

CLIENT: ABC CO LTD
Year Ended 31 December 2007

(No need to prepare for Main GAAP case)

SME-FRF & SME-FRS ELIGIBILITY DETERMINATION

Ineligibility for ticking any "Yes"

	This Period		Last Period		Before Last Period	
	YES	NO	YES	NO	YES	NO
1 Have any of the shareholders not agreed in writing to prepare financial statements in accordance with SME-FRS? (For a company incorporated overseas, it is presumed that, once an agreement is made, it will remain valid until there is a change in the ownership or the agreement is revoked.)	<input type="checkbox"/>	<input type="checkbox"/>				
2 Has the Company at any time during the current or preceding reporting period been an issuer of securities, that is, its equity or debt securities that are publicly traded or it is in the process of issuing publicly traded equity or debt securities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3 Is the Company an institution authorised under the Banking Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4 Is the Company an insurer authorised under the Insurance Companies Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5 Is the Company a corporation which is granted a licence under the Securities and Futures Ordinance to carry on business in a regulated activity in Hong Kong?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Company incorporated in Hong Kong

Does the Company in any other respect fail to comply with the requirements of s141D?

6 being a public company (re: s29 of CO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 having a subsidiary incorporated in HK or overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 being a subsidiary of a HK incorporated entity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 requiring to issue a "true and fair" report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 being a money lender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 being an owner of ship or aircraft for carriage of cargo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Has the Company had "Yes" from 2 to 11 in Last Period? (It is recommended not to adopt SME-FRF in This Period.)	<input type="checkbox"/>	<input type="checkbox"/>		

Company Incorporated Overseas

(Please skip this section for HK Co)

Does the Company **exceed any** of the following size tests?

13 Total annual revenue of HK\$50 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Total assets of HK\$50 million at the balance sheet date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 50 employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 In a proposal to newly adopt SME-FRF, has the Company exceeded any two from 13 to 15 in each of the two consecutive preceding reporting periods?	<input type="checkbox"/>	<input type="checkbox"/>				
17 Where the Company has previously qualified for SME-FRF, can the Company cease to adopt SME-FRF by reason of two consecutive preceding reporting periods no longer satisfy the size tests from 13 to 15 above?	<input type="checkbox"/>	<input type="checkbox"/>				

Conclusion

Where the Company qualifies as an SME is it to:

YES NO

Take advantage of the SME-FRS?

PARTNER:	QC REVIEW:	PERFORM:
----------	------------	----------