



審計署
香港灣仔
告士打道七號
入境事務大樓
二十六樓

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

圖文傳真 Facsimile : 2824 2087
電話 Telephone : 2829 4204
電郵 E-mail : andrew_jc_chang@aud.gov.hk
網址 Website : <http://www.aud.gov.hk>

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11 November 2010

Mr Steve Ong
Director, Standard Setting
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

(Fax: 2865 6776)

Dear Mr Ong,

**Invitation to comment
on IFRS Interpretations Committee Exposure Draft
of Stripping Costs in the Production Phase of a Surface Mine**

Thank you for your letter of 16 September 2010 inviting the Audit Commission to comment on the captioned subject.

We consider that the proposed definition satisfactorily distinguishes between a stripping campaign and routine waste clearing activities. We agree that the stripping campaign component shall be depreciated or amortised over the expected useful life of the specific section of the ore body that becomes directly accessible as a result of the stripping campaign. We also agree that it is appropriate to apply the units of production method to account for the depreciation or amortisation.

Yours sincerely,

(Andrew Chang)
for Director of Audit