



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

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

(HONG KONG, 7 March 2025) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Sze Lin Tang, certified public accountant (practising) (A14573) and Zhonghui Anda CPA Limited (M0282) on 2 August 2021 for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. Furthermore, the committee ordered Sze and Zhonghui to pay a penalty of HK\$35,000 each. In addition, the respondents were ordered to jointly and severally pay costs of the Institute and the then Financial Reporting Council (“FRC”) totalling HK\$210,343.

Sze and Zhonghui appealed against the Disciplinary Committee’s decision. The appeal was subsequently dismissed on 23 January 2025.

Zhonghui was the newly appointed auditor of National United Resources Holdings Limited, a Hong Kong listed company. It audited the consolidated financial statements of the company and its subsidiaries (collectively “Group”) for the year ended 31 December 2015 and expressed an unmodified auditor’s opinion on 30 March 2016. Sze was the engagement director.

The Institute received a referral from the then FRC about irregularities in the audit. Information provided in the referral showed that the financial statements included a material receivable amount of HK\$305 million that had resulted from the Group’s one-off sale of straight run fuel oil to a customer. When Zhonghui signed the auditor’s report in March 2016, approximately 60% of the receivable amount was overdue and outstanding. The respondents failed to exercise professional skepticism and perform adequate audit procedures to support their agreement with the company’s assessment that no impairment was necessary for the outstanding amount.

After considering the information available, the Institute lodged a complaint against the respondents under section 34(1)(a)(vi) of the pre-amended Professional Accountants Ordinance (Cap. 50) (“Ordinance”).

The Disciplinary Committee found that the respondents failed or neglected to observe, maintain or otherwise apply 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* and HKSA 500 *Audit Evidence*.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against the respondents under section 35(1) of the Ordinance.

About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants ("HKICPA") enforces the highest professional and ethical standards in the accounting profession. Governed by the pre-amended Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<https://www.hkicpa.org.hk/en/News/Archival-records-on-regulatory-functions/Compliance/Disciplinary>

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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 and development of certified public accountants in Hong Kong. The Institute is also a standard setter of the local accounting industry. The Institute has about 48,000 members and about 12,000 registered students.

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

The CPA designation is a top qualification recognized 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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