

Press Release

14 April 2020

### Completed investigation

On 7 April 2020, the FRC adopted the investigation report on the audit of the consolidated financial statements of a listed entity and its subsidiaries (**the Group**) for the year ended 30 June 2012.

The FRC found that the auditor, the engagement partner and the engagement quality control reviewer for the relevant audit failed or neglected to observe, maintain or otherwise apply certain professional standards in relation to the Group's investments in associates.

The investigation revealed that the auditor and the engagement partner failed to perform the relevant audit, in relation to the Group's investments in associates, in accordance with the relevant provisions of Hong Kong Standard on Auditing (**HKSA**) 200 (Clarified) *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing*, HKSA 500 (Clarified) *Audit Evidence*, and HKSA 700 (Clarified) *Forming an Opinion and Reporting on Financial Statements*.

It was also found that the engagement quality control reviewer of the relevant audit failed to fully comply with the relevant provisions of HKSA 220 (Clarified) *Quality Control for an Audit of Financial Statements*.

The investigation report has been referred to the Hong Kong Institute of Certified Public Accountants to determine if any disciplinary actions are warranted. Names of the relevant parties are withheld because of the potential disciplinary proceedings.

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## **Note to editors**

### **About the FRC**

The FRC is the full-fledged independent listed entity auditor regulator for Hong Kong committed to upholding the quality of financial reporting of listed entities of Hong Kong so as to enhance investor protection and strengthen investor confidence in corporate reporting. For more information about the statutory functions of the FRC, please visit [www.frc.org.hk](http://www.frc.org.hk).

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