

Our Ref. : G381/WT/KN

PRIVATE AND CONFIDENTIAL

The Council Members
Greenpeace East Asia
10/F, Stelux House
698 Prince Edward Road East
San Po Kong, Kowloon
Hong Kong

Dear Sirs,

In accordance with our engagement letter dated 21 March 2022, we have performed the procedures agreed with you which are set out below with respect to the management financial report presented in Hong Kong Dollars prepared by the Company for the year ended 31 December 2021 (the "Management Financial Report") for which you are solely responsible.

Our engagement was conducted in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The procedures were performed solely to assist you in checking the correctness of translating certain figures in the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2021 (the "Audited Consolidated Financial Statements") of which presentation currency is Euro into Hong Kong Dollars (the "HKD") as in the calculation schedule (the "Schedule A") with respect to the Management Financial Report.

For the purpose of this report, we obtained from the Company the Management Financial Report and the Audited Consolidated Financial Statements, copies of which are attached for reference, we also:-

- a. obtained exchange rates used by the Company for translating figures in the Audited Consolidated Financial Statements to that in the Management Financial Report;
- b. obtained a Schedule A of translating figures in the audited consolidated statement of income and expenditure for the year ended 31 December 2021 and audited consolidated statement of financial position as at that date into HKD;

- c. compared the EUR figures as stated in Schedule A to the figures stated in the Audited Consolidated Financial Statements and obtained the reason from the Company's management if the amounts do not agree;
- d. compared the exchange rates used in Schedule A to those provided by the Company;
- e. checked the arithmetical accuracy of the currency translation in Schedule A; and
- f. compared the HKD figures as stated in Schedule A to the figures stated in the Management Financial Report and obtained the reason from the Company's management if the amounts do not agree.

Based on the procedures performed above, we report our findings below:

- 1. With respect to item (a), we found that closing rate of HKD8.83104/EUR1 for translating assets and liabilities as at 31 December 2021 was used; and average rate of HKD9.19679/EUR1 was used for translating income and expenses items for the year ended 31 December 2021. We make no comment as to the appropriateness of such rates or whether Euro could have been, or could be converted into HKD at that rates;
- 2. With respect to items (b), we obtained the calculation schedule prepared by the Company as in Schedule A;
- 3. With respect to item (c), we found the amounts compared to be in agreement;
- 4. With respect to item (d), we found the exchange rates compared to be in agreement;
- 5. With respect to item (e), we found the currency translation to be arithmetically accurate; and
- 6. With respect to item (f), we found the amounts compared to be in agreement.

The sufficiency and appropriateness of the above procedures are solely your responsibility. We make no representation regarding the sufficiency and appropriateness of the procedures described in the foregoing either for the purpose for which this report has been requested or for any other purpose.



Because the above procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA (collectively referred to as "Hong Kong Assurance Standards"), we do not express any assurance on the information in the Appendix.

Had we performed additional procedures or had we performed an assurance engagement in respect of the Management Financial Information in accordance with Hong Kong Assurance Standards, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the second paragraph of this report and for your information and is not to be filed with, or referred to (either in whole or in part) or otherwise quoted, circulated or used for any other purpose or to be distributed to any other parties, without our prior written consent. However, for the avoidance of doubt, all duties and liabilities (including without limitation those arising from negligence) to third parties are specifically disclaimed. As explained in our engagement letter governing this engagement, the Contracts (Rights of Third Parties) Ordinance does not apply, and only the signing parties to the engagement letter contract have any rights under it. This report relates only to the items specified above and does not extend to the Management Financial Information or the Audited Consolidated Financial Statements, taken as a whole.

Yours faithfully,

A handwritten signature in black ink, appearing to be the initials 'M.F.' with a stylized flourish above the 'M'.

PKF Hong Kong Limited
Certified Public Accountants
Hong Kong

24 APR 2022

Greenpeace East Asia

(Limited by guarantee)

Management Financial Report

For the year ended 31 December 2021

Greenpeace East Asia (limited by guarantee)
Consolidated income and expenditure account
For the year ended 31 December 2021

	<i>Note</i>	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Income			
Fundraising income			
Existing donor contribution income		233,985,236	198,691,239
New donor contribution income		42,461,544	45,844,529
Foundations and trusts, major gift income		19,238,852	9,968,071
Contributions from Greenpeace International		63,877,598	64,016,171
Interest income		57,354	76,853
Sundry income		<u>235,214</u>	<u>230,140</u>
	1	<u>359,855,798</u>	<u>318,827,003</u>
Expenditure			
Fundraising and supporter development expenses			
New supporter outreach		55,904,411	56,341,124
Supporter information and mobilisation		10,296,706	6,600,468
Supporter care and development		4,956,834	3,532,466
Supporter database, licenses and management		6,605,466	6,387,357
Fundraising staff and coordination		9,870,815	8,393,165
Program activities			
Contributions to Greenpeace International for global activities		37,295,136	29,476,818
Oceans		10,397,993	12,192,523
Climate and energy		91,865,413	48,686,319
Forests		5,900,640	5,635,519
Oil		27,256	2,639,329
Other issues		20,089,939	6,117,604
Media and communications		25,432,204	20,430,020
Marine operations and action support		5,557,155	7,316,550
Political, science and business		13,694,716	13,776,133
Public information and outreach		4,999,947	4,080,371
Good life		15,519,168	17,994,516
Engagement (digital, online and offline)		9,684,753	4,505,481
Fair value loss on financial asset at fair value through profit or loss ("FVPL")		1,096	-
Organisational support expenses		<u>49,663,451</u>	<u>34,068,893</u>
		<u>377,763,099</u>	<u>288,174,656</u>
(Deficit)/surplus for the year	3	<u>(17,907,301)</u>	<u>30,652,347</u>

Greenpeace East Asia (limited by guarantee)
Consolidated statement of comprehensive income
For the year ended 31 December 2021

	<i>Note</i>	2021 <i>HK\$</i>	2020 <i>HK\$</i>
(Deficit)/surplus for the year		<u>(17,907,301)</u>	<u>30,652,347</u>
Other comprehensive (loss)/income :-			
Item that may be reclassified subsequently to income and expenditure account :-			
Exchange difference on translation of foreign operations		1,140,821	510,471
Item that will not be reclassified to income and expenditure account :-			
Remeasurement of net defined benefit liability		<u>(2,960,490)</u>	<u>(7,939)</u>
Other comprehensive (loss)/income for the year, net of tax		<u>(1,819,669)</u>	<u>502,532</u>
Total comprehensive (loss)/income for the year		<u>(19,726,970)</u>	<u>31,154,879</u>

Greenpeace East Asia (limited by guarantee)
Consolidated statement of financial position
As at 31 December 2021

	<i>Note</i>	2021 HK\$	2020 HK\$
Non-current assets			
Property, plant and equipment	6	6,037,548	9,883,728
Rental and other deposits		12,634,814	12,534,206
Financial asset at FVPL	13	6,268	-
		<u>18,678,630</u>	<u>22,417,934</u>
Current assets			
Deposits and other receivables	7	24,735,209	17,814,437
Prepayments		8,125,977	7,153,408
Cash and cash equivalents		69,265,403	82,323,097
		<u>102,126,589</u>	<u>107,290,942</u>
Deduct :			
Current liabilities			
Trade and other payables	8	19,409,991	13,648,939
Loans from Greenpeace International	9	3,552,441	5,473,217
		<u>22,962,432</u>	<u>19,122,156</u>
Net current assets		<u>79,164,157</u>	<u>88,168,786</u>
Total assets less current liabilities		<u>97,842,787</u>	<u>110,586,720</u>
Deduct :			
Non-current liabilities			
Loans from Greenpeace International	9	2,008,903	5,385,992
Net defined benefit liability	10	8,002,763	7,291,847
		<u>10,011,666</u>	<u>12,677,839</u>
Net assets		<u>87,831,121</u>	<u>97,908,881</u>
Representing :-			
Exchange reserve		5,797,435	4,656,614
Other reserve		9,649,210	-
Accumulated surplus		72,384,476	93,252,267
Total equity		<u>87,831,121</u>	<u>97,908,881</u>

Greenpeace East Asia (limited by guarantee)
Consolidated statement of changes in equity
For the year ended 31 December 2021

	<i>Exchange reserve HK\$</i>	<i>Other reserve HK\$</i>	<i>Accumulated surplus HK\$</i>	<i>Total HK\$</i>
At 1.1.2020	4,146,143	-	62,607,859	66,754,002
Surplus for the year	-	-	30,652,347	30,652,347
Other comprehensive income:				
Exchange difference on translation of foreign operations	510,471	-	-	510,471
Remeasurement of net defined benefit liability	-	-	(7,939)	(7,939)
Total comprehensive income for the year	510,471	-	30,644,408	31,154,879
At 31.12.2020 and 1.1.2021	4,656,614	-	93,252,267	97,908,881
Merger with a foreign office	-	9,649,210	-	9,649,210
Deficit for the year	-	-	(17,907,301)	(17,907,301)
Other comprehensive loss:				
Exchange difference on translation of foreign operations	1,140,821	-	-	1,140,821
Remeasurement of net defined benefit liability	-	-	(2,960,490)	(2,960,490)
Total comprehensive loss for the year	1,140,821	-	(20,867,791)	(19,726,970)
At 31.12.2021	5,797,435	9,649,210	72,384,476	87,831,121

Greenpeace East Asia (limited by guarantee)
Consolidated statement of cash flows
For the year ended 31 December 2021

	2021	2020
	HK\$	HK\$
Cash flows from operating activities		
(Deficit)/surplus for the year	(17,907,301)	30,652,347
Adjustments for :-		
Write off of property, plant and equipment	-	900
Gain on disposal of financial asset at FVPL	(23,364)	-
Loss on disposal of property, plant and equipment	33,189	-
Depreciation	5,151,558	5,471,470
Interest income	(57,354)	(76,853)
Interest expenses	28,846	47,509
Fair value loss on financial asset at FVPL	1,096	-
Unrealised exchange gain on loans from Greenpeace International	-	496,116
	<u>-</u>	<u>496,116</u>
Operating (deficit)/surplus before working capital changes	(12,773,330)	36,591,489
Changes in working capital :-		
Deposits and other receivables	(11,667,849)	(10,663,483)
Prepayments	(932,745)	(3,179,348)
Trade and other payables	2,859,313	(2,938,835)
Net defined benefit liability	710,916	681,291
	<u>710,916</u>	<u>681,291</u>
Cash (used in)/generated from operations	(21,803,695)	20,491,114
Interest received	57,354	76,853
	<u>57,354</u>	<u>76,853</u>
Net cash (used in)/generated from operating activities	(21,746,341)	<u>20,567,967</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,233,628)	(5,980,305)
Net cash flows from merger	11,457,512	-
Purchases of equity instruments	(58,279)	-
Proceeds from disposal of financial asset at FVPL	106,771	-
	<u>106,771</u>	<u>-</u>
Net cash generated from/(used in) investing activities	10,272,376	<u>(5,980,305)</u>
Cash flows from financing activity		
Repayment to Greenpeace International	-	(5,381,472)
	<u>-</u>	<u>(5,381,472)</u>
Net cash used in financing activity	<u>-</u>	<u>(5,381,472)</u>
Net (decrease)/increase in cash and cash equivalents	(11,473,965)	9,206,190
Cash and cash equivalents at beginning of the year	82,323,097	72,550,512
Effect of foreign exchange rate changes	(1,583,729)	566,395
	<u>(1,583,729)</u>	<u>566,395</u>
Cash and cash equivalents at end of the year	69,265,403	<u>82,323,097</u>
	<u>69,265,403</u>	<u>82,323,097</u>
Analysis of the balances of cash and cash equivalents		
Cash and cash equivalents	69,265,403	<u>82,323,097</u>
	<u>69,265,403</u>	<u>82,323,097</u>

Greenpeace East Asia (limited by guarantee)
Notes to the management financial report
For the year ended 31 December 2021

1. Revenue and other income

Revenue represents fund raised during the year. An analysis of the Group's revenue and other revenue is set out below :-

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Revenue		
Fundraising income		
Existing donor contribution income	233,985,236	198,691,239
New donor contribution income	42,461,544	45,844,529
Foundations and trusts, major gift income	19,238,852	9,968,071
	<u>295,685,632</u>	<u>254,503,839</u>
Other revenue and income		
Contributions from Greenpeace International	63,877,598	64,016,171
Interest income	57,354	76,853
Sundry income	235,214	230,140
	<u>64,170,166</u>	<u>64,323,164</u>
	<u>359,855,798</u>	<u>318,827,003</u>

2. Finance costs

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Interest expenses on loans from GPI included in organisational support expenses	<u>28,846</u>	<u>47,509</u>

Greenpeace East Asia (limited by guarantee)
Notes to the management financial report
For the year ended 31 December 2021

3. (Deficit)/surplus for the year	2021	2020
	HK\$	HK\$
(Deficit)/surplus for the year is arrived at after charging/(crediting) :-		
Depreciation	5,151,558	5,471,470
Salaries and allowances	151,029,661	128,578,080
Contributions to defined contribution schemes	6,989,255	3,478,716
Costs of defined benefit plans recognised in the consolidated income and expenditure account	710,916	2,454,844
Minimum lease payments paid under operating leases	19,885,775	18,012,406
Loss on disposal of property, plant and equipment		
- Proceeds from disposals of property, plant and equipment	-	-
- Carrying amount of property, plant and equipment	33,189	-
	33,189	-
Write off of property, plant and equipment	-	900
Gain on disposal of financial asset at FVPL	(23,364)	-
	<u> </u>	<u> </u>

4. 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 400 staff in the regional offices of the Company in Hong Kong, Beijing, Taipei, Seoul and Japan. Details of emoluments paid by the Group to the senior management team personnel during the year are as follows :-

	2021	2020
	HK\$	HK\$
Salaries and allowances	8,413,288	7,890,442
Retirement scheme contributions	118,194	150,610
	<u>8,531,482</u>	<u>8,041,052</u>

5. 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.

Since there is no assessable profit for the year, no provision for corporate tax has been made by Greenpeace Japan in these consolidated financial statements.

For the year ended 31 December 2021 and 2020, all the Group's subsidiaries are exempt from overseas profits tax under local tax laws.

Greenpeace East Asia (limited by guarantee)
Notes to the management financial report
For the year ended 31 December 2021

6. Property, plant and equipment

	<i>Leasehold improvements</i> HK\$	<i>Computer equipment</i> HK\$	<i>Office equipment</i> HK\$	<i>Actions equipment</i> HK\$	<i>Furniture and fixtures</i> HK\$	<i>Total</i> HK\$
Cost :-						
At 1.1.2021	20,218,173	15,015,608	4,852,398	5,236,352	-	45,322,531
Additions from merger of a foreign office	-	-	80,741	-	83,087	163,828
Additions	-	1,091,024	98,588	44,016	-	1,233,628
Disposals	(1,674,785)	(1,376,909)	(1,016,443)	(849,848)	-	(4,917,985)
Exchange adjustments	<u>(216,878)</u>	<u>(67,924)</u>	<u>(3,525)</u>	<u>(43,512)</u>	<u>-</u>	<u>(331,839)</u>
At 31.12.2021	<u>18,326,510</u>	<u>14,661,799</u>	<u>4,011,759</u>	<u>4,387,008</u>	<u>83,087</u>	<u>41,470,163</u>
Accumulated depreciation :-						
At 1.1.2021	15,966,641	11,085,306	3,562,518	4,824,338	-	35,438,803
Charge for the year	2,022,907	2,260,145	656,126	180,834	31,546	5,151,558
Written back on disposals	(1,674,778)	(1,397,468)	(997,292)	(815,258)	-	(4,884,796)
Exchange adjustments	<u>(165,265)</u>	<u>(68,568)</u>	<u>(11,706)</u>	<u>(35,001)</u>	<u>7,590</u>	<u>(272,950)</u>
At 31.12.2021	<u>16,149,505</u>	<u>11,879,415</u>	<u>3,209,646</u>	<u>4,154,913</u>	<u>39,136</u>	<u>35,432,615</u>
Net book value :-						
At 31.12.2021	<u>2,177,005</u>	<u>2,782,384</u>	<u>802,113</u>	<u>232,095</u>	<u>43,951</u>	<u>6,037,548</u>

Greenpeace East Asia (limited by guarantee)
Notes to the management financial report
For the year ended 31 December 2021

7. Deposits and other receivables	2021	2020
	HK\$	HK\$
Deposits and other receivables	23,153,293	10,444,558
Amount due from Greenpeace International - Note 7(a)	<u>1,581,916</u>	<u>7,369,879</u>
	<u>24,735,209</u>	<u>17,814,437</u>

Note :-

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

8. Trade and other payables	2021	2020
	HK\$	HK\$
Trade payables	18,271,411	12,853,517
Grants received	1,138,580	771,777
Amounts due to other National Offices - Note 8(a)	<u>-</u>	<u>23,645</u>
	<u>19,409,991</u>	<u>13,648,939</u>

Note :-

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

9. Loans from Greenpeace International

The amounts due are interest bearing at a range from 0.3% to 0.75% (2020: 0.25% to 0.75%) per annum, unsecured and repayable as follows :-

	2021	2020
	HK\$	HK\$
Within one year	3,552,441	5,473,217
Between two and five years	<u>2,008,903</u>	<u>5,385,992</u>
	<u>5,561,344</u>	<u>10,859,209</u>

10. Net defined benefit liability

(a) As at 31 December 2021 and 2020, amounts recognised in the consolidated statement of financial position in relation to retirement benefit obligation are as follows :-

	2021	2020
	HK\$	HK\$
Retirement benefit obligation (net)	<u>8,002,763</u>	<u>7,291,847</u>

Greenpeace East Asia (limited by guarantee)
Notes to the management financial report
For the year ended 31 December 2021

11. Commitment

As at 31 December 2021, the total future minimum lease payments under non-cancellable operating leases for use of land and buildings, are payable as follows :-

	2021	2020
	HK\$	HK\$
Within one year	10,442,181	17,425,759
In the second to fifth year inclusive	<u>5,524,042</u>	<u>17,538,890</u>
	<u>15,966,223</u>	<u>34,964,649</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.

12. Related party transactions

Apart from the transactions as disclosed in notes 2, 4, 7, 8 and 9 to the consolidated financial statements, there is no other material transactions entered into with related parties of the Group during the year.

13. Financial asset at fair value through profit or loss

It represents the fair value of equity securities listed on the Tokyo Stock Exchange held by the Group as at 31 December 2021. The fair value is the quoted market price in an active market.

Greenpeace East Asia (limited by guarantee)
Notes to the management financial report
For the year ended 31 December 2021

14. Statement of financial position of the Company

	<i>Note</i>	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Non-current assets			
Property, plant and equipment		2,448,599	4,377,768
Rental and other deposits		9,913,370	9,644,267
Investments in subsidiaries	14(a)	5,013,350	5,013,350
Loan to a subsidiary		<u>53,863,755</u>	<u>51,993,228</u>
		<u>71,239,074</u>	<u>71,028,613</u>
Current assets			
Deposits and other receivables		6,374,609	7,791,596
Prepayments		6,554,945	5,989,862
Fixed deposits		1,391,802	1,363,039
Cash and cash equivalents		<u>20,352,025</u>	<u>25,796,433</u>
		<u>34,673,381</u>	<u>40,940,930</u>
Deduct :			
Current liabilities			
Trade and other payables		10,185,641	10,145,229
Loans from Greenpeace International		<u>3,552,442</u>	<u>5,473,217</u>
		<u>13,738,083</u>	<u>15,618,446</u>
Net current assets		<u>20,935,298</u>	<u>25,322,484</u>
Total assets less current liabilities		92,174,372	96,351,097
Deduct :			
Non-current liability			
Loans from Greenpeace International		<u>2,008,902</u>	<u>5,385,992</u>
Net assets		<u>90,165,470</u>	<u>90,965,105</u>
Representing :-			
Accumulated surplus	14(b)	<u>90,165,470</u>	<u>90,965,105</u>

Greenpeace East Asia (limited by guarantee)
Notes to the management financial report
For the year ended 31 December 2021

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

Notes:-

(a) Investments in subsidiaries

	2021	2020
	HK\$	HK\$
Unlisted equity, at cost	<u>5,013,350</u>	<u>5,013,350</u>

Details of the subsidiaries are as follows :-

<i>The company</i>	<i>Place of establishment and operation</i>	<i>Particulars of registered capital</i>	<i>Effective percentage of equity holding</i>
財團法人綠色和平基金會	Taiwan	TWD5,000,000	100%
Greenpeace Foundation	South Korea	KRW500,000,000	100%
Greenpeace Japan	Japan	N/A	N/A

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

(b) Reserve

	<i>Accumulated surplus</i>
	<i>HK\$</i>
At 1.1.2020	65,816,869
Total comprehensive income for the year	<u>25,148,236</u>
At 31.12.2020 and 1.1.2021	90,965,105
Total comprehensive loss for the year	<u>(799,635)</u>
At 31.12.2021	<u>90,165,470</u>