



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

(HONG KONG, 29 June 2022) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against HLM CPA Limited (M0481) and Ms. Yuen Suk Ching, certified public accountant (A02183) and Miss Ng Fai, Fiona, certified public accountant (practising) (A22790) (collectively “Respondents”) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

HLM CPA Limited audited the consolidated financial statements of China Investment Fund International Holdings Limited (currently known as **China Investment Fund Company Limited**), a Hong Kong listed company (“Company”), and its subsidiaries for the year ended 31 December 2016. It issued an unmodified opinion. Yuen was the engagement director and Ng was the engagement quality control reviewer.

The Institute received a referral from the Financial Reporting Council (“FRC”) about audit irregularities. They noted that the fair values of two available-for-sale investments included in the financial statements had declined significantly below their original costs. This was objective evidence of impairment of the investments, and **would require an impairment loss to be recognized in accordance with Hong Kong Accounting Standard 39. The Company did not do so and instead inappropriately recognised the cumulative fair value decline in equity.** The auditor failed to recognize the objective evidence of impairment of the investments and the inappropriate accounting treatment of their fair value decline in the financial statements.

The Institute concluded that HLM CPA Limited and Yuen failed to properly understand the applicable accounting framework, exercise professional judgement, seek appropriate consultation, and evaluate the accounting treatment and evidence on the available-for-sale investments, which was assessed as a high risk audit area. As a result, they were in breach of Hong Kong Standard on Auditing (“HKSA”) 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing*, HKSA 220 *Quality Control for an Audit of Financial Statements*, HKSA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*, and HKSA 700 *Forming an Opinion and Reporting on Financial Statements*. The Institute further concluded that Ng failed to perform an adequate engagement quality control review of the audit team’s procedures and conclusion, and as a result she was in breach of HKSA 220.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council of the Hong Kong Institute of Certified Public Accountants concluded that the following should resolve the complaint:

1. The Respondents acknowledge the facts of the case and areas of non-compliance with professional standards;
2. The Respondents be reprimanded; and
3. **HLM CPA Limited, Yuen and Ng pay administrative penalties of HK\$35,000 and HK\$45,000 and HK\$20,000 respectively to the Institute**, and they jointly pay the costs of the Institute of HK\$15,000 and of the FRC of HK\$81,045.97.

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 ("HKICPA") 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.

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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 over 46,000 members and 13,000 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.

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香港會計師公會對一間執業法團、一名會計師及一名執業會計師作出 監管行動

(香港，二零二二年六月二十九日) 香港會計師公會就恒健會計師行有限公司 (執業法團編號: M0481)、會計師袁淑貞女士 (會員編號: A02183) 及執業會計師吳暉小姐 (會員編號: A22790) (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。

恒健會計師行有限公司曾審計香港上市公司中國投資基金國際控股有限公司 (現稱中國投資基金有限公司) (「公司」) 及其附屬公司截至二零一六年十二月三十一日止年度的綜合財務報表，並發表了無保留意見。袁女士是該審計項目的執業董事，吳小姐是該審計項目的質量控制覆核人。

公會收到財務匯報局 (「財匯局」) 的轉介，指上述的審計項目有違規情況。財匯局指財務報表內兩項可供出售投資的公允值已較其原值大幅度下降。這可表明為投資減值的客觀證據，因此需根據香港會計準則第 39 號確認減值虧損。涉事公司沒有按上述方法處理，並錯誤地將累計公允值下降確認於股東權益內。核數師亦未有根據客觀證據以判斷投資減值及財務報表當中就此事項的不當會計處理。

公會認為恒健會計師行有限公司及袁女士未能正確地理解適用的會計框架、運用專業判斷、尋求適當諮詢、以及對被評定具有高度審計風險的可供出售投資的事項之會計處理及證據作出評估。因此，他們違反 Hong Kong Standard on Auditing (「HKSA」) 200 「Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing」，HKSA 220 「Quality Control for an Audit of Financial Statements」，HKSA 315 「Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment」，及 HKSA 700 「Forming an Opinion and Reporting on Financial Statements」。公會同時認為吳小姐未能對審計團隊的程序及結論進行充分的項目質量控制審查，因此違反了 HKSA 220。

監管行動

基於上文所述及為省卻進一步程序，香港會計師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之事實及違反專業準則之處；
2. 答辯人被譴責；及
3. 恒健會計師行有限公司、袁女士及吳小姐須分別繳付罰款 35,000 港元、45,000 港元及 20,000 港元，以及共同繳付公會費用 15,000 港元及財匯局費用 81,045.97 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準則。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。

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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。公會會員逾 46,000 名，學生人數逾 13,000。

公會開辦專業資格課程，確保會計師的入職質素，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。

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