Press Release
新聞稿

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 Corporate Practice and a certified public accountant

(HONG KONG, 24 July 2026) On 19 June 2024, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ("Institute") reprimanded Zhonghui Anda CPA Limited ("Zhonghui") (M0282) and Mr. Sze Lin Tang (A14573) ("Sze") (collectively "the Respondents") for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. The Disciplinary Committee also ordered the Respondents to jointly and severally pay a penalty of HK$200,000, costs of the investigation incurred by the then Financial Reporting Council ("FRC") of HK$179,819 and costs of the disciplinary proceedings in the sum of HK$236,749.

Zhonghui and Sze appealed against the Disciplinary Committee's decision. The appeal was subsequently dismissed on 25 June 2026.

Zhonghui and Sze were the auditor and the engagement quality control reviewer respectively for the audit of the consolidated financial statements of a Company listed on the Stock Exchange of Hong Kong Limited and its subsidiaries for the year ended 31 December 2015. The Institute received a referral from the then FRC regarding irregularities in the audit. The main complaint was that the Respondents placed unreasonable reliance on the representation of the client's management without making sufficient inquiries into the basis of such representations, as an ordinary auditor would have done, particularly regarding the initial recognition and subsequent measurement of a put option granted to the Company by a substantial shareholder and the impairment assessments of two cash-generating units.

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 the following Hong Kong Standards on Auditing ("HKSA"):

i. HKSA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing*;
ii. HKSA 220 *Quality Control for an Audit of Financial Statements*;
iii. HKSA 230 *Audit Documentation*;
iv. HKSA 330 *The Auditor's Responses to Assessed Risks*;
v. HKSA 500 *Audit Evidence*;
vi. HKSA 540 *Auditing Accounting Estimates, Including Fair Value and Accounting Estimates, and Related Disclosures*;

vii. HKSA 620 *Using the Work of an Auditor's Expert*; and
viii. HKSA 700 *Forming an Opinion and Reporting on Financial Statements*.

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/Archive/Disciplinary-Orders

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About HKICPA

The Hong Kong Institute of Certified Public Accountants 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 has over 47,000 members and over 12,000 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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