



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 firm and two certified public accountants

(HONG KONG, 11 May 2022) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against KPMG (0035), Mr. Muk Chung Wing, certified public accountant (A05062) and Ms. Wong Sau Ling, certified public accountant (F02782) (collectively “Respondents”) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

KPMG audited the consolidated financial statements of **Merry Garden Holdings Limited (currently known as China Environmental Technology and Bioenergy Holdings Limited), a Hong Kong listed company, and its subsidiaries for the year ended 31 December 2015.** Muk was the engagement partner and Wong was the engagement quality control reviewer.

The Institute received a **referral from the Financial Reporting Council (“FRC”) about deficiencies in the audit. The Respondents failed to identify that earnings per share disclosed in the financial statements were misstated. The misstatement had resulted from errors in calculating the weighted average number of shares outstanding after a bonus share issue and an open offer of shares made by the company during the year.**

The Institute concluded that, in the audit, KPMG and Muk failed or neglected to observe, maintain or otherwise apply 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, and Wong failed or neglected to observe, maintain or otherwise apply Hong Kong Standard on Auditing 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. KPMG, Muk and Wong pay an administrative penalty of HK\$50,000, HK\$35,000 and HK\$35,000 respectively to the Institute, and they jointly pay the costs of the Institute of HK\$15,000 and of the FRC of HK\$127,905.07.

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 17,000 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會計師事務所及兩名會計師作出監管行動

(香港，二零二二年五月十一日) 香港會計師公會就畢馬威會計師事務所(事務所編號: 0035)、會計師麥宗永先生(會員編號: A05062)及會計師王秀玲女士(會員編號: F02782)(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。

畢馬威曾審計香港上市公司美麗家園控股有限公司(現稱中科生物控股有限公司)及其附屬公司截至二零一五年十二月三十一日止年度的綜合財務報表。麥先生是審計項目的合夥人，而王女士是審計項目的質量控制覆核人。

公會收到財務匯報局的轉介，指該審計項目有違規情況。答辯人未能發現該控股公司於財務報表上錯誤列報每股盈利的數額。此誤報源於該公司錯誤地計算於年中已發行紅股及公開發售股份後的股份加權平均數。

公會認為畢馬威會計師事務所及麥先生在審計過程中沒有或忽略遵守、維持或以其他方式應用 Code of Ethics for Professional Accountants 第 100.5(c) 及第 130.1 條有關「Professional Competence and Due Care」的基本原則，而王女士沒有或忽略遵守、維持或以其他方式應用 Hong Kong Standard on Auditing 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之事實及違反專業準則之處；
2. 答辯人被譴責；及
3. 畢馬威會計師事務所、麥先生及王女士須分別繳付罰款 50,000 港元、35,000 港元及 35,000 港元，以及共同繳付公會費用 15,000 港元及財務匯報局的費用 127,905.07 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 17,000。

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。

香港會計師公會聯絡資料：

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