

# Annual Review

# Reanda International 2010

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# Chairman's Message

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As the economic integration between China and global business markets become increasingly tighter, the market demand for accounting firms that provide international experience and qualifications with specialised services is also increasing. Reanda International is China's first international accounting network built upon a self-owned brand and membership concept. Since its establishment, Reanda has garnered close attention and support from the Chinese government and the Chinese Institute of Certified Public Accountants (CICPA), as well as from professional accounting institutions in many countries and regions.

With the aim of encouraging Chinese professional accountants to 'Step out of the country and go international', and to facilitate resource sharing and common development with other member firms in other countries and regions, Reanda International has steadily drawn up long-term developmental strategies and international goals to 'Become bigger and stronger while going global' as put forth by the Chinese government. In addition to helping bridge the gap between China's local accountants and the outside world, Reanda International, with the help of a newly-established international network of accounting firms, seeks to provide a full range of professional auditing, accounting, taxation, financial consulting, investment and advisory services to meet the demands of domestic and foreign customers. This will enable them to explore greater business opportunities in Asia and even venture into global markets.

Now as the dark days of the recent global financial crisis are beginning to abate, world economic and financial development centres are moving operations into Asia at an accelerated pace and China's development will play a particularly prominent role. At the same time, enterprises in mainland China are actively equipping themselves and seeking investment opportunities in potential overseas markets while an increasing number of overseas companies are striving to make their way into China to broaden their business scope. Reanda International will make full use of Hong Kong as an international platform and continue to exert unstinting efforts to speed up economic integration between Asia and the world.

Following the success of Reanda's International's Inauguration Ceremony, the establishment of the Reanda International's overseas management headquarter and the 'Signing Ceremony of the Seven Members' in Hong Kong on September 15 2010, total annual turnover of network members under Reanda International exceeded USD60 million. With 25 offices worldwide, over 50 partners and more than 1,700 employees, we were ranked 20th among the top-tier networks in the world. This has helped us establish a leading position in the industry and will aid our future development potential. Leveraging the joint efforts of Reanda International and the work of our international overseas management headquarter, we look forward to moving ahead at a rapid pace in today's global accounting sector.

A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.

**Huang Jinhui**

Chairman of Reanda International

# CEO's Message

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2010 was a year of great significance for the Reanda International Network. Our inauguration ceremony on September 15th marked a historic milestone with the advent of China's first ever branded accounting network. With this in mind I wish to express our sincere gratitude for the important contributions of our member firms as well as the unwavering support we have received from our Beijing headquarter to help us grow and develop the network this year.

Despite a global economy that is now slowly recovering from the serious financial crisis over the past several years, our member firms reported strong performance in 2010. The network's aggregate revenue was USD\$61.5 million, a 9 percent increase over the US\$56.2 million recorded last year. We are, therefore, delighted to announce that based on fee income Reanda International debuted at No. 20 in the world rankings of accounting networks according to the *International Accounting Bulletin* (IAB) World Survey 2010. Compared to the average annual growth rate of all leading networks at 2% as highlighted in the IAB World Survey 2010, Reanda International's performance was indeed an outstanding achievement.

Today we are committed to helping our member firms promote brand building in their domestic markets. In November, the Mirai Group, our Japan member, participated in the Japan Survey conducted by the IAB. The Group was ranked no. 7 in Japan, just behind the 'Big 4' and two of the other largest mid-tier international accounting firms in the country.

In December, we visited a number of respected CPA firms in Vietnam and successfully invited one of them to join our network.

## Looking Ahead for 2011

While the world's attention is riveted on the East, we aim to accelerate our expansion plans in order to demonstrate a stronger presence across this continent. In the year ahead, we will continue to pursue our strategy of extending our networking capabilities particularly with respect to CPA firms across ASEAN (The Association of Southeast Asian Nations) countries.

We will also take a larger step forward in sharing our resources and customer base amongst all our members. Seminars and conference will be held where partners can share their views, discuss industry trends and gain valuable insights on a host of key topics.

Capitalising on in-depth knowledge and expertise garnered from different areas of our experts, we remain committed to providing our members with proactive support and advice to meet the needs of clients from a diverse range of global industries. Our technical support team will also continue to monitor technical developments within the network. We will focus as well on developing our tax services and our member firms' international tax experts will work in tandem to enhance our cooperation across different tax jurisdictions around the world.

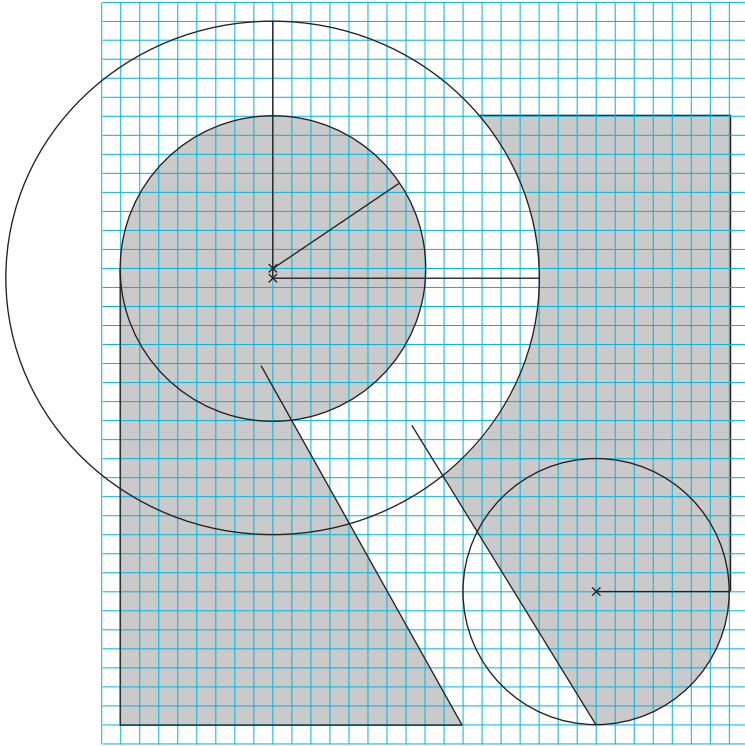
Drawing on the strength of commitment from our members for greater network development, we look forward to prospering with new opportunities while meeting the challenges ahead in 2011.

A handwritten signature in black ink, reading "Franklin Lau". The signature is stylized and fluid.

**Lau Shiu Wai, Franklin**  
CEO of Reanda International

# Building the Reanda Brand

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**T**he Reanda International brand was built on a solid foundation by Reanda Certified Public Accountants ("Reanda CPA"), a top-tier China firm established in Beijing in 1993 with 17 offices and a staff of more than 1,500.

## **15 September 2010 – The first international China-branded accounting network is born**

Global economic power has shifted to the East in recent years.

With China's Central Government policy initiatives that encourage domestic consumption now in place and the International Board to be launched onto the Shanghai Stock Exchange, the unmatched economic growth now seen in mainland China and throughout the Asian market have underlined the need for enterprises to re-calibrate their business strategies to facilitate rapid expansion into new emerging Asian markets and keep pace with rivals.

Given these economic realities, Reanda International was established as the first homegrown mainland Chinese international accounting network, widely recognised and fully accredited by the China's Ministry of Commerce and CICPA.

The formation of Reanda International Network was formally announced at a press conference in Beijing in 2009 and later the administrative office of Reanda International, was established in Hong Kong. Reanda Lau & Au Yeung (HK) CPA Limited was invited to become the first overseas member firm of Reanda International.

In 2010, Reanda International began to invite CPA firms from Japan, Singapore, Malaysia, Macau and Cambodia to join the Network in the first round of its member recruitment drive.

On September 15th, 2010, Reanda International was officially launched in Hong Kong with seven founding member firms from across Asia.

Our brand - Reanda International includes a Beijing headquarter and overseas administrative office in Hong Kong. We are now providing a new dimension for mainland Chinese accountants to work closely with accountants and experts from overseas. Our Network's aim is to assist local clients doing business internationally. At the same time, we provide an effective professional services platform for those foreign enterprises planning to migrate their business ventures into Asia.

## **Marching forward**

In accordance with recommendations from the CICPA to continue growing along with ASEAN countries, the Reanda International Network will continue to establish networking activities throughout Southeast Asia. We expect that networking will expand rapidly in the near future, providing a solid network of professional accounting services to meet our clients' needs.

# Ranking and Financial Data 2010

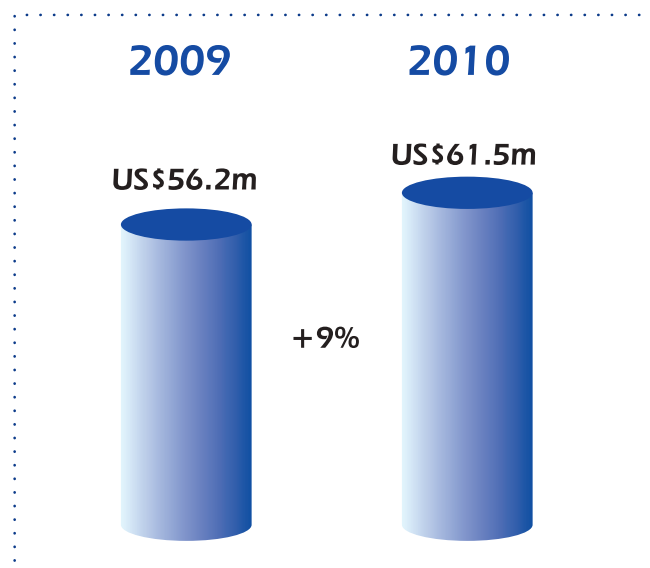
## Reanda International debuts in the global industry rankings

International Accounting Bulletin **World** Rankings and financial data 2010

Leading networks: fee data

Leading networks: fee data				Fee split (%)							
Rank 2010		Fee income (US\$m)	Growth Rate (%)	A & A	Tax Services	Mgt Con	Corp Fin	Corp Rec / I	Lit Sup	Other	Year end 2010
Networks											
1	Deloitte	26,578.0	2	44	20	—	—	—	—	36	May 10
2	PwC	26,569.0	2	50	27	—	—	—	—	23	Jun 10
3	Ernst & Young	21,550.0	1	47	27	—	—	—	—	26	Jun 10
4	KPMG	20,630.0	3	48	20	—	—	—	—	32	Sep 10
5	BDO	5,283.6	5	61	19	—	—	—	—	20	Sep 10
6	RSM International	3,878.9	0	48	29	16	—	—	—	7	Dec 10
7	Grant Thornton International	3,673.0	2	46	22	—	—	—	—	32	Sep 10
8	Baker Tilly International	3,065.8	-2	55	26	8	3	4	2	2	Jun 10
9	Crowe Horwath International	2,729.0	-1	53	26	7	1	—	1	12	Dec 10
10	PKF International	2,449.4	29	43	19	15	6	7	1	9	Jun 10
11	Moore Stephens International	2,151.1	4	54	27	6	2	1	1	9	Dec 10
12	Nexia International	2,101.0	2	57	21	11	2	1	1	7	Jun 10
13	HLB International	1,692.0	-4	45	30	11	2	1	1	10	Dec 10
14	Kreston International	1,673.0	2	53	18	10	3	1	—	15	Oct 10
15	Mazars	1,185.6	12	87	10	—	—	—	—	3	Aug 10
16	UHY	648.4	3	63	17	8	2	1	1	8	Dec 10
17	Russell Bedford International	376.0	1	—	—	—	—	—	—	—	Jun 10
18	ECOVIS International	258.6	3	40	30	8	2	3	4	13	Dec 10
19	IECnet/CPA - USA/EPR	119.1	-13	56	24	20	—	—	—	—	Jun 10
20	Reanda International	61.5	9	82	2	7	—	1	—	8	Dec 10
21	SMS Latinoamerica	53.7	18	48	30	19	—	3	—	—	Dec 10
22	UC&CS America	24.9	69	53	14	4	—	1	23	5	Dec 10
Total Revenue/ growth		126,751.6	2								

# Ranking and Financial Data 2010

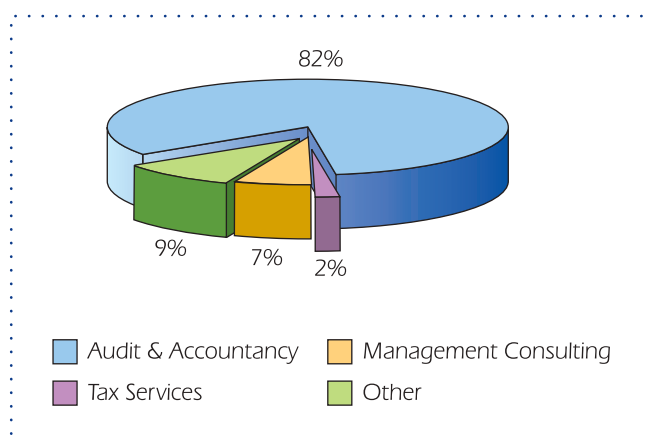


## Global aggregate fee income

In 2010, aggregate annual fee revenues of Reanda International totalled USD\$61.5 million.

According to the *International Accounting Bulletin's*\* World Survey 2010, Reanda International made an impressive debut, ranking 20th amongst the world's leading networks in terms of overall fee income. Although we took the initial first step to enter the international arena, in fact, contributions from our member firms have catapulted us into the top league table of the international accountancy industry.

In terms of fee income, our network recorded a 9% growth reaching aggregate revenues of USD\$61.5 million in 2010. Revenue growth was driven by the organic growth from our China firm which accounted for more than half of total overall revenues. Singapore, Japan and Hong Kong have also led the way, reporting growth rates of 40 percent, 16 percent and 8 percent respectively. Other member firms also recorded remarkable growth in revenue.



## Aggregate revenue 2010 by service line

A major source of our network's total revenues is derived from auditing and consulting services.

\**International Accounting Bulletin* is VRL's leading publication for the global accounting industry. The World Survey is conducted annually, based on financial and staff data from 35 to 40 major international accounting organisations.



# Member Firms' Highlights

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## Reanda China records increase in IPO activity

Reanda CPA's business income for 2010 reached approximately RMB 400 million, ranking among the top national CPA firms.

Headquartered in Beijing with 17 offices across China's major metropolitan areas, Reanda CPA boasted a total staff force of over 1,500 in 2010, a nearly 2.6% increase in personnel compared to 2009.

IPO activity remained buoyant in 2010 across the whole of China. Since June of 2009 when IPO activity resumed on the Main Board in China, Reanda CPA has successfully completed 28 IPO assignments, the aggregate funds of which have exceeded RMB 50 billion. These IPOs comprise activity on both the Small and Medium Enterprise (SME) Board along with the Growth Enterprise Board, including 8 and 20 assignments carried out in 2009 and 2010, respectively. Currently China has become the world's largest market for IPOs, and that trend is expected to remain strong in 2011.

Setting its sights on 2011, Reanda CPA is posed to continue adapting itself to international CPA works while nurturing a world-class CPA team with expertise in local and international accounting and auditing rules. Moreover, Reanda CPA is well positioned to offer convenient multiple and global professional services to satisfy clients entering international capital markets. In addition, the firm expects greater expansion of its service scope to help provide a broader range of services that will effectively meet the needs of all clients in today's dynamic global economy.

## Hong Kong member will continue providing superior services for capital market-related projects

In 2010, our Hong Kong member firm, Reanda Lau and Au Yeung (HK) CPA Limited, was instrumental in the development of the Reanda International Network. To this end a central administrative office was set up at the Reanda Hong Kong office, which is responsible for the day to day membership administration and overall future development of the Network. Hong Kong, at the heart of Asia, is an important Chinese city and plays a privileged role in facilitating global enterprises wishing to enter the mainland market while also helping major enterprises in China expand into international financial and commercial markets.

With the gradual stabilisation of the global economy and strong growth in China's local market, Hong Kong benefited an international financial platform, assisting enterprises in raising funds and capital in 2010. The Hong Kong member firm, with its staff of 100 top professionals, remained active in capital market-related projects, such as IPOs, transaction supports, internal control reviews, operational reviews, and other activities. They also enjoyed healthy growth in revenues totaling approximately 8.4% in 2010 and predict stronger demand in the market for 2011 in lock step with the continuous growth of China's economy and the global economic recovery.

## Increase seen in overseas clients venturing into Japan

Currently, more and more Japanese small and medium-sized companies are venturing overseas. Our Japan firm, Reanda MC International CPA Partners, the auditing division of the Mirai Group, is set to focus greater efforts on M&A and business matching in 2011.

An ever growing number of companies are heading into the Japan market, especially the larger Chinese firms many of which are our main clients. Our Japan firm's services are built solely on a client-oriented mindset. New clients are increasing even in today's weaker economic conditions in Japan. The Firm attributes this phenomenon to the vast variety of services necessary to satisfy the requests of the clients.

This year, the Mirai Group made a notable debut appearance in the Top 10 firms in the accountancy industry league table. They ranked number 7 in Japan according to the Japan Survey 2010 conducted by the *International Accounting Bulletin*.

## Tax Investigation & Tax Audit (TITA) unit launched by our Malaysia member

In 2010, our Malaysia member firm, Reanda LLKG International, launched the Tax Investigation & Tax Audit (TITA) unit in Kuala Lumpur. This was in direct response to the increasing demand for this type of service in Malaysia as the local Government has pledged to aggressively increase their tax collection initiatives.

In addition, the firm has accomplished significantly more than what most chartered accountants firms do. For instance, they continue to provide: complimentary services like texting up-to-date tax and professional alert messages to clients, contribute weekly articles columns in local Chinese newspapers, make appearances as invited guest speakers at seminars and talks, publishing industry news and much more. Reanda LLKG International was the first and only professional firm among local chartered accountants selected for a close-up interview on the commercially broadcast programme - "Start A Biz" (featuring true stories of successful entrepreneurs in Malaysia) on local television channel Astro TV in August 2010.

# Member Firms' Highlights

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## Significant milestone achieved by our Singapore member

Our Singapore member firm, Adept Public Accounting Corporation ("Adept"), saw a significant increase in new attestation clients, following the completion of a merger between K C Yin & Co and Chan & Chan on 31st December, 2010. The combined expertise of these firms also contributed to an increase in the scope of services offered to existing clients. The result has been new non-attest engagements like litigation support, corporate finance-related work and increased forensic accounting. The merger indeed has been a very successful one and the firm looks forward to the upcoming merger of Chan & Chan's secretarial and tax services into Adept in 2011.

Looking at the year ahead, Adept's focus will be on making auditing more productive and interesting for our professional staff. To this end, 2011 will see the launch of a new in-house designed auditing software. In addition, the firm will also invest in effective structured auditing training programmes to equip staff to meet the rapidly changing landscape of today's business environment as well as to meet the demands of the new Financial Reporting Standards revision. Their ultimate goal is to achieve a zero default rate for all clients' statutory audit deadlines.

## Cambodia Investment and Business Development (CIBD) Fair 2010

In August 2010, our Cambodia member firm, LLKG (Cambodia) Co., Ltd, organised the Cambodia Investment and Business Development (CIBD) Fair with a top event management services company in Phnom Penh. The event's aim was to promote greater investment and trade opportunities, attracting exhibitors from ASEAN and other countries interested in exploring the investment and trading opportunities now available in Cambodia.

According to managing partner Mr. LL Koong from our Cambodia member, who is also the President of CIBD Fair - "The organisation of this successful event was extremely timely as Cambodia has been rapidly increasing its opportunities to draw in foreign investment through its advantageous position in the China-ASEAN Free Trade Agreement (CAFTA)."

On November 2010, Mr. LL Koong was invited by the Young Entrepreneurs Association of Cambodia to deliver a talk during Global Entrepreneurship Week 2010 Cambodia. Partner Ms. Bigi Neoh and regional director Mr. Neoh Boon Toe were also invited by Kampuchea Institute of Certified Public Accountants and Auditors to offer training advice on "Practical Accounting-Principles and Practices" to their members.

## Macau member's cooperation with world-class international clients

Most of Macau's international clients have prospered as a result of the rapid growth in the Territory's leading casinos and resort industries. Most of these operations had never really known about this small enclave just few years ago. They transplanted their businesses with their Las Vegas-based clients but found that Macau has a serious lack of management and tax consultancy resources, so top accountancy firms are providing services that most other local firms can't.

Reanda EFA works closely with many world-class international clients. Leveraging the experience gained from helping a host of major international clients from Japan and Australia, our Macau firm is introducing Macau-specific tax and business services to help these clients prosper while reforming their trading activities within the Asian region. With Reanda networks working together and co-ordinating other member firms support, the Macau team can now increase its capabilities as it markets new management initiatives as well as touting Macau tax benefits, plus provide risk management and overall image building.

## Addition of a new member firm in Vietnam

Vietvalues Audit and Consulting Co., Ltd ("Vietvalues") shall become a member firm of Reanda International in the first quarter of 2011. Established in 2003, the firm has six partners and over 100 staff with offices in Ho Chi Minh City and Hanoi, offering a wide range of internal and external auditing services.

Vietvalues is licensed by the State Securities Commission of Vietnam to provide auditing services to companies listed in Vietnam. Currently Vietvalues audits more than 10 publicly listed and joint-stock companies and handle client engagements in the Vietnamese, English, Japanese and Chinese languages.



# Activities and Events

## April 2009

### **Announcement on formal establishment of Hong Kong administrative office**

On April 29 2009, Reanda CPA and Lau & Au Yeung C.P.A. Limited hosted a major press conference at the Diaoyutai State Guest House to announce the formal establishment of the Hong Kong administrative office, and Reanda Lau & Au Yeung (HK) CPA Limited, the first ever overseas member firm of Reanda International.



Press conference - announcement on the formal establishment of the Hong Kong administrative office and Reanda Lau & Au Yeung (HK) CPA Limited

## May 2010

### **Visit to USA**

In May, our representatives went to the United States to meet with the partners from several CPA firms.

## July 2010

### **Visit to Japan**

In July, our representatives visited Japan to meet with the partners from MC International Partners, which is now the Japan member firm of Reanda Network.

### **30 Delegates from CICPA visited the Hong Kong administrative office of Reanda International**

On July 14 2010, the Chinese Institute of Certified Public Accountants (CICPA) led a delegation of 30 CPAs from top PRC accounting firms for a formal visit to the Hong Kong administrative office of Reanda International.



# Activities and Events

## August 2010

### Visit to Malaysia and Singapore

Company officials visited Malaysia and Singapore in August to meet with partners from LLKG International and Adept Public Accounting Corporation which are now our Malaysian and Singaporean member firms respectively.

## September 2010

### Signing and Inauguration Ceremony of Reanda International Network



Reanda International Network Inauguration Ceremony and Press Conference



From left to right: Mr. Franklin Lau, CEO of Reanda International, Mr. Huang Jinhui, chairman of Reanda International, Mr. Ernest Kan Yaw Kiong, president of ICPAS, Mr. Chen Yugui, general secretary of the CICPA, Mr. Liu Zhongli, president of the CICPA, Mr. Zhou Daojiong, former chairman of CSRC & former president of China Construction Bank, and Mr. Wilson Fung, president of the HKICPA



New members from seven countries and cities took part in the inaugural celebrations, signaling Reanda International Network in motion

On September 15 2010, the JW Marriot hotel was the site of the Signing and Inauguration Ceremony for the Reanda International Network. The officiating VIPs included Mr. Liu Zhongli, president of the China Institute of Certified Public Accountants (CICPA), Mr. Wilson Fung, president of the Hong Kong Institute of Certified Public Accountants (HKICPA) and Mr. Ernest Kan, president of the Institute of Certified Public Accountants of Singapore (ICPAS). 150 industry professionals and media also attended the ceremony to witness this remarkable event.

On the same day, our first board meeting was held at the administrative office in Hong Kong.

# Activities and Events

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## October 2010

### **Australian firm paid a visit to our office**

A renowned Australian accounting firm paid a courtesy visit to our Hong Kong office to discuss mutual collaboration matters.

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## November 2010

### **Assist Mirai Group to aim for an industry ranking**

Our Japan member firm participated in a Japan survey, conducted by the *International Accounting Bulletin* - the leading global publication for the accounting industry, and was ranked 7th in Japan.

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## December 2010

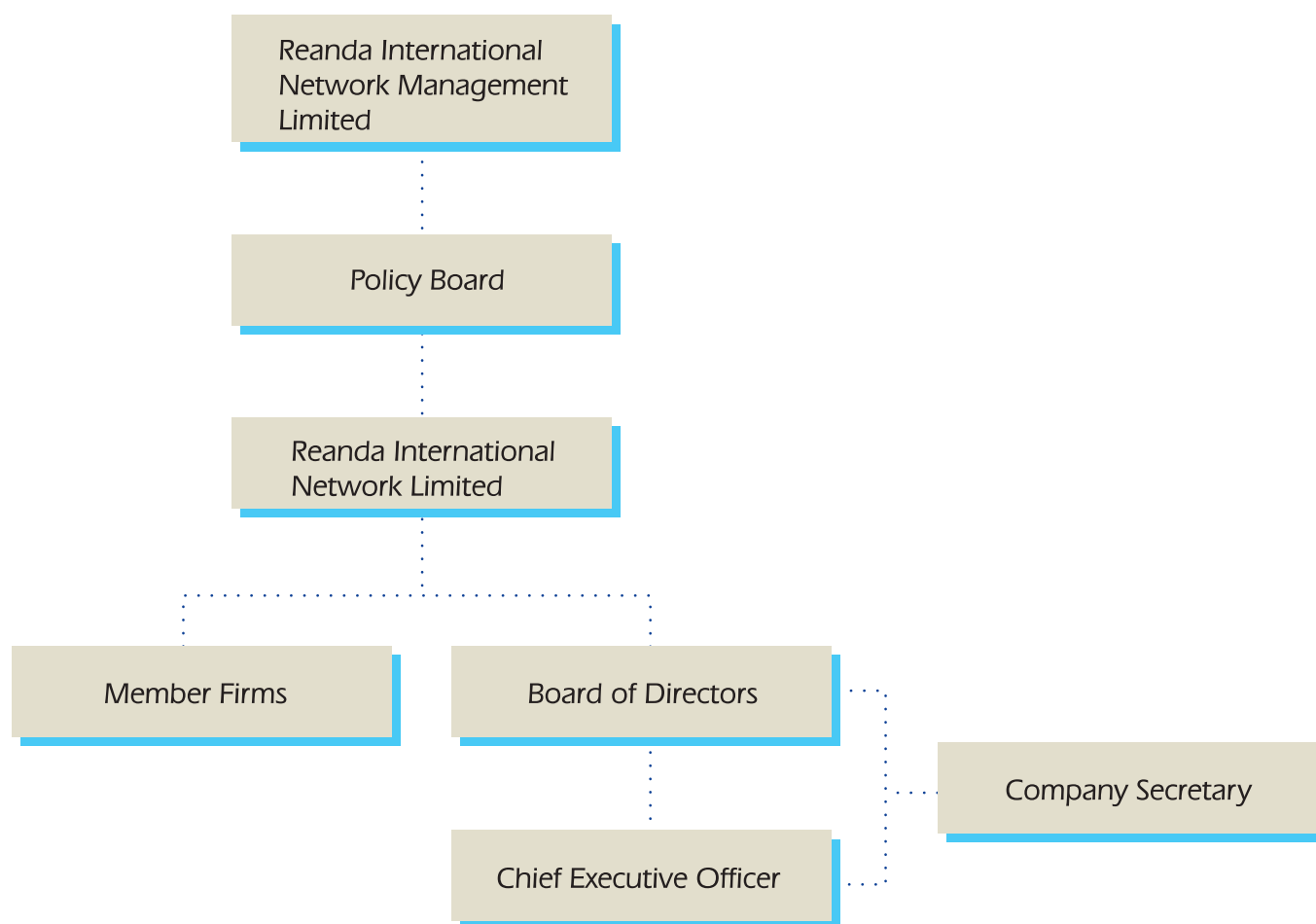
### **Visit to Vietnam**

Our CEO paid an official visit to Vietnam to meet with representatives of local CPA firms there. During this trip, we also arranged meetings with officials from the Vietnam Association of Certified Public Accountants (VACPA) and the Hanoi Representative Office of CPA Australia.



Mr. Franklin Lau (right) presented a souvenir abacus to Mr. Bui Van Mai – VACPA Standing Vice President/Secretary General (left)

# Organisational Structure



## Our Management Team

**Our Board comprises nine directors nominated from various member firms:**

**Huang Jinhui**, Chairman (China)

**Au Yeung Tin Wah, Ellis** (Hong Kong)

**Koong Lin Loong** (Malaysia)

**Mitsuo Kubo** (Japan)

**Wang Yuan** (China)

**Wang Dong** (China)

**Yao Ning** (China)

**Yin Kum Choy** (Singapore)

**Zheng Jinqiao** (China)

Chief Executive Officer:

**Lau Shiu Wai, Franklin** (Hong Kong)

Company Secretary:

**Sie Ki, Alberta** (Hong Kong)

# Contact

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## Reanda International Directory

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### Member Firm Directory

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#### Hong Kong

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#### Japan

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#### Malaysia

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