- Organisational support costs were HKD32.7 million, which represent 16% of total expenditure; and
- Fundraising investment was HKD48.1 million, a decrease of 2% over the prior year as part of our efforts towards maximising cost efficiencies.

Thanks to the strong engagement from our supporters in our campaigns for protecting the environment, Greenpeace East Asia managed to increase its income across the region and hence further reinforce its efforts towards a green and peaceful Earth.

### **Our donors - the very reason of our existence**

To maintain its independence, Greenpeace does not accept donations from governments or corporations, but relies on contributions from individual supporters and foundation grants. We believe that the struggle to preserve the future of our planet is not about Greenpeace alone. It's about each and every of our supporters. Greenpeace speaks for 3 million supporters worldwide, and encourages many millions more than that to take action every day.

2016 saw Fundraising income grow significantly, with a total of HKD152.7 million being achieved across Hong Kong, Taiwan and South Korea. This was a growth of HKD31.6 million, or 26% on 2015 performance. This income was achieved thanks to the generous support of our existing donors to continue their donations, and to increase their level of support where possible. Over 41,000 new donors were inspired to join the Organisation across the region in 2016 (20,709 new supporters in Taiwan, 12,000 new supporters in Korea and 8,900 new donors in Hong Kong) meaning the number of active donors grew to 122,000 across the region by the end of the year, an increase of over 18% during 2016.

## **Financial Performance (cont'd)**

### **Investment in Programme**

Coal consumption in China continues its slide due to economic restructuring and the 'war against air pollution', in which our campaign has played an important role, leading to reducing CO2 emissions from China last year. Against the background of decreasing coal consumption, China has introduced a moratorium for new mines in next three years, closure of existing mines and ordered 13 provincial governments to suspend approvals of new coal-fired power plant projects until the end of 2017.

As a result of growing concern around air pollution in Korea, and demands from local provinces Greenpeace worked with, the Government announced it will close the 10 oldest coal fired power plants, introduce more stringent emissions standards on existing ones, and accept no new proposals for coal stations beyond ones currently on the table.

Collaborative teams from across HK, Taiwan and Korea developed and launched our first East Asia led global ranking, putting the world's 30 biggest cosmetic and personal care companies to the test by surveying and ranking their policy on microbeads, and exposing their loopholes. The launch video was watched 4.3 million times views in the Greenpeace International Facebook page, while in the Greenpeace East Asia Taiwan Facebook page alone, 3.6 million views were gathered. Korea, a major global player in the cosmetics industry, banned microbeads and in Taiwan the Government committed to the phase out of microbeads by the end of 2018.

Our investigation exposed forests destruction by mining activity in UNESCO World Heritage Sites in Yunnan. This triggered investigation and actions from the provincial government, which then launched a 4-month long special initiative across the whole province against forest illegal activities. All the mines in the natural reserve area are put to stop. They also changed local policy requiring additional forest and environment approval permits for any new mine in the ecological hotspots.

All of the above was made possible by an overall programme expenditure for HKD120.7 million, which represents an increase of 15% over the year prior.

### **Reserves and surplus funds**

To ensure financial solvency, liquidity and adequate level of working capital, as well as to provide insurance against unanticipated variations in income, Greenpeace's offices follow a global policy that encourages efforts to keep general reserves equivalent to the amount of three months of average expenditure budgeted for the corresponding year.

The surplus of HKD16.6 million achieved in 2016 increased our general reserves to HKD43.3 million allowing Greenpeace East Asia to get closer to this ideal 3-month standard, by reaching a value equivalent to 2.2 months of expenditure.

**Greenpeace East Asia  
(Limited by guarantee)  
Business review**

**Financial Performance (cont'd)**

**Accountability measures**

From June 2006, Greenpeace has come together with a group of International Non-Governmental Organisations to launch and endorse the first global Accountability Charter for the non-profit sector. The INGO Accountability Charter, currently renamed as Accountable Now, sets out core values and operating principles, which then translate into reporting and monitoring mechanisms that all signatory organisations must comply with.

Additionally, our Greenpeace Financial and Management Standards mandate best practices, such as carrying out external audits of our accounts at the end of each fiscal year and publishing our annual reports in our website.

**Internal controls**

On top of the policies and standards mentioned above, Greenpeace has an internal audit function that verifies the existence and efficiency of the management controls implemented. Also, from 2015, an internal Compliance function was created in Greenpeace East Asia. This position has been in charge of ensuring compliance with local and regional policies, as well with other governance and monitoring instances in the jurisdictions we operate in.

**Green Policy**

**Global environmental management**

On a global level, Greenpeace International has set up a multitude of environmental management initiatives which are adopted by all national and regional offices in due time, including Greenpeace East Asia. These include:

- An elaborate environmental policy for each region;
- Appointing an environmental program and policy manager;
- Setting greenhouse gas reduction targets;
- Emissions monitoring and reporting;
- Sustainable procurement policy;
- Sustainable office plan to reduce energy use;
- Waste Management in order to reduce waste production;
- Sustainable Travel;
- Sustainable Food.

Greenpeace East Asia has its own green initiatives, but is also constantly developing and implementing new environmentally friendly initiatives to meet the global standard of environmental management. Some examples of these environmental management initiatives are:



**Greenpeace East Asia  
(Limited by guarantee)  
Business review**

**Financial performance (cont'd)**

**Green Policy (cont'd)**

**100% Renewable electricity purchasing policy**

Under this policy, Greenpeace East Asia commits to source all its electricity needs from renewable energy sources, where it is available in the market. This applies to direct electricity purchases for offices and in house IT services and wherever possible all ICT outsourced hosting services provided by companies.

**Global textile procurement policy**

The objective of this policy is to ensure that all cotton based textile products made for use by Greenpeace have minimal environmental impact and are procured in line with the organisation's core values. The textiles include those made for campaign and mobilisation purposes; those made for activists taking part in activities; and work clothes made for the crew and volunteers on-board the Greenpeace ships.

**Emissions reporting**

Greenpeace East Asia is monitoring of CO2 emissions and compiles the annual CO2 emissions report. This report is used to compare the levels of emissions with previous years for monitoring and evaluation purposes. Based on the outcome, suggestions are made on how to minimize our emissions as much as we practically can in order to reduce our global environmental footprint.

**Travel policy**

The Greenpeace East Asia travel policy states that every journey should be essential and arranged as environmentally friendly as possible. Staff should use public transport where possible and practical. Taxis and private cars should in general only be used where there would be significant savings in time and money, or when carrying excessive amounts of luggage that would be cumbersome to take on public transport. For travel within Europe, transport by train is the preferred option.

**Greenpeace East Asia  
(Limited by guarantee)  
Business review**

**Financial Performance (cont'd)**

**Green Policy (cont'd)**

**Greenhouse gas (GHG) emissions**

The historic and current status of Greenpeace East Asia's GHG emissions depicted in the table below is based on current Defra emission factors; this includes applying the Defra factors retrospectively to previous year's data in order to make comparison consistent.

tCO2e	Occurrence Date	
	FY 2016	FY 2015
<b>Emissions</b>		
Grid Electricity	136.46	131.31
Business Flights - Long Haul ( 3,700 km and over)	684.39	520.34
Business Flights - Medium Haul (464 to 3,699 km)	456.12	494.63
Business Flights - Short Haul ( 0 to 463 km)	11.7	6.4
Car Hire - Kilometres of travel Petrol Car	13.26	6.77
Car Hire - LPG consumption	32.52	17.78
External Printing - 100% Recycled Paper use	51.75	65.36
Office Paper Use - Recycled Paper with recycling	1.88	1.66
Other travel	72.97	46.27
<b>Total</b>	<b>1,461.05</b>	<b>1,290.52</b>

As Greenpeace East Asia continued to materially increase its activities in 2016 (please refer to income and expenditure narrative above), the overall emission has increased accordingly. However, the emission per staff member in general has slightly decreased.

As Greenpeace East Asia has been actively campaigning globally and has taken up more global project responsibilities, the emission due to long-haul business travel has increased – while travel within our region, i.e. medium-haul, has in fact decreased.

Renewable energy is available in the Taiwan market since late 2014, our office electricity purchased became 100% renewable since then and hence the electricity figures below are for the other jurisdictions where we operate.

**Independent auditor's report to the council of members of  
Greenpeace East Asia (Incorporated in Hong Kong and limited by guarantee)****Opinion**

We have audited the consolidated financial statements of Greenpeace East Asia (the "Company") and its subsidiaries (collectively known as the "Group") set out on pages 12 to 37, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for opinion**

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

**Other information**

The council members are responsible for the other information. The other information comprises the information included in the council members' report and business review for the year ended 31 December 2016, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent auditor's report to the council of members of  
Greenpeace East Asia (Incorporated in Hong Kong and limited by guarantee)**

**Responsibilities of council members for the consolidated financial statements**

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

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

The council members are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 405 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.

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

**Independent auditor's report to the council of members of  
Greenpeace East Asia (Incorporated in Hong Kong and limited by guarantee)**

**Auditor's responsibilities for the audit of the consolidated financial statements (cont'd)**

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

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



PKF  
Certified Public Accountants  
Hong Kong  
26 April 2017

**Greenpeace East Asia (limited by guarantee)**  
**Consolidated income and expenditure account**  
**For the year ended 31 December 2016**

	<i>Note</i>	<b>2016</b> <b>HK\$</b>	<b>2015</b> <b>HK\$</b>
<b>Income</b>			
Fundraising income			
Existing donor contribution income		118,030,134	88,708,789
New donor contribution income		28,708,780	29,712,841
Foundations and trusts, major gift income		6,022,003	2,707,968
Contributions from Greenpeace International		68,307,647	68,736,009
Interest income		98,324	232,632
Sundry income		<u>2,685</u>	<u>425,695</u>
	5	<u>221,169,573</u>	<u>190,523,934</u>
<b>Deduct :</b>			
<b>Expenditure</b>			
<b>Fundraising and Supporter development expenses</b>			
New supporter outreach		31,549,197	34,060,585
Supporter information and mobilisation		4,348,043	3,382,412
Supporter care and development		3,089,155	4,042,003
Supporter database, licenses and management		2,180,914	1,605,393
FR staff and coordination		6,985,781	6,084,870
<b>Contributions to Greenpeace International     for global activities</b>		<b>2,909,044</b>	<b>2,619,408</b>
<b>Program Activities</b>			
Oceans		17,446,490	12,904,459
Climate and energy		24,916,624	23,588,303
Toxics		25,115,875	17,067,633
Forests		4,787,460	3,638,094
Food and agriculture		8,502,985	7,422,942
Other issues		685,194	991,285
Media and communications		18,831,349	20,983,466
Marine operations and action support		6,886,255	6,073,922
Political, science and business		10,007,130	8,721,172
Public information and outreach		3,574,577	3,492,313
<b>Organisational support expenses</b>		<u>32,743,189</u>	<u>27,931,321</u>
		<u>204,559,262</u>	<u>184,609,581</u>
<b>Surplus for the year</b>	6	<u>16,610,311</u>	<u>5,914,353</u>

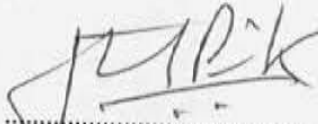
**Greenpeace East Asia (limited by guarantee)**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2016**

	<i>Note</i>	<b>2016</b> <b>HK\$</b>	<b>2015</b> <b>HK\$</b>
Surplus for the year		<u><b>16,610,311</b></u>	<u>5,914,353</u>
Other comprehensive income/(loss) :-			
Item that may be reclassified subsequently to income and expenditure account :-			
Exchange difference arising from translation of financial statements of overseas subsidiaries		<b>1,595,828</b>	1,173,912
Item that will not be reclassified to income and expenditure account :-			
Remeasurement of net defined benefit liability	13(b)	<u><b>(484,917)</b></u>	<u>(839,283)</u>
Other comprehensive income for the year, net of tax		<u><b>1,110,911</b></u>	<u>334,629</u>
Total comprehensive income for the year		<u><b>17,721,222</b></u>	<u>6,248,982</u>

**Greenpeace East Asia (limited by guarantee)**  
**Consolidated statement of financial position**  
**As at 31 December 2016**

	Note	2016 HK\$	2015 HK\$
<b>Non-current asset</b>			
Property, plant and equipment	9	<u>8,387,860</u>	<u>5,828,697</u>
<b>Current assets</b>			
Trade and other receivables	10	5,344,539	8,122,406
Prepayments		5,979,683	4,812,232
Fixed deposits		6,304,564	5,313,735
Cash and cash equivalents		<u>49,188,710</u>	<u>33,471,728</u>
<b>Deduct :</b>		<u>66,817,496</u>	<u>51,720,101</u>
<b>Current liabilities</b>			
Trade and other payables	11	13,154,117	13,813,986
Receipt in advance		-	<u>3,009,072</u>
		<u>13,154,117</u>	<u>16,823,058</u>
<b>Net current assets</b>		<u>53,663,379</u>	<u>34,897,043</u>
<b>Total assets less current liabilities</b>		<u>62,051,239</u>	<u>40,725,740</u>
<b>Deduct :</b>			
<b>Non-current liabilities</b>			
Loans from Greenpeace International	12	16,315,622	13,795,714
Net defined benefit liability	13(a)	<u>2,448,516</u>	<u>1,364,147</u>
		<u>18,764,138</u>	<u>15,159,861</u>
<b>Net assets</b>		<u>43,287,101</u>	<u>25,565,879</u>
<b>Representing :-</b>			
Exchange reserve		2,813,377	1,217,549
Accumulated surplus		<u>40,473,724</u>	<u>24,348,330</u>
<b>Total equity</b>		<u>43,287,101</u>	<u>25,565,879</u>

Approved and authorised for issue by the council of members on 26 April 2017

  
 .....  
 Pai Kundapur Santosh  
 Council member

  
 .....  
 Chang Wei Hsiu  
 Council member



**Greenpeace East Asia (limited by guarantee)**  
**Consolidated statement of changes in equity**  
**For the year ended 31 December 2016**

	<i>Exchange reserve HK\$</i>	<i>Accumulated surplus HK\$</i>	<i>Total HK\$</i>
At 1.1.2015	43,637	19,273,260	19,316,897
Total comprehensive income for the year	<u>1,173,912</u>	<u>5,075,070</u>	<u>6,248,982</u>
At 31.12.2015 and 1.1.2016	1,217,549	24,348,330	25,565,879
Total comprehensive income for the year	<u>1,595,828</u>	<u>16,125,394</u>	<u>17,721,222</u>
At 31.12.2016	<u><b>2,813,377</b></u>	<u><b>40,473,724</b></u>	<u><b>43,287,101</b></u>

**Greenpeace East Asia (limited by guarantee)**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2016**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Cash flows from operating activities</b>		
Surplus for the year	16,610,311	5,914,353
Adjustments for :-		
(Gain)/loss on disposal of property, plant and equipment	(1,822)	87,566
Depreciation	3,625,715	4,002,373
Interest income	(98,324)	(232,632)
Interest expenses	77,821	71,669
	<u>20,213,701</u>	<u>9,843,329</u>
Operating surplus before working capital changes	20,213,701	9,843,329
Trade and other receivables	2,777,867	(4,387,786)
Prepayments	(1,167,451)	(22,412)
Trade and other payables	(659,869)	2,783,438
Receipt in advance	(3,009,072)	1,857,807
Net defined benefit liability	599,452	(245,059)
	<u>18,754,628</u>	<u>9,829,317</u>
Cash generated from operations	18,754,628	9,829,317
Interest received	98,324	232,632
	<u>18,852,952</u>	<u>10,061,949</u>
<b>Net cash generated from operating activities</b>	<b>18,852,952</b>	<b>10,061,949</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(6,171,938)	(5,750,427)
Proceeds from disposal of property, plant and equipment	1,822	102,988
	<u>(6,170,116)</u>	<u>(5,647,439)</u>
<b>Net cash used in investing activities</b>	<b>(6,170,116)</b>	<b>(5,647,439)</b>
<b>Cash flows from financing activities</b>		
Loans from Greenpeace International	2,519,908	4,630,487
Interest paid	(77,821)	(71,669)
	<u>2,442,087</u>	<u>4,558,818</u>
<b>Net cash generated from financing activities</b>	<b>2,442,087</b>	<b>4,558,818</b>
<b>Net increase in cash and cash equivalents</b>	<b>15,124,923</b>	<b>8,973,328</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>38,785,463</b>	<b>28,595,531</b>
<b>Effect of foreign exchange rate changes</b>	<b>1,582,888</b>	<b>1,216,604</b>
<b>Cash and cash equivalents at end of year</b>	<b>55,493,274</b>	<b>38,785,463</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Fixed deposits with original maturity of three months	6,304,564	5,313,735
Cash and cash equivalents	49,188,710	33,471,728
	<u>55,493,274</u>	<u>38,785,463</u>

**Greenpeace East Asia (limited by guarantee)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2016**

**1. General information**

Greenpeace East Asia (the "Company") is a non-profit making company incorporated in Hong Kong. The address of its registered office is 10/F, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong.

The Company and its subsidiaries (collectively known as the "Group") are principally engaged in promoting, encouraging, further establishing, procuring and achieving the protection of wildlife, the elimination of threats and damage to the environment and all other objectives of the Greenpeace International.

**2. Basis of preparation**

(a) Compliance with Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards").

(b) Initial application of Hong Kong Financial Reporting Standards

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards :-

HKAS 1	Amendments - Disclosure Initiative
HKAS 16	Amendments - Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16	Amendments - Bearer Plants
HKAS 27	Amendments - Equity Method in Separate Financial Statements
HKAS 28	Amendments - Investment Entities: Applying the Consolidation Exception
HKAS 38	Amendments - Clarification of Acceptable Methods of Depreciation and Amortisation
HKFRS 10	Amendments - Investment Entities: Applying the Consolidation Exception
HKFRS 11	Amendments - Accounting for Acquisitions of Interests in Joint Operations
HKFRS 12	Amendments - Investment Entities: Applying the Consolidation Exception
Annual Improvements to HKFRSs (2012-2014)	Amendments to HKFRS 5, HKFRS 7 and HKAS 19

The initial application of these financial reporting standards does not necessitate material changes in the Group's accounting policies and retrospective adjustments of the comparatives presented in the consolidated financial statements.

HKFRS 14 "Regulatory Deferral Accounts" is not applicable to the Group.

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**2. Basis of preparation (cont'd)**

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards that have been issued but are not yet effective in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2016 :-

HKFRS 9 (2014)	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 16	Leases
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers
Amendments to HKFRS 2	Disclosure Initiative
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions

The Group is required to initially apply Amendments to HKAS 7 and HKAS 12 in its annual consolidated financial statements beginning on 1 January 2017, to initially apply HKFRS 15, HKFRS 9 (2014) and Amendments to HKFRS 2 in its annual consolidated financial statements beginning on 1 January 2018, and to initially apply HKFRS 16 in its annual consolidated financial statements beginning on 1 January 2019. Amendments to HKAS 28 and HKFRS 10 have no mandatory effective date.

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**3. Significant accounting policies**

(a) Measurement basis

The consolidated financial statements are prepared under the historical cost basis.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2016. The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated income and expenditure account from the dates of acquisition or to the dates of disposal respectively. All significant intra-group transactions and balances have been eliminated on consolidation.

(c) Revenue recognition

Fundraising income is recognised when received.

The recognition and measurement of contributions/grants is determined by the performance conditions. When no performance obligation is included, the contributions/grants are recognised as income when proceeds are receivable. However, when future performance conditions are included, the contributions/grants are only recognised as income when the performance conditions are met.

Interest income is recognised on a time proportion basis using effective interest rate.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less aggregate depreciation and impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use.

Repairs and maintenance costs are charged to income and expenditure account in the period in which it is incurred.

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**3. Significant accounting policies (cont'd)**

(d) Property, plant and equipment (cont'd)

Depreciation is calculated to write off the cost of plant and equipment to their estimated residual values over their estimated useful lives on a straight-line basis at the following annual rates :-

Leasehold improvements	33 ⅓ %
Computer equipment	33 ⅓ %
Office equipment	25%
Actions equipment	33 ⅓ %
Furniture and fixture	20 %

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

The gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in income and expenditure account.

(e) Impairment of assets

At the end of each reporting period, the Group determines whether there is any indication of impairment of assets. If there is any indication of impairment, the recoverable amount of the relevant asset or group of assets is estimated and compared with the carrying amount.

If the recoverable amount of an asset or a group of assets is less than its carrying amount, the carrying amount of the asset or group of assets is reduced to the recoverable amount. Impairment losses are recognised as an expense in income and expenditure account.

(f) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Investment in subsidiaries is stated in the Company's statement of financial position at cost less any identified impairment loss. Income from subsidiaries is recognised in the Company's financial statements when the shareholder's right to receive payment is established.

**3. Significant accounting policies (cont'd)**

(g) Leases

Rentals payable under operating leases are charged to income and expenditure account on a straight-line basis over the terms of the relevant leases.

(h) Employee benefits

Salaries and annual leave entitlements are accrued in the year in which the associated services are rendered by employees of the Group.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in income and expenditure account as incurred.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to income and expenditure account. Past service cost is recognised in income and expenditure account in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income), and remeasurement.

The Group presents the service cost and net interest expense (income) components in income and expenditure account, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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**3. Significant accounting policies (cont'd)**

(i) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Hong Kong dollar, which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :-

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income and expenditure account are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.



**3. Significant accounting policies (cont'd)**

(k) Related parties

A party is considered to be related to the Company if :-

- (a) the party is a person or a close member of that person's family and that person :-
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company; or
  
- (b) an entity is related to the Company if any of the following conditions applies :-
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a) above;
  - (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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

(l) Receivables

Receivables are recognised at cost which approximates to their fair values, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flow, discounted at the effective interest rate. The amount of provision is recognised in income and expenditure account.

(m) Payables

Payables are stated at amortised cost using the effective interest method.

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**3. Significant accounting policies (cont'd)**

(n) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**4. Critical accounting estimates and judgements**

(a) Key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Defined benefit plan

The Group's defined benefit obligation is determined based on the actuarial valuation carried out at the end of each reporting period. Actuarial assumptions are the Group's best estimates of the variables in determining the cost of providing post-retirement benefits such as discount rates, rates of expected future salary increase and mortality rates. Significant estimation uncertainty is likely to persist in making such assumptions due to the long-term nature of post-retirement benefit plan.

(b) Significant judgements

In the process of applying the Group's accounting policies, judgements that can significantly affect the amounts recognised in the consolidated financial statements are made in determining :-

- (i) whether there is an indication of impairment of assets;
- (ii) whether the discount rates used to calculate the recoverable amount of assets are appropriate for the purpose of impairment review; and
- (iii) the expected manner of recovery of the carrying amount of assets.

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**5. Revenue and other income**

The principal activities of the Group are to promote, encourage, further establish, procure and achieve the protection of wildlife, the elimination of threats and damage to the environment and all other objectives of the Greenpeace International. Revenue represents fund raised during the year. An analysis of the Group's revenue and other revenue is set out below :-

	<b>2016</b> <b>HK\$</b>	<b>2015</b> <b>HK\$</b>
Revenue		
Fundraising income		
Existing donor contribution income	118,030,134	88,708,789
New donor contribution income	28,708,780	29,712,841
Foundations and trusts, major gift income	<u>6,022,003</u>	<u>2,707,968</u>
	<u>152,760,917</u>	<u>121,129,598</u>
Other revenue and income		
Contributions from Greenpeace International	68,307,647	68,736,009
Interest income	98,324	232,632
Sundry income	<u>2,685</u>	<u>425,695</u>
	<u>68,408,656</u>	<u>69,394,336</u>
	<u>221,169,573</u>	<u>190,523,934</u>

**6. Surplus for the year**

	<b>2016</b> <b>HK\$</b>	<b>2015</b> <b>HK\$</b>
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Surplus for the year is arrived at after charging/(crediting) :-

Staff costs		
- Salaries and allowances	<u>100,241,200</u>	<u>81,887,869</u>
- Contributions to provident fund	<u>5,599,771</u>	<u>3,516,181</u>
	105,840,971	85,404,050
Depreciation	3,625,715	4,002,373
Interest expenses	77,821	71,669
Minimum lease payments paid under operating leases	10,548,398	7,078,664
(Gain)/loss on disposal of property, plant and equipment		
- Proceeds from disposals of property, plant and equipment	<u>(1,822)</u>	<u>(102,988)</u>
- Carrying amount of property, plant and equipment	<u>-</u>	<u>190,554</u>
	<u>(1,822)</u>	<u>87,566</u>

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**7. Senior management team personnel remuneration**

The senior management team consists of the Executive Director, Deputy Executive Director, Program Director, Organisational Support and Regional Development Director and Finance Director. The senior management team covers the management of 395 staff in the regional offices of the Company in Hong Kong, Beijing, Taipei and Seoul. Details of emoluments paid by the Group to the council members during the year are as follows :-

	<i>2016</i> <i>HK\$</i>	<i>2015</i> <i>HK\$</i>
Salaries and allowances	4,848,204	3,818,858
Retirement scheme contributions	<u>196,159</u>	<u>253,179</u>
	<u>5,044,363</u>	<u>4,072,037</u>

**8. Taxation**

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company is exempted from tax under Section 88 of the Inland Revenue Ordinance.

No provision for income tax has been made for the subsidiaries as they sustained a loss for tax purposes during the year.

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**9. Property, plant and equipment**

	<i>Leasehold improvements HK\$</i>	<i>Computer equipment HK\$</i>	<i>Office equipment HK\$</i>	<i>Actions equipment HK\$</i>	<i>Furniture and fixture HK\$</i>	<i>Total HK\$</i>
<b>Cost :-</b>						
At 1.1.2015	3,357,368	4,780,992	1,367,513	3,874,273	527,313	13,907,459
Additions	3,328,803	1,077,025	573,441	669,109	102,049	5,750,427
Disposals	(1,396,587)	(259,298)	(82,029)	-	-	(1,737,914)
Exchange adjustments	<u>(9,686)</u>	<u>(19,153)</u>	<u>(13,429)</u>	<u>(11,615)</u>	<u>(19,615)</u>	<u>(73,498)</u>
At 31.12.2015	<u>5,279,898</u>	<u>5,579,566</u>	<u>1,845,496</u>	<u>4,531,767</u>	<u>609,747</u>	<u>17,846,474</u>
<b>Aggregate depreciation :-</b>						
At 1.1.2015	2,608,684	3,309,463	694,675	2,693,381	287,367	9,593,570
Charge for the year	1,435,112	1,096,840	381,199	893,395	195,827	4,002,373
Written back on disposals	(1,255,425)	(252,324)	(39,611)	-	-	(1,547,360)
Exchange adjustments	<u>(4,259)</u>	<u>(6,015)</u>	<u>(3,045)</u>	<u>(5,468)</u>	<u>(12,019)</u>	<u>(30,806)</u>
At 31.12.2015	<u>2,784,112</u>	<u>4,147,964</u>	<u>1,033,218</u>	<u>3,581,308</u>	<u>471,175</u>	<u>12,017,777</u>
<b>Net book value :-</b>						
At 31.12.2015	<u>2,495,786</u>	<u>1,431,602</u>	<u>812,278</u>	<u>950,459</u>	<u>138,572</u>	<u>5,828,697</u>
<b>Cost :-</b>						
At 1.1.2016	5,279,898	5,579,566	1,845,496	4,531,767	609,747	17,846,474
Additions	322,910	2,463,570	431,317	273,737	2,680,404	6,171,938
Disposals	-	(186,657)	-	-	(5,035)	(191,692)
Exchange adjustments	<u>(39,879)</u>	<u>(5,389)</u>	<u>(15,872)</u>	<u>18,621</u>	<u>11,426</u>	<u>(31,093)</u>
At 31.12.2016	<u>5,562,929</u>	<u>7,851,090</u>	<u>2,260,941</u>	<u>4,824,125</u>	<u>3,296,542</u>	<u>23,795,627</u>
<b>Aggregate depreciation :-</b>						
At 1.1.2016	2,784,112	4,147,964	1,033,218	3,581,308	471,175	12,017,777
Charge for the year	1,273,406	945,513	575,118	513,945	317,733	3,625,715
Written back on disposals	-	(186,657)	-	-	(5,035)	(191,692)
Exchange adjustments	<u>(36,022)</u>	<u>(4,451)</u>	<u>(9,460)</u>	<u>(151)</u>	<u>6,051</u>	<u>(44,033)</u>
At 31.12.2016	<u>4,021,496</u>	<u>4,902,369</u>	<u>1,598,876</u>	<u>4,095,102</u>	<u>789,924</u>	<u>15,407,767</u>
<b>Net book value :-</b>						
At 31.12.2016	<u>1,541,433</u>	<u>2,948,721</u>	<u>662,065</u>	<u>729,023</u>	<u>2,506,618</u>	<u>8,387,860</u>

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<b>10. Trade and other receivables</b>	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Deposits and other receivables	4,559,391	5,482,856
Amount due from Greenpeace International - Note 10(a)	<u>785,148</u>	<u>2,639,550</u>
	<u><b>5,344,539</b></u>	<u><b>8,122,406</b></u>

Note :-

(a) The amount due is unsecured, interest-free and repayable on demand.

<b>11. Trade and other payables</b>	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Trade payables	13,146,915	13,538,245
Amounts due to other National Offices - Note 11(a)	<u>7,202</u>	<u>275,741</u>
	<u><b>13,154,117</b></u>	<u><b>13,813,986</b></u>

Note :-

(a) The amounts due are unsecured, interest-free and repayable on demand.

**12. Loans from Greenpeace International**

The amounts due are interest bearing at a range from 0.30% to 0.75% (2015: 0.75% to 1.50%) per annum, unsecured and repayable as follows :-

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Within one year	-	-
Between two to five years	13,031,920	4,898,592
Over five years	<u>3,283,702</u>	<u>8,897,122</u>
	<u><b>16,315,622</b></u>	<u><b>13,795,714</b></u>

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**13. Net defined benefit liability**

- (a) As at 31 December 2016, amounts recognised in the consolidated statements of financial position in relation to retirement benefit obligation are as follows :-

	<b>2016</b> <b>HK\$</b>	<b>2015</b> <b>HK\$</b>
Present value of defined benefit obligation	<b>2,448,516</b>	1,364,147
Fair value of plan assets	<u>-</u>	<u>-</u>
Retirement benefit obligation (net)	<u><b>2,448,516</b></u>	<u>1,364,147</u>

- (b) Changes in the present value of defined benefit obligation for the years ended 31 December 2016 and 2015 are as follows :-

	<u>31 December 2016</u>		
	<i>Present value of defined benefit obligation</i> <b>HK\$</b>	<i>Fair value of plan assets</i> <b>HK\$</b>	<i>Total</i> <b>HK\$</b>
At 1.1.2016	<u>1,364,147</u>	<u>-</u>	<u>1,364,147</u>
Defined benefit costs recognised in profit or loss			
Current service cost	1,048,888	-	1,048,888
Interest expense (income)	<u>24,642</u>	<u>-</u>	<u>24,642</u>
Subtotal	<u>1,073,530</u>	<u>-</u>	<u>1,073,530</u>
Defined benefit cost recognised in other comprehensive income		-	
Actuarial loss from demographic assumptions	49,853	-	49,853
Actuarial gain from financial assumptions	(16,948)	-	(16,948)
Actuarial loss from experience adjustment	<u>452,012</u>	<u>-</u>	<u>452,012</u>
Subtotal	<u>484,917</u>	<u>-</u>	<u>484,917</u>
Contribution			
Benefits paid	<u>-</u>	<u>-</u>	<u>-</u>
Other increase	<u>(474,078)</u>	<u>-</u>	<u>(474,078)</u>
At 31.12.2016	<u><b>2,448,516</b></u>	<u>-</u>	<u><b>2,448,516</b></u>

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**13. Net defined benefit liability (cont'd)**

(b) Changes in the present value of defined benefit obligation for the years ended 31 December 2016 and 2015 are as follows :- (cont'd)

	<i>31 December 2015</i>		
	<i>Present value of defined benefit obligation HK\$</i>	<i>Fair value of plan assets HK\$</i>	<i>Total HK\$</i>
At 1.1.2015	<u>769,923</u>	<u>-</u>	<u>769,923</u>
Defined benefit costs recognised in profit or loss			
Current service cost	555,055	-	555,055
Interest expense (income)	<u>14,382</u>	<u>-</u>	<u>14,382</u>
Subtotal	<u>569,437</u>	<u>-</u>	<u>569,437</u>
Defined benefit cost recognised in other comprehensive income			
Actuarial loss from demographic assumptions	8,542	-	8,542
Actuarial loss from financial assumptions	178,285	-	178,285
Actuarial loss from experience adjustment	<u>652,456</u>	<u>-</u>	<u>652,456</u>
Subtotal	<u>839,283</u>	<u>-</u>	<u>839,283</u>
Contribution			
Benefits paid	<u>(753,928)</u>	<u>-</u>	<u>(753,928)</u>
Other increase	<u>(60,568)</u>	<u>-</u>	<u>(60,568)</u>
At 31.12.2015	<u>1,364,147</u>	<u>-</u>	<u>1,364,147</u>

(c) Key actuarial assumptions used as at 31 December 2016 and 2015 are as follows :-

	<u>2016</u>	<u>2015</u>
Discount rate	<b>2.43%</b>	2.34%
Expected rate of salary increase	<b>5.08%</b>	3.82%



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**13. Net defined benefit liability (cont'd)**

- (d) The sensitivity analysis of actuarial assumptions used in defined benefit obligation is as follows :-

		<i>Defined benefit obligation 2016 HK\$</i>	<i>Defined benefit obligation 2015 HK\$</i>
Discount rate	Increase by 1% point	174,227	96,701
	Decrease by 1% point	(203,863)	(113,355)
Expected rate of salary increase	Increase by 1% point	(202,860)	(112,755)
	Decrease by 1% point	176,658	98,021

The sensitivity analysis indicates the change in the amount of defined benefit obligation when each assumption changes without change in the remaining assumptions and is constant. The sensitivity of defined benefit obligation is determined by the same methods as the projected unit credit method used in calculating net defined benefit liability.

**14. Commitment**

As at 31 December 2016, the total future minimum lease payments under non-cancellable operating leases for use of land and buildings, are payable as follows :-

	<i>2016 HK\$</i>	<i>2015 HK\$</i>
Within one year	11,783,460	7,720,325
In the second to fifth year inclusive	17,675,658	5,733,114
Over five years	<u>575,179</u>	<u>155,928</u>
	<u>30,034,297</u>	<u>13,609,367</u>

Operating lease payments represent rental payables by the Group for its offices premises and staff quarters. Leases are negotiated for an average term of five years with fixed monthly rental charges.

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**15. Related party transactions**

Apart from the transactions as disclosed in notes 10, 11 and 12 to the financial statements, the Group had no other material transaction with its related party during the year.

**16. Nature and extent of financial instrument risks**

(a) Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation.

Carrying amounts of financial assets as at 31 December 2016, which represented the amounts of maximum exposure to credit risk, were as follows :-

	<i>2016</i> <i>HK\$</i>	<i>2015</i> <i>HK\$</i>
Trade and other receivables	5,344,539	8,122,406
Fixed deposits	6,304,564	5,313,735
Cash and cash equivalents	<u>49,188,710</u>	<u>33,471,728</u>
	<u>60,837,813</u>	<u>46,907,869</u>

The Group's cash and cash equivalents are placed with major financial institutions located in Hong Kong and the PRC with high credit quality and the credit risk is considered as insignificant.

The council members are satisfied with the credit quality of amount due from Greenpeace International since it is financially healthy.

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**16. Nature and extent of financial instrument risks (cont'd)**

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations.

Maturities of the non-derivative financial liabilities as at 31 December 2016 were as follows :-

	<b>2016</b> <b>HK\$</b>	<b>2015</b> <b>HK\$</b>
Total amounts of contractual undiscouted obligations :-		
Trade and other payables	<b>13,154,117</b>	13,813,986
Loans from Greenpeace International	<b>16,315,622</b>	<b>13,795,714</b>
	<b><u>29,469,739</u></b>	<b><u>27,609,700</u></b>
Due for payment :-		
Within one year or on demand	<b>13,154,117</b>	13,813,986
In the second to fifth years	<b>13,031,920</b>	4,898,592
Over five years	<b>3,283,702</b>	<b>8,897,122</b>
	<b><u>29,469,739</u></b>	<b><u>27,609,700</u></b>

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**16. Nature and extent of financial instrument risks (cont'd)**

(c) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Carrying amounts of financial assets and financial liabilities as at 31 December 2016 exposed to currency risk were as follows :-

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Financial assets denominated in foreign currencies :-		
Trade and other receivables	<b>1,209,109</b>	3,162,509
Fixed deposits	<b>791,327</b>	841,985
Cash and cash equivalents	<b>10,577,352</b>	5,203,195
Financial liabilities denominated in foreign currencies :-		
Trade and other payables	<b>(3,316,969)</b>	(1,695,330)
Loans from Greenpeace International	<b>(16,315,622)</b>	(13,795,714)
<b>Net financial liabilities exposed to currency risk</b>	<b><u>(7,054,803)</u></b>	<b><u>(6,283,355)</u></b>

The Group's financial assets and financial liabilities exposed to currency risks were primarily denominated in Renminbi.

The council members consider that material fluctuations in the exchange rates of Hong Kong dollars against Renminbi are remote.

(d) **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. The Group manages interest rate risk, when it is considered significant, by entering into appropriate swap contracts.

As at 31 December 2016, loans from Greenpeace International of HK\$16,315,622 (2015 : HK\$13,795,714) bearing fixed interests, therefore the Group is not exposed to fair value interest rate risk.

Since the loans were measured at amortised cost, their carrying amounts would not be affected by changes in market interest rates.

(e) **Fair value estimate**


All of the carrying amounts of the Group's financial assets and liabilities approximate their fair values due to the short-term maturity of these instruments.


**Greenpeace East Asia (limited by guarantee)**  
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**17. Statement of financial position of the Company**

	<i>Note</i>	<b>2016</b> <i>HK\$</i>	<b>2015</b> <i>HK\$</i>
<b>Non-current assets</b>			
Property, plant and equipment		3,775,069	3,314,902
Investments in subsidiaries	17(a)	5,263,500	5,263,500
Loan to a subsidiary		<u>38,706,306</u>	<u>39,837,514</u>
		<u>47,744,875</u>	<u>48,415,916</u>
<b>Current assets</b>			
Trade and other receivables		1,868,075	5,346,216
Prepayments		4,963,652	4,308,212
Loan to a subsidiary		3,885,327	-
Fixed deposits		1,291,364	841,985
Cash and cash equivalents		<u>11,365,809</u>	<u>8,784,191</u>
		<u>23,374,227</u>	<u>19,280,604</u>
<b>Deduct :</b>			
<b>Current liabilities</b>			
Trade and other payables		8,401,378	7,509,640
Receipt in advance		-	3,009,072
		<u>8,401,378</u>	<u>10,518,712</u>
<b>Net current assets</b>		<u>14,972,849</u>	<u>8,761,892</u>
<b>Total assets less current liabilities</b>		62,717,724	57,177,808
<b>Deduct :</b>			
<b>Non-current liability</b>			
Loans from Greenpeace International		<u>16,315,622</u>	<u>13,795,714</u>
<b>Net assets</b>		<u>46,402,102</u>	<u>43,382,094</u>
<b>Representing :-</b>			
<b>Accumulated surplus</b>	17(b)	<u>46,402,102</u>	<u>43,382,094</u>

Approved and authorised for issue by the council of members on 26 April 2017

  
 .....  
 Pai Kundapur Santosh  
 Council member

  
 .....  
 Chang Wei Hsiu  
 Council member

**Greenpeace East Asia (limited by guarantee)**  
**Notes to the consolidated financial statements**  
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**17. Statement of financial position of the Company (cont'd)**

Notes:-

(a) Investments in subsidiaries

	<b>2016</b> <b>HK\$</b>	<b>2015</b> <b>HK\$</b>
Unlisted equity, at cost	<u>5,263,500</u>	<u>5,263,500</u>

Details of the subsidiaries are as follows :-

<i><b>The company</b></i>	<i><b>Place of establishment and operation</b></i>	<i><b>Particulars of registered capital</b></i>	<i><b>Effective percentage of equity holding</b></i>
Greenpeace (Beijing) Consultancy Company Limited of Environment	The People's Republic of China	HK\$250,000	100%
財團法人綠色和平基金會	Taiwan	TWD5,000,000	100%
Greenpeace Foundation	South Korea	KRW500,000,000	100%

Principal activities of the subsidiaries are provision of consultancy service for environmental friendly product, technical service, training, planning and solution for environmental protection

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**17. Statement of financial position of the Company (cont'd)**

Notes:- (cont'd)

(b) Reserves

	<i>Accumulated surplus HK\$</i>
At 1.1.2015	33,192,368
Total comprehensive income for the year	<u>10,189,726</u>
At 31.12.2015 and 1.1.2016	43,382,094
Total comprehensive income for the year	<u>3,020,008</u>
<b>At 31.12.2016</b>	<b><u>46,402,102</u></b>