

Memorandum of Understanding (MoU) of High-level Meeting of Accounting Standards Setters among China, Japan and Republic of Korea

(January 25, 2011 Beijing, P.R.China)

On January 25, 2011, the meeting took place by the leaders of accounting standards setters of China, Japan and Republic of Korea (“the Three Countries’ Accounting Standard Setters”) in Beijing. At the meeting, Ms. Yang Min (Director-General of Accounting Regulatory Department, the Ministry of Finance of China), Mr. Ikuo Nishikawa (Chairman of Accounting Standards Board of Japan), and Mr. Chungwoo Suh (Chairman of Korea Accounting Standard Board) had a full discussion about the latest developments of accounting standard setting in the three countries, cooperation among the three parties in the past decade, and the future work plan.

The three parties affirmed the achievement of the Three Countries’ Accounting Standard Setters’ Meeting between China, Japan and Republic of Korea in the past decade:

- I. The regular contact mechanism strengthened mutual understanding and friendship, to ensure active communication and timely cooperation;
- II. Multiple MoUs were signed to confirm the result of trilateral cooperation and build a solid foundation of future collaboration;
- III. Discussions on technical issues through exchanges of views between staffs, as well as comments and proposal surfaced out of the discussions contributed to the development of International Financial Reporting Standards (IFRSs);
- IV. Asian-Oceanian Standard Setters Group (AOSSG) was established to a large extent owing to the leadership of the three countries, and the members of AOSSG have increased their awareness of accounting standards assisted by the three countries. AOSSG has served facilitating the discussion among the region and enhance its voice to the development of IFRSs, which helped promoting the international profile of standard setters in the region;

V. The active cooperation and collaborations took place among three countries in international meetings and other events, which were found to be effective for contributing to the convergence work with IFRSs as well as implementing such standards.

In addition, it was agreed that communication and cooperation among the three parties should be reinforced and the regular contact mechanism should be strengthened. Hence, its work plan over the next several years was decided as follows:

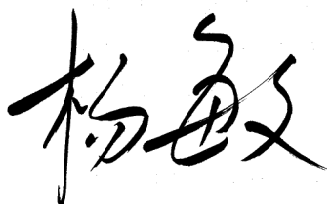
I. The three parties should continue communicating one another on accounting standards development in respective jurisdictions, in order to improve the understanding among each other;

II. The three parties should exchange views and experience of convergence work with IFRSs and related implementation, and share their experience with other jurisdictions as helpful reference for their own issues;

III. The three parties should continue to work together to play an important role in AOSSG;

IV. The three parties should co-operate on the governance and strategy review on the IFRS Foundation, and work jointly to achieve high quality financial reporting in Asian-Oceanian region and the development of IFRSs;

V. The three parties should strengthen communicating technical issues on IFRSs, endeavor to reach consensus in commenting on IASB's major projects, and contribute to the development of a single set of high quality global accounting standards.

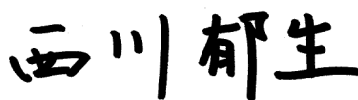


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Mr. Ikuo Nishikawa

Chairman

Accounting Standards Board of Japan



**vice chairman
on behalf of
Mr. Chungwoo Suh**

Chairman

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