

CLIENT: ABC Co Ltd
Year Ended 31 December 2018

GAAP DETERMINATION & DIRECTORS REPORT EXEMPTION

(s referring to CO (Cap.622), p referreing to SME-FRF, all apply to both HK & overseas entity, and satisfying at any time during period)

	Current Period (CP)		Last Period (LP)		One Before Last Period (OBLP)	
	YES	NO	YES	NO	YES	NO
<u>Pre-conditions</u>						
1 Private or LBG companies (s7-12)	<input type="checkbox"/>	<input type="checkbox"/>				
2 Not require to give "true and fair view" report (s380)	<input type="checkbox"/>	<input type="checkbox"/>				
3 Not of banking, licensed securities & futures, insurance (exclude solely agent) or loan acceptance / money lending business (s359(4))	<input type="checkbox"/>	<input type="checkbox"/>				
4 Company-Level-Parent test be satisfied to prepare simplified company-level report (must pass relevant eligiblility tests (ET) 6-9 below in case of no need or exempt (by s379(3)) from preparing consolidated financial statements & subject to their constitution)	<input type="checkbox"/>	<input type="checkbox"/>				
5 Group test be satisfied (Group as a whole and each group member must pass relevant ET 6, 7 or 9 below)	<input type="checkbox"/>	<input type="checkbox"/>				

ET - Taking one of the four Exemption Ways on pro-rata

6 <u>LBG Exemption</u> ET: Pass size test (ST) - Annual Revenue < 25m	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 <u>Small Private (SP) Exemption sch 3</u> ET: Pass 2 out of 3 ST below: - Annual Revenue < 100m - Total Assets < 100m - Employees < 100 How Many? Please indicate=>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 <u>Non-Group (NG) Exemption s359(1)(b)</u> ET: Not a subsidiary, not having subsidiary and <u>all members</u> agree in writing for each period	<input type="checkbox"/>	<input type="checkbox"/>				
9 <u>Eligible Private (EP) Exemption sch 3</u> ET One: Pass 2 out of 3 ST below: - Annual Revenue < 200m - Total Assets < 200m - Employees < 100 How Many? Please indicate=> ET Two: Obtaining at least 75% all members approval in GM without any vote against the motion before 6 months of period end (for one year only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Decision-Rules Reference for NOT QUALIFY if ticking any " No "

First Adoption (not for first account of newly incorporated company) for financial statements beginning after 2 Mar 2014: - in any relevant ST for both CP and LP (p30)	Other New Adoption: - in any relevant ST for LP or OBLP (p31), or - in any other items for CP
Continuous Adoption: - in any relevant ST for both LP and OBLP (p32), or - in any other items for CP, or - in any relevant ST for CP caused by a new subsidiary (p33)	

Conclusion

	YES	NO
Does the Company qualify reporting exemption iro directors report?	<input type="checkbox"/>	<input type="checkbox"/>
Does the Company qualify to take advantage of the SME-FRS?	<input type="checkbox"/>	<input type="checkbox"/>

Comments?

PARTNER:	QC REVIEW:	PERFORM:
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