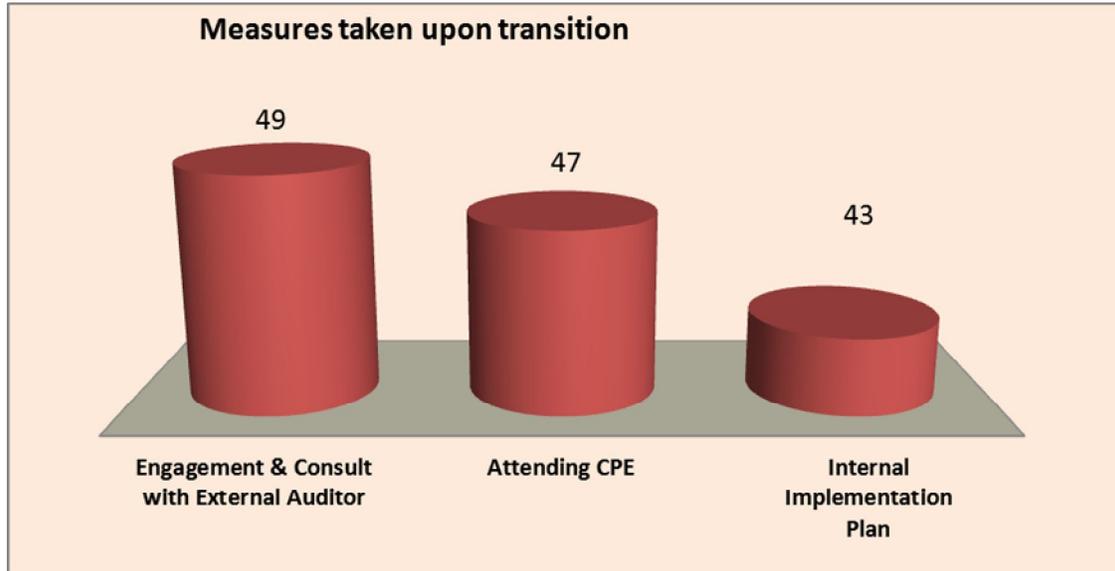


MFRS Reporting Framework: Post Implementation Survey Results

Question 1 – measures taken upon transition

What were the measures that your company had taken when transitioning from the Financial Reporting Standards (FRS) Framework to the MFRS Framework?

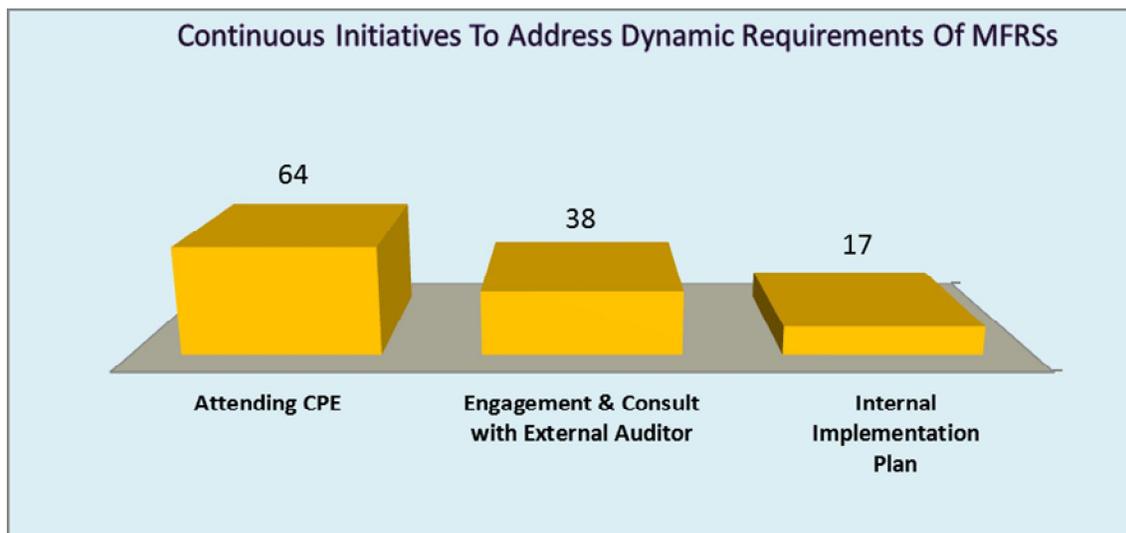
Summary of responses



Question 2 – continuous initiative to address dynamic requirement of MFRSs

Accounting standards are not static but subject to continuous amendments / changes. What are the measures and initiatives that your company have in place to address these dynamic requirements?

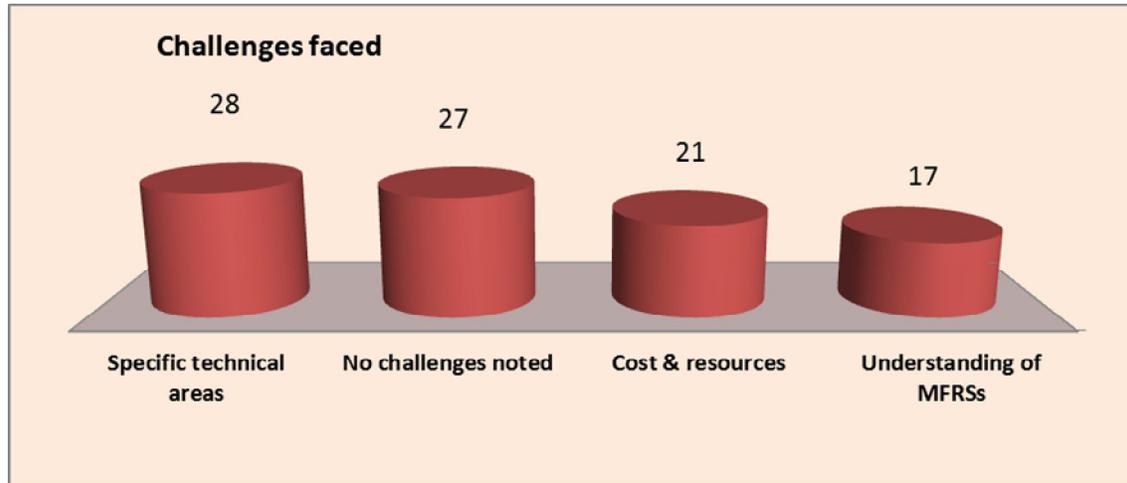
Summary of responses



Question 3 – challenges faced

What are the challenges that your company faced upon implementation of the MFRS Framework? Comments are most helpful if the challenges are explained with the relevant accounting standards.

Summary of responses



The commonly quoted technical areas were:

- *MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - identification and assessment of exemption options*
- *MFRS 4 Insurance Contracts and accounting for Takaful operations*
- *MFRS 128 Investments in Associates and Joint Ventures - Treatment of dilution gains / loss in a jointly controlled entity*
- *MFRS 139 Financial Instruments: Recognition and Measurement - fair value estimation and impairment loss assessment*
- *IC 15 Agreements for the Construction of Real Estate*
- *Extensive disclosures*

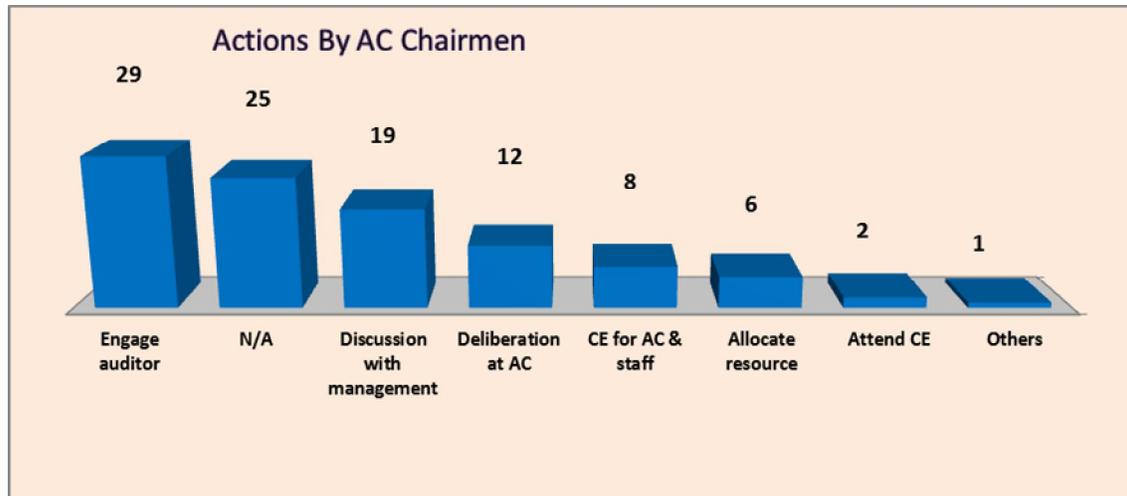
New Standards effective 1 January 2013

- *MFRS 10 Consolidated Financial Statements - application of the new definition of control*
- *MFRS 11 Joint Arrangements - removal of proportionate consolidated method*
- *MFRS 13 Fair Value Measurement – determining fair value in the absence of an active market*

Question 4 – Actions by AC Chairmen

How did you, as the Chairman of the Audit Committee, address the issue(s) identified in Question 3 above?

Summary of responses



Question 5 – Participations in MASB Outreaches

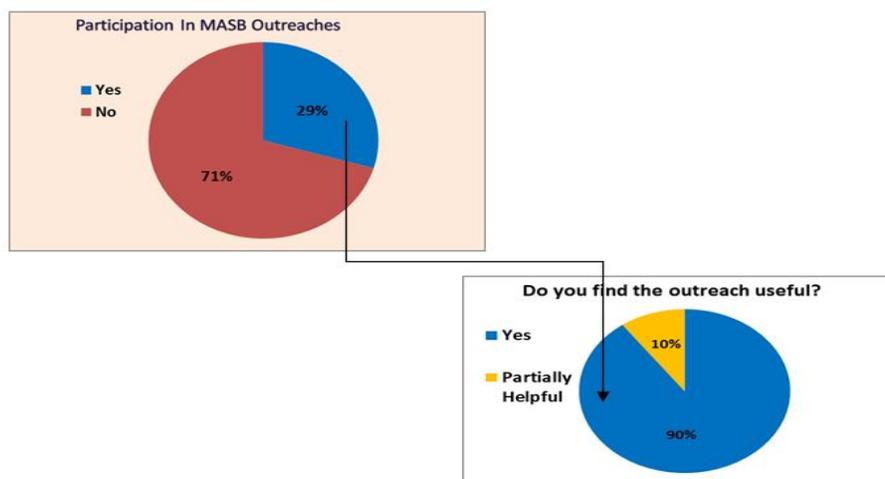
The MASB had organised various outreach meetings and discussion forums to provide briefing and updates on the new MFRS Framework. For example:

- (i) monthly teleconference with preparers and auditors to discuss issues relating to implementation of the MFRS Framework;
- (ii) industry-specific meetings e.g. real estate, agriculture and real estate investment trusts industries; and
- (iii) 2012 Asia-Oceania IFRS Conference for participants to learn about implementing new International Financial Reporting Standards and updates on active projects and plans of the International Accounting Standards Board.

(a) Have you attended any of the MASB outreaches?

(b) Do you find the MASB outreach activities helpful to you?

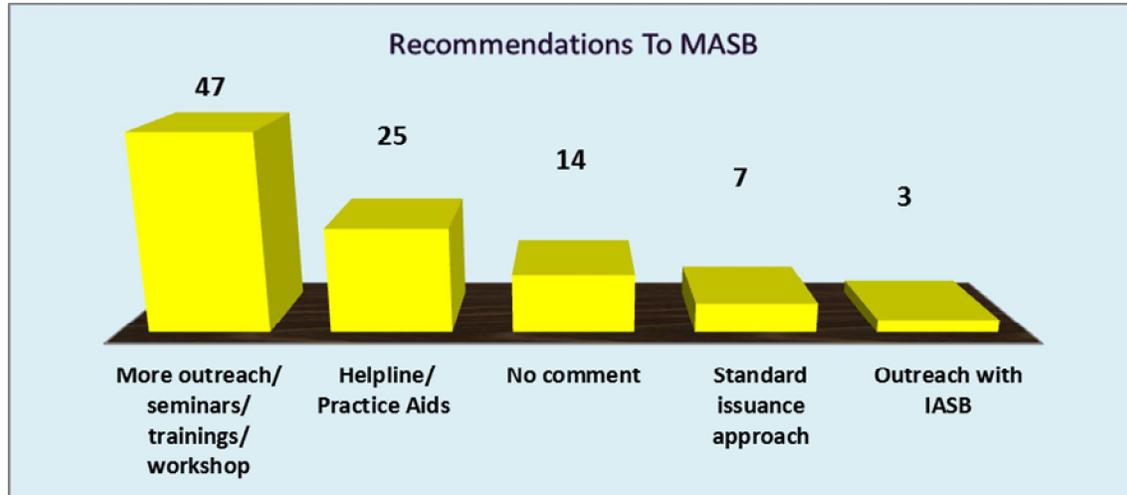
Summary of responses



Question 6 – Suggestions on initiatives

What other initiatives do you think the MASB could embark on to assist your company in implementing the MFRS effectively?

Summary of responses



MASB staff's observation

(i) Outreach and seminars

The MASB is not tasked to provide training to accountants as this role is played by other organisations, such as the Malaysian Institute of Accountants (MIA) and accounting bodies. The functions of the MASB are provided in the Financial Reporting Act 1997.

Nonetheless, the MASB does conduct various outreach / discussion forums primarily focusing on new / forthcoming IFRSs with the core objective to create awareness and to solicit feedback from the public. These outreach / discussion forums have been found useful in ensuring smooth implementation of new MFRSs and will be continued.

(ii) Practice aids

The MASB is not tasked to set up helpline to answer technical queries nor to publish compliance checklist. Also, the MASB or its staff is precluded from giving advice to any individuals or corporations or to individual cases nor to act as an arbitrator regarding any issue. Resolution of matters concerning the application of the accounting standards should be addressed and discussed with the respective independent accountants, or auditors.

For all issuances, the MASB writes to all public listed companies, associations, MIA, accounting bodies and other interested parties, besides publishing the news on its website.

(iii) Standard issuance approach

Upon adoption of the IFRS Framework, all IFRSs issued (new, revised or limited amendments) have to be adopted by the MASB with the same effective date. Therefore, the MASB does not have an option to pick and choose or delay the issuance of the MFRSs. Consequently, the MASB is unable to wait and leverage on the experience of other jurisdictions in applying the Standards prior to adopting them for use in Malaysia.

Question 7 – other comments

Are there any other comments on MFRS implementation that you think that the MASB ought to know?

Summary of responses

- **MASB to provide feedback to companies the degree of compliance with the MFRS Reporting Framework.**
- **MASB to play a role in ensuring consistent interpretation and application by the top tiered accounting firms.**

MASB staff's observation

(i) Feedback on compliance with MFRS Framework

The MASB is not in a position to provide feedback on the degree of compliance with the MFRS Framework as the task in ensuring compliance with approved accounting standards is carried out by other regulatory bodies, namely the Securities Commission, Bank Negara Malaysia and Syarikat Suruhanjaya Malaysia, as provided in the Financial Reporting Act 1997.

(ii) Consistent interpretation and application of MFRS

MASB participates in the MIA FRSIC (Financial Reporting Standards Implementation Committee), that is tasked to issue implementation guidance, where required. Consensus issued by the FRSIC helps to ensure consistent application by the constituents in Malaysia.

Any interpretation issues that come to the attention of the MASB will be brought to the attention of the IFRS Interpretation Committee. This will ensure consistent interpretation by all stakeholders, not only in Malaysia but across all jurisdictions that apply IFRSs.