Cross-Country Analysis of the Impact of Financial Systems on the Accounting Framework

Mamukelashvili Ioseb

Implementing one set of accounting standards worldwide is challenging because accounting and regulatory frameworks must reflect market dynamics of each country in the world. While the adoption of International Financial Reporting Standards (IFRS) in Georgia and the convergence to IFRS in China were successful in benefiting the banking sectors of those countries, the IFRS adoption promoted earnings management in Hong Kong. The fact that the IFRS was only successful in Georgia and China, where financial markets are not as developed as they are in Hong Kong, raises concerns about the effectiveness of the IFRS in the United States.

Introduction

Globalization increased the need of one unique accounting framework throughout the world to simplify financial reporting for multinational companies. However, the nature of countries' financial system is a major determinant of regulatory effectiveness and crafting an accounting framework that will work in every country is a challenging task. In other words, financial markets in each country must shape countries' regulatory and accounting framework to ensure proper financial reporting. In order to illustrate this argument, Georgia's and China's adoption of the International Financial Reporting Standards are analyzed as positive events because they promoted transparency and accountability in countries that suffered from corruption and authoritarianism throughout the 20th century. On the other hand, the adoption of the same IFRS standards by Hong Kong had a negative effect because it allowed greater flexibility to manage earnings and to inflate stock price in an economy that has one of the strongest financial markets in the world (So & Smith, 2009, p. 103). Finally, the idea that financial markets shape accounting and regulatory frameworks in different countries will be considered from the point of view of the United States because the IFRS convergence is a highly controversial topic in the US (Kenealy, 2010).

Analysis

The Rose Revolution was a turning point for Georgia politically as well as economically

The 2003 Rose Revolution, which displaced Eduard Shevardnadze's government because of his alleged corruption, was a turning point in Georgia's history economically, as well as politically (Political Conditions: Georgia). In 2005, Georgia launched tax reforms to encourage foreign investments: after Georgia replaced a progressive income tax system with a flat income tax of 12%, taxation reached 80% of government revenues in 2008 (PricewaterhouseCoopers, 2009, p. 17). Following the Rose Revolution in 2004, Georgia fully adopted the 2004 version of the IFRS. The IFRS became the reporting standard that all the companies in Georgia must follow, with the exception of small privately-held businesses (p. 15).

Financial reporting is governed by the Accounting Standards Commission of Georgia

In Georgia, "accounting is governed by the Law on Regulation of Accounting and Reporting, and is regulated by the Accounting Standards Commission" (p. 15). The primary responsibility of the Accounting Standards Commission is to approve Georgian IFRS translations and interpretations, approve temporary accounting standards for organizations that are not covered by the IFRS, and approve chart-of-accounts structure based on the IFRS (p. 15).

Audit is governed by Audit Activity Council of the Parliament of Georgia

Audit in Georgia is governed by the state regulatory branch of the Georgian Parliament, called the Audit Activity Council. The Council requires mandatory audits for banks, insurance companies, special state foundations, stock exchanges, security issuers, investing institutions and other organizations that are designated by the Ministry of Finance of Georgia (p. 15). In considering the impact of audit on Georgian organizations, it is important to consider that Georgia's financial markets are relatively young and still developing.

Georgia's financial markets are at an early stage of their development

The Georgian Stock Exchange (GSE) was founded in 2000 and as of 2009, there were five companies listed on GSE and 250 companies were admitted to trading (p. 10). This implies that equity-financing is not a major source of funding for most Georgian companies and debt-financing is a preferred way of obtaining funds. The fact that Georgian financial markets are not well-developed also suggests that the role of the audit profession in Georgia is different from the role of the audit profession in the United States, where one of the primary responsibilities of an auditor is to ensure transparent financial reporting of publicly-traded companies.

Although the GSE is relatively underdeveloped, the banking sector in Georgia went through tremendous reforms since the early 1990s and especially after the Rose Revolution. For instance, in the early 1990s, political chaos and economic depression significantly reduced liquidity and established a feeling of distrust towards financial institution in Georgia. "At the end of 1994, Georgia had 228 banks. Many of these have since been liquidated, as a result of efforts to increase transparency, improve the quality of assets and services, and strengthen the banking system generally" (PricewaterhouseCoopers, 2009, p. 10) In addition to liquidating many of the smaller banks in Georgia, the Central Bank of Georgia (NBG) reported that a series of reforms were being undertaken to bring Georgian banking closer to the European Union standards. In 2003, NBG reported:

> "To gradually increase a level of capitalization, and move towards the European standards, the National Bank increased minimum amount of required capital for Georgian banks, guided by a Euro Directive for minimum capital requirement of 5 million Euros; the president of the National Bank of Georgia issued a decree on defining the minimum capital requirement at GEL 12 million for commercial banks. Already licensed commercial banks and foreign bank branches should start increasing their capital in a given timeframe in order to fully comply with the new requirement by the end of 2008. Those commercial 66 National Bank of Georgia banks and foreign bank branches seeking to obtain a banking license need to meet GEL 12 million minimum capital requirement as it is one of main preconditions for a license to be granted points. This was due to the risk factors that characterize the developing economies"(Bank of Georgia, p. 65).

Given the fact that the banking sector is far more important to the Georgian economy than Georgia's financial markets, the success of Georgia's IFRS adoption must be analyzed uniquely from the point of view of Georgian economy.

The adoption of IFRS in Georgia was effective because it reflected the country's market dynamics

In highly-industrialized countries such as the United States and Hong Kong, the primary concern with the IFRS is that it allows greater flexibility in financial reporting. Some authors like Paola Paglietti argue that IFRS can potentially encourage earnings management, or smoothing, to reduce stock price volatility (Paglietti, 2009, p. 97). Although Paglietti's research findings are mixed regarding a direct relationship between earnings management and IFRS, greater flexibility under IFRS remains a concern in countries with relatively strong financial markets (p. 97). On the other hand, the adoption of IFRS in Georgia does not raise concerns about transparency because the adoption coincided with economic liberalization and democratic political change. This reconciles the thesis of this paper in the sense that accounting framework must reflect market dynamism in order to be effective.

China's convergenceto IFRS improved transparency in the banking sector

In addition to the fact that IFRS promoted transparency in Georgia, Ping Luo offers an interesting view about China's financial markets' convergence with the IFRS. He argues that the convergence to IFRS specifically benefitted the banking sector in China because before IFRS, local banks had to comply with regional standards, as well as international accounting standards (Ping, 2007, p. 47). He said that after the adoption of IFRS, "local banks are intended to better allocate their budget along business lines with some consideration for branches rather than branch by branch and region by region" (p. 47). Ping concludes by stating that IFRS helped to build investors' confidence and improve transparency in the banking sector of China.

China's banking sector is relatively young

Historical similarity of the financial markets and banking in Georgia and China explains the relative success of IFRS in the banking sectors of both countries. Like Georgia, China has liberalized its economy in the past twenty years. "Prior to 1984, commercial banking as we know it (personal & business lending, settlement, transfer of funds, etc.) was virtually non-existent in China. The banking landscape in China was very simple before economic reforms were introduced in 1978 — there was only one bank operating in all of China, the People's Bank of China (PBOC)" (BernsteinResearch, 2010, p. 6).In 2004, People's Bank of China (PBOC), which is the central bank of China and the primary regulator, established Industrial and Commercial Bank of China (ICBOC) to specialize in commercial financing. Notably, ICBOC is the largest bank in the world in terms of market capitalization (Exhibit I illustrates China's loan and deposit growth since 1984) (p. 6). Therefore, given the fact that the financial industries in Georgia and China are relatively young and both countries share the history of authoritarianism throughout the 20th century, the adoption of IFRS was a significant step in liberalizing their financial markets.

Hong Kong has one of the most developed financial markets in the world

In order to contrast the adoption of IFRS in Georgia and China, where capital markets are not well-developed, one can analyze Hong Kong's adoption of IFRS in 2005 as a country with one of the strongest capital markets in the world. Hong Kong is knows as one of the world's financial centers, with 2007 market capitalization of approximately $2.7 trillion (Datamonitor, 2009, p. 6). Exhibit II illustrates that pre-recession market capitalization of $2.7 trillion was the highest in past 9 years. In addition, Ernst & Young projected that Hong Kong's initial public offerings to reach a record of $47.7 billion in 2010, as the country is emerging from the global financial crisis (Hu, 2009).

Hong Kong fully adopted IFRS in 2005

Hong Kong fully adopted IFRS in 2005, a year after Georgia's 2004 adoption. "Starting in 2005, Hong Kong Financial Reporting Standards (HKFRSs) are identical to International Financial Reporting Standards. "While Hong Kong had adopted many of the earlier International Accounting Standards (IASs) as Hong Kong standards, some had not been adopted, including IAS 32 and IAS 39. And all of the December 2003 improvements and new and revised IFRSs issued in 2004 and 2005 will take effect in Hong Kong beginning in 2005" (Deloitte). Before fully adopting IFRS in 2005, one of the primary differences between Hong Kong accounting standards and IFRS was the treatment of investment property, where IFRS allowed companies to report their investment income on the balance sheet, whereas gains and losses would show up on other comprehensive income section of the balance sheet under previous Hong Kong accounting rules(So & Smith, 2009, p. 104).

The adoption of IFRS in Hong Kong could have promoted earnings management

The issue of reporting gains from investment property on the income statement instead of reporting it under other comprehensive income is very important because it can fundamentally alter the firm's financial position. Considering the fact that fair value measurements are based on subjective criteria, management can use its bias to report higher earnings in order to beat the analysts' expectation. NiuWuijun claims that Hong Kong's adoption of IFRS treatment for property investment increased HSE companies' financial ratios such as return on assets, return on equity, and debt to assets(Weijun, 2007, p. 3). Therefore, one could argue that management is incentivized to use the fair value treatment to exaggerate their companies' financial position, and by doing so, increase stock price.

IFRS has a tendency to promote undue price volatility

While there is a concern that management can use its discretion to manage earnings under International Accounting Standard (IAS) 40 for investment property, So and Smith point out that the introduction of HKAS 40, which is an equivalent of IAS 40, could cause undue volatility in stock price (So & Smith, 2009, p. 104). They state: "The former International Accounting Standards Committee (IASC) argues, however, in its Basis for Conclusions on IAS 40 (2000) that such presentation provides the most relevant and transparent view of the financial performance of investment properties (IASCF, 2008c). After all, the objective of financial statements is not to smooth profit figures (McBride, 2006), but to reflect economic reality for economic decision making (IASCF, 2008b)" (p. 104). This point of view is radically different from the point of view in the previous paragraph that suggested that fair value measurements can be used to manage earnings. In order to understand the impact of IFRS on Hong Kong's financial markets, So's and Smith's paper will be analyzed in the subsequent paragraphs.

So and Smith studied 92 companies in Hong Kong's property industry to examine the impact of IAS 40

So and Smith conducted a study to analyze if reporting fair value gains and losses on income statements had any impact on stock price. They chose companies from the property industry. The stated: "Companies are eligible for selection if throughout the sample period 2003–2006: (1) they are in the property industry; (2) they are listed in the Main Board of the Hong Kong Stock Exchange; (3) they report investment properties in their financial statements; and (4) there is no change of accounting year-end. This sampling criteria yields an initial sample of 92 companies" (p. 107). First, they analyzed those companies' financial position before the IFRS adoption and then after the IFRS adoption. Furthermore, they analyzed the impact of IAS 40 in the short-term, which was defined as a period less than 12 months, and then they studied the impact in the long-term, defined as a period longer than 12 months period. Additional variables that So and Smith considered were firm size and leverage because they claimed that firm size and leverage are commonly used in value-relevance studies (P.107).

Investors respond positively to reporting fair value gains on income statement in Hong Kong's property industry

The biggest finding of So's and Smith's research was the notion that investors react positively to fair value income reporting on the income statement (p. 117).In other words, the fact that companies report changes in fair value on income statement is viewed positively by investors because it maximizes their value. One could argue that this gives management a tremendous market manipulative power because they can manage investors' expectation by reporting higher earnings based on questionable fair value estimates. While discussing So's and Smith's study, it is important to mention that all of the companies in their sample choice chose to adopt the fair value method and they did not research companies that did not follow the fair value method for investment property (p. 115). Exhibit III provides a complete list of the companies in So's and Smith's sample.

The adoption of IFRS damaged transparency in Hong Kong, whereas it promoted transparency in Georgia and China

In contrast with Georgia and China where the adoption and convergence to IFRS was a shift towards greater transparency, the adoption of IFRS provided means for managers of property companies in Hong Kong to report higher earnings under IAS 40. This finding reaffirms the thesis of this paper in the sense that financial markets shape the nature of accounting and regulatory frameworks. While the adoption of IFRS was a success story in a country with relatively underdeveloped financial markets, the adoption of the same accounting framework damaged transparency in one of the strongest financial markets in the world. Therefore, it would be hard to implement one unique set of accounting standards worldwide because of extreme dynamism of global financial markets.

The United States is concerned about the impact of adopting IFRS

The United States is particularly concerned about sharing the destiny of Hong Kong because the adoption of IFRS and fair value accounting has a potential of damaging the quality of US companies' earnings. However, the opinion about the IFRS convergence in the United States is rather mixed: on one hand, authors like Anne Fosbre, Ellen Kraft, and Paul Fosbre argue that it is an imperative to have a globalized set of accounting standards in the midst of globalization (Fosbre, Kraft, & Fosbre, 2009, p. 61). On the other hand, authors like Sidney Gray, Cheryl Linthicum, and Donna Street state that the adoption of IFRS will create serious problems for US financial markets in terms of significant gaps in earnings between US GAAP and IFRS (Gray, Linthicum, & Street, 2009, p. 431). Exhibit IV provides the list of countries that have adopted IFRS.

Fosbre, Kraft, and Fosbre argue that convergence between US GAAP and IFRS is inevitable

Fosbre, Kraft, and Fosbre claim that “the movement of world economies and the expansion of corporate America overseas with dramatic financial results brought forward the need for a single set of global accounting standards that could be used for domestic and cross border financial reporting of foreign and US multinational companies” (p. 431). They discuss that more than 50% of revenues of Honeywell International, Coca Cola, Pepsi Cola, and IBM come from overseas. In addition, convergence to IFRS will bring the worlds’ regulators together in fighting fraud and corruption throughout the world. The authors cite that in 2007 the Securities and Exchange Commission enabled foreign companies listed in the United States to issue their financial statement according to IFRS, instead of mandating them to use US GAAP (Fosbre, Kraft, & Fosbre, 2009). They conclude their paper by stating that it is almost inevitable for the US GAAP and IFRS to converge because US multinational companies have reached a point where more than half of their revenues come from abroad.

Gray, Linthicum, and Street are concerned about earnings quality during the convergence process of US GAAP and IFRS

Gray, Linthicum, and Street take a different approach in their research in the sense that their argument revolves around the notion that the adoption of IFRS in the United States will provide an opportunity for management to manipulate earnings through the application of fair value accounting. They also don’t disagree with the idea that IFRS is effective for some countries. For instance, they state that the adoption of IFRS for most of the EU countries was a success story because “the European Union's (EU) adoption of International Financial Reporting Standards (IFRS) for the consolidated accounts of listed companies from 2005 marked a major shift fromthe use of numerous national accounting standards towards the acceptance of globalstandards established by the International Accounting Standards Board (IASB)” (Gray, Linthicum, & Street, 2009, p. 431).The authors discuss the SEC’s roadmap that plans to mandate IFRS reporting for publicly listed companies in the United States by 2014. Gray, Linthicum, and Street also mention that Senate Banking Committee Chair Dodd and Senator Reed are critical of the SEC’s plan to mandate the US companies to use IFRS (p. 432). Furthermore, the authors outline that when the SEC developed a roadmap in august of 2008, the agency was led by a different chairperson and the current chairperson of the SEC, Mary Schapiro, is very concerned about the implementation of the roadmap (p. 432).

In conclusion, Gray, Linthicum, and Street find by examining data set from 2001 to 2006 that a significant gap exists between reporting of equity and income under US GAAP and IFRS (p. 444). However, the authors do not oppose the idea of US GAAP and IFRS converging at some point in the future, but rather they argue that fundamental issues need to be resolved before the convergence can happen.

Conclusion

The major finding of this paper is that crafting a one set of unique accounting standards is a complex task because of dynamism of financial markets worldwide. While IFRS help to improve transparency in the banking sectors of Georgia and China, this study suggests that IFRS has a potential to damage transparency in financial markets of Hong Kong and the United States. After considering positive contributions that IFRS has made to Georgian and Chinese economies, one could argue that IFRS has been very successful in economies that suffered from corruption and authoritarianism throughout the 20th century, whereas in economies such as the United States and Hong Kong with strong financial markets, IFRS has a tendency to promote earnings management. In summary, it is hard to implement one set of financial reporting standards for multinational companies because accounting standards should reflect financial systems of different countries.

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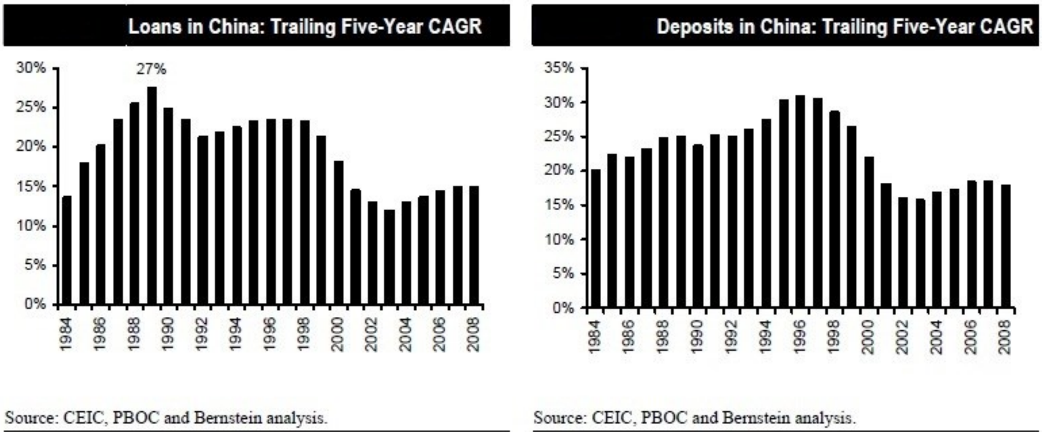
Exhibit I: China's loan and deposit growth since 1984



BernsteinResearch. "Chinese Banking: A Primer on the Market." *Business Source Complete*, 2010. P. 7.

Exhibit II: Market Capitalization of Hong Kong Stock Exchange

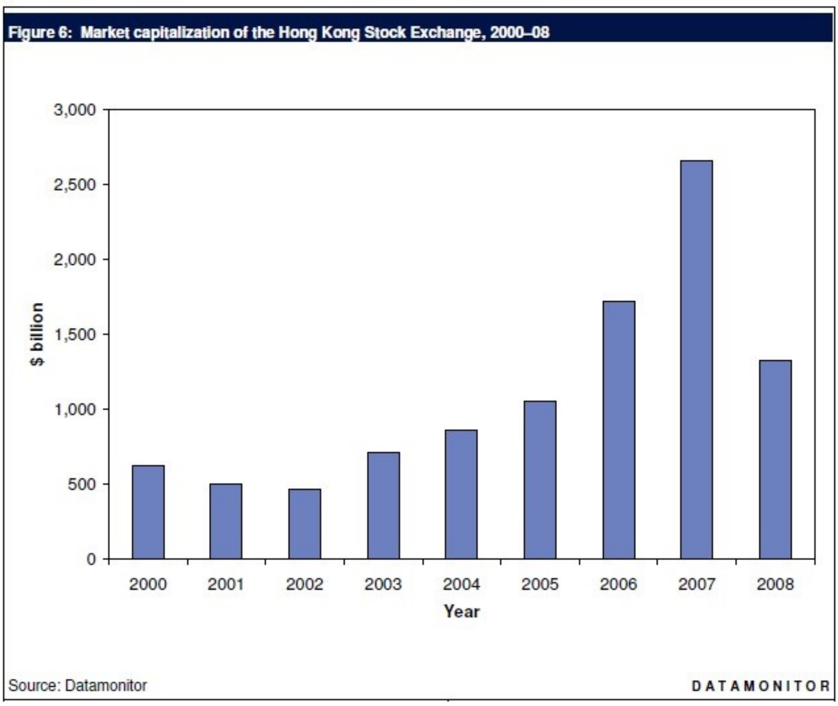


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Exhibit III: List 92 companies studied by So and Smith

92 companies in the sample (184 firm-standard)					
	SEHK Code		Accounting Year-end	Last time Following SSAP 13	First time adoption of HKAS 40 2004
1	1	Cheung Kong(Holdings)Ltd	31 December	2003	2004
2	154	Beijing Development (Hong Kong)Ltd	31 December	2003	2004
3	758	Junefield Department Store Group Ltd	31 December	2003	2004
4	35	Far East Consortium International Ltd	31 March	2004	2005
5	172	Gold bond Group Holdings Ltd	31 March	2004	2005
6	277	Tern Properties Co Ltd	31 March	2004	2005
7	412	Heritage International Holdings Ltd	31 March	2004	2005
8	735	Oriental Investment Corporation Ltd	30 April	2004	2005
9	10	Hung Lung Group Ltd	30 June	2004	2005
10	12	Henderson Land Development Company Ltd	30 June	2004	2005
11	83	Sino Land Company Ltd	30 June	2004	2005
12	97	Henderson Investment Ltd	30 June	2004	2005
13	101	Hang Lung PropertiesLtd	30 June	2004	2005
14	131	Cheuk Nang (Holdings)Ltd	30 June	2004	2005
15	247	Tsim Sha Tsui Properties Ltd	30 June	2004	2005
16	488	Lai Sun Development Co Ltd	31 July	2004	2005
17	1125	Lai Fung Holdings Ltd	31 July	2004	2005
18	14	Hysun Development Company Ltd	31 December	2004	2005
19	24	Burwill Holdings Ltd	31 December	2004	2005
20	28	Tian An China Investment Company Ltd	31 December	2004	2005
21	34	Kowloon Development Company Ltd	31 December	2004	2005
22	41	Great Eagle Holdings Ltd	31 December	2004	2005
23	56	Allied Properties(HK)Ltd	31 December	2004	2005
24	66	MTR Corporation Ltd	31 December	2004	2005
25	68	Lee Hing Development Ltd	31 December	2004	2005
26	75	Y.T. Reality Group Ltd	31 December	2004	2005
27	89	Tai Sang Land Development Ltd	31 December	2004	2005
28	106	Shenzhen Hing-Tech Holdings Ltd	31 December	2004	2005
29	115	Grand Field Group Holdings Ltd	31 December	2004	2005
30	123	Guangzhou Investment Company Ltd	31 December	2004	2005

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31	127	Chinese Estate Holdings Ltd	31 December	2004	2005
32	132	China Investment Holdings Ltd	31 December	2004	2005
33	141	Great China Holdings Ltd	31 December	2004	2005
34	156	Lippo China Resources Ltd	31 December	2004	2005
35	169	China Fair Land Holdings Ltd	31 December	2004	2005
36	171	Silver Grant International Industries Ltd	31 December	2004	2005
37	173	K.wah International Holdings Ltd	31 December	2004	2005
38	184	Keck Seng Investments (Hong Kong) Ltd	31 December	2004	2005
39	201	Magnificent Estate Ltd	31 December	2004	2005
40	219	Shum Ho Technology Holdings Ltd	31 December	2004	2005
41	230	Onfem Holdings Ltd	31 December	2004	2005
42	242	Shun Tak Holdings Ltd	31 December	2004	2005
43	251	SEA Holdings Ltd	31 December	2004	2005
44	257	China Everbright International Ltd	31 December	2004	2005
45	258	Tomson Group Ltd	31 December	2004	2005
46	286	G-Prop (Holdings)Ltd	31 December	2004	2005
47	366	Luks Industrial (Group)Ltd	31 December	2004	2005
48	373	Allied Group Ltd	31 December	2004	2005
49	431	Greater China Holdings Ltd	31 December	2004	2005
50	588	Beijing North Star Co Ltd	31 December	2004	2005
51	604	Shenzhen Investment Ltd	31 December	2004	2005
52	617	Paliburg Holdings Ltd	31 December	2004	2005
53	635	Playmates Holdings Ltd	31 December	2004	2005
54	649	Shimao International Holdings Ltd	31 December	2004	2005
55	683	Kerry Properties Ltd	31 December	2004	2005
56	688	China Overseas Land &Investment Ltd	31 December	2004	2005
57	730	Shougang Concord Grand(Group)Ltd	31 December	2004	2005
58	878	Soundwill Holdings Ltd	31 December	2004	2005
59	898	Multifield International Holdings Ltd	31 December	2004	2005
60	1200	Midland Holdings Ltd	31 December	2004	2005

61	1207	Shanghai Real Estate Ltd	31 December	2004	2005
62	2355	Baoye Group Company Ltd	31 December	2004	2005
63	20	Wheelock and Company Ltd	31 March	2005	2006
64	22	Mexan Ltd	31 March	2005	2006
65	49	Wheelock Properties Ltd	31 March	2005	2006
66	88	Tai Cheung Holdings Ltd	31 March	2005	2006
67	129	Asia Standard International Group Ltd	31 March	2005	2006
68	160	Hon Kwok Land Investment Company Ltd	31 March	2005	2006
69	163	Emperor International Holdings Ltd	31 March	2005	2006
70	164	Premium Land Ltd	31 March	2005	2006
71	166	New Times Group Holdings Ltd	31 March	2005	2006
72	202	Interchina Holdings Co Ltd	31 March	2005	2006
73	213	National Electronics Holdings Ltd	31 March	2005	2006
74	224	Pioneer Global Group Ltd	31 March	2005	2006
75	237	Safety Godown Co Ltd	31 March	2005	2006
76	278	Wah Ha Realty Company Ltd	31 March	2005	2006
77	287	Winfair Investment Company Ltd	31 March	2005	2006
78	298	Chuang's China Investment Ltd	31 March	2005	2006
79	480	HKR International Ltd	31 March	2005	2006
80	499	Hycomm Wireless Ltd	31 March	2005	2006
81	711	Chun Wo Holdings Ltd	31 March	2005	2006
82	1036	Winsor Properties Holdings Ltd	31 March	2005	2006
83	1124	Costal Greenland Ltd	31 March	2005	2006
84	2340	Synergies Holdings Ltd	31 March	2005	2006
85	288	Berjaya Holdings(HK)Ltd	30 April	2005	2006
86	16	Sun Hung Kai Property Ltd	30 June	2005	2006
87	17	New World Development Co Ltd	30 June	2005	2006
88	54	Hopewell Holdings Ltd	30 June	2005	2006
89	659	NWS Holdings Ltd	30 June	2005	2006
90	917	New World China Land Ltd	30 June	2005	2006
91	193	Capital Estate Ltd	31 July	2005	2006
92	1191	China Rich Holdings Ltd	31 July	2005	2006

Exhibit IV: List of Countries that Have Adopted IFRS

Table 1: Countries and Regions Using IFRS

Country	Country	Country	Country
Abu Dhabi United Emirates	Dominican Republic	Jamaica	Nicaragua
Anguilla	Dubai United Emirates	Japan 2011	Norway
Antigua and Barbuda	Ecuador 2008	Jordan	Oman
Armenia	Egypt	Kazakhstan	Panama
Austria	Fiji	Kenya	Papua New Guinea
Australia	Finland	Korea South 2011	Peru
Bahamas	France	Kuwait	Poland
Bahrain	Germany	Kyrgyzstan	Portugal
Barbados	Georgia	Latvia	Qatar
Belgium	Ghana	Lebanon	Romania
Bosnia Herzefovina	Grenada	Liechtenstein	Serbia (Republic of)
Botswana	Greece	Lithuania	Slovenia
Brazil 2010	Guatemala	Luxemburg	Slovak Republic
Bulgaria	Guyana	Macedonia	South Africa
Chile 2009	Haiti	Malawi	Sweden
Canada 2011	Honduras	Malta	Tajikistan
Chile 2009	Hong Kong	Mauritius	Tanzania
Costa Rica	Hungary	Montenegro	Trinidad and Tobago
Cyprus	Iceland	Namibia	United Kingdom
Czech Republic	Iraq	Netherlands	Venezuela
Denmark	Ireland	Nepal	
	Italy	New Zealand	

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