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HKFRS / IFRS UPDATE 2014/01

HKFRSS/IFRSS (INCLUDING HK(IFRIC) INTERPRETATIONS/IFRICS) AND AMENDMENTS THAT ARE MANDATORY FOR THE FIRST TIME FOR 31 DECEMBER 2013 YEAR ENDS

This Update covers HKFRSs/IFRSs (including HK(IFRIC) Interpretations/IFRICs) and amendments to HKFRSs/IFRSs that are effective for the first time for entities with 31 December 2013 year ends.

Paragraph 28 in HKAS/IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires disclosures to be made if the initial application of HKFRSs/IFRSs, HK(IFRIC)Ints/IFRICs and amendments has an effect on the current period or prior period (or would have an effect except that it is impracticable to determine the amount of the adjustment), or might have an effect on future periods.

The disclosure requirements are:

a) The title of the HKFRS/IFRS

b) When applicable, that the change in accounting policy is made in accordance with its transitional provisions

c) The nature of the change in accounting policy

d) When applicable, a description of the transitional provisions

e) When applicable, the transitional provisions that might have an effect on future periods

f) For the current period and each prior period presented, to the extent practicable, the amount of the adjustment:

  i. For each financial statement line item affected

  ii. If HKAS/IAS 33 *Earnings per Share* applies to the entity, for basic and diluted earnings per share.

g) The amount of the adjustment relating to periods before those presented, to the extent practicable

h) If retrospective application required is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

STATUS
Final

EFFECTIVE DATE
Various

ACCOUNTING IMPACT
May be significant

Where applicable, the relevant BDO HKFRS/IFRS Updates have been referenced to each HKFRS/IFRS and HK(IFRIC) Interpretation/IFRIC below.

In addition, BDO International has released comprehensive *Need to Know* publications that cover a number of new IFRSs, including:

- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 13 *Fair Value Measurement.*

These BDO publications can be found on our website at www.bdo.com.hk

The list below shows the HKFRSs/IFRSs (and amendments to HKFRSs/IFRSs) that are effective for the first time for entities with a 31 December 2013 financial year end (all are mandatory for annual periods beginning on or after 1 January 2013 except for item 9 which is effective for annual periods beginning on or after 1 July 2012).

1. HKFRS/IFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards/International Financial Reporting Standards* – (Amendments – Government Loans)
2. HKFRS/IFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards/International Financial Reporting Standards* – (Improvements to HKFRSs/IFRSs (2009 – 2011 Cycle))
3. HKFRS/IFRS 7 *Financial Instruments: Disclosures* (Amendments – Disclosures – Offsetting Financial Assets and Financial Liabilities)
4. HKFRS/IFRS 10 *Consolidated Financial Statements*
5. HKFRS/IFRS 11 *Joint Arrangements*
6. HKFRS/IFRS 12 *Disclosure of Interests in Other Entities*
7. Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance (Amendments to HKFRS/IFRS 10, HKFRS/IFRS 11 and HKFRS/IFRS 12)
8. HKFRS/IFRS 13 *Fair Value Measurement*
9. HKAS/IAS 1 *Presentation of Financial Statements* (Amendments)
10. HKAS/IAS 1 *Presentation of Financial Statements* –(Improvements to HKFRSs/IFRSs (2009 – 2011 Cycle))
11. HKAS/IAS 16 *Property, Plant & Equipment* –(Improvements to HKFRSs/IFRSs (2009 – 2011 Cycle))
12. HKAS/IAS 19 *Employee Benefits* (Amendments)
13. HKAS/IAS 27 *Separate Financial Statements* (Amendments)
14. HKAS/IAS 28 *Investments in Associates and Joint Ventures* (Amendments)
15. HKAS/IAS 32 *Financial Instruments: Presentation* - (Improvements to HKFRSs/IFRSs (2009 – 2011 Cycle))
16. HKAS/IAS 34 *Interim Financial Reporting* - (Improvements to HKFRSs/IFRSs (2009 – 2011 Cycle))
17. HK(IFRIC)Int/IFRIC 20 *Stripping costs in the Production Phase of a Surface Mine*

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HKFRS/IFRS	New HKFRSs/IFRSs for 31 December 2013 year ends – HKFRSs/IFRSs, HK(IFRIC)Ints/IFRICs and Amendments	Effective Date
HKFRS/IFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards/International Financial Reporting Standards		
1. Amendments to HKFRS/IFRS 1	*Government loans (Amendments to HKFRS/IFRS 1)* The amendments relate to the treatment of government loans as described in HKAS/IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* when adopting HKFRS/IFRS for the first time. The amendments address the inconsistency that arose from the 2008 amendment to HKAS/IAS 20, which required an entity to account prospectively for a government loan at a below-market rate of interest as a government grant received for periods beginning on or after 1 January 2009 – as opposed to the retrospective requirement of HKFRS/IFRS 1. For more information see BDO *HKFRS/IFRS Update 2012/05*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.
2. Improvements to HKFRSs/IFRSs (2009 - 2011 Cycle)	*Repeat application of HKFRS/IFRS 1* The improvement clarifies that an entity that has applied HKFRSs/IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with HKFRSs/IFRSs, must either apply HKFRS/IFRS 1 or else apply HKFRSs/IFRSs retrospectively in accordance with HKAS/IAS 8 *Accounting Policies, Changes in Estimates and Errors* as if the entity had never stopped applying HKFRSs/IFRSs. *Borrowing costs* The improvement clarifies that an entity that capitalised borrowing costs in accordance with its previous generally accepted accounting practice (GAAP) before the date of transition to HKFRSs/IFRSs may carry forward, without adjustment, the amounts previously capitalised in the opening statement of financial position at the date of transition. The improvement also states that borrowing costs incurred after the date of transition that relate to qualifying assets that are already under construction at the date of transition are accounted for (that is, capitalised or expensed) in accordance with HKAS/IAS 23 *Borrowing Costs* and not in accordance with previous GAAP. For more information see BDO *HKFRS/IFRS Update 2012/06*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

<table>
<tr><th colspan="3">HKFRS/IFRS 7 Financial Instruments: Disclosures</th></tr>
<tr><td>3. Amendments to HKFRS/IFRS 7</td><td> HKFRS/IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
The amendments require the disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
This includes the effect or potential effect of rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities. To meet the objective, an entity is required to disclose in tabular form:
a) The gross amounts of those recognised financial assets and recognised financial liabilities
b) The amounts that are set off when determining the net amounts presented in the statement of financial position
c) The net amounts presented in the statement of financial position
d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph b), including:
i. Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria
ii. Amounts related to financial collateral (including cash collateral).
e) The net amount after deducting the amounts in d) from the amounts in c) above.
The amendments are part of the IASB's offsetting project. As part of that project, the IASB also separately issued Offsetting Financial Assets and Financial Liabilities (Amendments to HKAS/IAS 32 (HKFRS equivalence is HKAS 32)), which is not effective until 1 January 2014.
For more information see BDO HKFRS/IFRS Update 2012/04. </td><td>Mandatory adoption for periods beginning on or after 1 January 2013 and interim periods within those annual periods.</td></tr>
<tr><th colspan="3">HKFRS/IFRS 10 Consolidated Financial Statements</th></tr>
<tr><td>4. HKFRS/IFRS 10</td><td> HKFRS/IFRS 10 Consolidated Financial Statements was issued together with HKFRS/IFRS 11 Joint Arrangements, HKFRS/IFRS 12 Disclosures of Interests in Other Entities, HKAS/IAS 27 Separate Financial Statements and HKAS/IAS 28 Investments in Associates and Joint Ventures.
HKFRS/IFRS 10 introduces a single control model for all entities. It replaces the consolidation requirements in HKAS/IAS 27 Consolidated and Separate Financial Statements and HK(SIC)-Int/SIC 12 Consolidation - Special Purpose Entities.
Under the current HKAS/IAS 27 requirements, an investor is required to consolidate an investee when it has the power to govern the investee's </td><td>Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.</td></tr>
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	financial and operating policies to obtain benefits from the investee's activities. For special purpose entities, which are covered by HK(SIC)-Int/SIC 12, control is based on (different) risk and reward principles. Under HKFRS/IFRS 10, an investor is required to consolidate an investee when all three of the following criteria are met: • The entity has power over the investee • The investor has exposure, or rights to variable returns from involvement with the investee • The investor has the ability to use its power to affect returns. HKFRS/IFRS 10 includes guidance to be applied in circumstances in which the assessment of control may be difficult, including where an entity has potential voting rights (such as share options) over another, agency relationships and cases where voting rights are not the principal indicator of control. The new standard is not expected to change the accounting requirements for the majority of investors. However, changes may arise where new guidance has been issued (in particular for agency relationships) and the consolidation conclusion for some SPEs may change under the new standard. The accounting requirements and consolidation procedures in the existing HKAS/IAS 27 are carried forward unchanged. For more information see BDO *HKFRS/IFRS Update 2011/03*, and BDO *Need to Know: IFRS 10 Consolidated Financial Statements*.	
HKFRS/IFRS 11 Joint Arrangements		
5. HKFRS/IFRS 11	HKFRS/IFRS 11 *Joint Arrangements* replaces HKAS/IAS 31 *Interests in Joint Ventures*. The project to replace existing requirements was undertaken for the following main reasons: • Under HKAS/IAS 31, the structure of an arrangement is the principal factor in determining the accounting approach, meaning that the accounting might not reflect the rights and obligations of each of the parties involved in an arrangement • HKAS/IAS 31 contains an option to account for jointly controlled entities (JCEs) using either proportionate consolidation or equity accounting. This option means parties to similar arrangements could account for them differently, and arrangements that give rise to different rights and obligations for each of the parties could be accounted for in a similar way. HKFRS/IFRS 11 is based on the principle that each party to a joint arrangement accounts for its rights and obligations that arise from that arrangement. In consequence:	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

	• Where an entity has rights to assets and obligations for liabilities relating to a joint arrangement, it is regarded as being a joint operator. Joint operators account for the assets and liabilities, and associated revenues and expenses, that arise from the joint arrangement • Where an entity has rights to the net assets relating to a joint arrangement, it is regarded as having an interest in a joint venture. Joint venturers account for the net assets arising from the joint arrangement by applying equity accounting. An entity that is party to a joint arrangement that is not structured through a separate vehicle is a joint operator. For arrangements that are structured through a separate vehicle it is necessary to analyse the legal form, the contractual terms and any other relevant facts and circumstances of the joint arrangements in order to determine whether the arrangement gives rise to a joint operation or a joint venture. For more information see BDO *HKFRS/IFRS Update 2011/03*, and BDO *Need to Know: IFRS 11 Joint Arrangements.*	
HKFRS/IFRS 12 Disclosure of Interests in Other Entities		
6. HKFRS/IFRS 12	HKFRS/IFRS 12 *Disclosure of Interests in Other Entities* combines, and makes consistent, certain existing disclosures that were previously included, in some cases with overlapping requirements, in HKAS/IAS 27 *Consolidated and Separate Financial Statements*, HKAS/IAS 28 *Investments in Associates* and HKAS/IAS 31 *Interests in Joint Ventures*. In addition, it introduces certain new disclosure requirements, in particular those related to unconsolidated structured entities where a lack of transparency about entities' exposures to related risks was highlighted by the global financial crisis. For more information see BDO *HKFRS/IFRS Update 2011/03*, as well as extracts from BDO *Need to Know: IFRS 10 Consolidated Financial Statements* and BDO *Need to Know: IFRS 11 Joint Arrangements.*	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

<table>
<tr><th colspan="3">Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance – Amendments to HKFRS/IFRS 10, HKFRS/IFRS 11 and HKFRS/IFRS 12</th></tr>
<tr><td>7. Amendments to HKFRS/IFRS 10, HKFRS/IFRS 11, and HKFRS/IFRS 12</td><td>Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance – Amendments to HKFRS/IFRS 10, HKFRS/IFRS 11 and HKFRS/IFRS 12

The amendments clarify certain transitional requirements that apply when an entity transitions from HKAS/IAS 27 Consolidated and Separate Financial Statements/HK(SIC)Int/SIC 12 Consolidation – Special Purpose Entities to the new consolidation standards HKFRS/IFRS 10 Consolidated Financial Statements, HKFRS/IFRS 11 Joint Arrangements, and HKFRS/IFRS 12 Disclosure of Interests in Other entities which became effective for annual periods commencing on or after 1 January 2013.

For more information see BDO HKFRS/IFRS Update 2012/07, as well as extracts from BDO Need to Know: IFRS 10 Consolidated Financial Statements and BDO Need to Know: IFRS 11 Joint Arrangements.</td><td>Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption required if the new consolidation standards are early adopted.</td></tr>
<tr><th colspan="3">HKFRS/IFRS 13 Fair Value Measurement</th></tr>
<tr><td>8. HKFRS/IFRS 13</td><td>HKFRS/IFRS 13 Fair Value Measurement sets out a framework for measuring fair value and requires disclosures about fair value measurement. HKFRS/IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value; this is dealt with in other applicable HKFRSs/IFRSs.

The standard applies when another HKFRS/IFRS requires or permits fair value measurement or disclosures about fair value measurements except for:
• Share-based payment transactions within the scope of HKFRS/IFRS 2 Share-based Payment
• Leasing transactions within the scope of HKAS/IAS 17 Leases
• Measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS/IAS 2 Inventories or value in use in HKAS/IAS 36 Impairment of Assets.

For more information see BDO Need to Know: IFRS 13 Fair Value Measurement.</td><td>Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.</td></tr>
<tr><th colspan="3">HKAS/IAS 1 Presentation of Financial Statements</th></tr>
<tr><td>9. Amendments to HKAS/IAS 1</td><td>Presentation of Items of Other Comprehensive Income (OCI)

The amendments made to HKAS/IAS 1 focus on how entities present items of OCI. The amendments do not alter guidance on which items should or should not be included in OCI or whether these items might subsequently be reclassified through profit or loss.

The main change requires entities to present line items for OCI amounts by nature and to group items presented in OCI into two categories:</td><td>Mandatory adoption for periods beginning on or after 1 July 2012. Early adoption permitted.</td></tr>
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	• Those that will or may subsequently be reclassified to profit or loss (reclassification adjustments) • Those that will not be reclassified. HKAS/IAS 1 permits entities to present components of OCI either net of related tax effects or before tax with one amount shown for the aggregate amount of income tax relating to those components. Entities will continue to have this choice of tax presentation. However, if an entity presents OCI items before related tax effects then tax is required to be allocated and disclosed separately for each of the two OCI groups. For more information see BDO *HKFRS/IFRS Update 2011/05*.	
10. Improvements to HKFRSs/IFRSs (2009 - 2011 Cycle)	*Clarification of requirements for comparative information* The improvement clarifies that: • Only one year of comparative information is required (ie for the preceding period). This means at least two statements of financial position, two statements of comprehensive income, two statements of cash flows and two statements of changes in equity • Entities can voluntarily provide additional comparative information if prepared in accordance with HKFRSs/IFRSs, eg a third statement of comprehensive income, without having to include a complete set of financial statements for this third period. *Clarification of third statement of financial position* The improvement clarifies, with respect to the third statement of financial position required when an entity changes accounting policies, or makes retrospective restatements or reclassifications that: • An opening statement of financial position is only required if impact of change in accounting policy, retrospective restatement or reclassification is material • An opening statement of financial position should be presented as at the beginning of the immediately preceding comparative period required by HKAS/IAS 1 (and not, as at present, at the beginning of the earliest comparative period). For example, if an entity has a reporting date of 31 December 2013 statement of financial position, this will be as at 1 January 2012 • Notes for the third period only need to be included for the change in accounting policy, retrospective restatement or reclassification as required by HKAS/IAS 8 *Accounting Policies, Changes in Estimates and Errors*. For more information see BDO *HKFRS/IFRS Update 2012/06*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

HKAS/IAS 16 Property, Plant & Equipment		
11. Improvements to HKFRSs/IFRSs (2009 - 2011 Cycle)	*Classification of servicing equipment* The improvement clarifies that items such as spare parts, standby or servicing equipment are required to be classified as property, plant and equipment (PPE) when they meet the definition of PPE, and are classified as inventory when the definition is not met. For more information see BDO *HKFRS/IFRS Update 2012/06*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.
HKAS/IAS 19 Employee Benefits		
12. Amendments to HKAS/IAS 19	*Amendments to HKAS/IAS 19* The most significant amendment requires entities to recognise all changes in the defined benefit obligations and in the fair value of related plan assets when those changes occur. This eliminates the 'corridor' approach which permitted entities to leave actuarial gains and losses unrecognised if they were within a corridor (being the greater of 10 per cent of the plan assets and 10 per cent of the plan liabilities) and to defer recognition of actuarial gains and losses outside of that corridor. The amendment requires entities to split the changes in the net defined benefit liability (asset) into three components, to be presented as follows: • Service cost – presented in profit or loss • Net interest on the net defined benefit liability (asset) – presented in profit or loss • Remeasurement of the net defined benefit liability (asset) – presented in other comprehensive income (OCI) and not recycled through profit or loss. Enhanced disclosures are required with a focus on the following specified objectives: • The characteristics of an entity's defined benefit plans and the amounts in the financial statements that result from those plans • Risks arising from defined benefit plans, including a sensitivity analysis for each significant actuarial assumption • Participation in multi-employer plans.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

HKAS/IAS 27 Separate Financial Statements		
13. Amendments to HKAS/IAS 27	HKAS/IAS 27 *Separate Financial Statements* was amended as part of the IASB's project to replace the existing guidance for consolidation, which resulted in the issue of HKFRS/IFRS 10 and HKFRS/IFRS 12. Most of the requirements of HKAS/IAS 27 *Consolidated and Separate Financial Statements* relating to separate financial statement have been carried forward unchanged, although the disclosure requirements of that standard have now been incorporated into HKFRS/IFRS 12. In order to locate all related guidance together, the requirements for separate financial statements previously included in HKAS/IAS 28 *Investments in Associates* and HKAS/IAS 31 *Interests in Joint Ventures* have been incorporated into the amended HKAS/IAS 27. For more information see BDO *HKFRS/IFRS Update 2011/03*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

HKAS/IAS 28 Investments in Associates and Joint Ventures		
14. Amendments to HKAS/IAS 28	HKAS/IAS 28 *Investments in Associates and Joint Ventures* was amended as part of the IASB's project to replace the existing guidance for joint ventures, which resulted in the issue of HKFRS/IFRS 11 and HKFRS/IFRS 12. Most of the requirements of HKAS/IAS 28 *Investments in Associates* have been carried forward unchanged, with the exception of the incorporation of accounting for joint ventures. In some cases, an entity may have an investment in an associate, part of which is held indirectly by a venture capital or other organisation that qualifies, and elects, to measure that part at fair value through profit or loss. It has been clarified that the entity may elect to measure that part at fair value through profit or loss in its consolidated or individual financial statements, with the other part being accounted for in accordance with the equity method. It should be noted that individual financial statements are required to be prepared by an entity which does not have any subsidiaries, but does have interests in associates and/or joint arrangements. Individual financial statements are different from separate financial statements which are not mandatory and in which investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees. HKFRS/IFRS 5 *Non-current Assets held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate that meets the criteria to be classified as held for sale. Any portion to be retained continues to be accounted for on the basis of the combined holdings, with a reassessment of the applicable accounting guidance being carried out at the point at which the portion to be sold is disposed of. If, after a partial disposal, a reassessment shows that the retained interest falls within the scope of HKFRS/IFRS 9 *Financial Instruments* (or HKAS/IAS 39 if HKFRS/IFRS 9 has not yet been adopted), the retained interest is then accounted for in accordance with that	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

	standard. This includes initial recognition at fair value. It has been clarified that a change in the status of an investment from an interest in a joint venture (joint control) to an interest in an associate (significant influence) is not viewed as changing the nature of the investment. Consequently, equity accounting is maintained with no remeasurement to fair value. This is because the composition of the group (being a parent and its subsidiaries) has not changed, with the loss of joint control and retention of significant influence not being regarded as being sufficient to warrant remeasurement of the retained interest at fair value. This is in contrast to the approach required on loss of control of a subsidiary, where a partial interest is to be retained; that retained interest is remeasured to fair value with any adjustment to the carrying amount being recorded in profit or loss. For more information see BDO *HKFRS/IFRS Update 2011/03*.	
HKAS/IAS 32 Financial Instruments: Presentation		
15. Improvements to HKFRSs/IFRSs (2009 - 2011 Cycle)	*Tax effect of distribution to holders of equity instruments* The improvement clarifies that income tax relating to distributions to holders of an equity instrument, and income tax relating to transaction costs of an equity transaction, are required to be accounted for in accordance with HKAS/IAS 12 *Income Taxes*. As a result, depending on the circumstances, these items of income tax might be recognised in equity or in profit or loss. For more information see BDO *HKFRS/IFRS Update 2012/06*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.
HKAS/IAS 34 Interim Financial Reporting		
16. Improvements to HKFRSs/IFRSs (2009 - 2011 Cycle)	*Segment information for total assets and liabilities* The improvement clarifies that total assets and liabilities for a particular reportable segment only need to be disclosed in interim financial statements when the amounts are regularly reported to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements. Currently there is no reference to the amounts being regularly reported to the chief operating decision maker. For more information see BDO *HKFRS/IFRS Update 2012/06*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

HK(IFRIC)Int/IFRIC 20 Stripping costs in the Production Phase of a Surface Mine		
17. HK(IFRIC)Int/IFRIC 20	The Interpretation clarifies when and how to account for stripping costs. It applies to surface mining operations, where entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. HK(IFRIC)Int/IFRIC 20 clarifies that costs associated with the portion of the overburden that can be used to build up inventory is accounted for in accordance with the principles of HKAS/IAS 2 *Inventories*. The cost associated with the portion that provides access to deeper levels of material is recognised as a non-current asset (referred to as "stripping activity asset") if the applicable criteria are met. The stripping activity asset is added to an existing asset and is accounted for as part of that asset. The nature of the existing asset determines whether the stripping activity asset is classified as tangible or intangible. At initial recognition HK(IFRIC)Int/IFRIC 20 requires stripping activity assets to be measured at cost. Only costs that are directly incurred to perform the stripping activities, plus an allocation of directly attributable overhead costs are capitalised. Stripping activity assets are subsequently measured in the same way as the asset it was added to. This maybe either at cost or revalued amount less depreciation or amortisation and any impairment losses. For more information see BDO *HKFRS/IFRS Update 2011/06*.	Mandatory adoption for periods beginning on or after 1 January 2013. Early adoption permitted.

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