



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), a certified public accountant and a corporate practice

(HONG KONG, 20 May 2021) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr. Edmund Siu, certified public accountant (practising) (A15356), Mr. Yip Kai Yin, certified public accountant (A23951) and Elite Partners CPA Limited (M0269) (collectively “Respondents”) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Elite audited the consolidated financial statements of **China National Culture Group Limited** (formerly known as China Railsmedia Corporation Limited), a Hong Kong listed company, and its subsidiaries for the year ended 31 March 2014. Siu was the engagement director and Yip was the engagement quality control reviewer.

The Institute received a referral from the Financial Reporting Council about deficiencies in the audit. **The financial statements included goodwill arising from the group’s acquisition in 2012 of a business that engaged in the development and operation of a mobile phone application for restaurant reservations. The application was under development and had not been launched as at 31 March 2014.**

In assessing impairment of the goodwill, **the Respondents placed reliance on a cash flow forecast of the acquired business prepared by management. In doing so, they failed to obtain sufficient appropriate evidence to support the estimated number of subscribers to the application and subscription price adopted in the forecast. The Respondents also failed to prepare sufficient audit documentation on the expected launch date of the application, and their evaluation of the continued validity of the group’s agreement with a third party for marketing the application.**

The Institute concluded as follows:

- (i) Siu and Elite failed or neglected to observe, maintain or otherwise apply the following professional standards:
 - Hong Kong Standard on Auditing (“HKSA”) 230 *Audit Documentation*;
 - HKSA 500 *Audit Evidence*; and
 - HKSA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*.
- (ii) Yip failed or neglected to observe, maintain or otherwise apply HKSA 220 *Quality Control for an Audit of Financial Statements*.

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. Each of Siu, Yip and Elite pay an administrative penalty of HK\$50,000 to the Institute, and they jointly pay the costs of the Institute and the Financial Reporting Council totalling HK\$289,594.80.

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 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.

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香港會計師公會對一名執業會計師、一名會計師及一間執業法團作出監管行動

(香港，二零二一年五月二十日) 香港會計師公會就執業會計師蕭俊文先生 (會員編號：A15356)、會計師葉啟賢先生 (會員編號：A23951) 及開元信德會計師事務所有限公司 (執業法團編號：M0269) (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。

開元信德曾審計香港上市公司中國國家文化產業集團有限公司 (前稱中國鐵聯傳媒有限公司) 及其附屬公司截至二零一四年三月三十一日止年度的綜合財務報表。蕭先生及葉先生分別是該審計項目的執業董事及質量控制覆核人。

公會收到財務匯報局的轉介，指該審計項目有違規情況。有關財務報表包括該集團在二零一二年收購一項從事開發及營運餐廳訂座手機應用程式的業務所產生的商譽。於二零一四年三月三十一日，該應用程式仍在開發中及尚未推出。

答辯人評估該商譽的減值時，倚賴管理層就該收購業務所編備的現金流預測。然而，答辯人未有就預測的估計應用程式訂購量及訂購價格獲取足夠及適當的憑證。此外，答辯人沒有就應用程式的預計推出日期，以及他們對該集團與第三方所訂的應用程式推廣協議的持續有效性所作的評估，編備充分的審計憑證。

公會的結論如下：

- (i) 蕭先生及開元信德沒有或忽略遵守、維持或以其他方式應用以下專業準則：
- Hong Kong Standard on Auditing (「HKSA」) 230 「Audit Documentation」；
 - HKSA 500 「Audit Evidence」；及
 - HKSA 540 「Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures」。
- (ii) 葉先生沒有或忽略遵守、維持或以其他方式應用 HKSA 220 「Quality Control for an Audit of Financial Statements」。

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的事實及違反了專業準則之處；
2. 答辯人被譴責；及
3. 蕭先生、葉先生及開元信德須分別繳交公會行政罰款 50,000 港元，並須共同繳交公會及財務匯報局的費用共 289,594.80 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、發展和監管香港的會計專業。公會會員逾 46,000 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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