



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Hong Kong Institute of Certified Public Accountants takes regulatory action against a certified public accountant (practising) and a corporate practice

(HONG KONG, 20 August 2018) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Kam Hau Choi, Anthony, certified public accountant (practising) (F03199) and Anthony Kam & Associates Limited, corporate practice (M0332) (collectively "Respondents") for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

The corporate practice was appointed as the new auditor of Sino Agro Food, Inc., a U.S. listed company, in June 2013. It expressed unqualified auditor's opinions on the consolidated financial statements of the company and its subsidiaries for the years ended 31 December 2013 and 2014 and the comparative figures in each of those financial statements. Kam was the engagement director for the audits.

The U.S. Public Company Accounting Oversight Board ("PCAOB") found that the Respondents had violated PCAOB rules and standards as well as the Securities Exchange Act of 1934, and imposed disciplinary sanctions on them. The company's 2012 financial statements had been audited by another auditor. The Respondents expressed an unqualified auditor's opinion on the 2012 comparative figures included in the 2013 financial statements without performing sufficient procedures to support the opinion. Instead, they relied exclusively on a management representation letter that they had obtained and the predecessor auditor's 2012 audit documentation. In addition, the Respondents did not gather sufficient evidence to support revenue, certain journal entries and other accounting adjustments included in the 2013 and 2014 financial statements.

The Institute took account of the PCAOB's findings and concluded that the Respondents were in breach of the fundamental principle of *Professional Competence and Due Care* in sections 100.5(c) and 130.1 of the Code of Ethics for Professional Accountants for their failure to comply with applicable standards when providing professional services.

Regulatory action

Based on the foregoing, the sanctions imposed by PCAOB and in lieu of further proceedings, the Council concluded that the following should resolve the complaint:

1. The Respondents acknowledge the facts of the case and their non-compliance with the relevant professional standards;
2. The Respondents be reprimanded;

3. Each of the Respondents pay an administrative penalty of HK\$25,000; and
4. They jointly pay costs of HK\$10,000.

About Resolution by Agreement

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants (the Institute) ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement (RBA) may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the Respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

- End -

About HKICPA

The Hong Kong Institute of Certified Public Accountants (HKICPA) is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has more than 42,000 members and 18,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

Hong Kong Institute of CPAs' contact information:

Gemma Ho
Manager, Public Relations
Phone: 2287-7002
Email: gemmaho@hkicpa.org.hk

Terry Lee
Director, Marketing and Communications
Phone: 2287-7209
Email: terrylee@hkicpa.org.hk



香港會計師公會對一名執業會計師及一間執業法團作出監管行動

(香港，二零一八年八月二十日) 香港會計師公會就一名執業會計師關孝財先生 (會員編號：F03199) 及關孝財會計師行有限公司 (執業法團編號：M0332) (統稱「答辯人」) 沒有或忽略遵守、維持或以其他方式應用公會頒佈的專業準則，對他們作出監管行動。

該執業法團於二零一三年六月獲委任為美國上市公司 Sino Agro Food, Inc. 的新任核數師，並對該公司及其附屬公司截至二零一三年及二零一四年十二月三十一日止兩個年度各年的綜合財務報表及該等財務報表內的比較數字，發表了無保留的核數師意見。關先生是負責該等審計項目的執業董事。

美國 Public Company Accounting Oversight Board (「PCAOB」) 發現答辯人違反了 PCAOB 的規則和準則以及 1934 年《證券交易法》，因而對他們作出紀律處罰。該上市公司的二零一二年財務報表之前由另一位核數師審計。答辯人沒有進行足夠程序，以支持其對二零一三年財務報表內包括的二零一二年比較數字發表無保留的核數師意見。他們僅依賴先前所獲的一份管理層聲明書及前任核數師的二零一二年審計底稿。此外，答辯人沒有取得足夠憑證，以支持二零一三年及二零一四年財務報表所列的收入、若干賬項分錄及其他會計調整。

公會經考慮 PCAOB 的判斷後認為答辯人在提供專業服務時沒有遵從適用的準則，因而違反了 Code of Ethics for Professional Accountants 第 100.5(c) 及 130.1 條內有關「Professional Competence and Due Care」的基本原則。

監管行動

基於上文所述、PCAOB 作出的處罰及為省卻進一步程序，公會理事會決定以下列的方案解決這宗投訴：

1. 答辯人承認此個案中的事實及違反了相關專業準則；
2. 答辯人被譴責；
3. 各答辯人分別須繳交行政罰款 25,000 港元；及
4. 他們須共同繳交費用 10,000 港元。

有關解決方案

為保障公眾及會計界的利益，香港會計師公會以有效及具透明度的方式處理投訴個案。根據《專業會計師條例》概述的公會理事會權力，公會在考慮投訴個案的性質與嚴重性、答辯人的過往處分紀錄，以及加重與寬減等因素後，若認為個案屬中度嚴重，便可在答辯人

不抗辯的情況下藉解決方案處理。然而，如個案涉及不誠實行為的投訴，則不可藉解決方案處理，而須另按紀律處分程序處理。

對於所有解決方案，公會均作出強制性的公開譴責及公佈答辯人的姓名、個案涉及的事實和所違反的專業標準。公會投訴處理程序及解決方案的指引，可於公會網頁（www.hkicpa.org.hk）內「Compliance」部份查閱。

- 完 -

關於香港會計師公會

香港會計師公會是根據《專業會計師條例》成立的法定機構，負責培訓、發展和監管本港的會計專業。公會會員超過 42,000 名，學生人數逾 18,000。

公會開辦專業資格課程，確保會計師的人職質素，同時頒佈財務報告、審計及專業操守的準則，以鞏固香港作為國際金融中心的領導地位。

CPA 會計師是一個獲國際認可的頂尖專業資格。公會是全球會計聯盟及國際會計師聯合會的成員之一，積極推動國際專業發展。

香港會計師公會聯絡資料：

何玉淳
公共關係經理
直線電話：2287-7002
電子郵箱：gemmaho@hkicpa.org.hk

李志強
市務及傳訊總監
直線電話：2287-7209
電子郵箱：terrylee@hkicpa.org.hk