

Greenpeace East Asia

(Limited by guarantee)

Reports and Consolidated financial statements
For the year ended 31 December 2018

**Greenpeace East Asia
(Limited by guarantee)
Reports and Consolidated financial statements
For the year ended 31 December 2018**

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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 2018.

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 18(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
Yang Ailun
Xie Lei
Chang Wei Hsiu
Nam Boo-Won


(resigned on 22 September 2018)

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, PKF Hong Kong Limited, is to be proposed at the forthcoming annual general meeting.

By order of the council



Council member
Pai Kundapur Santosh
Hong Kong

- 2 JUN 2019

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

Objectives

Our goal is to create a green and peaceful world where all life on Earth can flourish. That means we work to:

- Stop the planet from warming beyond 1.5°C to prevent the most catastrophic impacts of the climate breakdown.
- Protect biodiversity in all its forms.
- Slow the volume of hyper-consumption and learn to live within our planetary means.
- Promote renewable energy as a solution that can power the world.
- Nurture peace, global disarmament and non-violence.

Greenpeace is an independent campaigning organisation, which uses peaceful, creative confrontation to expose global environmental problems, and develop solutions for a green and peaceful future.

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.

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 Toxic Chemicals.** China's role as the factory of the world has taken a severe toll on its water resources, soil quality, and especially on 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.

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

Financial Performance

Key Financial Performance

- Total fundraising income increased to TWD 752 million, that is TWD62 million or 9% more than last year;
- Contribution from Greenpeace International, amounting TWD 255 million, increased 10% compared to last year;
- Overall programme expenditure was TWD 551 million, representing an increase of 11% over the year prior and amounting 54% of our total expenditure;
- Organisational support costs were TWD 177 million, which represent 17% of total expenditure; and
- Fundraising investment was TWD 243 million, representing an increase of 25% over the prior year.

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 one of our supporters. Greenpeace speaks for 3 million supporters worldwide and encourages many millions more than that to take action every day.

2018 saw Fundraising income grow significantly, with a total of TWD 752 million raised across Hong Kong, Taiwan and South Korea. This was a growth of TWD62 million or 9% on 2017 performance. This 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 44,800 new donors were inspired to join the Organisation across the region (21,935 in Taiwan, 13,957 in Korea and 8,980 in Hong Kong) meaning the number of active donors grew to 145,000 by the end of the year, an increase of over 19% during 2018.

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

Investment in Programme

In 2018, our campaign continued to be an agent to accelerate energy transition in the East Asia region.

We won major campaigns on phasing out the old, dirty coal plants and transitioning into using the clean renewable energy. We stopped a new coal-fired power plant construction in Taiwan with the power of 130,000 supporters backed up. The coal phase-out commitment in the most coal-intensive province of Korea (the Chungnam Province) may yet prove to be very significant if it would catalyze other provinces in Korea to follow. On the road to speeding up the use of renewable energy, the electronics giant--Samsung has made a big policy change on renewable energy by committing to 100% renewable energy in its factories and operations the US, China and Europe by 2020. The policy change was a direct result of an extensive global campaign led by GPEA.

In China, the clean air action plan from 2018 to 2020 was released in June. The air quality improvement target and coal consumption reduction target outlined in this action plan were contributed by Greenpeace's persistent campaign on air pollution and coal. Another major achievement in China is that the country started the biggest shutdown of its Northern steel factories in history. In the meantime in both mainland China and Hong Kong, the energy finance campaign works year-round to keep the financial industry informed on environmental issues and risks.

We continued to gain momentum on the significant distant water fishery issue throughout this year. Our joint operations with the West African local fishery inspectors resulted in an improved regulatory revision on China's distant water fisheries as well as a tightened law enforcement by the Chinese government. In Taiwan, we released a hard-hitting report which exposed the human trafficking and Illegal, Unreported and Unregulated (IUU) cases of Taiwanese fishing vessels in the high seas, bringing another wave of momentum and triggering positive reactions from the key stakeholders in the industry and the government.

We have achieved significant results in our plastics campaign. In Taiwan, with the joint effort by the NGO alliance and the Environmental Protection Administration (EPA), a clear roadmap was promised to phase out major plastics by 2030. In the meantime, we kicked off the first-ever beach survey in Taiwan, hoping to gain a better understanding of the plastics pollution hot spots and to identify a systematic method to tackle the problem. On the corporate strand, fast food giants in Hong Kong have started taking measures to reduce single-use plastics. The Government of Korea responded to our persistent campaigning by enforcing a stronger waste export regulation and releasing a roadmap to phase out single-use plastics in 2019.

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

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 adequate general reserves.

The deficit of TWD 6.5 million in 2018 slightly decreased our general reserves to TWD 239 million, allowing Greenpeace East Asia to hold adequate general reserves, with a value equivalent to 2.8 months of expenditure.

Accountability measures

Greenpeace works actively to ensure transparency and public accountability in its campaigning, fundraising and financial management practices.

Greenpeace is a Member of Accountable Now, a platform of international civil society organisations. Together, we strive to be transparent, responsive to stakeholders and focused on delivering impact. We have signed ten globally-agreed-upon Accountability Commitments and seek to respect human rights, be independent and work ethically and professionally.

Annually Greenpeace reports publicly on our economic, environmental and social performance according to the Accountable Now Reporting Framework to an Independent Review Panel. Learn more about our work and responsibility towards our stakeholders in our Accountability Reports.

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. Additionally, 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.

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

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, including Greenpeace East Asia. These entail:

- 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:

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
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Business review**

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 the current Defra emission factors; by applying the Defra factors retrospectively to previous year's data we made the comparison consistent.

tCO2e	Occurrence Date	
	FY 2018	FY 2017
Emissions		
Grid Electricity	166.45	139.17
Business Flights - Long Haul (3,700 km and over)	592.19	702.22
Business Flights - Medium Haul (464 to 3,699 km)	391.93	403.07
Business Flights - Short Haul (0 to 463 km)	5.48	5.80
Car Hire - Kilometres of travel Petrol Car	0.00	15.43
Car Hire - LPG consumption	0.00	34.24
External Printing - 100% Recycled Paper use	15.17	54.48
Office Paper Use - Recycled Paper with recycling	0.00	0.66
Other travel	54.84	85.86
Total	1226.07	1440.93

Greenpeace East Asia continued to increase its activities in 2018, both in terms of income and expenditure as described in the narrative above while the overall emissions have decreased by 14%.

In 2018, there was additional effort to keep travels at the necessary level hence the emissions from business flights have slightly decreased. The increased use of electronic means for donor communication and reporting resulted in a significant decrease in emissions from external printing.

The office in Taipei achieved 33% renewable energy electricity self-sufficiency from the roof-top solar installation. However, the market is not ready for small scale electricity user to purchase renewable energy which led to a slight increase in grid electricity. We will purchase green electricity once the market and regulations are ready. We naturally continue to campaign for the opening up of green electricity market in the other jurisdictions we work in.

**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 11 to 35, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, 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 which comprises the information included in the council members' report and business review for the year ended 31 December 2018.

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 the 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 HKSAAs 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 HKSAAs, 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.

The engagement director on the audit resulting in this independent auditor's report is Tan Yik Chung Wilson (Practising Certificate Number : P05103).



PKF Hong Kong Limited
Certified Public Accountants
Hong Kong

- 2 JUN 2019

PKF Hong Kong Limited
大信梁學濂(香港)會計師事務所有限公司

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Greenpeace East Asia (limited by guarantee)
Consolidated income and expenditure account
For the year ended 31 December 2018

	Note	2018 TWD	2017 TWD
Income			
Fundraising income			
Existing donor contribution income		590,735,398	568,676,335
New donor contribution income		119,999,303	95,873,295
Foundations and trusts, major gift income		40,844,229	24,944,736
Contributions from Greenpeace International		254,881,428	231,021,125
Interest income		486,318	119,907
Sundry income		15,639	2,389,902
	5	<u>1,006,962,315</u>	<u>923,025,300</u>
Deduct :			
Expenditure			
Fundraising and Supporter development expenses			
New supporter outreach		163,790,921	115,670,223
Supporter information and mobilisation		20,784,112	22,515,519
Supporter care and development		11,034,259	8,857,899
Supporter database, licenses and management		14,395,874	14,371,862
FR staff and coordination		32,520,068	33,304,036
Contributions to Greenpeace International for global activities		41,989,609	18,381,124
Program activities			
Oceans		63,784,693	62,895,538
Climate and energy		170,019,510	100,039,530
Toxics		70,990,696	86,962,913
Forests		28,153,019	16,449,327
Food and agriculture		20,425,079	24,178,151
Other issues		30,525,034	33,583,575
Media and communications		77,380,768	87,679,381
Marine operations and action support		20,395,533	21,744,284
Political, science and business		55,093,790	50,035,143
Public information and outreach		14,724,198	13,198,151
Organisational support expenses		<u>177,421,209</u>	<u>125,613,093</u>
		<u>1,013,428,372</u>	<u>835,479,749</u>
Deficit/(surplus) for the year	6	<u>(6,466,057)</u>	<u>87,545,551</u>

Greenpeace East Asia (limited by guarantee)
Consolidated statement of comprehensive income
For the year ended 31 December 2018

	<i>Note</i>	2018 TWD	2017 TWD
(Deficit)/surplus for the year		<u>(6,466,057)</u>	<u>87,545,551</u>
Other comprehensive (loss)/income :-			
Item that may be reclassified subsequently to income and expenditure account :-			
Exchange difference arising from translation of financial statements of overseas subsidiaries		7,304,773	(22,494,035)
Item that will not be reclassified to income and expenditure account :-			
Remeasurement of net defined benefit liability	14(b)	<u>(4,741,851)</u>	<u>(598,694)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>2,562,922</u>	<u>(23,092,729)</u>
Total comprehensive (loss)/income for the year		<u>(3,903,135)</u>	<u>64,452,822</u>

Greenpeace East Asia (limited by guarantee)
Consolidated statement of financial position
As at 31 December 2018

	Note	2018 TWD	2017 TWD
Non-current asset			
Property, plant and equipment	9	<u>42,530,767</u>	<u>44,451,918</u>
Current assets			
Other receivables	10	62,644,627	55,306,825
Prepayments		25,292,424	17,210,531
Fixed deposits		26,365,169	26,569,836
Cash and cash equivalents		<u>280,027,270</u>	<u>272,220,681</u>
		<u>394,329,490</u>	<u>371,307,873</u>
Deduct :			
Current liabilities			
Trade and other payables	12	104,610,732	89,410,574
Loans from Greenpeace International	13	<u>18,747,767</u>	<u>6,362,613</u>
		<u>123,358,499</u>	<u>95,773,187</u>
Net current assets		<u>270,970,991</u>	<u>275,534,686</u>
Total assets less current liabilities		<u>313,501,758</u>	<u>319,986,604</u>
Deduct :			
Non-current liabilities			
Loans from Greenpeace International	13	51,702,083	60,685,100
Net defined benefit liability	14(a)	<u>20,708,378</u>	<u>14,307,072</u>
		<u>72,410,461</u>	<u>74,992,172</u>
Net assets		<u>241,091,297</u>	<u>244,994,432</u>
Representing :-			
Exchange reserve		1,868,944	(5,435,829)
Accumulated surplus		<u>239,222,353</u>	<u>250,430,261</u>
Total equity		<u>241,091,297</u>	<u>244,994,432</u>

Approved and authorised for issue by the council of members on - 2 JUN 2019


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 2018

	<i>Exchange reserve TWD</i>	<i>Accumulated surplus TWD</i>	<i>Total TWD</i>
At 1.1.2017	17,058,206	163,483,404	180,541,610
Total comprehensive income for the year	<u>(22,494,035)</u>	<u>86,946,857</u>	<u>64,452,822</u>
At 31.12.2017 and 1.1.2018	(5,435,829)	250,430,261	244,994,432
Total comprehensive loss for the year	<u>7,304,773</u>	<u>(11,207,908)</u>	<u>(3,903,135)</u>
At 31.12.2018	<u>1,868,944</u>	<u>239,222,353</u>	<u>241,091,297</u>

Greenpeace East Asia (limited by guarantee)
Consolidated statement of cash flows
For the year ended 31 December 2018

	2018	2017
	TWD	TWD
Cash flows from operating activities		
(Deficit)/surplus for the year	(6,466,057)	87,545,551
Adjustments for :-		
(Gain)/loss on disposal of property, plant and equipment	(15,639)	36,306
Depreciation	22,844,222	19,098,985
Interest income	(486,318)	(119,907)
Interest expenses	315,170	332,909
Unrealised exchange loss on loans from Greenpeace International	(2,184,659)	(1,255,909)
Operating surplus before working capital changes	14,006,719	105,637,935
Other receivables	(13,904,678)	(33,027,529)
Prepayments	(8,081,893)	7,705,002
Trade and other payables	15,200,158	34,590,388
Net defined benefit liability	1,659,455	3,526,098
Cash generated from operations	8,879,761	118,431,894
Interest received	486,318	119,907
Net cash generated from operating activities	9,366,079	118,551,801
Cash flows from investing activities		
Purchases of property, plant and equipment	(19,360,507)	(30,341,186)
Proceeds from disposals of property, plant and equipment	56,324	13,844
Net cash used in investing activities	(19,304,183)	(30,327,342)
Cash flows from financing activities		
Loans from Greenpeace International	11,879,187	-
Net cash generated from financing activities	11,879,187	-
Net increase in cash and cash equivalents	1,941,083	88,224,459
Cash and cash equivalents at beginning of the year	298,790,517	231,381,410
Effect of foreign exchange rate changes	5,660,839	(20,815,352)
Cash and cash equivalents at end of the year	306,392,439	298,790,517
Analysis of the balances of cash and cash equivalents		
Fixed deposits with original maturity of three months	26,365,169	26,569,836
Cash and bank balances	280,027,270	272,220,681
	306,392,439	298,790,517

Greenpeace East Asia (limited by guarantee)
Notes to the consolidated financial statements
For the year ended 31 December 2018

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 :-

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKAS 40	Transfers of Investment Property
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Annual Improvements to HKFRSs (2014-2016)	Amendments to HKFRS 1 and HKAS 28

On initial application of HKFRS 9, impairment of trade receivables shall be estimated on the basis of lifetime expected credit losses. The differences (if any) between the previous carrying amounts financial assets and financial liabilities and the carrying amounts of financial assets and financial liabilities measured in accordance with HKFRS 9 were recognised in accumulated surplus or other components of equity as appropriate at the date of initial application. Given the nature of the Group's business, the initial application of HKFRS 9 does not necessitate material changes in the Group's policies, or retrospective adjustments of the comparatives presented in the consolidated financial statements.

The initial application of other 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.

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Notes to the consolidated financial statements
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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 in issue at 31 December 2018 have not been applied in the preparation of the Group's financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2018 :-

HKFRS 16	Lease
HKFRS 17	Insurance Contracts
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs (2015-2017)	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

The Group is required to initially apply HKFRS 16, HK(IFRIC)-Int 23, Amendments to HKFRS 9, Amendments to HKAS 19 and Annual Improvements to HKFRSs (2015-2017) in its annual consolidated financial statements beginning on 1 January 2019, to initially apply Amendments to HKAS 1 in its annual consolidated financial statements beginning on 1 January 2020, and to initially apply HKFRS 17 in its annual consolidated financial statements beginning on 1 January 2021. Amendments to HKAS 28 and HKFRS 10 have no mandatory effective date. Amendments to HKFRS 3 is effective for business combination for which the acquisition's date is on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Group 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 application. So far the Group has identified some aspects of HKFRS 16 which may have an impact on the consolidated financial statements. While the assessment has been substantially completed for HKFRS 16, the actual impact upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied in the Group's consolidated financial statements for the year ending 31 December 2019. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report.

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Notes to the consolidated financial statements
For the year ended 31 December 2018

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 2018. 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

Fund raising 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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Notes to the consolidated financial statements
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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 $\frac{1}{3}$ %
Computer equipment	33 $\frac{1}{3}$ %
Office equipment	25%
Actions equipment	33 $\frac{1}{3}$ %
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.

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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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Notes to the consolidated financial statements
For the year ended 31 December 2018

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 New Taiwan dollar, which is the Company's presentation currency and the Company's functional currency is Hong Kong dollar.

(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.

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Notes to the consolidated financial statements
For the year ended 31 December 2018

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 a joint venture of the other entity (or an associate or a 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 when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before the payment of consideration is due. They are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less allowance for expected credit losses.

(m) Payables

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

Greenpeace East Asia (limited by guarantee)
Notes to the consolidated financial statements
For the year ended 31 December 2018

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.

Greenpeace East Asia (limited by guarantee)
Notes to the consolidated financial statements
For the year ended 31 December 2018

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 :-

	2018 TWD	2017 TWD
Revenue		
Fund raising income		
Existing donor contribution income	590,735,398	568,676,335
New donor contribution income	119,999,303	95,873,295
Foundations & trusts, major gift income	40,844,229	24,944,736
	<u>751,578,930</u>	<u>689,494,366</u>
Other revenue and income		
Contributions from Greenpeace International	254,881,428	231,021,125
Interest income	486,318	119,907
Sundry income	15,639	2,389,902
	<u>255,383,385</u>	<u>233,530,934</u>
Total revenue	<u><u>1,006,962,315</u></u>	<u><u>923,025,300</u></u>

6. (Deficit)/surplus for the year

(Deficit)/surplus for the year is arrived at after charging/(crediting) :-

	2018 TWD	2017 TWD
Staff costs		
- Salaries and allowances	519,137,445	471,026,147
- Contributions to provident fund	25,196,568	23,853,628
	544,334,013	494,879,775
Depreciation	22,844,222	19,098,985
Interest expenses	315,170	332,909
Minimum lease payments paid under operating leases	56,193,720	53,150,506
(Gain)/loss on disposal of property, plant and equipment		
- Proceeds from disposals of property, plant and equipment	(56,324)	(13,844)
- Carrying amount of property, plant and equipment	40,685	50,150
	<u>(15,639)</u>	<u>36,306</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 279 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 :-

	2018 TWD	2017 TWD
Salaries and allowances	27,556,374	26,718,458
Retirement scheme contributions	<u>300,246</u>	<u>234,056</u>
	<u>27,856,620</u>	<u>26,952,514</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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Notes to the consolidated financial statements
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9. Property, plant and equipment

	<i>Leasehold improvements TWD</i>	<i>Computer equipment TWD</i>	<i>Office equipment TWD</i>	<i>Actions equipment TWD</i>	<i>Furniture and fixture TWD</i>	<i>Total TWD</i>
Cost :-						
At 1.1.2017	23,177,091	32,761,316	8,905,442	20,571,115	13,749,336	99,164,300
Additions	18,488,510	7,782,414	2,972,852	644,915	452,495	30,341,186
Disposals	-	(322,405)	(10,772)	(30,920)	-	(364,097)
Exchange adjustments	(2,413,726)	(2,513,756)	96,489	(1,741,808)	(64,317)	(6,637,118)
At 31.12.2017	<u>39,251,875</u>	<u>37,707,569</u>	<u>11,964,011</u>	<u>19,443,302</u>	<u>14,137,514</u>	<u>122,504,271</u>
Aggregate depreciation :-						
At 1.1.2017	16,754,187	20,475,458	6,599,290	17,076,721	3,294,662	64,200,318
Charge for the year	8,039,698	6,579,399	1,637,827	1,768,174	1,073,887	19,098,985
Written back on disposals	-	(313,947)	-	-	-	(313,947)
Exchange adjustments	(1,643,298)	(1,687,510)	(324,575)	(1,263,014)	(14,606)	(4,933,003)
At 31.12.2017	<u>23,150,587</u>	<u>25,053,400</u>	<u>7,912,542</u>	<u>17,581,881</u>	<u>4,353,943</u>	<u>78,052,353</u>
Net book value :-						
At 31.12.2017	<u>16,101,288</u>	<u>12,654,169</u>	<u>4,051,469</u>	<u>1,861,421</u>	<u>9,783,571</u>	<u>44,451,918</u>
Cost :-						
At 1.1.2018	39,251,875	37,707,569	11,964,011	19,443,302	14,137,514	122,504,271
Additions	7,519,825	9,093,874	1,184,756	684,616	877,436	19,360,507
Disposals	-	(2,000,708)	-	-	-	(2,000,708)
Exchange adjustments	974,246	1,149,617	168,836	377,134	-	2,669,833
At 31.12.2018	<u>47,745,946</u>	<u>45,950,352</u>	<u>13,317,603</u>	<u>20,505,052</u>	<u>15,014,950</u>	<u>142,533,903</u>
Aggregate depreciation :-						
At 1.1.2018	23,150,587	25,053,400	7,912,542	17,581,881	4,353,943	78,052,353
Charge for the year	8,548,512	7,583,794	1,714,749	2,056,857	2,940,310	22,844,222
Written back on disposals	-	(1,960,023)	-	-	-	(1,960,023)
Exchange adjustments	688,005	918,829	126,743	(666,993)	-	1,066,584
At 31.12.2018	<u>32,387,104</u>	<u>31,596,000</u>	<u>9,754,034</u>	<u>18,971,745</u>	<u>7,294,253</u>	<u>100,003,136</u>
Net book value :-						
At 31.12.2018	<u>15,358,842</u>	<u>14,354,352</u>	<u>3,563,569</u>	<u>1,533,307</u>	<u>7,720,697</u>	<u>42,530,767</u>

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10. Other receivables	2018 TWD	2017 TWD
Deposits and other receivables	56,880,010	48,899,050
Amount due from Greenpeace International - Note 10(a)	<u>5,764,617</u>	<u>6,407,775</u>
	<u>62,644,627</u>	<u>55,306,825</u>

Note :-

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

11. Other cash flow information

Reconciliation of liabilities arising from financing activities :-

The table below details change in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows arising from financing activities :-

	TWD
At 1 January 2018	67,047,713
Changes from financing cash flows :-	
Advance from	11,879,187
Other changes :-	
Amount due to Greenpeace international	(6,607,561)
Exchange difference	(2,184,659)
Interest expense	<u>315,170</u>
At 31 December 2018	<u>70,449,850</u>

	TWD
At 1 January 2017	67,970,713
Other changes :-	
Exchange difference	(1,255,909)
Interest expense	<u>332,909</u>
At 31 December 2017	<u>67,047,713</u>

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12. Trade and other payables	2018 TWD	2017 TWD
Trade payables	62,374,284	71,567,563
Amounts due to other National Offices - Note 12(a)	249,528	76,261
Amounts due to Greenpeace international - Note 12(a)	41,986,920	17,766,750
	<u>104,610,732</u>	<u>89,410,574</u>

Note :-

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

13. Loans from Greenpeace International

The amounts due are interest bearing at a range from 0.25% to 0.75% (2017: 0.30% to 0.75%) per annum, unsecured and repayable as follows :-

	2018 TWD	2017 TWD
Within one year	18,747,767	6,362,613
Between two to five years	51,702,083	53,190,815
Over five years	-	7,494,285
	<u>70,449,850</u>	<u>67,047,713</u>

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14. Net defined benefit liability

- (a) As at 31 December 2018, amounts recognised in the consolidated statements of financial position in relation to retirement benefit obligation are as follows :-

	2018 TWD	2017 TWD
Present value of defined benefit obligation	20,708,378	14,307,072
Fair value of plan assets	<u>-</u>	<u>-</u>
Retirement benefit obligation (net)	<u>20,708,378</u>	<u>14,307,072</u>

- (b) Changes in the present value of defined benefit obligation for the years ended 31 December 2018 and 2017 are as follows :-

	31 December 2018		
	Present value of defined benefit obligation TWD	Fair value of plan assets TWD	Total TWD
At 1.1.2018	<u>14,307,072</u>	<u>-</u>	<u>14,307,072</u>
Defined benefit costs recognised in profit or loss			
Current service cost	6,599,287	-	6,599,287
Interest expense (income)	<u>386,623</u>	<u>-</u>	<u>386,623</u>
Subtotal	<u>6,985,610</u>	<u>-</u>	<u>6,985,610</u>
Defined benefit cost recognised in other comprehensive income	133,627	-	133,627
Actuarial loss from demographic assumptions	1,726,873	-	1,726,873
Actuarial gain from experience adjustment	<u>2,881,351</u>	<u>-</u>	<u>2,881,351</u>
Subtotal	<u>4,741,851</u>	<u>-</u>	<u>4,741,851</u>
Contribution			
Benefits paid	<u>(5,326,155)</u>	<u>-</u>	<u>(5,326,155)</u>
Other increase	<u>-</u>	<u>-</u>	<u>-</u>
At 31.12.2018	<u>20,708,378</u>	<u>-</u>	<u>20,708,378</u>

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14. Net defined benefit liability (cont'd)

- (b) Changes in the present value of defined benefit obligation for the years ended 31 December 2018 and 2017 are as follows :- (cont'd)

	<i>31 December 2017</i>		
	<i>Present value of defined benefit obligation TWD</i>	<i>Fair value of plan assets TWD</i>	<i>Total TWD</i>
At 1.1.2017	<u>10,207,712</u>	<u>-</u>	<u>10,207,712</u>
Defined benefit costs recognised in profit or loss			
Current service cost	6,754,361	-	6,754,361
Interest expense (income)	<u>246,426</u>	<u>-</u>	<u>246,426</u>
Subtotal	<u>7,000,787</u>	<u>-</u>	<u>7,000,787</u>
Defined benefit cost recognised in other comprehensive income			
Actuarial loss from demographic assumptions		-	
Actuarial loss from financial assumptions	1,430,092	-	1,430,092
Actuarial loss from experience adjustment	<u>(831,398)</u>	<u>-</u>	<u>(831,398)</u>
Subtotal	<u>598,694</u>	<u>-</u>	<u>598,694</u>
Contribution			
Benefits paid	<u>(3,797,454)</u>	<u>-</u>	<u>(3,797,454)</u>
Other increase	<u>297,333</u>	<u>-</u>	<u>297,333</u>
At 31.12.2017	<u>14,307,072</u>	<u>-</u>	<u>14,307,072</u>

- (c) Key actuarial assumptions used as at 31 December 2018 and 2017 are as follows :-

	<u>2018</u>	<u>2017</u>
Discount rate	2.74%	3.16%
Expected rate of salary increase	4.53%	5.14%

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14. 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 2018 TWD</i>	<i>Defined benefit obligation 2017 TWD</i>
Discount rate	Increase by 1% point	(1,931,215)	957,150
	Decrease by 1% point	1,873,436	(1,114,431)
Expected rate of salary increase	Increase by 1% point	1,869,676	(1,117,544)
	Decrease by 1% point	(1,959,956)	976,950

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.

15. Commitment

As at 31 December 2018, the total future minimum lease payments under non-cancellable operating leases for use of land and buildings, are payable due as follows :-

	<i>2018 TWD</i>	<i>2017 TWD</i>
Within one year	34,017,406	45,115,048
In the second to fifth year inclusive	473,900	56,098,745
	<u>34,491,306</u>	<u>101,213,793</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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16. Related party transactions

Apart from the transactions as disclosed in notes 10, 12 and 13 to the financial statements, the Group had no other material transaction with its related party during the year.

17. 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.

The Group assessed that there is no significant loss allowance recognised for other receivables as at 31 December 2018 in view that there was no past due experience and no deterioration of the other debtors' credit.

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.

(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 2018 were as follows :-

	2018 TWD	2017 TWD
Total amounts of contractual undiscounted obligations :-		
Trade and other payables	104,610,732	89,410,574
Loans from Greenpeace International	70,449,850	67,047,713
	<u>175,060,582</u>	<u>156,458,287</u>
Due for payment :-		
Within one year or on demand	123,358,499	95,773,187
In the second to fifth year	51,702,083	53,190,815
Over five years	-	7,494,285
	<u>175,060,582</u>	<u>156,458,287</u>

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17. 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 2018 exposed to currency risk were as follows :-

	2018	2017
	TWD	TWD
Financial assets denominated in foreign currencies :-		
Amount due from Greenpeace International	41,986,920	-
Other receivables	74,852,468	28,995,619
Fixed deposits	3,363,714	3,253,855
Cash and cash equivalents	27,646,460	58,518,562
Financial liabilities denominated in foreign currencies :-		
Trade and other payables	(7,082,716)	(23,343,402)
Loans from Greenpeace International	(70,449,850)	(67,047,713)
Net financial assets exposed to currency risk	<u>70,316,996</u>	<u>376,921</u>

The Group's financial assets and financial liabilities exposed to currency risk 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 2018, loans from Greenpeace International of TWD70,449,850 (2017 : TWD67,047,713) 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

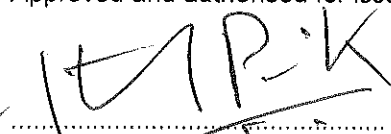
All of the carrying amounts of the Group's financial assets and liabilities approximate their fair values due to the short-term maturity of these instruments.

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For the year ended 31 December 2018

18. Statement of financial position of the Company

	Note	2018 TWD	2017 TWD
Non-current assets			
Property, plant and equipment		21,781,645	25,141,911
Investments in subsidiaries	18(a)	20,011,026	20,011,026
Loan to a subsidiary		104,301,815	72,375,153
		<u>146,094,486</u>	<u>117,528,090</u>
Current assets			
Other receivables		47,850,149	40,098,533
Prepayments		21,764,816	17,210,530
Loan to a subsidiary		80,142,035	98,776,105
Fixed deposits		5,148,847	5,155,072
Cash and bank balances		12,349,748	46,619,216
		<u>167,255,595</u>	<u>207,859,456</u>
Deduct :			
Current liabilities			
Trade and other payables		48,957,618	51,390,540
Loans from Greenpeace International		18,747,767	6,362,611
		<u>67,705,385</u>	<u>57,753,151</u>
Net current assets		<u>99,550,210</u>	<u>150,106,305</u>
Total assets less current liabilities		<u>245,644,696</u>	<u>267,634,395</u>
Deduct :			
Non-current liability			
Loans from Greenpeace International		51,702,080	60,685,102
Net assets		<u>193,942,616</u>	<u>206,949,293</u>
Representing :-			
Exchange reserve	18(b)	(3,530,096)	(8,518,594)
Accumulated surplus	18(b)	197,472,712	215,467,887
Total equity		<u>193,942,616</u>	<u>206,949,293</u>

Approved and authorised for issue by the council of members on - 2 JUN 2019


Pai Kundapur Santosh
Council member


Chang Wei Hsiu
Council member

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

Notes :-

(a) Investments in subsidiaries

	2018 TWD	2017 TWD
Unlisted equity, at cost	<u>20,011,026</u>	<u>20,011,026</u>

Details of the subsidiaries are as follows :-

The company	Place of establishment and operation	Particulars of registered capital	Effective percentage of equity holding
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

(b) Reserves

	Exchange reserve TWD	Accumulated surplus TWD	Total TWD
At 1.1.2017	7,695,797	183,562,231	191,258,028
Total comprehensive income for the year	<u>(16,214,391)</u>	<u>31,905,656</u>	<u>15,691,265</u>
At 31.12.2017 and 1.1.2018	(8,518,594)	215,467,887	206,949,293
Total comprehensive loss for the year	<u>4,988,498</u>	<u>(17,995,175)</u>	<u>(13,006,677)</u>
At 31.12.2018	<u>(3,530,096)</u>	<u>197,472,712</u>	<u>193,942,616</u>