

Comparison between HK Financial Reporting Standards and International Financial Reporting Standards as at 31 December 2017

| | Title | IASB equivalent | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------------------|--|---|--|--------------------------------|--|
| CONCEPTUAL FRAMEWORK | Conceptual Framework for Financial Reporting | IASB Conceptual Framework for Financial Reporting | N/A | N/A | Minor textual differences – no practical effect. |



Comparison between HK Financial Reporting Standards and International Financial Reporting Standards as at 31 December 2017

| HKFRS No. | Title | IFRS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-----------------|--|----------------|--|---|--|
| HKFRS 1 Revised | First-time Adoption of Hong Kong Financial Reporting Standards | IFRS 1 Revised | No | No, except para 39a specifies that paras B2 to B6 and D18 of HKFRS 1 (IFRS 1) are effective for AP beginning on or after 1 January 2005 (1 January 2004). | Minor textual differences – no practical effect. |
| HKFRS 2 | Share-based Payment | IFRS 2 | No | No | No |
| HKFRS 3 Revised | Business Combinations | IFRS 3 Revised | No | No | No |
| HKFRS 4 | Insurance Contracts | IFRS 4 | No | No | No |
| HKFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | IFRS 5 | No | No | No |
| HKFRS 6 | Exploration for and Evaluation of Mineral Resources | IFRS 6 | No | No | No |
| HKFRS 7 | Financial Instruments: Disclosures | IFRS 7 | No | No | No |
| HKFRS 8 | Operating Segments | IFRS 8 | No | No | No |



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| HKFRS No. | Title | IFRS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-----------|---|----------|--|--------------------------------|---------------------------|
| HKFRS 9 | Financial Instruments | IFRS 9 | No | No | No |
| HKFRS 10 | Consolidated Financial Statements | IFRS 10 | No | No | No |
| HKFRS 11 | Joint Arrangements | IFRS 11 | No | No | No |
| HKFRS 12 | Disclosure of Interests in Other Entities | IFRS 12 | No | No | No |
| HKFRS 13 | Fair Value Measurement | IFRS 13 | No | No | No |
| HKFRS 14 | Regulatory Deferral Accounts | IFRS 14 | No | No | No |
| HKFRS 15 | Revenue from Contracts with Customers | IFRS 15 | No | No | No |
| HKFRS 16 | Leases | IFRS 16 | No | No | No |

| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------------|--|---------------|--|--------------------------------|--|
| HKAS 1 Revised | Presentation of Financial Statements | IAS 1 Revised | No | No | Minor textual differences – explanation of legal requirements which do not give rise to differences. |
| HKAS 2 | Inventories | IAS 2 | No | No* | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|---|---------|--|--|--|
| HKAS 7 | Statement of Cash Flows | IAS 7 | No | HKAS 7 (IAS 7) is effective for AP beginning on or after 1 January 2005 (1 January 1994). | No |
| HKAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | IAS 8 | No | No* | Minor textual differences – no practical effect. |
| HKAS 10 | Events after the Reporting Period | IAS 10 | No | No* | Minor textual differences – explanation of legal requirements which do not give rise to differences. |
| HKAS 11 | Construction Contracts | IAS 11 | No | HKAS 11* (IAS 11) is effective for AP beginning on or after 1 January 2005 (1 January 1995). | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|------------------------------|---------|--|--|---|
| HKAS 12 | Income Taxes | IAS 12 | No | HKAS 12* (IAS 12) is effective for AP beginning on or after 1 January 2005 (1 January 1998 with certain amendments effective for AP beginning on or after 1 January 2001). | The explanatory guidance and illustrative examples set out in the boxes within the body of HKAS 12 contain material that is expanded on that in IAS 12 and considered to be more user-friendly. |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|---|---------|---|--------------------------------|---------------------------|
| HKAS 16 | Property, Plant and Equipment | IAS 16 | <p>HKAS 16 has the following additional transition provisions.</p> <ol style="list-style-type: none"> 1. Para 80A exempting certain entities that carried their PPE at revalued amounts before 30 September 1995 and have not revalued since that date from making regular revaluation. 2. Para 80B allowing those not-for-profit entities that previously took advantage of the exemption under SSAP 17 to deem the carrying amount of an item of PPE immediately before applying HKAS 16 on its effective date (or earlier) as the cost of that item. | No* | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------------|-----------------------------------|---------------|--|--|---------------------------|
| HKAS 17 | Leases | IAS 17 | No | No* | No |
| HKAS 18 | Revenue | IAS 18 | No | HKAS 18* (IAS 18) is effective for AP beginning on or after 1 January 2005 (1 January 1995). | No |
| HKAS 19 (2011) | Employee Benefits | IAS 19 (2011) | No | No | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|--|---------|--|--|---------------------------|
| HKAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | IAS 20 | IAS 20 has an additional transitional provision (para 40) allowing an entity adopting IAS 20 for the first time to apply the accounting provisions of IAS 20 only to grants or portions of grants becoming receivable or repayable after the effective date of IAS 20. | HKAS 20* (IAS 20) is effective for AP beginning on or after 1 January 2005 (1 January 1984). | No |
| HKAS 21 | The Effects of Changes in Foreign Exchange Rates | IAS 21 | No | No* | No |



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|-------------------|--|----------------|--|---|--|
| HKAS 23 Revised | Borrowing Costs | IAS 23 Revised | No | No | No |
| HKAS 24 (Revised) | Related Party Disclosures | IAS 24 Revised | No | No | No |
| HKAS 26 | Accounting and Reporting by Retirement Benefit Plans | IAS 26 | No | HKAS 26 (IAS 26) is effective for AP beginning on or after 1 January 2005 (1 January 1988). | HKAS 26 has an appendix giving guidance on preparing financial statements of MPF schemes and ORSO schemes in accordance with the standard. |
| HKAS 27 (2011) | Separate Financial Statements | IAS 27 (2011) | No | No | No |
| HKAS 28 (2011) | Investments in Associates and Joint Ventures | IAS 28 (2011) | No | No | No |
| HKAS 29 | Financial Reporting in Hyperinflationary Economies | IAS 29 | No | HKAS 29 (IAS 29) is effective for AP beginning on or after 1 January 2005 (1 January 1990). | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|---|---------|--|--|---------------------------|
| HKAS 32 | Financial Instruments: Presentation | IAS 32 | HKAS 32 has an additional transitional provision (para 97) allowing an entity not to present comparative information if such information is not available. | No | No |
| HKAS 33 | Earnings per Share | IAS 33 | No | No* | No |
| HKAS 34 | Interim Financial Reporting | IAS 34 | No | HKAS 34* (IAS 34) is effective for AP beginning on or after 1 January 2005 (1 January 1999). | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|--------------------------------------|---------|--|--|---------------------------|
| HKAS 36 | Impairment of Assets | IAS 36 | <p>HKAS 36 (IAS 36) para 139 specifies that an entity shall apply HKAS 36 (IAS 36)</p> <p>(a) to goodwill and intangible assets acquired in business combinations for which the agreement date is on or after 1 January 2005 (31 March 2004); and</p> <p>(b) to all other assets prospectively from the beginning of the first annual period beginning on or after 1 January 2005 (31 March 2004).</p> | HKAS 36 (IAS 36) is effective for AP beginning on or after 1 January 2005 (31 March 2004). | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|--|---------|---|---|--|
| HKAS 37 | Provisions, Contingent Liabilities and Contingent Assets | IAS 37 | IAS 37 has an additional transitional provision (para 93) allowing an entity not to adjust opening balance of retained earnings for the earliest period presented and to restate comparative information for the period in which IAS 37 is first adopted. | HKAS 37* (IAS 37) is effective for AP beginning on or after 1 January 2005 (1 July 1999). | HKAS 37 contains additional Hong Kong examples 3A, 8A, 12 and 13 in Appendix C. No comparable examples are included in Appendix C to IAS 37 – no practical effect. |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|-----------------------------------|---------|---|--|---------------------------|
| HKAS 38 | Intangible Assets | IAS 38 | <p>HKAS 38 (IAS 38) para 130 specifies that an entity shall apply HKAS 38 (IAS 38):</p> <p>(a) to the accounting for intangible assets acquired in business combinations for which the agreement date is on or after 1 January 2005 (31 March 2004); and</p> <p>(b) to the accounting for all other intangible assets prospectively from the beginning of the first annual period beginning on or after 1 January 2005 (31 March 2004).</p> | HKAS 38 (IAS 38) is effective for AP beginning on or after 1 January 2005 (31 March 2004). | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|--|---------|--|--------------------------------|---------------------------|
| HKAS 39 | Financial Instruments: Recognition and Measurement | IAS 39 | HKAS 39 does not permit retrospective application except in certain limited circumstances whereas IAS 39 generally requires retrospective application. Accordingly, the transitional provisions in HKAS 39 are different from those in IAS 39. For details, please refer to the Standards. | No | No |



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| HKAS No. | Title | IAS No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|----------|-------------------------------------|---------|---|--------------------------------|---------------------------|
| HKAS 40 | Investment Property | IAS 40 | <p>HKAS 40 has the following additional transitional provisions:</p> <p><u>HKAS 40 paras 80A on fair value model</u></p> <p>Para 80A of HKAS 40 requires an entity that has previously applied SSAP 13 (2000) for non-leasehold investment properties and chooses to use the fair value model to reflect the effect of applying HKAS 40 on its effective date (or earlier) as an adjustment to the opening balance of retained earnings for the period in which HKAS 40 is first applied.</p> | No* | No |



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|----------|-------|---------|---|--------------------------------|---------------------------|
| | | | <p>Para 80A also encourages the entity to adjust the comparative information if the entity has previously disclosed publicly fair value of those properties but requires the entity to disclose the fact if otherwise.</p> <p><u>HKAS 40 paras 83A and 83B on cost model</u></p> <p>Paras 83A and 83B of HKAS 40 allow an entity to take the carrying amount of the investment property under SSAP 13 (2000) as the deemed cost on the date that HKAS 40 is first applied. Any adjustments, including</p> | | |



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| | | | the reclassification of any amount previously held in revaluation reserve, are to be made to the opening balance of retained earnings. Depreciation on deemed cost commences from the opening balance sheet date. | | |
| HKAS 41 | Agriculture | IAS 41 | No | HKAS 41* (IAS 41) is effective for AP beginning on or after 1 January 2005 (1 January 2003). | No |



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| HK(IFRIC)-Int No. | Title | IFRIC No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-------------------|---|-----------|--|--------------------------------|---|
| HK(IFRIC)-Int 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | IFRIC 1 | No | No | <u>Minor textual differences – no practical effect.</u> |
| HK(IFRIC)-Int 2 | Members' Shares in Co-operative Entities and Similar Instruments | IFRIC 2 | No | No | No |
| HK(IFRIC)-Int 4 | Determining whether an Arrangement contains a Lease | IFRIC 4 | No | No | No |
| HK(IFRIC)-Int 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | IFRIC 5 | No | No | No |
| HK(IFRIC)-Int 6 | Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment | IFRIC 6 | No | No | No |



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| HK(IFRIC)-Int No. | Title | IFRIC No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-------------------|--|-----------|--|--------------------------------|---------------------------|
| HK(IFRIC)-Int 7 | Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies | IFRIC 7 | No | No | No |
| HK(IFRIC)-Int 9 | Reassessment of Embedded Derivatives | IFRIC 9 | No | No | No |
| HK(IFRIC)-Int 10 | Interim Financial Reporting and Impairment | IFRIC 10 | No | No | No |
| HK(IFRIC)-Int 12 | Service Concession Arrangements | IFRIC 12 | No | No | No |
| HK(IFRIC)-Int 13 | Customer Loyalty Programmes | IFRIC 13 | No | No | No |
| HK(IFRIC)-Int 14 | HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | IFRIC 14 | No | No | No |



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| HK(IFRIC)-Int No. | Title | IFRIC No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-------------------|---|-----------|--|--------------------------------|---------------------------|
| HK(IFRIC)-Int 15 | Agreements for the Construction of Real Estate | IFRIC 15 | No | No | No |
| HK(IFRIC)-Int 16 | Hedges of a Net Investment in a Foreign Operation | IFRIC 16 | No | No | No |
| HK(IFRIC)-Int 17 | Distributions of Non-cash Assets to Owners | IFRIC 17 | No | No | No |
| HK(IFRIC)-Int 18 | Transfers of Assets from Customers | IFRIC 18 | No | No | No |
| HK(IFRIC)-Int 19 | Extinguishing Financial Liabilities with Equity Instruments | IFRIC 19 | No | No | No |
| HK(IFRIC)-Int 20 | Stripping Costs in the Production Phase of a Surface Mine | IFRIC 20 | No | No | No |
| HK(IFRIC)-Int 21 | Levies | IFRIC 21 | No | No | No |
| HK(IFRIC)-Int 22 | Foreign Currency Transactions and Advance Consideration | IFRIC 22 | No | No | No |
| HK(IFRIC)-Int 23 | Uncertainty over Income Tax Treatments | IFRIC 23 | No | No | No |



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| HK(SIC)-Int No. | Title | SIC No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-----------------|---|---------|--|---|---------------------------|
| HK(SIC)-Int 10 | Government Assistance – No Specific Relation to Operating Activities | SIC-10 | No | HKAS-Int 10* (SIC 10) is effective for AP beginning on or after 1 January 2005 (1 August 1998). | No |
| HK(SIC)-Int 15 | Operating Leases – Incentives | SIC-15 | No | HKAS-Int 15* (SIC 15) is effective for lease terms beginning on or after 1 January 2005 (1 January 1999). | No |
| HK(SIC)-Int 25 | Income Taxes – Changes in the Tax Status of an Entity or its Shareholders | SIC-25 | No | HKAS-Int 25* (SIC 25) is effective for AP beginning on or after 1 January 2005 (on 15 July 2000). | No |



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| HK(SIC)-Int No. | Title | SIC No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-----------------|--|---------|--|---|---------------------------|
| HK(SIC)-Int 27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | SIC-27 | No | HKAS-Int 27* (SIC 27) is effective for AP beginning on or after 1 January 2005 (on 31 December 2001). | No |
| HK(SIC)-Int 29 | Service Concession Arrangements: Disclosures | SIC-29 | No | HKAS-Int 29* (SIC 29) is effective for AP beginning on or after 1 January 2005 (on 31 December 2001). | No |
| HK(SIC)-Int 31 | Revenue – Barter Transactions Involving Advertising Services | SIC-31 | No | HKAS-Int 31* (SIC 31) is effective for AP beginning on or after 1 January 2005 (on 31 December 2001). | No |



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| HK(SIC)-Int No. | Title | SIC No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|-----------------|--|---------|--|--|---------------------------|
| HK(SIC)-Int 32 | Intangible Assets – Web Site Costs | SIC-32 | No | HKAS-Int 32* (SIC 32) is effective for AP beginning on or after 1 January 2005 (on 25 March 2002). | No |



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| HK-Int No. | Title | International - Int No. | Differences in Transitional Provisions | Differences in Effective Dates | Other Textual Differences |
|------------|---|--|--|--------------------------------|---------------------------|
| HK-Int 4 | Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases | No equivalent interpretation under IFRS. | N/A | N/A | N/A |
| HK-Int 5 | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause | No equivalent interpretation under IFRS. | N/A | N/A | N/A |

Notes

* These Hong Kong pronouncements might have additional wording or paragraph(s) specifying that:

- (i) if an entity decides to early adopt a Standard, the entity is not required to apply all the Standards effective for the same date for that period;
- (ii) if an entity decides to early adopt a Standard, the entity is required to apply the relevant Interpretation for that period;
- (iii) early adoption is encouraged; or
- (iv) the previous version of the Standard is withdrawn.

SIC-7 *Introduction of the Euro* is not adopted in Hong Kong

The paragraph numbers in HKFRSs generally correspond to the paragraph numbers in IFRSs.

