Annual Review 2014

REANDA

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Chairman's Message

2014 marked Reanda International's 5th anniversary. The last five years have been remarkable for which we had grown from a small seed and since then reached new heights at new depths. This indeed reflects the strong vitality and extraordinary achievements Reanda has made thus far in the international arena.

During the past five years, our network continued to broaden its presence, reaching a total of 19 network firms through a successful spirit of mutual cooperation. While the global international network rankings have positioned Reanda International as a leading accounting network in the world, there will be much more to see from Reanda International.

Over the past half-decade, Reanda International has been continually improving the internal governing structure on the communication, management and decision making policies and encouraging greater communication and interaction amongst network firms. We have also actively promoting knowledge sharing among network firms by issuing publications on a regular basis.

Since our inception, Reanda International has committed to provide support and valuable resources to our network firms throughout the network platform while at the same time facilitate the sharing the fruits of China's economic development and enhancing the cohesion of the Reanda brand.

These past five years have seen Reanda International highly encourage and support referral business flows across the network while promoting the establishment of a China Desk to identify and exploit Chinese business opportunities and assist network firms to better serve the local Chinese enterprises.

Looking ahead over the next five years, we have our sights firmly set on steady growth while further improving our overall development and management mechanisms. We will continuously facilitate the referral activity among network firms, in particularly the Chinese business referrals. We will focus ourselves in providing support and valuable resources to our members. I look forward to Reanda International reaching new achievements and success; turning into a truly global network with growing representation globally and increasing brand cohesion and recognition.

Jinhui Huang
Chairman of Reanda International

CEO's Message

We have come through 2014 – a year of twists and turns for the global economy on the road to recovery from the global financial crisis, seeing the US economy gaining strength while Asia markets remained steady. Against this backdrop, our member firms strengthened their resilience against external turbulence factors and continued to achieve salient performance. We are, therefore, very pleased that Reanda International achieved a robust year-on-year growth for the fifth consecutive year. In 2014 we grew to USD144.1 million, an 18% increase, which was outstanding compared to the average growth of 6% for all other leading networks. The Reanda International Network is now globally ranked number 19 and number 22 for accounting networks according to the *Accountancy Age* (AA) and *International Accounting Bulletin* (IAB) World Survey 2014 respectively. Today the network currently comprises 82 offices employing 132 partners with a total of some 2,500 staff.

While the Reanda network footprint is expanding steadily, we have also been investing resources to address new challenges and a changing business landscape facing our clients around the world. As 2014 unfolded, Reanda Cyprus and Reanda Japan joined the force to set up a China Desk respectively to better cater to the needs of Chinese MNCs. Reanda Japan also set up a Japan Desk at Reanda Malaysia and Reanda Singapore to help serve Japanese clients there. In addition, a series of China Desk road-shows, led by our chairman Mr. Huang Jinhui and our director Mr. Kevin Tang, were held in Australia and Malaysia in September, which helped effectively built up connections between our respective member firms and local Chinese government delegates and enterprises.

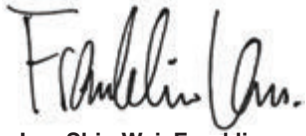
As we continue to consolidate our presence in Asia, we also see the need to strategically establish our footprint on other continents as the next step in the growth scenario for Reanda in the immediate future. In 2014, the network's global coverage was further enhanced as a result of the recruitment of network firms in Taiwan, Kazakhstan and India. Moreover, in December, for the first time ever, the Reanda network entered into a strategic cooperation with UC&CS Global, an international accounting association with a strong presence across the Latin American continent. This will help us extend our future reach across Latin America to better serve and provide additional resources to Reanda members and clients in these emerging markets.

In accelerating the network's development across southeast Asia and the south Asia region, Mr. LL Koong, director of Reanda International and the managing partner of Reanda Malaysia was appointed as the first regional president for Southeast Asia and South Asia to assist our members in this part of the world.

In addition to our quarterly tax newsletters, our second bi-annual Tax Year Book the 2015/16 edition, published for the first time in both Chinese and English, was launched in December in a concerted effort with members of our International Tax Panel. In 2015, we will remain committed in creating publications that help clients stay informed on the latest issues affecting their businesses and decision-making. Our next new publication - Doing Business Guide in China, which chronicles insights from professionals and specialists at Reanda China based on their actual experiences, is set for release in the fourth quarter of 2015, specially tailoring for enterprises planning to doing business on the mainland. .

While 2014 marked the fifth anniversary of Reanda International, I would like to take this opportunity to express my gratitude and appreciation to our Beijing headquarters and our board of directors for their unwavering support and guidance in steering the central strategy for our network development. I would also like to thank each and every Reanda network firm partner and staff member for their dedication, which has contributed to the collective success of the network over the past 5 years.

Despite the uncertainties of the global economy ahead, we trust that the overall business performance in Asia will continue apace in 2015 while China continues to show promising prospects for sustainable economic growth in conjunction with their ongoing economic and political reforms. With this in mind particularly along with China's fostering economic ties with various amicable countries from the East to the West, tremendous business opportunities are brewed. We look forward to new rally and exciting challenges ahead in 2015.



Lau Shiu Wai, Franklin
CEO of Reanda International

Ranking and Financial Data 2014

Reanda International's performance in the global industry

International Accounting Bulletin World Ranking and Financial Data 2015

Leading Accounting Networks: fee data				Fee split (%)							
Rank 2014	Name	Revenue (US$m)	Growth Rate (%)	A & A	Tax Services	Mgt Con	Corp Fin	Corp Rec/I	Lit Sup	Other	Year-end
Networks of Independent Firms											
1	Deloitte	34,200.0	6	39	19	33	9	—	—	—	May-14
2	PwC	33,952.0	6	44	26	—	—	—	—	30	Jun-14
3	EY	27,369.0	6	41	26	24	9	—	—	—	Jun-14
4	KPMG	24,820.0	6	42	21	—	—	—	—	37	Sep-14
5	BDO	7,021.9	9	57	21	—	—	—	—	22	Sep-14
6	Grant Thornton INTL	4,728.6	5	43	20	29	—	—	—	8	Sep-14
7	RSM International	4,391.2	18	50	29	19	—	—	—	2	Dec-14
8	Baker Tilly INTL	3,562.8	5	51	25	10	2	3	1	8	Jun-14
9	Crowe Horwath INTL	3,435.9	8	46	25	11	2	1	1	14	Dec-14
10	Nexia International	3,072.6	5	45	27	6	1	1	2	18	Jun-14
11	Moore Stephens INTL	2,683.3	0	52	25	8	2	1	1	11	Dec-14
12	PKF International	2,388.1	-5	58	21	9	3	2	1	6	Jun-14
13	Kreston International	2,035.0	5	45	29	10	2	2	—	12	Oct-14
14	HLB International	1,889.6	13	50	22	12	2	2	1	11	Dec-14
15	Mazars	1,459.2	6	52	11	—	—	—	—	37	Aug-14
16	UHY International	640.0	-1	60	18	10	1	1	1	9	Dec-14
17	Russell Bedford INTL	390.0	2	55	23	7	—	—	—	15	Jun-14
18	ECOVIS International	380.0	6	43	28	9	3	2	2	13	Dec-14
19	ShineWing International	263.8	7	69	5	9	4	—	—	13	Jun-14
20	TGS Global	177.1	12	71	16	3	1	1	2	6	Dec-14
21	Santa Fe Associates	170.4	36	68	15	17	—	—	—	—	Dec-14
22	**Reanda International**	**144.1**	**18**	**59**	**11**	**8**	**1**	**3**	**1**	**17**	**Dec-14**
23	IECnet/EPR	140.8	22	57	23	6	9	—	2	3	N/A
24	Auren	110.0	10	46	33	17	1	1	1	1	Dec-14
25	FinExpertiza	70.8	—	45	10	5	—	—	—	39	Jun-14
26	SMS Latinoamerica	69.6	3	47	28	18	1	3	—	3	Dec-14
27	UC&CS America	47.7	2	74	16	10	—	—	—	—	Dec-14
Total Revenue/ growth		**159,613.5**	**6**								

Ranking and Financial Data 2014

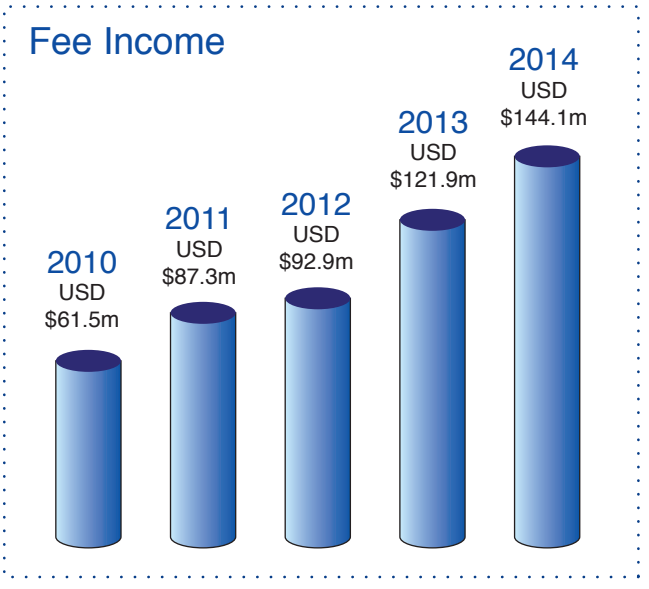
Accountancy Age World Rankings and Financial Data 2015

Rank 2014	International organisation	Latest combined annual total income ($m)	Previous year's income ($m)	% change
1	Deloitte	32,400	31,300	3.5%
2	PwC	32,088	31,510	1.8%
3	EY	25,829	24,420	5.8%
4	KPMG International	23,420	23,030	1.7%
5	BDO	6,453	6,016	7.3%
6	Grant Thornton International	4,519	4,182	8%
7	RSM International	3,714	3,988	-7.0%
8	Baker Tilly International	3,404	3,317	3%
9	Crowe Horwath International	3,168	3,078	3%
10	Nexia International	2,900	2,800	3.6%
11	Moore Stephens International	2,682	2,283	17.5%
12	PKF International	2,523	2,674	-5.6%
13	Kreston International	1,945	2,041	-4.8%
14	HLB International	1,679	1,571	7%
15	UHY International	649	622	4.5%
16	Russell Bedford International	383	382	0.0%
17	ECOVIS International	360	282	27.5%
18	TGS Global	172	—	—
19	**Reanda International**	**122**	**93**	**31.0%**
20	IECnet	116	115	0.3%

Ranking and Financial Data 2014

Reanda International's performance in the global industry

International Accounting Bulletin World Rankings and Financial Data 2015



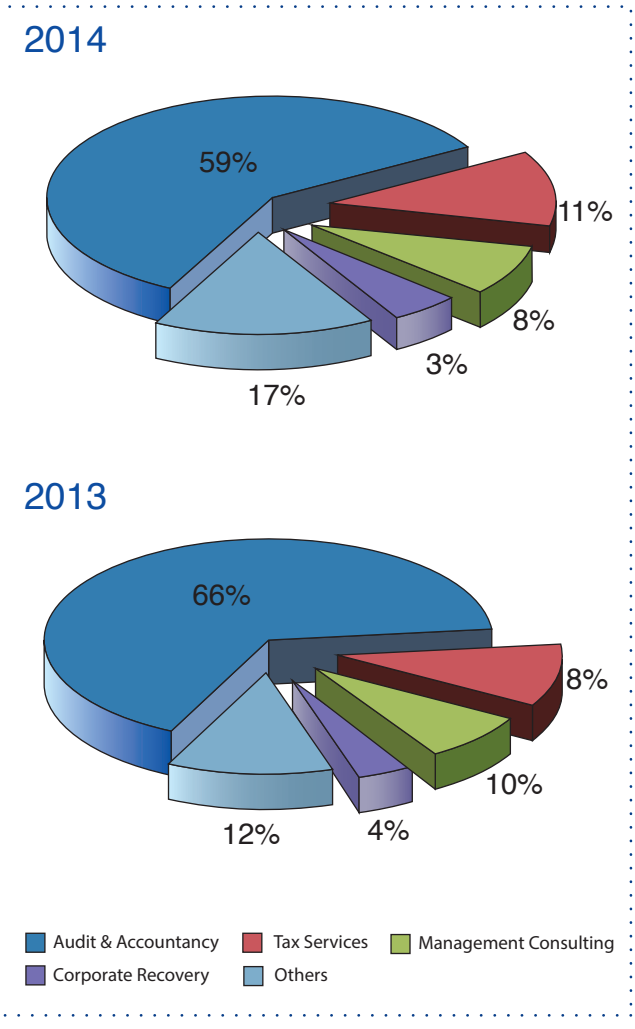
According to the *International Accounting Bulletin* (IAB) World Survey 2015, Reanda International Network is ranked number 22 in the world amongst leading international networks in terms of overall fee income.

Double-digit growth recorded

The aggregate fee income of all Reanda network firms amounted to USD 144.1 million, an increase of 18% compared to the previous year.

Reanda Network's growth of aggregate fee income in the Asia Pacific region was robust in 2014, achieving an increase of 19%. This growth was led by Reanda China whose contribution has been quite impressive. Reanda Japan and Reanda Hong Kong have also played a significant part in this growth, showing an impressive 17% and 14% increase in fee income, respectively. The network's appointment of new member firms in Taiwan, Kazakhstan as well as a new correspondent firm in India also boosted the network's overall growth. .

2014 saw a continuing rise in the number of its offices; the network now oversees 82 offices internationally, up from 70 in 2013. Reanda International was also represented by 18 network firms, bringing together 132 partners and 2,529 staff.



Aggregate revenue 2014 by service line

Just like last year, Reanda's audit and accounting services continued to account for over half of our combined fee income. Revenues from corporate recovery, as well as tax and management consulting services kept pace at a steady level. Our network continued to source additional revenues from non-audit professional services while recording an increase in revenues from our tax services during 2014. As a result contributions from audits and accountancy were diluted to 59% accordingly.

Member Firms' Highlights

Reanda Australia building Sino – Australian cross-border relationships and investments

2014 was a year of continued growth for Reanda Australia and plans are in place during 2015 to continue the Reanda branding expansion nationally and internationally.

Reanda Australia is working with a substantial Australian based Indian client with financing of a major infrastructure power generation project. Reanda Australia endeavours to utilise their unique expertise and resources to assist their network and clients for mutual benefit as well as the Australian economy.

Currently, Reanda Australia is advising and assisting to develop substantial cross border primary production exports to source goods into China, India and Japan.

Reanda Australia attended a book launch ceremony by H.E. Mr. Ma Zhaoxu, Ambassador of the People's Republic of China to the commonwealth of Australia on "How to invest in Australia" (Chinese version) on Thursday, 6th November, 2014.

Reanda Australia contributed an article on infrastructure and private-public partnership developments with government in Australia. Mr. Peter J Polgar, executive chairman attended the book launch and was presented with a copy of the book by the ambassador in front of an elite, group of executives from the commerce sector as well as top professional services firms.

On Monday 17th November, 2014, ahead of Chinese President Xi Jinping's visit to Australia, Mr. Peter J Polgar joined with both Chinese and Australian senior business leaders at the Australia China Economic and Trade Forum (ACETF) held in the main committee room in Parliament House. The meeting was addressed by China's Minister of Commerce, his Excellency Gao Hucheng and Australian Minister of Education the Hon. Christopher Pyne, MP.

On Wednesday 3rd December, Mr. Peter J Polgar was invited to attend the Masterpieces from China art exhibition at which the Hon. Phillip Ruddock, MP Chief Government Whip gave an address, together with the Hon. Dr. Andrew Leigh MP. The exhibition was presented by the Eugene Art Foundation, and is one of the largest and most elaborate displays of Chinese art works outside of China.

Reanda Cambodia overview 2014

Cambodia shifted to a free market economy and welcomed FDI in 1989. While the country has adopted a competitive investment strategy, it still lags behind Asia-Pacific countries in terms of investment facilities and other factors such as roads, ports and other infrastructure developments.

Cambodia joined ASEAN in 1999 and the WTO in 2004 and has experienced an economic boom over the last fifteen years with an average annual growth of 8%.

However, GDP contracted slightly in 2009 as a result of the global economic slowdown but climbed more than 6% in 2010 and steadily grew to 7.2% in 2012. GDP growth was 7.4% and 7.2% respectively for the years 2013 and 2014. . On the other hand, the inflation rate in 2014, increased to 4.4% from 2.9% in 2013. It is forecast to slightly decrease to 4% in 2015.

Reanda Cambodia is striving hard with confidence amidst this emerging economy with the firm's main goals in 2015 being to continue the pursuit of growth, and to serve existing communities and businesses to help them reach their full potential.

Through the existing resources within the Reanda International Network, Reanda Cambodia will enhance its operational efficiency and focus on driving the kinds of fundamental changes in the Cambodia market it needs to achieve its mission.

These goals are important for us, and form part of our foundational strategy for next year, but achieving these aims will involve a host of different efforts and strategic steps along the way. Some will be achieved rapidly while others will take a longer time to bear fruit.

Reanda China: A pragmatic approach that focuses on the near-term!

Following its official change of operations from a limited liability company to a special general partnership in 2013, Reanda China has mapped out a three-year development plan (2014-2016) to explore a sustainable development path for the firm.

2014 was a year of risk control, and Reanda China was determined to further standardise the firm's structure, provide more training for staff as well as improve the infrastructure and internal management systems. 2015 will be a year of business development and a year of building up a good brand image to accelerate marketing promotions and target specific large-scale and extra-large scale enterprises. 2016 will also be a year of brand-building, and Reanda China is looking forward to nurturing a more dynamic and international image after three years of internal and external development.

To this end, Reanda China has evolved over the last year. The number of partners increased from 30 to 54 and new branch offices in Jiangxi and Qinghai were opened to expand our footprints into the continental areas of China, adding up to a total of 26 branch offices.

The partner teams of some of the branches have been restructured and strengthened to boost their capacities. While the total revenue of Reanda China in 2014 reached RMB570 million, the firm continued to diversify its services over the past two years, especially in the area of tax services, asset evaluation, cost engineering and others.

Reanda China continues to make unrelenting efforts in order to help share the success of China's economic development with all other Reanda international network firms and their clients. Among the ways to achieve this is by continuing to strength and expand its structure to attract more quality clients to choose the services of Reanda China, in order to be referred to other Reanda International members. Moreover, Reanda China faithfully encourages all member firms that are interested in setting up representative offices or operating organisations in China to visit Reanda China so we can help develop deeper cooperation with foreign enterprises. In addition, Reanda China will continue to assist the China Desk of overseas member firms through coordinators appointed by Reanda China. This will help develop relationships among member firms, local enterprises and the local organisations of the Chinese government which, in turn, will give member firms more opportunities to serve Chinese enterprises.

Reanda China will work together with all other Reanda International members to continually provide high quality, multi-disciplinary services that are extremely efficient, diversified and internationalised.

Cyprus - On the road to recovery

While 2014 was the third consecutive year of recession in Cyprus, the future outlook seems positive. Cyprus banks have

been fully recapitalised with fresh funds from significant global investors and GDP decreased by only 2.5%, while the European Union and IMF expected a much steeper drop of 8.7%. Cyprus has been remarkably resilient following the global financial crisis and in the way it implemented tough austerity measures to restructure its economy. Although this is currently a challenging time, the economic adjustment programme remains on track with progress made in all key objective areas as set out by the country's international lenders. So far, Cyprus has passed all evaluations with flying colors and the country is estimated to come out of recession in 2015 – a year earlier than first projected.

Despite the recession, Reanda Cyprus has managed to remain strong and exploit new opportunities in terms of business services and clientele. In addition to Reanda Cyprus' existing stronghold in the area of statutory audit services, the firm has also entered into the promising investment funds market, offering regulatory compliance services such as internal and external audits, while they continue to aggressively promote investor immigration services.

Reanda Cyprus strives to be a key member of the Reanda International Network. The firm has also set up a dedicated desk focusing on China, given that Cyprus has enjoyed a rapidly expanding investment flow from the mainland during the last few years, either for local projects or for diverting funds in a tax efficient manner given the favorable tax regime of the island. The purpose of setting up a China Desk within Reanda Cyprus is to provide holistic solutions to Chinese enterprises that are interested in doing business in or through Cyprus. The China Desk offers effective tax planning and assistance in its implementation. The Desk is managed by dedicated professionals who speak fluent English and Chinese.

Reanda Hong Kong strengthens its platform for growth

Despite fierce competition and an ever changing competitive landscape, Reanda Hong Kong has managed to deliver another year of delighting operating results and is pleased to announce aggregate revenues for 2014 exceeding HK$40 million.

It is generally anticipated that the Hong Kong capital market will continue its growth in 2014 and there will be a surge in IPO cases in 2015. Reanda Hong Kong will certainly be benefited and have been awarded a number of assignments related to IPOs as well as business mergers and acquisitions.

In order to meet the challenges ahead, Reanda Hong Kong has enhanced its professional team by recruiting Mr. Lorance Chan to act as head of the Tax Department. Lorance is an international tax expert with over 25 years' experience in 'Big-4' firms, giant PRC enterprises and world-class, multi-national companies. With its stable and united management team, Reanda Hong Kong is confident of seeing considerable growth in its business for 2015.

In the coming year, Reanda Hong Kong will progressively develop business opportunities with various Reanda China branch offices and member firms in other countries. As always, Reanda Hong Kong will play an active role as a bridge between overseas member firms and Reanda China to help maximise and share the benefits of the Reanda Network with all member firms.

The first correspondent firm in India

Anil Ashok & Associates became Reanda International's new correspondent firm in India on 28th October, 2014.

Founded in 1985, Anil Ashok & Associates is a CPA company registered with the Institute of Chartered Accountants of India. Headquartered in New Delhi with branch offices in Mumbai, Ahmedabad, Bangalore, Haridwar, and Udaipur, Anil Ashok & Associates offers audit and assurance, taxation as well as corporate governance consultancy, share and business valuations, due diligence for mergers and financing etc to meet the needs of various-sized corporations, insurance companies, financial service entities and government organisations.

Anil Ashok & Associates has teamed up seamlessly with ANB Solutions Pvt. Ltd, a leading business consulting firm in India specialising in advisory, risk, technology and transaction services whose services are on par with some of the largest consulting organisations in the world. Both firms are under the ANB Global group. Anil Ashok & Associates has a staff of 45 while ANB Solutions Pvt. Ltd has 10 partners and 400 staff.

Reanda Indonesia: Creating a new pillar, to carry the "InvestoPreneurHub" brand supporting the growth of traditional practices

The Indonesian economy essentially showed no movement for the period July to October 2014, as a direct impact of chaotic presidential elections, which made foreign investors take a wait-and-see stance. With sluggish performance for at least one quarter, economic growth in 2014 was slashed to 5.2% from 5.78% last year, far from the predicted rate of 6.4%. Luckily, the market responded positively to newly elected President Joko Widodo soon after his inauguration on 20th October 2014.

At the industry level, a specific focus was made for the mining sector in Indonesia, which has faced challenging times since the beginning of 2014, as a result of a downturn in global commodity prices combined with regulatory activities to implement key articles of the 2009 Mining Law. Some critical points include the imminent ban on the export of unprocessed minerals, the requirement for divestment of foreign interests in mining concessions, and the ongoing re-negotiation of existing Contracts of Work held by some of the largest mining producers. In 2015, it seems as if the downturn trend in commodity prices will continue, with a record-low oil price of US$ 45 per barrel.

Despite of the slowing economy, Reanda Indonesia still pushed forward with capital expenditure plans; this year was earmarked for lobby renovation, where InvestoPreneurHub (IP Hub) will be carried out. Reanda Indonesia is very optimistic that IP Hub will create a synergy in the form of cross-selling of services and building a brand image through public seminars, training and the hosting of events such as the CEO and CFO series. This IP Hub is positioned to foster entrepreneurship which has been heavily supported by the new government. Bringing together high quality expertise in IT, accounting, finance, tax, and law, Reanda Indonesia is confident about delivering greater value to their clients and to society at large.

Reanda Japan has expanded its business in Japan and overseas for future growth

In 2014, Reanda Japan expanded its business operations in Japan and overseas to ensure future growth and opened two new branches in Niigata and Hiroshima in April and June respectively. Reanda Japan will also open a new branch in Sendai in January, 2015; bringing their offices in Japan to a total of eight.

Member Firms' Highlights

For overseas development, Reanda Japan had the pleasure of opening the ASEAN Japan Desk at Reanda Malaysia's offices in January to provide better professional cross-border services.

Internally, in order to strengthen the firm's management capabilities, Mr. Mitsuo Kubo became chairman and CEO while Mr. Takaaki Kuwano assumed the position of president and COO of Reanda Japan in October.

As a consequence of 'Abenomics' and an aging demographic, projects involving family business succession and sponsored turn-arounds increased across Japan.

In 2014, two publications: "How to Implement Business Plan" and "Q&A for investment in Vietnam 2nd Edition" were published by Reanda Japan for readers to learn more about how to do business in Japan and Vietnam.

Reanda Kazakhstan: the first member firm in Central Asia

Finaudit Firm became the Network's new member firm in Kazakhstan, effective 2nd October, 2014. Established in 1993, Finaudit Firm delivers auditing and assurance services as well as accounting and management consulting services to a wide range of local and international companies in various sectors, including but not limited to agriculture, manufacturing, media, the public sector and subsoil.

Based in Almaty, the country's largest city and former capital, Finaudit Firm is led by two directors - Ms. Nurlykyz Alimzhanova and Mr. Daniyar Nurseitov. Mr. Daniyar Nurseitov is chairman of the board of Kazakhstan's Collegiums of Auditors, a nationally recognised professional institute of auditors, and serves as director of the Institute of Internal Auditors in Kazakhstan. Finaudit Firm has extensive experience in auditing foreign representative offices, branches of government and commercial enterprises. The firm also has a strong base of clients operating in the oil and gas sector. Based out of offices in Almaty and Aqtobe with a dedicated professional team of some 20 personnel in total, the firm enjoys a solid reputation locally for its service excellence.

In addition, Finaudit Firm has nurtured strong business links with Reanda Russia over the years. By tapping into Finaudit Firm's in-depth local knowledge combined with expertise across Reanda's international network, we believe the firm will grow rapidly in tandem with the dynamic synergy between Reanda Kazakhstan, Reanda Russia and other member firms of the Network in the very near future.

A fruitful year for Reanda Macau

At the end of 2014, Reanda Macau was delighted and honoured to have the Reanda International Annual Conference held in Macau and hoped all participating members enjoyed both the conference and visiting the Territory.

In 2014, Reanda Macau continued their businesses with international clients from Australia, the US and Japan. In fact, a US based client of Reanda Macau has reshaped its Asian business and established a Macau office to handle its Asian business throughout the region, which previously could only be done by its other overseas branches. Macau's low and simple tax system is an attractive incentive for overseas clients. Reanda Macau also provides back up services to other international professional accounting networks that do not have any office in Macau.

In fact, Macau is currently facing a shortage of manpower and resources and like other local businesses, Reanda Macau suffers from the same problem and had to be more selective about their clientele and services last year in consideration of their available resources and working team.

Reanda Malaysia: Making good progress and looking ahead to the next phase

Looking back, Malaysia was very fortunate that external economic shocks occurred mainly in the fourth quarter of 2014. Commodity export prices were falling, especially crude oil, while the ringgit exchange rate depreciated across-the-board against currencies of Malaysia's major trading partners, most notably against the US dollar, Chinese yuan, Thai baht and Singapore dollar.

However, the fundamentals of Malaysia remain strong, boosted by measures such as the Government's Economic Transformation Programme (ETP). Malaysian real GDP is estimated to grow at 5.9% in 2014, driven strongly by the private sector in terms of both consumption and investment.

The biggest challenge that Malaysia faces now is the implementation of the general sales tax or (GST) on 1st April 2015, the public perception of which will bring about a general rise in the prices of goods and services.

GST is part of the Government's tax reform programme aimed at enhancing the efficiency and effectiveness of the existing taxation system. In addition, GST is capable of generating a more stable source of revenue for Malaysia because it is less susceptible to economic fluctuations.

As one of the leading professional services providers in Malaysia, Reanda Malaysia this year has been actively organising a series of talks, workshops and extended consultancy services sessions related to GST. It has showcased its capabilities on how to best serve its clients, and has successfully built up its reputation as a trusted partner to work with.

Among its many efforts, Reanda Malaysia has published a best-selling taxation book - "New Age GST!" which hit the market in August 2014. Reanda Malaysia is also proud to have made good achievements as co-operate with Hong Kong's famous comic-book - "Old Master Q" to help draw the public's attention to the GST through a very humorous and fun way.

Looking ahead, Reanda Malaysia plans to continue moving further. For 2015, the focus will be on enhancing its GST advisory model as well as actively organising and participating in a series of seminars and forums organised by the media, bankers and trade associations on taxation and SMEs issues. This will be an important element going forward to provide value-added services to clients and as a tool to market its firm among SMEs.

Reanda New Zealand: A look back at 2014

Since its re-election in September 2014 for its third consecutive three-year term, the National Party, led by Prime Minister John Key, has signaled no change to its main financial and fiscal policies. Over the past year, the independent Reserve Bank of New Zealand has raised the official cash rate (OCR) from 2.50% p.a. to 3.50% p.a. A steady growth rate of 3% of GDP is forecast for fiscal year 2015/2016, despite significant falls in global commodity prices of New Zealand's exports of dairy, wool and timber products.

New Zealand remains an attractive country for foreign investment because of its single form of government, relative ease of doing business (2nd on the OECD), relatively low income tax rates and tariffs, highly skilled workforce with one of

the highest rates of computers and cell-phones per capita.

Annual net immigration is around 50,000 p.a. and this is putting severe upwards pressure on residential house prices and rents. In response, the Government is introducing measures to increase the supply of houses. Absent a capital gains tax, investment in residential properties is a long-time favourite investment for many New Zealanders and overseas absentee owners. While general inflation is running at 2.4% p.a., house prices have increased 15% p.a. in both Auckland and Christchurch.

On the fiscal front, New Zealand has now signed the exchange of information agreements with some countries in addition to 35 Double Tax Agreements.

On 12 June 2014, New Zealand and the US signed the text of a model 1 Intergovernmental Agreement (IGA) to implement the Foreign Account Tax Compliance Act (FATCA). This gives NZ FI's until 31 December 2014 to register with the Internal Revenue Service (IRS). NZ FI's will report information on financial accounts held by US persons to the NZ IRD, who will then exchange the information with the IRS.

At the Brisbane BEPS tax conference in November 2014 it was noted that New Zealand has two tax "hybrid" structures that may be used to avoid income tax; namely the "Foreign Trust" regime (enacted in 1987) and the "Look Through Company" tax regime available to foreign shareholders, resident in other than a Double Tax Treaty country.

The Companies Act has been amended to require all New Zealand companies to have at least one director either ordinarily resident in New Zealand or a prescribed "enforcement" country. This will take effect over the next 12 months.

Reanda New Zealand is well positioned to advise on the above matters.

Reanda Russia: Resilience amidst difficult times

In 2014 Reanda Russia has continued its step-by-step growth and professional involvement in different areas of the real economy in Russia. Reanda Russia successfully realised various projects in auditing, assurance, and tax advising, and has implemented several IT technology solutions through orders from industrial and commercial enterprises. One of the most popular services from Reanda Russia was the accounting reporting transformation into IFRS. Investment project feasibility studies, risk-oriented internal audits and control in accordance with COSO technology were also required throughout the year.

Development of a strong, mutually beneficial relationship between Russia and China as well as with other ASEAN states opened a host of new market opportunities for Reanda Russia in cooperation with Reanda China and other members of Reanda International Network. In June 2014, an international conference aimed at Russian and Chinese entrepreneurial cooperation development was held in Moscow. The official ceremony of Reanda RusAudit's (Russia) opening was held with the participation of Reanda International's CEO as well as leaders of fellow network firms from Hong Kong, Cyprus and Germany.

At the same time, the macro-economic situation in Russia in 2014 was not as good as was previously expected.

Under pressure from external economic and political events, Russia is now facing new challenges in its overall development.

The world price of oil dropped more than two times lower compared with the beginning of 2014 and reached its lowest value (around 40 USD per barrel) in 7 years. It should be noted that the Russian economy and capitalization of the public budget are still crucially dependent on revenues from oil sales. This situation has motivated the Russian public and its business leaders to make positive structural changes in order to move away from being a chaotic economy and to actively developing the SME sector.

Reanda Russia was admitted as a full member to the all-Russian public organiszation for SME support and development - "OPORA"and leads the commission for auditing, internal controls, and financial management consultancy services for SME branches throughout the country.

Following by this trend, Reanda Russia has prepared and successfully implemented in practice various cutting-edge strategies and solutions for SMEs. Among these is an enterprise liquidity management simulation. This working model allows one to simultaneously analyse a wide range of factors such as accounts receivable, bills payable, inventory, and cash flow on the project time horizon and synthesize proper management solutions and make prudent decisions.

Reanda Singapore: Inception of Japan Desk

On 15 February 2015, Adept Public Accounting Corporations officially changed its name to Reanda Adept PAC and adopted the Reanda corporate logo. At the same time the firm also announced the merger of Fadhillah Goh & Co and the admission of Mr. Fadhillah Goh as equity holder and director of the firm.

Reanda Singapore was pleased to announce that the firm was reported as joined 22nd largest accounting firm in Singapore in an article published by the Singapore Business Review on 30 December 2014. The firm now boast staff strength of about 50 people.

In May 2014, Reanda Singapore together with Reanda Japan, officially announced the inception of Reanda Japan Desk. Mr. Takeda Hiroshi, representing Reanda Japan and based in Kuala Lumpur with Reanda Malaysia, and Mr. Matsuoka Yasuyuki, a free independent consultant based in Singapore, were appointed the official representatives of the Japan Desk. This small Japanese outfit have since handled numerous cases of Japanese setting up companies in Singapore and Malaysia and have been actively involved in pursuing cross border M&A deals. Reanda Singapore is very grateful to Mr. Kubo Mitsuo and Mr. Kuwano Taka Aki, Chairman and Chief Executive Officer respectively of Reanda Japan, for the Japan Desk initiative.

Mr. Kuwano visited Singapore in early March 2015 and held numerous meetings with local representatives of major Japanese banks. Through his efforts, Reanda Singapore, together with the Japan Desk, will be hosting a series of talks on corporate recovery and rescue with some of these banks in the near future. Reanda Singapore is very pleased to be given this opportunity.

2014

January

Reanda International grew at a double-digit pace in 2013

Reanda International's fee income from all network firms amounted to USD121.9 million for the year 2013, a double-digit growth of 31% compared to the previous year. According to the *International Accounting Bulletin* (IAB) World Survey 2013 published in January 2014, the Reanda International Network is ranked number 21 in the world..

March

Reanda China ranked number 11 according to the 2014 IAB China Survey

Our China member, Reanda CPA was ranked number 11 according to the 2014 China Survey released in March by *IAB*.

May

Courtesy Lunch with the President of the SCAA and Deputy Director-General of the Coordination Department, Liaison Office of the Central People's Government, Hong Kong, SAR

A delegation of 15 representatives from the Society of Chinese Accountants and Auditors (SCAA) led by Ms. Stella Choy, president of the SCAA and Mr. Zhang Qiang, deputy director-general of the Coordination Department, Liaison Office of the Central People's Government in the Hong Kong SAR, visited Beijing from 25th to 28th May, 2014, to meet and exchange views with officials from a number of mainland authorities and local CPAs. The delegation was warmly welcomed by Mr. Huang Jinhui, chairman of Reanda International, Reanda China and his team at a courtesy lunch on 27th May 2014. Mr. Tanny Yu, partner of Reanda Hong Kong, who is a council member of the SCAA, was also part of the delegation during the visit.

Mr. Huang presents a souvenir to Ms. Stella Choy, president of the SCAA and Mr. Zhang Qiang, deputy director-general of the Coordination Department, Liaison Office of the Central People's Government in the Hong Kong SAR

Reanda Hong Kong and Japan partners visit Reanda's Taiwan office

On 30th May, 2014, Mr. Franklin Lau, CEO of Reanda International, Mr. Ellis Au Yeung and Ms. Alberta Sie, partner and company secretary of Reanda Hong Kong, respectively, along with Mr. Mitsuo Kubo, CEO of Reanda Japan made a visit to Reanda M Y Wu & Co., CPAs in Taiwan, which became a full member of the network on 1st April 2014. A working meeting was held with Mr. Ken Wu, Ms. Sally Liang, Mr. Clint Chiang, and Mr. Chris Lin as well as the partners and directors of the firm to discuss potential business opportunities ahead.

Reanda Hong Kong and Japan partners take a group photo with Mr. Ken Wu, managing partner of Reanda Taiwan at the reception area of their office

Activities and Events

June

Reanda Russia celebrates the official launch of the Reanda brand

Reanda Russia celebrated its official launch of the Reanda brand with a ceremony and conference on 17th June, 2014 in Moscow. 50 local and international guests, including representatives of the Chinese Embassy, high-level members of local business organisations, banks, MNCs, key members of accounting regulatory bodies in Moscow as well as representatives from Reanda International HK's administrative office and other Reanda network firms gathered at the conference and ceremony to exchange insights and congratulate the official launch of Reanda Russia.

Mr. Igor Zhuravlev (centre), managing partner of Reanda Russia delivers the opening address

Mr. Zhang Di, Counselor for Economic and Commercial Affairs for the Chinese Embassy in Russia, delivers a speech

Reanda delegates and guests unveil the new Reanda RusAudit Brand

July

German correspondent firm AMC GmbH ranks 19th

Reanda International's German correspondent firm, AMC GmbH Wirtschaftsprüfungsgesellschaft is ranked 19th in Germany according to the 2014 Germany Survey published in the June 2014 issue of IAB.

August

Reanda International is ranked 19th according to the Accountancy Age World Survey 2014

Reanda International is ranked number 19 in the world for accounting networks according to the Accountancy Age World Survey 2014.

September

Visit to the Korean Institute of Certified Public Accountants (KICPA)

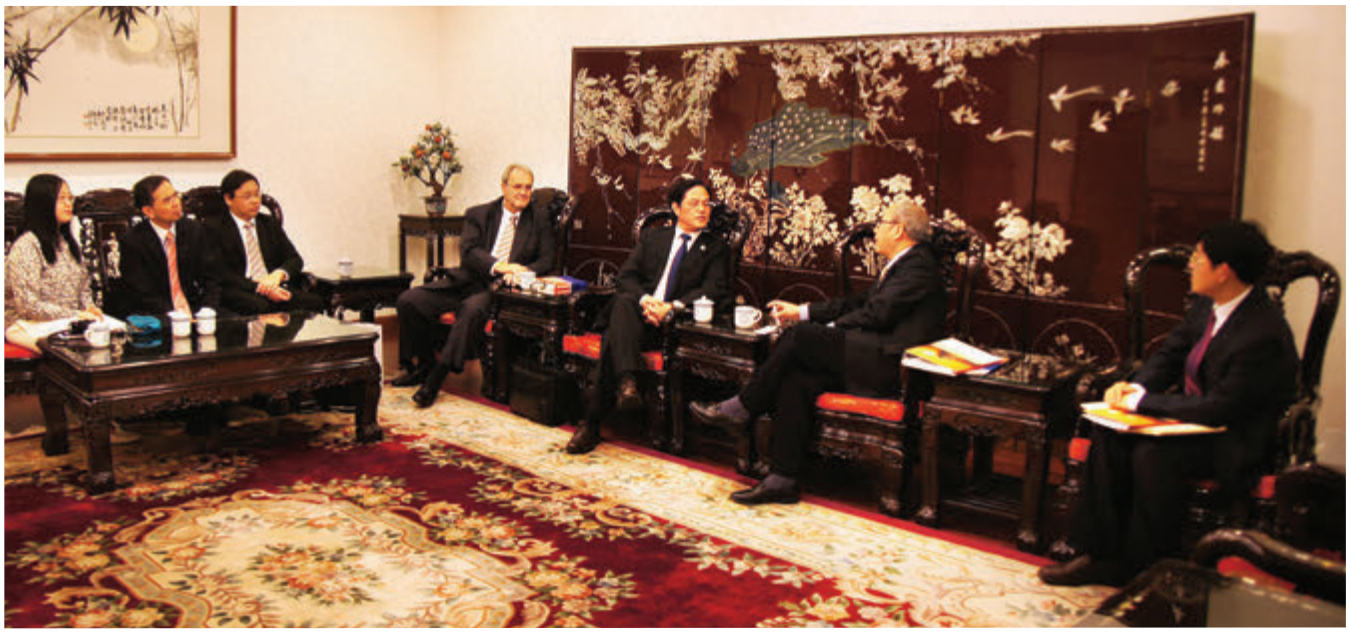
On 16th September 2014, Mr. Franklin Lau, CEO of Reanda International and Mr. Mitsuo Kubo, managing partner of Reanda Japan met with Mr. Yeong-kyun Ahn, vice president for research and education, Ms. Anna Yoon, head of the international affairs team and Mr. Dong-jun Lim, technical manager of the Korean Institute of Certified Public Accountants (KICPA).

Mr. Franklin Lau (right) presents a souvenir to Mr. Yeong-kyun Ahn, vice president for Research and Education of KICPA (left)

China Desk Roadshow: Australia

Reanda International successfully hosted a China Desk roadshow in Australia with coordination from Reanda Australia. A six-member Reanda delegation, including Mr. Huang Jinhui and Mr. Kevin Tang, chairman and director of Reanda International respectively, Mr. Peter Polgar and Mr. Howard Ting, executive chairman and director of Reanda Australia as well as other representatives of Reanda International's Beijing headquarters and Reanda Australia, paid courtesy visits to meet with local government officials, representatives of the local regulatory body of professional accountants, and various business organisations to promote the Reanda brand as well as the China Desk in Australia from 12th to 16th September, 2014.

Meeting with Mr. Hu Shanjun, chairman of the China Chamber of Commerce in Australia (CCCA) and general manager & country head of Bank of China in Australia on 12th September 2014



Meeting with Mr. Huang Rengang, Minister Counsellor for Economic and Commercial Affairs of the China Embassy in Australia at his office located in Canberra, on 15th September 2014

Working discussion at the Sydney office of Reanda Australia on 16th September 2014

Mr. Huang Jinhui and Mr. Peter Polgar present a souvenir to Mr. Alex Mally, CEO of CPA Australia after the meeting on 16th September 2014

China Desk road-show: Malaysia

Followed with the successful China Desk road-show in Australia, Mr. Huang Jinhui and Mr. Kevin Tang, chairman and director of Reanda International, concluded the whole event in Malaysia through the coordination of Reanda Malaysia.

On the morning of 18th September, the six-member Reanda delegation, including Mr. Huang, Mr. Tang, Mr. LL Koong, managing partner of Reanda Malaysia and other representatives of Reanda International's Beijing headquarters and Reanda Malaysia met with Mr. Keith Li, acting president of the China Enterprises Association in Malaysia (CENAM).

Meeting with Mr. Keith Li, Acting President of the China Enterprises Association in Malaysia (CENAM)

Gracious discussions between Mr. Shang Shengping and Mr. Kang Yi Ming, the Deputy Minister-Counsellor and Third Secretary for Economic and Commercial Affairs of the China Embassy in Malaysia and Mr. Huang Jinhui

Following a visit to the Chinese Embassy, the Reanda delegation met with Mr. Meng Qingbo, Mr. Eddie Cheong Wai Seong and Mrs. Lin Fong Fong, assistant chief executive officer, chief analyst and dputy Ddirector of risk management, respectively of the Bank of China in Malaysia. Later that day, Mr. Huang and Mr. Tang concluded the day with a visit to the Kuala Lumpur offices of Reanda Malaysia.

Group photo with representatives of the Bank of China in Malaysia at their Kuala Lumpur office

October

Reanda Japan moves up to a number 9 ranking according to the 2014 IAB Japan Survey

Our Japan member, Mirai Group moved up one spot to 9th place in Japan according to the 2014 Japan Survey published by the October 2014 issue of *IAB*.

Reanda Russia ranks number 17 according to the 2014 IAB Russia Survey

Our Russia member, Reanda RusAudit was ranked 17th in Russia, according to the 2014 Russia Survey published in the October 2014 issue of *IAB*.

Appointment of a new member firm in Kazakhstan

Finaudit Firm became a new Reanda member firm in Kazakhstan, effective 2nd October, 2014.

Appointment of new correspondent firm in India

Anil Ashok & Associates becomes a new correspondent firm in India, effective 28th October, 2014.

Activities and Events

November

Reanda Australia ranks number 17 according to the 2014 IAB Australia Survey

Our Australia member, Reanda Business Intellect, was ranked 17th in Australia according to the 2014 Australia Survey published by the November 2014 issue of *IAB*.

Annual Conference, Macau

Reanda International's 2014 Annual Conference was held on 25th and 26th November, 2014 at the Holiday Inn, Macao Cotai Central Hotel in the beautiful city of Macau SAR, China. Hosted and co-organised by Macau member firm, Reanda EFA, this year the successful conference was attended by more than 50 delegates from all 18 Reanda International network firms.

Mr. Huang Jinhui, Chairman of Reanda International delivers the opening speech

While 2014 marked the 5th anniversary of Reanda International, the conference opened with a series of activities, including the launch of the 5th anniversary celebration slides, champagne toasting and cake cutting to celebrate the milestone of 5 years of accomplishments with all delegates in a convivial style that will certainly leave long-lasting memories for all in attendance.

Champagne toasting

Cake-cutting

The 2014 Reanda International Annual Conference delegates sit for an official photo at the Holiday Inn Macao Cotai, Central Hotel in Macau, China

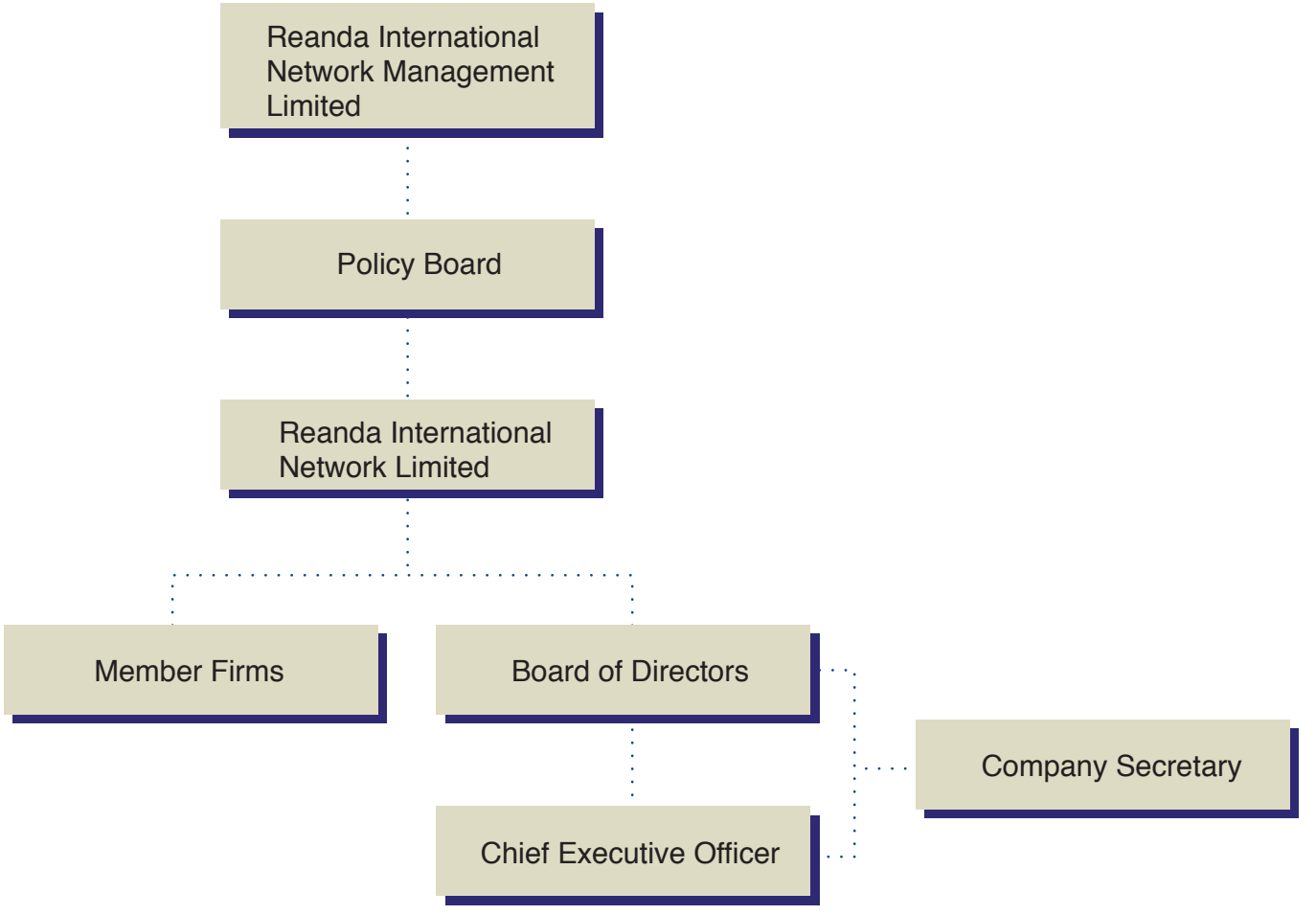
December

Strategic cooperation with UC&CS Global

Effective 10th December 2014, Reanda International entered into a strategic cooperation with UC&CS Global, an international accounting network based in Latin America and headquartered in Mexico City and New York City, to broaden coverage in the Latin America region.

UC&CS GLOBAL
AMERICA EUROPE ASIA AFRICA OCEANIA

Organisational Structure



Management Team

The nine directors nominated from various member firms:

Huang Jinhui, Chairman (China)
AuYeung Tin Wah, Ellis (Hong Kong)
Gu Yuqian (China)
Huang Chaohui (China)
Koong Lin Loong (Malaysia)
Mitsuo Kubo (Japan)
Peter Polgar (Australia)
Tang Yishu (China)
Wang Jing (China)

Chief Executive Officer:
Lau Shiu Wai, Franklin (Hong Kong)

Company Secretary:
Sie Ki, Alberta (Hong Kong)

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