



Transparency Report 2024

RSM Hong Kong

Report for the year as of 31 December 2024

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING



RSM

RSM – a growing global organisation

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RSM Hong Kong

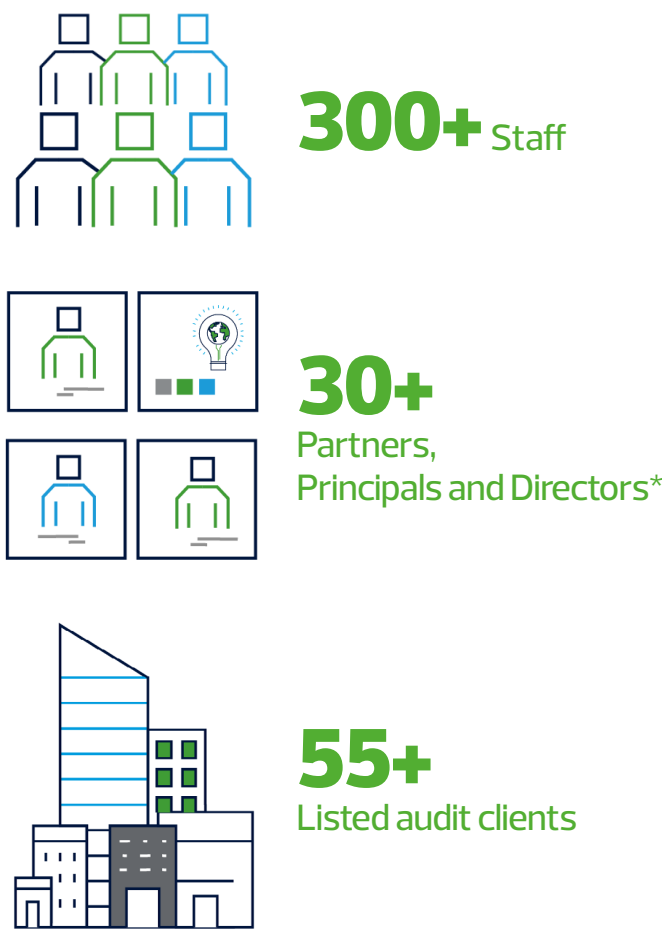
RSM Hong Kong was established in 1975 and is today one of the leading accounting and consulting firms in Hong Kong, offering a wide range of services to local, mainland China and international clients.

RSM Hong Kong was established in 1975 and is today one of the leading accounting and consulting firms in Hong Kong, offering a wide range of services to local, mainland China and international clients. Comprising our assurance practice, RSM Hong Kong, together with our related technology consulting practice, RSM Technology (Hong Kong) Limited, we provide a broad range of audit and assurance services, as well as technology and management consulting services.

Our Audit and Assurance services include audits of listed, multi-national and private companies, IPO services, financial statement reviews, ESG Sustainability Assurance, IT audit and Cybersecurity audit. Our Technology and Management Consulting services include digital strategy, ERP advisory, data analytics, crypto-asset consulting, IT security and privacy consulting.

RSM Hong Kong has over 300 personnel based in Hong Kong and enjoys a client list comprising successful individuals and companies of all sizes, with different needs and from all parts of the world, all with the common aim of participating in the economic growth of the Asia Pacific Region.

RSM Hong Kong key statistics as at 31 December 2024



** Represents Partners, Principals and Directors of professional service lines*



Global vision backed by local knowledge

The RSM Network

RSM Hong Kong is a member of the RSM network, a global network of assurance, tax and consulting firms with offices world-wide. RSM is a world leader in the provision of audit, tax and consulting services to entrepreneurial, growth-focused organisations. Through collaboration, deep understanding of what matters most to clients, and insight sharing by senior partners, RSM empowers clients to move forward with confidence and realise their full potential wherever they operate across the globe.

Having close and strong relationships between the partners in RSM member firms around the world is a crucial factor in enabling RSM Hong Kong to deliver exceptional client service. Building these close relationships has always been a top priority for both our firm and the network as a whole.

RSM Hong Kong partners and staff actively participate in the annual RSM Asia Pacific conference and the annual RSM World Conference, as well as RSM regional operating groups, leadership groups, and other technical committees, which all further encourage RSM partners and internationally active staff to meet regularly to share best practices, develop an understanding of other cultures and build cross-border teams to help better serve our international clients.

Revenue growth

of 6%* to US\$10bn**

* 2023 global fee income US\$9.4bn
** Revenue growth percentage calculated using constant currency conversions

RSM statistics



Whilst RSM is the brand name used by all member firms of the network, each firm is a separate legal entity practicing in its own right.

RSM member firms are driven by a common vision of providing high quality professional services both within their domestic market and in serving the international professional service needs of their client base. At RSM, we help clients overcome new challenges, embrace change and adapt to thrive. By working together, creating deep insights, combining world-class technology and real-world experience, we deliver understanding that's unmatched, and confidence that builds for a changing world.

The RSM network connects members through common methods and processes, including universally agreed and applied quality management standards and procedures. These connections enable all RSM partners and staff to provide consistently high quality of service and advice to clients – everywhere in the world.



Taking charge of change

RSM International and all RSM member firms consider strong data and information security to be paramount in ensuring that client and employee data is always protected. To deliver a strong and consistent information security management system, RSM Hong Kong has achieved certification to the internationally recognised ISO 27001 information security standard. All other RSM members are working towards achieving the ISO 27001 certification to demonstrate to clients that RSM has robust policies and controls in place that help to maintain the confidentiality, availability and integrity of all client and employee data.

Since the launch of RSM's 2030 Global Strategy RSM has established the critical building blocks for ongoing growth, transformation and change across the network, focusing on four Strategic Drivers – People, Clients, Technology and Solutions. RSM is dedicated to developing an unrivalled, inclusive culture and talent experience, believing investment in both people and technology to be critical to sustained growth and delivering rich, personalised client experiences.

As of 31 December 2024, RSM has Members and Correspondents in 120 countries and has a presence in each of the top 40 major business centers throughout the world, with 900 offices, 65,000 staff and global revenues in excess of US\$10 billion, of which, approximately US\$3.2 billion was derived from assurance services.

Membership of the Forum of Firms

RSM International is a member of the Forum of Firms, an association of international networks of accounting firms that perform transnational audits. RSM is active in and fully supports the objective of the Forum of Firms, which is to promote consistent and high-quality standards of financial reporting and auditing practices worldwide and to support convergence of national audit standards with the International Standards on Auditing. RSM's Global Leader for Quality & Risk, currently represents RSM as a member of the IFAC Transnational Auditors Committee (TAC). The TAC is broadly responsible for implementing and advancing the Forum's objectives and operations and serves as the official link between IFAC and the Forum of Firms.



RSM Hong Kong's people and culture

The Power of Being Understood

RSM Hong Kong's purpose, centred around The Power of Being Understood, is all about confidence. When clients work with RSM Hong Kong, they are working with professionals who will take the time to truly understand them, who will bring tailored ideas and insights to their environment and who are committed to helping them make confident decisions about their future.

RSM Hong Kong's vision is 'to be the provider of choice to entrepreneurial growth-focused organisations who are looking for assurance and specialist consulting services that will create lasting success and help them reach their goals'.

As part of the RSM network, RSM Hong Kong also shares a common vision 'to be the leading provider of professional services to the middle market and to be known globally for delivering innovative solutions, lasting value and confidence'.

As a set of principles towards realising this vision, RSM Hong Kong has three distinguishing beliefs – always being collaborative; being committed to understanding; and being focused on bringing valuable ideas and insights:



Collaboration
Building strong, collaborative and lasting relationships with all our clients; being accessible, responsive and adaptive.



Understanding
Gaining a deep understanding of our clients' needs, strategies and aspirations and striving to be an essential part of their business environment.



Ideas and insight
Ensuring every client benefits from tailored thinking and the insight of our professionals locally and globally.

Our strategic drivers

To work toward our vision, RSM Hong Kong adheres to the four network established strategic drivers towards achieving the overall RSM strategy, which is to be perceived as one global organisation, that is inspiring, contemporary and forward-looking:

PEOPLE
Drive an unrivalled, inclusive culture and talent experience

Our goal is to attract and retain talent through our global employer brand strength, global ESG stances, our professional development initiatives and international secondment opportunities. We invest in upskilling, supporting and developing our people, promoting diversity and individual empowerment, while building commercial acumen and modern leadership attributes that are critical to adequately serving our client base

TECHNOLOGY
Champion and embrace future-focused agile, digital and global delivery models

Our goal is to embrace new technologies to drive innovation, guide our service approach and inform our business decisions.

CLIENTS
Deliver rich personalised experiences through market-leading insights

We strive to create exceptional client experiences through delivering relevant and impactful solutions – leveraging from our global expertise and capability as needed – in order to provide insights that instill confidence.

SOLUTIONS
Win with industry and compelling global products and services

In both our assurance and technology management consulting services, we aim to provide solutions that enable the sustainable development of a client's business, rather than merely delivering the individual services that we provide.



Empowering our people through accessible training and development, RSM Hong Kong is dedicated to fostering excellence and innovation, ensuring our teams excel in an ever-evolving business landscape, and to meet the highest standards while embracing our unique local cultures. ”

Chris Wong
Head of Staff Development

Learning and development

Facilitating widespread access to training, development, insights and best practice is a core feature of how the network collaborates to enable member firms to develop their people. RSM's global learning management system plays a key role in supporting RSM Hong Kong to achieve this. The courses and modules, many of which are available in multiple languages, include learning around:

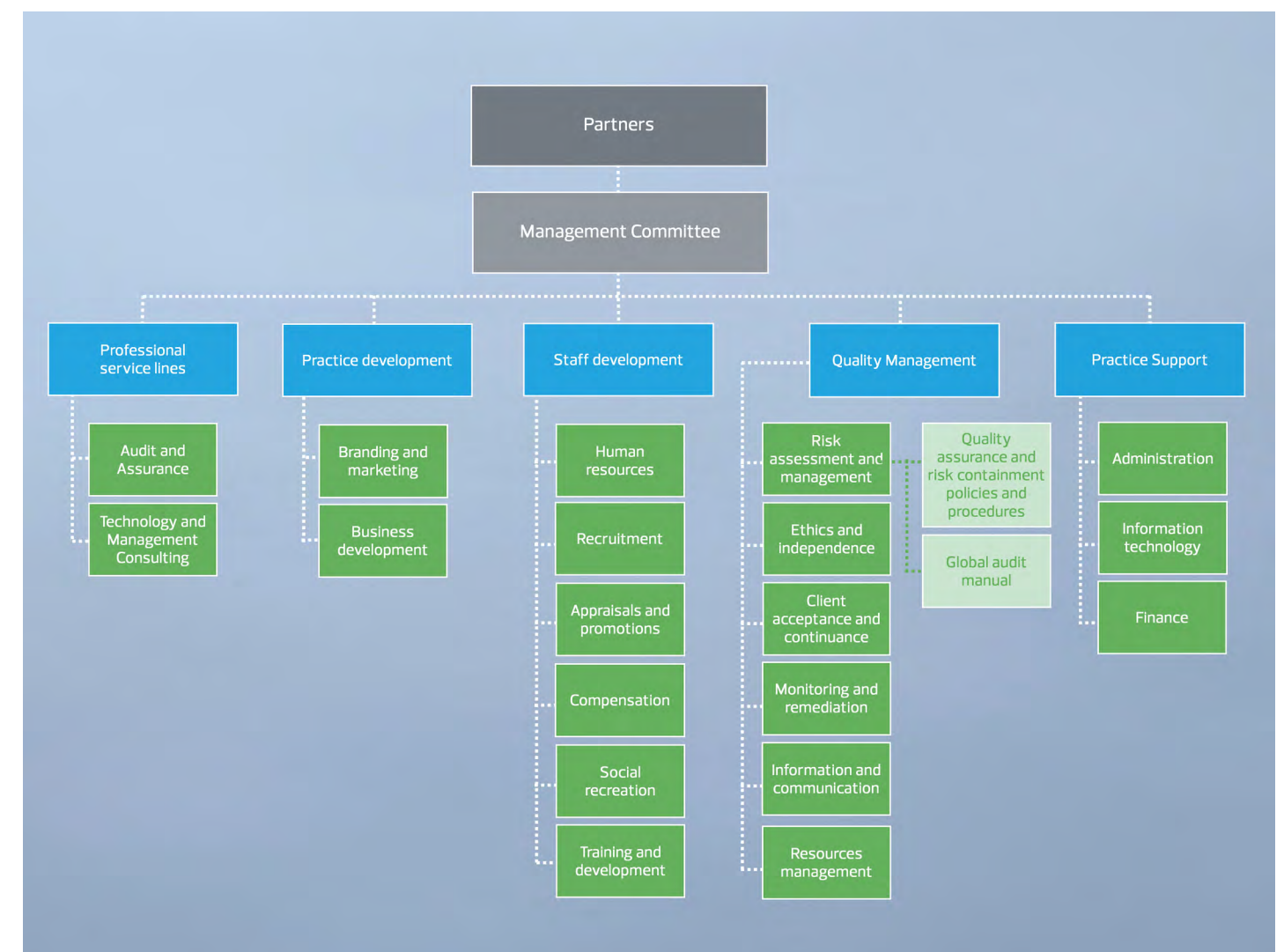
- Technical, software and procedural service line training
- Business development and marketing
- Ethics and independence and quality management
- Data and technology management
- Business software and systems
- Leadership and management skills

Members expectations

RSM sets expectations for members to ensure that there are consistently high standards of performance and capability throughout RSM. These expectations describe how RSM conducts itself in professional dealings and how members connect with each other and with their clients. This is not a set of rules, but rather, a set of benchmarks to align all members behind a common vision to achieve RSM's global strategic objectives. All members agree to specific requirements in their Membership Agreement regarding expected behaviours, but RSM also encourages its member firms to maintain their own personality, relevant to their local cultures, while still serving the needs of the network and their clients at the highest level.

Legal structure and ownership

RSM Hong Kong governance structure



Management committee

RSM Hong Kong, a partnership of certified public accountants formed in Hong Kong in 1975, is registered with the Hong Kong Institute of Certified Public Accountants (HKICPA) since before 1 October 2022, and with the Accounting and Financial Reporting Council since 1 October 2022.

The Firm is led by a Management Committee of the equity partners. The operation of the Firm is supported by various non-practicing departments, including finance and administrative, human resources, information technology, and a technical department.

Additionally, RSM Hong Kong is supported by the RSM network, which provides a range of network resources and services, including, but not limited to, audit methodology and tools, quality management curriculum, on-line learning platform, and access to human resources from other RSM member firms in other countries and locations.

The Management Committee currently comprises six equity partners and is responsible for the formulation of strategy for the consideration and approval by the partners, execution of strategies as laid down by the firm, and for monitoring operations.



RSM Hong Kong is one of the leading CPA firms in Hong Kong and our professionals are well-versed in accounting and auditing standards and other regulations prevailing in Hong Kong, Mainland China as well as other economies which are major business partners of Hong Kong. We conform to the highest international standards.

Through its membership of RSM International, RSM Hong Kong offers responsive and quality international services to individuals and clients of all sizes, combined with a traditional approach of providing a tailored, personalised service to all clients.

Stephen Wong
Managing Partner



Wong Poh Weng
Chairman



Stephen Wong
Managing Partner



Chris Wong
Head of
Staff Development



Ronald Yam
Partner of
Audit and Assurance



Maria Tsang
Partner of
Audit and Assurance



Jason Yau
Head of Technology

The Management Committee is assisted by various service and administrative departments and department heads in executing our strategies and administrating the day-to-day operations. The Management Committee, which is appointed by the partners, comprises Stephen Wong, Wong Poh Weng, Chris Wong, Ronald Yam, Maria Tsang and Jason Yau.

The Management Committee has the overall responsibility for the on-going maintenance, operation and communication of the firm's System of Quality Management for the professional services which the firm provides. The Management Committee's responsibilities include ensuring that the firm's quality assurance & risk containment policies and procedures are communicated to all the firm's partners and professional staff by dissemination in appropriate briefing memoranda or through training seminars and meetings. The communication stresses that each individual has a personal responsibility for quality and is expected to comply with the firm's policies and procedures in carrying out his/her work. The Management Committee also has overall responsibility for the resolution of quality assurance matters arising within the firm.

Chairman and International Contact Partner



Wong Poh Weng

Chairman

Wong Poh Weng joined RSM Hong Kong in 1985 and currently serves as the firm's Chairman. He obtained a Bachelor of Science from The University of Essex and qualified (Fellow Member, The Institute of Chartered Accountants in England and Wales) with PricewaterhouseCoopers, London, in 1976. He was seconded to their Hong Kong office in 1978, heading up an audit group specialising in corporate reviews, valuations and investigations.

In his 40 years of distinguished service to RSM Hong Kong, Poh Weng has held leading roles in the RSM network, being a former member of the RSM International Board of Directors, former Chair of the RSM Global Audit Committee and was the former Chairman of the RSM Asia Pacific Council.

Managing Partner



Stephen Wong

Managing Partner

Stephen Wong qualified with PricewaterhouseCoopers, Hong Kong before joining RSM Hong Kong in 1988 where he was made a partner in 1991. He is currently the Managing Partner and Head of Audit of the Firm. He formerly served for more than 15 years as a member of the Global Quality Committee (GQC) of RSM International. The GQC oversees all quality, technical and inspection matters in the RSM network and is also responsible for the development and maintenance of the RSM Global Audit Methodology.

As Head of Audit, Stephen has overall responsibility for the design, operation and compliance with the firm's quality assurance and risk containment policies and procedures for the firm that meet or exceed the relevant professional requirements of both RSM and the Hong Kong SAR. Stephen is also assigned as the individual with ultimate responsibility and accountability for the Firm's System of Quality Management (SoQM).

These responsibilities include:

- Establishing and overseeing the design and implementation of appropriate firm policies and procedures to reasonably ensure that all audit, review and other assurance/related services engagements are conducted in accordance with RSM Ethics and Independence, Continuing Professional Development, Audit and Quality Assurance and Risk Containment Policies, as a minimum, and all relevant professional standards and regulatory and legal requirements;
- Designating responsibility for the development and maintenance of the firm's policies and procedures, which are in compliance with professional standards and legal and regulatory requirements, to appropriately qualified and experienced individuals;
- Designating engagement quality review responsibilities for audit, review and other assurance/ related services engagements to suitably qualified individuals and assigning appropriately experienced individuals to serve as engagement quality reviewers, where required under the firm's policies and professional standards;
- Overseeing the assignment of partners to audit, review and other assurance/related services engagements, to ensure compliance with applicable RSM and HKICPA requirements, as a minimum;
- Establishing a process of consultation which ensures that matters requiring consultation will be identified and addressed by consultants with the appropriate level of technical knowledge and experience, either from within or outside of the firm;
- Evaluating the Firm's SoQM and concluding whether the SoQM provides the firm with reasonable assurance that the objectives of the system are being achieved; and
- Coordinating the periodic monitoring of the design and operational effectiveness of the firm's system of quality management with the RSM Global Executive Office; ensuring that any deficiencies identified from the monitoring and remediation process are communicated to all partners and professional staff on a timely basis, including to the Management Committee, and that appropriate remedial actions are implemented within the firm.

Other members of Management committee



Chris Wong

Head of Staff Development

Chris obtained a Bachelor of Arts (Honors) from The University of Hong Kong. He joined RSM Hong Kong from Ernst & Young as a Senior Manager in 2000 and became a partner in July 2004. He is experienced in conducting audit and capital market work in Hong Kong and Singapore. His primary responsibilities are corporate finance and audits of companies targeting capital markets.

His responsibilities as the firm's Head of Staff Development include:

- Identifying the firm's personnel needs at all levels, including methods of identifying, contacting and attracting potential new employees;
- Establishing guidelines for the attributes, qualifications and experience sought for each classification of employee and hiring personnel which are appropriate for the positions for which they are hired;
- Developing guidelines for the responsibilities, skills and knowledge to be demonstrated at each partner and staff level, ensuring that personnel at all levels are aware of the responsibilities of their position;
- Ensuring that the firm evaluates the performance of all professional personnel, including partners and directors, and advises them of their progress within the firm; and
- Ensuring that advancement decisions are made on a timely and fair basis for all professional personnel, including partners.



Ronald Yam

Partner of Audit and Assurance

Ronald is a partner of RSM Hong Kong, specialising in audit and assurance services with 45 years of experience in the accounting industry. He began his career at M.K. Yam & Co, his father's accounting firm in 1977 and became a Partner of the firm in 1987. Ronald later served as a Partner at Lai & Fan, Sothertons in 1996 when the two firms merged and a Partner of RSM Hong Kong in 1999 following the merger between Lai & Fan, Sothertons and RSM Hong Kong.

Ronald has served as the engagement leader on several Initial Public Offering exercises in Hong Kong. He has extensive experience in providing auditing and financial advisory services to listed and private clients in a wide range of industries. Ronald had also been engaged in handling tax investigation assignments in the past.

Other members of Management committee



Maria Tsang
Partner of Audit and Assurance

Maria obtained the Bachelor Degree of China Law from The Peking University in China. Maria is a qualified accountant with more than 30 years of experience in audit and business advisory services. Maria worked in a reputable accounting firm in the United Kingdom before joining RSM Hong Kong where she was made a partner in 2009.

Maria is experienced in cross-border audit of multinational enterprises and is responsible for a wide range of listed and private clients in various industries. Maria is also experienced in capital market work and was engaged in several transactions and initial public offerings of the Main Board and GEM Board of the Hong Kong Stock Exchange. She was also engaged in initial public offerings of the Alternative Investment Market of the London Stock Exchange and Main Board of Singapore Stock Exchange.



Jason Yau
Head of Technology

Jason is the Head of Technology of RSM Hong Kong with 20 years of auditing and consulting experience. He has been with RSM since 2004 and was a member of the RSM US global expatriate team before joining RSM Hong Kong in 2016. He was originally based in the RSM US New York office, providing audit and consulting services to financial institutions and asset management companies.

Jason currently leads the Technology and Management Consulting division at RSM Hong Kong in providing IT assurance, security and privacy, digital transformation and ERP advisory services for regional and global clients. He is also a member of the firm's Management Committee, where he contributes significantly to shaping the firm's IT strategy and direction as well as marketing initiatives.

Jason held the position of the Asia Pacific Regional Leader of RSM International from 2020 to 2023. His key responsibility was to work closely with regional RSM member firms in implementing the global strategy. This involved overseeing crucial areas such as brand management, client service, marketing, business development, training, service offerings and succession planning. He also served and played an active role in numerous RSM global committees and task forces, including the Global Digital Advisory Committee, the Global Innovation Committee, the Global Financial Services Committee and the Global Strategy Taskforce – Action Learning Group.



Helping you move forward
with confidence

Other key individuals within the firm's System of Quality Management



Gary Stevenson

Head of Ethics and Independence, Head of IFRS and Head of Continuing Professional Development (CPD)

Gary is a partner in the technical department and advises the firm's audit and assurance practice on professional standards requirements. Before joining RSM Hong Kong in December 2015, Gary accumulated 15 years' experience in the technical departments of other international accounting firms. Gary was formerly the Chairman of the Financial Reporting Standards Committee of the HKICPA and is currently a member of the RSM Global IFRS Committee.

As the firm's Head of Ethics and Independence, he is responsible for:

- Adopting and implementing ethics and independence policies which meet or exceed RSM and HKICPA requirements;
- Monitoring and overseeing the implementation of procedures to ensure compliance with Ethics and Independence policies by all professional employees across all service lines;
- Maintaining and monitoring the integrity of the Firm's data held on RSM's global independence conflict-checking database and conducting periodic completeness and accuracy testing;
- Resolving independence questions and conflicts arising, if necessary, through the firm's consultation procedures;
- Ensuring that all personnel in the firm are knowledgeable and understand the firm's Ethics and Independence policies and procedures and changes thereto; and
- Coordinating and completion of the firm's annual Independence Confirmation by all professional employees.

Being the firm's Head of CPD, his responsibilities include:

- Establishing, and periodically monitoring the effectiveness of the annual CPD plan which ensures that personnel at all levels are receiving the appropriate CPD which will meet or exceed RSM CPD policies and HKICPA requirements;
- Ensuring personnel at all levels are enrolled and attended CPD courses and programmes which are appropriate for their level and responsibilities to meet HKICPA and RSM requirements, and encouraging them to participate in any other professional activities;
- Ensuring internally developed materials have been reviewed for technical accuracy and completeness and any external training is acquired from organisations with appropriate expertise;
- Maintaining records evidencing the content and method of delivery, records of attendance and the evaluation of CPD programmes attended or completed by personnel at all levels; and
- Ensuring the firm has an adequate library of technical and other relevant materials appropriate for the firm's professional staff and which all staff have access to.



Kevin Chowdhay

Head of Quality and Risk

Kevin joined our Firm in late 2022 to take over the operational responsibility for the Firm's newly designed System of Quality Management (SoQM). Since that time, he is continually involved in reviewing and updating the scale, scope and operations of our SoQM to respond to continuing changes in the local environment and the needs and expectations of our stakeholders, with the overall objective of enhancing the quality of the services that we provide.

Kevin previously spent more than 20 years with RSM International. As a member of the RSM Quality and Risk Team, Kevin's primary responsibilities included the design, implementation, and operation of RSM's global monitoring and inspection activities across all network member firms and supporting the development and continued enhancement of global quality assurance, risk containment, audit methodology and training policies.

His responsibilities as the firm's Head of Quality and Risk, as well as the operational responsible partner for the Firm's SoQM and the Firm's monitoring and remediation process include:

- Ensuring adherence to and compliance with RSM network policies and procedures;
- Reviewing and updating the scale, scope and operation of the Firm's SoQM to respond to continuing changes in the local environment and the needs and expectations of the Firm's stakeholders;
- Enhancing the quality of the professional services provided by the Firm;
- Coordinating and supervising the Firm's inspection and monitoring activities;
- Communicating the results and conclusions of the Firm's inspection and monitoring activities; and
- Evaluating the effectiveness of remedial actions and monitoring the implementation of remedial plans.

The **quality of our work** is fundamental to our firm’s mission, shaping our reputation and driving everything we do. We are continually **making significant investments in quality improvement across all facets of our business, striving to not only meet but surpass client expectations.**



System of quality management

The quality of our work is at the heart of our firm and we continually invest significant resources in quality enhancement across our business. We define quality service as one that meets the expectations of our stakeholders and which complies with all applicable standards, policies and ethical requirements, as well as the minimum requirements set out in RSM policies and procedures.

In accordance with Hong Kong Standard on Quality Management (HKSQM) 1 published by the HKICPA, which is fully aligned with the International Standard on Quality Management (ISQM) 1 issued by the International Auditing and Assurance Standards Board, RSM Hong Kong was required to design, implement and operate a System of Quality Management (SoQM) starting from 15 December 2022. HKSQM 1 applies to all firms performing audits or reviews of financial statements, or other assurance or related services engagements. RSM Hong Kong is committed to performing high quality engagements and acting in the public interest and has fully adopted and implemented these requirements from the effective date.

A SoQM addresses the following components:

- The Firm's Risk Assessment process
- Governance and Leadership
- Relevant Ethical requirements
- Acceptance and Continuance of client relationships and specific engagements
- Engagement Performance
- Resources
- Information and Communication
- The Monitoring and Remediation process

In adopting HKSQM 1, RSM Hong Kong has applied a risk-based approach to design, implement and operate these components in a coordinated manner, such that RSM Hong Kong proactively manages the quality of all engagements performed by the firm.

RSM Hong Kong performs on-going monitoring and remediation activities over its SoQM and completes a SoQM performance assessment at least annually. The objective of our SoQM is to provide our firm with reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by our firm and its engagement partners are appropriate in the circumstances.

Based on our latest annual evaluation completed in December 2024, RSM Hong Kong was able to conclude that its system of quality management provides the Firm with reasonable assurance that the objectives of the system of quality management are being achieved.

Root cause analysis is performed whenever any improvement areas are identified, supported by a remediation plan to effectively address matters arising. As our services change and develop, and the needs and expectations of our stakeholders also change, we are continually reviewing and updating the scale, scope and operations of our SoQM and investing in programmes to enhance the quality of the services that we provide. Our SoQM will continually evolve over time.

Our quality management is embedded in everything we do, including, but not limited to:

- Hiring of professional staff through structured interview processes;
- Providing training programmes to ensure our staff are kept up to date with the latest technical knowledge and to equip them with other necessary skills to execute assignments;
- Development of methodology, policies and guidance to enable engagement teams to consistently comply with applicable professional standards, regulations and legal requirements; and
- Supporting our engagement teams through technical support and consultations.

The core of our SoQM lies in our Quality Assurance and Risk Containment (QARC) Policies which integrate quality management into the Assurance business processes and the firm-wide risk management process. The QARC Policies establish overall quality objectives for the Assurance practice focusing on having the people and processes to deliver Assurance engagements in an effective and efficient manner that meets the expectations of our clients and other stakeholders.

The achievement of these objectives is supported by a quality management process established by our Management Committee with inputs and feedback from our partners and staff. This quality management process includes risk identification, risk responses, monitoring and continuous improvement through root cause analyses and remedial actions, as well as a quality-related recognition and accountability framework to be used in appraisals, remuneration, and career progression decisions.

In addition, having adopted the internationally recognised ISO 27001 information security standard, the firm has robust policies and controls in place that help to maintain the confidentiality, availability and integrity of all client data and that also supports the design, implementation and operation of our SoQM.

We consider that our systems are compliant with all applicable professional standards in all material respects. Our organisational structure, policies, procedures and communication programmes promote an internal culture of quality on all services provided by the firm.

The firm is committed to quality and expects all our partners and staff to embrace quality, act with honesty and integrity and take personal responsibility for the quality of their work. Any failure to act in this manner will result in disciplinary action.

This is reinforced in our quality assurance policies and procedures and our staff development and CPD policies. All of RSM Hong Kong policies and procedures meet or exceed the recommendations and policies issued by RSM International.

These policies, procedures and monitoring activities provide our Management Committee with reasonable assurance that our partners and staff have complied with applicable professional, ethical and regulatory requirements, that work has been performed to a consistently high-quality standard and that appropriate reports have been issued.

Anticipating the challenges of tomorrow to bring long-term value today

Some of the individual policies and procedures that the firm has developed to support the operation of the components of its overall system of quality management include:

Acceptance and continuance of client relationships and specific engagements

It is our policy to accept engagements only with those clients who meet the firm's key acceptance criteria. Such criteria include client integrity, independence, understanding of the client's needs and service requirements and the adequacy of our capabilities in terms of available resources, expertise and sufficient time to perform the work required by the client and to render the necessary reports within the agreed timetable.

It is our policy to obtain such background information as considered necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing client engagement and when considering acceptance of a new engagement with an existing client. Background checks include:

- Our KYC (know your client) procedures include obtaining all information that is publicly available and carrying out reference checks with a customer

Assignment of engagement teams

The head of each professional service line is responsible for establishing and maintaining suitable processes for the assignment of a lead partner to take responsibility for each engagement on behalf of the firm. They also ensure that the basis upon which assignments are made is reviewed regularly and that it includes the requirement that the identity and role of the engagement partner are communicated to the key members of client management and those charged with governance. The responsibilities of the engagement partner are clearly defined and communicated.

due diligence screening solution provider such as SentroWeb-DJ of which we are subscribers; on-going monitoring is then performed for any client relationship entered into; and

- Our independence procedures include carrying out both internal and international conflict checks.

These evaluation and re-evaluation procedures are documented and approved by the engagement partner. In circumstances where issues are identified including any firm conflict or personal conflict of interest, the engagement partner is required to consult, and to document the consultation, with one or more specified individuals before accepting or continuing an engagement or relationship. The level of approval required to accept a client depends on the risk assessment. Prospective and existing clients assessed as high risk require approval by the firm's Management Committee.

The engagement partner is responsible for ensuring that the engagement team has the appropriate expertise, ability and time to perform the engagement in accordance with professional standards and applicable local regulatory or legal requirements, to enable an appropriate report or other deliverable to be issued in the circumstances and within required timeframes.



Engagement performance

The head of each professional service line is responsible for ensuring each principal service line develops specific performance and documentation requirements for services provided in their service line, including the form and content of workpapers.

The engagement partner has the overall responsibility for the direction, supervision and performance of the engagement in compliance with applicable professional standards, regulatory and legal requirements and for ensuring an appropriate report or other deliverable is issued.

Specific responsibilities to manage quality include ensuring:

- engagement team compliance with ethical and independence requirements
- appropriate acceptance and continuance procedures are performed and documented
- the engagement team has the appropriate competence, experience and time available
- an engagement quality reviewer (EQR) is assigned, where required
- appropriate consultations take place
- all work performed is reviewed to ensure it is compliant with applicable professional standards, regulatory and legal requirements and supports the conclusions reached
- the report or other deliverables are in accordance with the terms of the engagement and any specific policies applying to the type of engagement
- considering whether any deficiencies arising from the firm's monitoring and remediation process have any effect on the engagement

Supervision and review

The level of supervision and review will vary with the type of engagement and composition of the team. Each service line is responsible for determining specific review requirements for services they provide. As a minimum, review requirements should ensure that work of less experienced team members is reviewed by more experienced team members and that all work has been properly carried out, concluded upon and documented in accordance with service line policies. In addition, the review should ensure that there is a reasonable basis for the opinions, presentations or conclusions expressed in the report or other deliverables.

The firm's policies require engagement quality reviews (EQRs) to be conducted for any engagement or a client relationship in specified circumstances which indicate an engagement or client to be of higher-than-normal risk. This will include engagements with regulated/ or public interest entity obligations and entities operating in certain industries deemed of higher risk by the firm.

The purpose of an EQR is to provide the firm with assurance, in higher-risk situations, that adequate work has been performed and sufficient supporting evidence obtained and properly evaluated, in support of the report or other deliverables prior to their release. It provides an objective evaluation of the significant judgements made by the engagement team and the conclusions reached in formulating the report or other deliverables.

The head of each professional service line is responsible for assigning an EQR to an engagement where required by the firm's policies. An EQR is required to be an independent partner, or other suitably qualified person, who is not engaged in the performance of the engagement or the provision of other services to the client entity or group of entities. They are required to have the necessary authority, technical competence and industry sector experience to perform an independent review of the quality of the particular engagement or service provided to the client entity or group of entities to which they have been assigned. For example, an engagement quality reviewer assigned to the audit of a publicly traded entity should be an individual who has sufficient experience and authority to serve as an engagement partner on audits of such entities.

Consultations

Our professionals are expected to seek assistance from persons possessing specialised knowledge and expertise whenever they encounter situations where they lack sufficient knowledge and experience and in certain specific situations prescribed by the firm's policies.

The engagement partner is responsible for ensuring that the issue on which consultation was sought and the results of the consultation – including the decisions taken, the basis thereof and how those decisions were implemented – are fully documented and agreed with the persons consulted before the report or other deliverable is issued.



Helping you move forward
with confidence



Monitoring and remediation

Global inspection and RSM Member Firm monitoring programmes

Each individual RSM member firm is required to establish a monitoring and remediation process designed to provide it with reasonable assurance that the policies and procedures relating to its system of quality management over its assurance and other professional services practices are relevant, adequate, operating effectively, and are aligned with RSM expectations and all applicable professional requirements established by the International Federation of Accountants (IFAC) standard-setting boards including:

- International Standard on Quality Management (ISQM) 1, “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”
- International Standard on Quality Management (ISQM) 2, “Engagement Quality Reviews”
- International Standard on Auditing (ISA) 220 (Revised), “Quality Management for an Audit of Financial Statements”
- IESBA International Code of Ethics for Professional Accountants (including International Independence Standards)

A key element of each RSM member firm's monitoring and remediation process is to design and operate an annual inspection programme in accordance with RSM requirements, with the objectives of providing an evaluation of matters including:

- The extent of the firm's alignment with RSM policies and procedures;
- The firm's adherence to local/national professional standards and applicable local/national legal and regulatory requirements;
- Whether the firm's quality management system has been appropriately designed and implemented, so that reports that are issued by the firm and its engagement partners are appropriate in the circumstances; and
- Areas where further actions are needed by either the firm or RSM in order to take appropriate remedial actions or to make improvements to the firm's quality management system.

A distinct benefit of the inspection process is that it provides the opportunity to identify areas for improvement in engagement management and client service production and delivery systems. Under RSM's global inspection programme, an inspection team comprised of partners and staff from other member firms periodically performs an inspection at all RSM members on a cycle not exceeding three years.

RSM global inspections are conducted by independent qualified partners and senior personnel of other member firms under the direction of RSM Global Executive Office personnel and the RSM Global Leader, Quality & Risk. The RSM global inspection programme is also designed to meet the membership obligations of the Forum of Firms. RSM Hong Kong was last subject to an RSM global inspection in 2022 and no significant comments arose.

The RSM International Board has the authority to impose sanctions on a member where non-compliance is identified with respect to adherence to professional requirements and RSM methodologies, policies and procedures.

External monitoring and inspection

Since 1 October 2022, the external monitoring under Hong Kong's regulatory framework is conducted by the Accounting and Financial Reporting Council (AFRC), (formerly known as the Financial Reporting Council (FRC)). The AFRC is responsible for the oversight of auditors in Hong Kong, including the registration of audit practitioners and practices, the issue of practicing certificates and the registration of CPA firms, corporate practices and local Public Interest Entity auditors; as well as regulatory powers, namely inspection, investigation and discipline over practice units and investigation and discipline over individual CPAs.

The AFRC's regulatory inspections are conducted on a cyclical basis according to its policy statements for inspections. RSM Hong Kong is currently subject to an inspection at least once every three years. The last completed inspection was performed by the AFRC in June 2024 and concluded in November 2024. The individual firm results of the inspection are not publicly available but the AFRC publishes an annual report on its inspections, with its 2024 Annual Inspection Report published on its website in July 2025.

RSM Hong Kong also holds registration with various overseas regulators and may be subject to inspections by these bodies. No such inspections have taken place in the year ended 31 December 2024.

Hirofumi
One of the
RSM team

Human resources

RSM Hong Kong has developed and maintains hiring policies and procedures to provide reasonable assurance that individuals are recruited and hired on a timely basis to meet our human resource requirements. An annual recruiting plan is prepared based on projections anticipating expected growth, turnover, advancements, retirements and other factors.

Our personnel needs and hiring objectives are communicated to those involved in hiring. We strive to ensure that individuals we hire have integrity and the motivation and aptitude for the profession and have adequate educational background and qualifications appropriate for the positions for which they are hired. The stages of recruitment include application by form or resume, interview, reference check, offer made and offer accepted.

RSM Hong Kong has ten formal levels of career development across all divisions of the firm. Our career development plan (CDP) specifies relevant subject knowledge, competencies and training for each of these career levels. This includes both technical knowledge and behaviours.

The structure and content of the CDP forms the basis of the performance appraisal process and is an integral part of assessing the progress and capability of all staff. The performance of each professional is continuously evaluated by individuals who are most familiar with the professional's performance. Each professional is assessed every six months as of 1 January and 1 July and formally advised of progress, strengths and weaknesses, future objectives and their development plan by means of an evaluation meeting with an appropriate manager and/or partner/director and the results recorded such that performance can be monitored over an extended period of time.

Advancement decisions are based on performance evaluations so that those selected for advancement have the qualifications and experience and commitment to high quality necessary for fulfilment of the responsibilities they will be called upon to assume and have the necessary commitment to, and understanding of, the firm's ethical requirements and quality assurance and risk containment policies.

Personnel files are maintained by the Human Resources division which include details of career development, experience, performance evaluations and qualifications. Professional development courses are maintained on the staff training records database.

Empowering you for
the future

Training and continuing professional development (CPD)

A firm-wide in-house training programme is prepared on an annual basis. All professional staff are required to attend the training programme as specified by each service line for their respective grades.

Attendance records are maintained and details added to the training database to help monitor that all professionals are completing their required CPD. Attendance is compulsory and any non-attendance is followed-up and may be subject to disciplinary actions for any continued non-compliance.

Members of the HKICPA must complete a minimum of 120 hours CPD (including unstructured CPD) in every three-year period. At least 20 hours must be completed annually. In addition, members who are responsible persons (including engagement partners, engagement quality reviewers, and Quality Control System Responsible Person) of registered Public Interest Entity auditors are required to undertake annually at least 5 verifiable hours of CPD related to PIE engagements, as part of the existing CPD requirements.

RSM Hong Kong's Quality Assurance and Risk Containment Policies require all partners/ directors and professional employees to develop and maintain competencies relevant and appropriate to their work and professional responsibilities. The responsibility for developing and maintaining competence rests primarily with each individual partner/ director and professional employee.

Professional staff are also encouraged to attend external training relevant to their grades and service lines. The firm will reimburse the staff for the appropriate training cost.

As a member firm of RSM International, the firm is required to create and maintain training and CPD programmes that provide partners/directors and professional employees with adequate training and training updates (covering changes to underlying local and international requirements and standards) in the following areas:

- RSM Global Audit Methodology and Hong Kong Auditing Standards
- Ethics and Independence Policies and Procedures
- International and Hong Kong Financial Reporting Standards
- Hong Kong Listing Rules and the AFRC Ordinance
- Relevant taxation laws which effect the determination of amounts and disclosures in audited financial statements
- IT applications used by partners/directors and professional personnel for their employment duties and as evaluators of IT systems in the audit of financial statements
- Industry or product specific knowledge and understanding

RSM Orb

To support member firms in performing high quality audits, RSM developed RSM Orb, RSM's risk-based audit solution. It is comprised of four elements:

- Proprietary Global Audit Methodology
- Global Audit Manual
- RSM documentation template housed in licensed software
- Guidance

In accordance with RSM's strategy to maintain common methods and processes across the Network, RSM Orb is required to be used by all member firms for all audits.

RSM Orb includes requirements for engagement quality reviews and mandatory consultations with a member firm's Head of Audit, Head of Ethics and Independence (or their designees) or another suitably qualified partner, as appropriate.

RSM Orb complies with the requirements of the following:

- International Standards on Quality Management 1 and 2 issued by the International Auditing and Assurance Standards Board (IAASB)
- International Standards on Auditing issued by the IAASB
- International Auditing Practice Statements issued by the IAASB
- RSM Quality Assurance and Risk Containment Policies

RSM Orb can be tailored to include any additional requirements arising from local laws and regulations in each jurisdiction.



Public interest entities

As of December 2024*, public interest entities, as defined in the Glossary of the Code of Ethics for Professional Accountants issued by the HKICPA, are:

- (a) All listed entities; and
- (b) Any entity –
 - i. defined by regulation or legislation as a public interest entity or
 - ii. for which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation may be promulgated by any relevant regulator, including an audit regulator.

RSM Hong Kong is the auditor of the following public interest entities as of 31 December 2024:

Arts Optical International Holdings Limited	Khoon Group Limited
C&D Newin Paper & Pulp Corporation Limited	KuangChi Science Limited
CALB Group Co., Ltd	Longhui International Holdings Limited
CDW Holding Limited	Matrix Holdings Limited
Chanhigh Holdings Limited	Max Sight Group Limited
China Biotech Services Holdings Limited	Minshang Creative Technology Holdings Limited**
China Castson 81 Finance Company Limited	Natural Beauty Bio-Technology Limited
China Energine International (Holdings) Limited	Paladin Limited
China Financial Leasing Group Limited	Phoenician International Limited
China Huirong Financial Holdings Limited	PICO Far East Holdings Limited
China New Consumption Group Limited	Raymond Industrial Limited
China Weaving Materials Holdings Limited	Regent Pacific Group Limited
China Youzan Limited	Satu Holdings Limited
Combine Will International Holdings Limited	Sheen Tai Holdings Group Company Limited
Daohe Global Group Limited	Shentong Robot Education Group Company Limited
ENM Holdings Limited	Shuang Yun Holdings Limited
Finsoft Financial Investment Holdings Limited	Smart-Core Holdings Limited
Future Data Group Limited	South Manganese Investment Limited
GET Holdings Limited	Stelux Holdings International Limited
GINSMS Inc.	Tak Lee Machinery Holdings Limited
Global New Material International Holdings Limited	Tat Hong Equipment Service Co., Ltd
Global Strategic Group Limited	Transtech Optelecom Science Holdings Limited
Green Economy Development Limited	Takbo Group Holdings Limited
Hang Yick Holdings Company Limited	United Energy Group Limited
Heng Tai Consumables Group Limited	UTS Marketing Solutions Holdings Limited
Hong Kong Johnson Holdings Co., Ltd.	Vincent Medical Holdings Limited
IRC Limited	Wah Wo Holdings Group Limited
Infinity Development Holdings Company Limited	Xin Yuan Enterprises Group Limited
Ka Shui International Holdings Limited	YesAsia Holdings Limited
Kaisun Holdings Limited	Zhonghua Gas Holdings Limited
Kelfred Holdings Limited	

* A new definition of public interest entity will come into effect for financial periods commencing on/ after 15 December 2024
** Resigned subsequent to 31 December 2024



Ethics and independence

At RSM Hong Kong, we prioritise ethics and independence to ensure that our firm, partners and professional employees comply with all relevant independence and ethical requirements. We maintain our ethics and independence policies that are designed to provide reasonable assurance that we meet the ethical and independence requirements established by the following, as a minimum:

- International Code of Ethics for Professional Accountants (including International Independence Standards) issued by International Ethics Standards Board for Accountants (IESBA)
- Code of Ethics for Professional Accountants issued by the HKICPA
- RSM Ethics and Independence Policies

Our Head of Ethics and Independence is responsible to augment the firm's policies, as necessary, to the specific requirements of our firm and to reflect all additional local ethical codes or regulatory requirements, which establish higher standards than those reflected in either the IESBA Code or RSM Policies. Partners or professional employees who have any questions regarding the firm's ethics and independence policies are required to consult promptly with the Head of Ethics and Independence. If any RSM Ethics and Independence policy requirements require interpretation, the Head of Ethics and Independence is able to consult with the RSM Global Ethics and Independence Leader at the Global Executive Office.

We communicate our ethics and independence policies to all partners and professional employees during their onboarding process, and we provide ongoing training and continuing professional development programmes to ensure that all professional personnel stay up-to-date with any new or amended requirements.

To ensure compliance, we maintain an up-to-date and accurate register of all assurance clients and their securities issued, with respect to which partners and professional employees are not permitted to invest according to our ethics and independence policies. The register is made available to all partners and professional employees. Partners and professional employees are required to annually complete an independence compliance questionnaire confirming that he or she:

- has read the firm's ethics and independence policies;
- understands their applicability to his or her activities; and
- is, and has been for the past year, in compliance with those policies.

Any qualifications to such confirmation have to be fully explained in writing and corrective action taken.

Rotation of key audit partners in the audits of public interest entities (PIE)

Ethics and independence are preconditions of a high-quality audit. Overfamiliarity is one of the key threats to our audit team's independence and objectivity. RSM Hong Kong follows the mandatory rotation requirements of the Code of Ethics for Professional Accountants issued by the HKICPA in respect of audits of public interest entities.

When an individual rotates from an audit engagement to preserve independence, it is essential that they have no ability to exert any influence over the audit engagement during the minimum cooling-off periods set out below. The individual must therefore also relinquish any client relationship role at the same time.

Details of the maximum periods and cool-off period		
Individual	Maximum period	Cooling off period
Audit Engagement Partner	7 years	5 years
Engagement Quality Reviewer	7 years	3 years
Other Key Audit Partners involved in the PIE engagement	7 years	2 years

RSM InTrust

RSM InTrust is our global independence system that enables us to make timely and informed data-driven decisions to comply with the ever-changing ethics and independence requirements.

All RSM member firms are required to record and maintain accurate information in RSM InTrust on all of its relevant clients and other relationships with entities that might impair the independence of another member firm that is providing assurance services. Entities that meet specific inclusion requirements must be recorded on RSM InTrust:

- Public interest entities, including listed entities;
- Private equity firms or funds;
- Private entities where their ultimate parent company is domiciled in a different country to the member firm providing the service or taking on the relationship, or where the client group operates in multiple countries

Additionally, all clients that are affiliates of groups – or certain other relationships with entities meeting the above criteria, will be required to be included in RSM InTrust. RSM InTrust must be searched before providing any service to any corporate client or prospect or before taking on any Other Relationship of Interest as defined in our ethics and independence policy – which includes close business relationships, financial interests and external managerial positions.

Internal review of independence compliance

RSM Hong Kong follows RSM International's requirements to conduct an annual internal review to assess our firm's compliance with independence regulations. The programme includes an evaluation of compliance related to the provision of non-audit services, business relationships with corporate entities

and financial relationships of the firm, as well as the data entries testing which aims to obtain reasonable assurance that the data held on RSM InTrust is complete and accurate in accordance with our firm's ethics and independence policies.



Anti-bribery and corruption

RSM Hong Kong has a formalized Policy on Anti-Bribery and Corruption, that is aligned with both the Hong Kong Prevention of Bribery Ordinance and RSM requirements. RSM Hong Kong has a commitment to carry out its business fairly, honestly and openly and is committed to a zero-tolerance approach to bribery and all other forms of corruption. The Firm attaches the utmost importance to this Policy, that sets out the general rules and principles to which the Firm adheres and with which all Partners and Employees must comply.

All Partners and Employees must sign a declaration that they have read, understood and are/ have been in compliance with this Policy on their initial employment and at least annually thereafter.

Partner remuneration

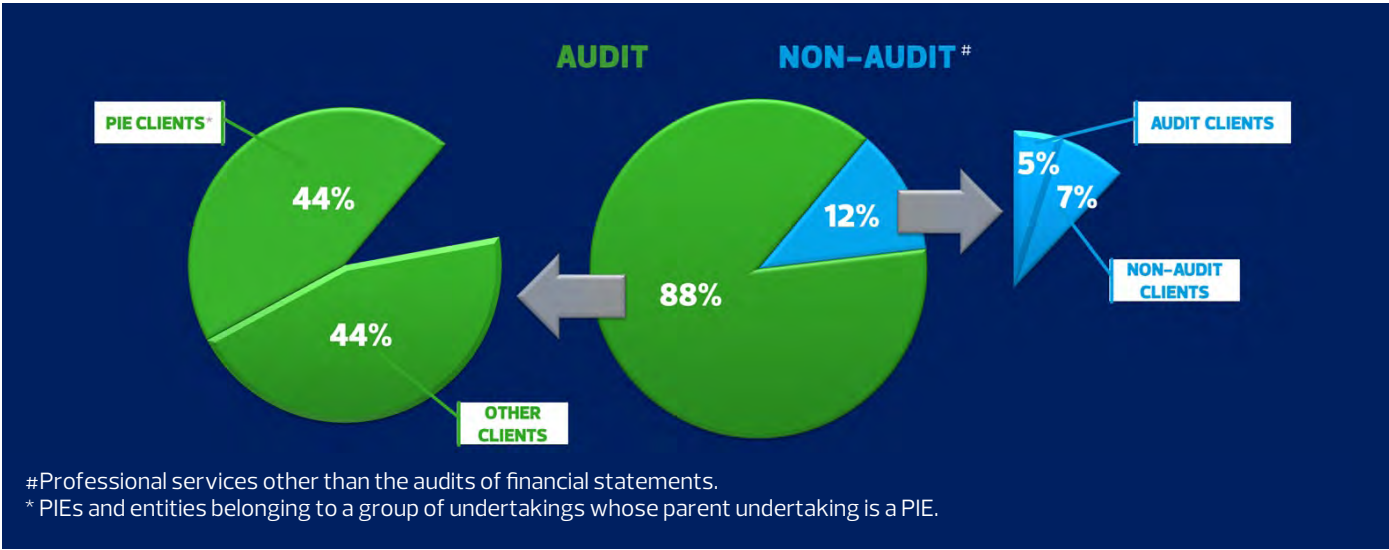
The performance of partners is assessed on an annual basis. Assessment criteria include technical competence and quality of professional work, client service, business development, leadership, operational excellence, people management, risk management and professional ethics and communication. The remuneration of partners is determined by reference to the annual performance evaluation, that reflects assessment of their maintenance of the firm's quality standards in the past year and any quality deficiencies identified from the firm's quality monitoring activities undertaken.

Financial information

As of 31 December 2024, RSM Hong Kong conducts business through the following entities, controlled by the equity partners of RSM Hong Kong:

RSM Hong Kong	RSM Technology (Hong Kong) Limited
Audit and assurance services include audits of listed, multi-national and private companies, IPO services, financial statement reviews, ESG assurance services, IT and Cybersecurity audits.	Technology and management consulting services include digital strategy, ERP advisory, data analytics, crypto-asset consulting, IT security and privacy consulting.

An analysis of our turnover for the year ended 31 December 2024 is as follows :



Stephen Wong

Stephen Wong
Managing Partner
30 September 2025

RSM Hong Kong leaders

CHAIRMAN

Wong Poh Weng

AUDIT AND ASSURANCE

PARTNERS

Bertha Liu
Carl Yu
Chris Wong
Cora Lee
Dennis Mok
Eliza Ng
Maria Tsang
Robin Szeto
Ronald Yam
Sharon Chu
Stephen Wong
Thomas Tam
Winnie Leung
Wong Poh Weng

PRINCIPALS

Ada Poon
Chris Chan
Estella Su
Gabriel Yuen
Ivan Mak
Jane Yau
Kit Lee
Lester Kwong
Lucy Ho
Mandy Tang
Samson Wan

MANAGING PARTNER

Stephen Wong

ACCOUNTING CONSULTING

PARTNER

Gary Stevenson

DIRECTOR

Parkle Lui

TECHNOLOGY

PARTNER

Jason Yau

DIRECTORS

Nicholas To
Yu-Ching Aldous

TECHNICAL

PARTNERS

Gary Stevenson
Kevin John Chowdhay

DIRECTOR

Parkle Lui

RSM Hong Kong

29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong

T +852 2598 5123

F +852 2598 7230

www.rsm.global/hongkong/assurance

RSM Hong Kong is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm, each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.