AUDIT COMMITTEES AND ACCURACY OF MANAGEMENT EARNINGS FORECASTS OF MALAYSIAN IPOs

MOHAMMED ABDULLAH EZZI AMMER

DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
February 2015
AUDIT COMMITTEES AND ACCURACY OF MANAGEMENT EARNINGS FORECASTS OF MALAYSIAN IPOs

By

MOHAMMED ABDULLAH EZZI AMMER

Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Degree of Doctor of Philosophy
PERMISSION TO USE

In presenting this thesis in fulfillment of the requirements for a postgraduate degree from the Universiti Utara Malaysia (UUM), I agree that the University Library may make it freely available for inspection. I further agree that permission for copying this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor Assoc. Prof. Dr Nurwati Ashikkin Ahmad Zaluki, or in her absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my thesis. It is understood that any copying or publication or use of this thesis or parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition given to me and to the UUM in any scholarly use which may be made of any material in my thesis.

Request for permission to copy or to make other use of materials in this thesis in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
ABSTRACT

This study aims to make a meaningful contribution to the IPO literature by examining the impact of audit committee characteristics on the accuracy of earnings forecasts in 190 Malaysian IPO prospectuses during the period of 2002-2012. This study also adds to the body of knowledge by investigating the accuracy of IPO earnings forecasts during the former mandatory earnings forecasts (January 2002 to January 2008) and the current voluntary earnings forecasts (February 2008 to February 2012). Furthermore, it explores the provided explanations in the first published annual reports after IPO, which explain the reasons behind the errors of earnings forecasts. Two proxies were used for accuracy; absolute forecast error and squared forecast error. The models were developed using the frameworks of the agency theory, the signaling theory, and the resource-dependence theory to examine the association of eight characteristics of the audit committee (size, independence, financial expertise, gender diversity, ethnicity, stock ownership, educational background, and experience) with the accuracy of IPO earnings forecasts. The findings indicate that the earnings forecasts of Malaysian IPO are pessimistic and the percentage of accuracy is unsatisfactory. Further, the results show that Malaysian IPO earnings forecasts have been more pessimistic and less accurate under the voluntary regulation regime than the mandatory regime. The findings of multiple regressions of the audit committee and absolute forecast error show significant relationships with positive impacts among size, experience and accuracy of earnings forecasts. In terms of the findings of multiple regressions of the audit committee and the squared forecast error, the results show significant relationships with positive impacts between size and earnings forecasts accuracy. Finally, the results indicate that the number of provided explanations was greater when the management were more optimistic and the forecasts errors were large. The results of this study can be of interest to investors, policymakers, investment analysts and other market participants.

Keywords: audit committee, earnings forecasts accuracy, earnings forecasts regulation, explanations of earnings forecasts errors, Malaysian IPO.
ABSTRAK


Kata kunci: jawatankuasa audit, ketepatan ramalan pendapatan, peraturan ramalan pendapatan, penjelasan mengenai kesilapan ramalan pendapatan, IPO Malaysia.
ACKNOWLEDGEMENTS

In the name of Allah, the Most Gracious and Most Merciful

Praise and thanks to Allah, first and last, Lord and Cherisher of the world who taught humankind everything they knew not. May his blessing and His Mercy be upon the holy prophet Muhammad S.A.W the Overseer of the creation of God and sent as a mercy to the world.

After praising Allah for the strength and endurance provided to me to complete this thesis, my utmost gratitude to my father Abdullah Ezzi Ammer and my mother Fatimah Al-Nakhli who bless me all the time and work for my best since I was born and have been great and wise teachers in my life, and for their infinite patience, especially during my absence.

I would also like to express my deepest appreciation and gratitude to my supervisor, Assoc. Prof. Dr Nurwati Ashikkin Ahmad Zaluki, for her professional academic guidance, knowledge sharing and advice in writing my thesis step by step. Without her constant supervision to my progress, consideration and untiring advice, this thesis would not have become a reality. I would like to render my thanks to my proposal defense committee members, Assoc. Prof. Dr. Kamarun Nisham Taufil Mohd and Assoc. Prof. Dr. Hasnah Kamardin, for their valuable comments and suggestions.

I would like to extend my gratitude to my beloved wife, Amani Al-Moft, and our two dear children, Ghaida and Abdullah for their encouragement, countless sacrifices and everlasting love in order for me to get my PhD. They have been very patient during my PhD journey. Thanks are also due to my loving brothers, Abdu, Nouman, Nabeel,
Ismail and Ibrahim, and my loving sisters, Balqees, Ibtesam and Hind for their support in a variety of ways.

I would also like to express my grateful appreciation to my UUM lecturers who have imparted valuable knowledge during the time of my master’s program at UUM. To all academic and administrative staff at OYA Graduate School of Business and School of Economics, Finance and Banking (SEFB), my sincere gratitude goes to you. I would like also to extend my thanks to my friends for their invaluable help and support in completing this thesis.

My heartfelt appreciation to all those involved in making this thesis a reality and those who have contributed towards this profound learning experience.
TABLE OF CONTENTS

Title Page

TITLE PAGE i
CERTIFICATION OF THESIS WORK ii
PERMISSION TO USE iv
ABSTRACT v
ABSTRAK vi
ACKNOWLEDGMENTS vii
TABLE OF CONTENTS ix
LIST OF TABLES xvii
LIST OF FIGURES xx
LIST OF ABBREVIATIONS xxi

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study 1
1.2 Importance of Audit Committee in Enhancing the Accuracy of IPO Management Earnings Forecasts 4
1.3 Issues Associated with the Regulations of Management Earnings Forecasts Disclosure and Forecasts Errors Explanations 7
1.4 The Distinctive Issues of the Study 10
   1.4.1 Additional Characteristics of IPO Audit Committee 10
   1.4.2 Mandatory Earnings Forecasts Disclosure vs. Voluntary Earnings Forecasts Disclosure 15
   1.4.3 Explanations of Forecast Errors Differences 17
1.5 Problem Statement 17
1.6 Research Questions 20
1.7 Research Objectives 21
1.8 Scope of Study 21
1.9 Study Motivation and Significance 23
  1.9.1 Study Motivation 23
  1.9.2 Study Significance 25
1.10 The Structure of the Thesis 28
1.11 Summary and Conclusion 30

CHAPTER TWO: BACKGROUND TO THE MALAYSIAN IPOs AND CORPORATE GOVERNANCE

2.1 Introduction 31
2.2 Overview of the Malaysian Capital Market 31
2.3 Background of Malaysian IPOs 32
  2.3.1 The Regulatory Structure and Reporting Framework 32
    2.3.1.1 Regulatory Structure 32
    2.3.1.2 Reporting Framework and IPO Regulations 34
  2.3.2 Reasons for Companies Listing on Bursa Malaysia, Features of Malaysian IPOs, and Listing Process
    2.3.2.1 Reasons for Companies Listing on Bursa Malaysia 37
    2.3.2.2 Features of Malaysian IPOs 37
    2.3.2.3 Listing Process of Malaysian IPOs 39
2.4 Background of Malaysian Corporate Governance 43
  2.4.1 Malaysian Corporate Governance Development 43
  2.4.2 Audit Committee in Malaysian Corporate Governance 47
2.5 Summary and Conclusion 49
CHAPTER THREE: REVIEW OF EMPIRICAL STUDIES ON THE ACCURACY OF MANAGEMENT EARNINGS FORECASTS IN IPOs

3.1 Introduction 50
3.2 Earnings Forecasts 50
  3.2.1 Earnings Forecasts Concept 50
  3.2.2 Why IPOs Make Earnings Forecasts? 51
3.3 Theoretical Background 54
  3.3.1 Agency Theory 55
  3.3.2 Signaling Theory 56
  3.3.3 Resource-Dependence Theory 58
3.4 Empirical Studies on the Accuracy of IPO Management Earnings Forecasts 59
  3.4.1 Empirical Studies on the Accuracy of IPO Management Earnings Forecasts in non-East Asian Countries 60
  3.4.2 Empirical Studies on the Accuracy of IPO Management Earnings Forecasts in East Asian Countries 68
3.5 Summary and Conclusion 78

CHAPTER FOUR: A REVIEW OF THE LITERATURE ON THE AUDIT COMMITTEE CHARACTERISTICS

4.1 Introduction 79
4.2 Defining the Concept of Audit Committee 79
4.3 Prior Studies on Audit Committee Characteristics 80
  4.3.1 Audit Committee Size 81
  4.3.2 Audit Committee Independence 86
CHAPTER FIVE: RESEARCH METHODS

5.1 Introduction 126

5.2 Theoretical Framework 126

5.3 Hypotheses Development 129

5.3.1 Regulation and the Accuracy of IPO Management Earnings Forecasts 129

5.3.2 Audit Committee Characteristics and Accuracy of IPO Management Earnings Forecasts 131

5.3.2.1 Audit Committee Size (ACSIZE) 132

5.3.2.2 Audit Committee Independence (ACIND) 133

5.3.2.3 Audit Committee Financial Expertise (ACFEX) 134

5.3.2.4 Audit Committee Gender Diversity (ACGED) 136

5.3.2.5 Audit Committee Ethnicity (ACETH) 137

5.3.2.6 Audit Committee Stock Ownership (ACSOW) 139

5.3.2.7 Audit Committee Educational Background (ACEDU) 140

5.3.2.8 Audit Committee Experience (ACEXP) 141
CHAPTER SIX: RESULTS AND DISCUSSION

6.1 Introduction 172
6.2 Sample Description 173
6.3 Descriptive Statistics 177
   6.3.1 Descriptive Statistics of Dependent Variable 177

xiii
6.3.2 Descriptive Statistics of Independent Variables

6.4 Univariate Analysis

6.4.1 Univariate Analysis based on High and Low Accuracy of Earnings Forecasts

6.4.2 Univariate Analysis based on Mandatory and Voluntary Earnings Forecasts

6.5 Correlation Analysis

6.6 Data Preparation for Regression Analysis

6.6.1 Ratio of Observations to Independent Variables

6.6.2 Detecting Outliers

6.6.3 Normality and Linearity Tests

6.6.4 Multicollinearity and Autocorrelation Tests

6.6.5 Heteroscedasticity Test

6.6.6 Model Specification Test

6.7 Multivariate Analysis

6.7.1 Audit Committee Size (ACSIZE) and Earnings Forecasts Accuracy (H2)

6.7.2 Audit Committee Independence (ACIND) and Earnings Forecasts Accuracy (H3)

6.7.3 Audit Committee Financial Expertise (ACFEX) and Earnings Forecasts Accuracy (H4)

6.7.4 Audit Committee Gender Diversity (ACGED) and Earnings Forecasts Accuracy (H5)

6.7.5 Audit Committee Ethnicity (ACETH) and Earnings Forecasts Accuracy (H6)
CHAPTER SEVEN: SENSITIVITY ANALYSIS AND ADDITIONAL EMPIRICAL TESTS

7.1 Introduction

7.2 The Aggregated Audit Committee Score

7.3 Further Analysis on the Dependent Variable

7.4 Transformation of Audit Committee Size

7.5 Audit Committee Independence as Cut-Off Measures

7.6 Audit Committee Financial Expertise using Binary Variable

7.7 Audit Committee Gender Diversity using Dummy Variable and Natural Log

7.8 Audit Committee Ethnicity as Dummy, Creating New Audit Committee Chinese Ethnicity (ACETH-CH), and by using both Malay
and Chinese

7.9 Summary and Conclusion 283

CHAPTER EIGHT: SUMMARY AND CONCLUSION

8.1 Introduction 285

8.2 Recapitulation of the Study 286

8.3 Implications of the Study 292
  8.3.1 Implications for Theory 292
  8.3.2 Implications for Policy Makers 295
  8.3.3 Implications for the Researchers 298
  8.3.4 Implications for Management and Stakeholders 299

8.4 Recommendations 300

8.5 Limitations and Future Research Directions 302
  8.5.1 Limitations 302
  8.5.2 Future Research Direction 304

8.6 Concluding Remarks 307

REFERENCES 309

APPENDIXES

Appendix A Constructing Audit Committee’s Effectiveness Score 356

Appendix B Constructing Board of Directors’ Effectiveness Score 357
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>A Summary of Selected Prior Studies from non-East Asian Countries on the Accuracy of Management Earnings Forecasts of IPO Prospectuses</td>
<td>69</td>
</tr>
<tr>
<td>3.2</td>
<td>A Summary of Selected Prior Studies from East Asian Countries on the Accuracy of Management Earnings Forecasts of IPO Prospectuses</td>
<td>77</td>
</tr>
<tr>
<td>4.1</td>
<td>The Interrelationship Between Societal Values and Accounting Practices</td>
<td>109</td>
</tr>
<tr>
<td>5.1</td>
<td>Dependent Variable Measurements</td>
<td>147</td>
</tr>
<tr>
<td>5.2</td>
<td>Independent Variables Measurements</td>
<td>151</td>
</tr>
<tr>
<td>5.3</td>
<td>Control Variables Measurements</td>
<td>162</td>
</tr>
<tr>
<td>6.1</td>
<td>Study Technical Records</td>
<td>173</td>
</tr>
<tr>
<td>6.2</td>
<td>Descriptive Summary of the Distribution of IPO Sample by Earnings Forecasts Regime (Mandatory versus Voluntary) for the Period 2002-2012</td>
<td>175</td>
</tr>
<tr>
<td>6.3</td>
<td>Derivation of Sample</td>
<td>176</td>
</tr>
<tr>
<td>6.4</td>
<td>Descriptive Summary of the Distribution of 190 Samples of IPO Companies by Industry for the Period 2002-2012</td>
<td>177</td>
</tr>
<tr>
<td>6.5</td>
<td>Descriptive Statistics of the Accuracy of Management Earnings Forecasts</td>
<td>178</td>
</tr>
<tr>
<td>6.6</td>
<td>Distribution of Earnings Forecasts Error (FER) in Relative Values</td>
<td>180</td>
</tr>
<tr>
<td>6.7</td>
<td>Descriptive Statistics of IPO earnings Forecasts Accuracy (by Cohort Year)</td>
<td>183</td>
</tr>
<tr>
<td>6.8</td>
<td>Descriptive Statistics of IPO Earnings Forecasts Accuracy by Industry Sector</td>
<td>184</td>
</tr>
<tr>
<td>6.9</td>
<td>The Distribution of the Forecast Errors of Earnings</td>
<td>185</td>
</tr>
<tr>
<td>6.10</td>
<td>Descriptive Statistics of Continuous Independent and Control Variables</td>
<td>187</td>
</tr>
</tbody>
</table>
# LIST OF TABLES (Continued)

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.11</td>
<td>Descriptive Statistics of Dummy Control Variables</td>
<td>192</td>
</tr>
<tr>
<td>6.12</td>
<td>Univariate Test for First Model (AFER)</td>
<td>195</td>
</tr>
<tr>
<td>6.13</td>
<td>Univariate Test for Second Model (SQFER)</td>
<td>196</td>
</tr>
<tr>
<td>6.14</td>
<td>Comparison of Mean and Median Values between Mandatory and Voluntary IPO Earnings Forecasts</td>
<td>198</td>
</tr>
<tr>
<td>6.15</td>
<td>Correlation Coefficients of Variables (Pearson [Spearman] correlation coefficients are below [above] the Diagonal)</td>
<td>202</td>
</tr>
<tr>
<td>6.16</td>
<td>Summary of Skewness and Kurtosis Values of the Variables</td>
<td>209</td>
</tr>
<tr>
<td>6.17</td>
<td>Multicollinearity Statistics of Assessing VIF and Tolerance Values for Model One (AFER) and Model Two (SQFER)</td>
<td>213</td>
</tr>
<tr>
<td>6.18</td>
<td>White Test for Heteroskedasticity for Model One (AFER) and Model Two (SQFER)</td>
<td>215</td>
</tr>
<tr>
<td>6.19</td>
<td>Multiple Regression Results – Model One (AFER)</td>
<td>218</td>
</tr>
<tr>
<td>6.20</td>
<td>Multiple Regression Results – Model Two (SQFER)</td>
<td>219</td>
</tr>
<tr>
<td>6.21</td>
<td>Provided Comments on Earnings Forecast Errors in Annual Reports</td>
<td>253</td>
</tr>
<tr>
<td>6.22</td>
<td>Explanations and Forecasts Accuracy Measures</td>
<td>255</td>
</tr>
<tr>
<td>6.23</td>
<td>Classifications of Explanations Offered when Actual Earnings are higher than Forecasts Earnings</td>
<td>256</td>
</tr>
<tr>
<td>6.24</td>
<td>Classifications of Explanations Offered when Actual Earnings are less than Forecasts Earnings</td>
<td>258</td>
</tr>
<tr>
<td>7.1</td>
<td>Multiple Regression Results of AFER and SQFER- using Audit Committee and Board as Score</td>
<td>268</td>
</tr>
<tr>
<td>7.2</td>
<td>Multiple Regression Results of AFER and SQFER- using Strength of Overall Governance (GOV_SCORE)</td>
<td>269</td>
</tr>
<tr>
<td>7.3</td>
<td>Multiple Regression Results of AFER and SQFER- using Total Assets and Sales as Deflators</td>
<td>271</td>
</tr>
<tr>
<td>7.4</td>
<td>Multiple Regression Results of AFER and SQFER- using Transformed Data of ACSIZE</td>
<td>273</td>
</tr>
<tr>
<td>Table</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>7.5</td>
<td>Multiple Regression Results of AFER and SQFER- Audit Committee Independence (ACIND) using Binary Variables</td>
<td>276</td>
</tr>
<tr>
<td>7.6</td>
<td>Multiple Regression Results of AFER and SQFER- Audit Committee Financial Expertise (ACFEX) using Binary Variable</td>
<td>278</td>
</tr>
<tr>
<td>7.7</td>
<td>Multiple Regression Results of AFER and SQFER- Audit Committee Gender Diversity (ACGED) using Binary Variable and Natural Log</td>
<td>280</td>
</tr>
<tr>
<td>7.8</td>
<td>Multiple Regression Results of AFER and SQFER- Audit Committee Ethnicity (ACETH) using Dummy Variable, Audit Committee Chinese (ACETH-CH), and both ACETH and ECETH-CH</td>
<td>282</td>
</tr>
<tr>
<td>8.1</td>
<td>Summary of Hypotheses and Results</td>
<td>291</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>The Structure of the Thesis</td>
<td>29</td>
</tr>
<tr>
<td>2.1</td>
<td>Summary of Listing Criteria</td>
<td>39</td>
</tr>
<tr>
<td>2.2</td>
<td>Malaysian Corporate Governance Regulatory Framework</td>
<td>45</td>
</tr>
<tr>
<td>5.1</td>
<td>Theoretical Framework</td>
<td>128</td>
</tr>
<tr>
<td>Abb.</td>
<td>Full List</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>ACE</td>
<td>Access, Certainty, Efficiency</td>
<td></td>
</tr>
<tr>
<td>BMLR</td>
<td>Bursa Malaysia Listing Requirement</td>
<td></td>
</tr>
<tr>
<td>BRC</td>
<td>Blue Ribbon Committee</td>
<td></td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
<td></td>
</tr>
<tr>
<td>CFO</td>
<td>Chief Financial Officer</td>
<td></td>
</tr>
<tr>
<td>CMSA</td>
<td>Capital Markets and Services Act</td>
<td></td>
</tr>
<tr>
<td>CPA</td>
<td>Certified Public Accountant</td>
<td></td>
</tr>
<tr>
<td>FCCG</td>
<td>Finance Committee on Corporate Governance</td>
<td></td>
</tr>
<tr>
<td>IPO</td>
<td>Initial Public Offering</td>
<td></td>
</tr>
<tr>
<td>KLSEB</td>
<td>Kuala Lumpur Stock Exchange Berhad</td>
<td></td>
</tr>
<tr>
<td>MBA</td>
<td>Master of Business Administration</td>
<td></td>
</tr>
<tr>
<td>MCCG</td>
<td>Malaysian Code on Corporate Governance</td>
<td></td>
</tr>
<tr>
<td>MESDAQ</td>
<td>Malaysian Exchange of Securities Dealing and Automated Quotation</td>
<td></td>
</tr>
<tr>
<td>MIA</td>
<td>Malaysian Institute of Accountants</td>
<td></td>
</tr>
<tr>
<td>MICG</td>
<td>Malaysian Institute of Corporate Governance</td>
<td></td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Policy</td>
<td></td>
</tr>
<tr>
<td>NEP</td>
<td>New Economic Policy</td>
<td></td>
</tr>
<tr>
<td>OLS</td>
<td>Ordinary Least Squares</td>
<td></td>
</tr>
<tr>
<td>PAT</td>
<td>Profit After Tax</td>
<td></td>
</tr>
<tr>
<td>RESET</td>
<td>Ramsey Regression Equation Specification Error Test</td>
<td></td>
</tr>
<tr>
<td>RM</td>
<td>Ringgit Malaysia</td>
<td></td>
</tr>
<tr>
<td>SC</td>
<td>Securities Commission</td>
<td></td>
</tr>
<tr>
<td>SEC</td>
<td>Securities Exchange Commission</td>
<td></td>
</tr>
<tr>
<td>SES</td>
<td>Stock Exchange of Singapore</td>
<td></td>
</tr>
<tr>
<td>SIA</td>
<td>Securities Industry Act</td>
<td></td>
</tr>
<tr>
<td>SOX</td>
<td>Sarbanes–Oxley Act</td>
<td></td>
</tr>
<tr>
<td>SPAC</td>
<td>Special Purpose Acquisition Companies</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The magnitude of information that can be explained in the IPO prospectus is enormous. However, one aspect of this information has attracted particular research interest. This is the management earnings forecasts figure and its quality as indicated by its accuracy (Hutton & Stocken, 2010). Issuing IPO earnings forecasts is considered as management promise to shareholders that the IPO company will give a specific future income by the end of IPO year (Hutagaol, Warganegara, & Wibisono, 2012). The accuracy of IPO earnings forecasts has received attention from researchers in several countries due to its importance for the investors’ decisions (e.g., Henry, Ahmed, & Riddell, 2002; Hussin, Sulong, & Osman, 2004); IPO company valuation (e.g., Jelic, Saadouni, & Briston, 1998; Chen & Firth, 1999; Keasey & McGuinness, 2008; Jelic, 2011); and security prices (e.g., Gounopoulos, 2011). The present study investigates the issue related to the level of accuracy of management earnings forecasts included in the prospectuses of Malaysian IPOs.

The participants of capital markets depend on a stable stream of information in order to evaluate the risk and judge future prospects to perfectly assess the equity of a company (Foerster, Sapp, & Shi, 2013). However, there is a dire lack of financial information publicly available for an IPO company compared to a listed company. Thus, IPO companies face great information asymmetry between the current shareholders and expected investors (Guo, Lev, & Zhou, 2004; Chong & Ho, 2007;
The contents of the thesis is for internal user only
REFERENCES


