



Dear Assignment/News/Business Section Editor

Hong Kong Institute of Certified Public Accountants settles regulatory proceedings against Mr. Chan Kin Hang, Danvil, a certified public accountant (practising)

(Hong Kong, 19 January 2009) — The Hong Kong Institute of Certified Public Accountants has settled regulatory proceedings against Mr. Chan Kin Hang, Danvil who is practising in the firm name of K.H. Chan & Co.

The regulatory proceedings concern alleged violation by Mr. Chan of the requirements to practise as certified public accountant (practising) stipulated in section 29 of the Professional Accountants Ordinance. Mr. Chan had issued audit reports in certain months of 2004 in the name of his sole proprietor firm, K.H. Chan & Co., when Mr. Chan and K.H. Chan & Co. did not have a valid practising certificate due to his failure to renew his membership registration, practising certificate and the registration of K.H. Chan & Co. by making payment for the 2004 subscription fees within the specified time. Mr. Chan fully accepted his mistakes and had undertaken remedial actions as directed by the Council of the Institute.

Agreement

The Council of the Institute has agreed with Mr. Chan that:

1. The Institute will cease the above regulatory proceedings.
2. A lump sum of HK\$100,000 will be paid by Mr. Chan to the Institute.

Having considered the alleged violation, the time and costs involved in the on-going proceedings and the fact that Mr. Chan had undertaken all necessary remedial actions, the Council of the Institute considers that it is in the best interests of the public and the profession to bring these regulatory proceedings to a conclusion at this time.

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Note to editor

About the Hong Kong Institute of CPAs

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 27,000 members and 13,000 registered students. Members

of the Institute are entitled to the description certified public accountant and to the designatory letters CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate CPA qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of The Global Accounting Alliance - an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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