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pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (the "Act"), and PCAOB Rule 5200(a)(1) against Respondents.

II.

In anticipation of institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondents have each submitted an Offer of Settlement (the "Offers") that the Board has determined to accept. Solely for purposes of these proceedings and any other proceedings brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the facts contained in paragraphs 8-32 and 39-48, the Board's jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Disciplinary Proceedings, Making Findings and Imposing Sanctions ("Order") as set forth below.³

III.

On the basis of Respondents' Offers, the Board finds that:⁴

A. Respondents

1. Weld Asia Associates is a partnership organized under the laws of Malaysia, and headquartered in Kuala Lumpur, Malaysia. The Firm is licensed by the Malaysia Institute of Accountants (license no. AF002026). The Firm is registered with the PCAOB, pursuant to Section 102 of the Act and PCAOB Rules. At all relevant times the Firm was the external auditor for the issuers identified below.

2. Tan Chin Huat, age 50, of Rawang, Selangor, Malaysia, at all relevant times was a partner of the firm. Tan Chin Huat was also the managing partner of the

³ The findings herein are made pursuant to Respondents' Offers and are not binding on any other persons or entities in this or any other proceeding.

⁴ The Board finds that Respondents' conduct described in this Order meets the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5), which provides that certain sanctions may be imposed in the event of (1) intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard; or (2) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

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Firm from at least January 1, 2013 to September 30, 2016, and held ultimate responsibility for the Firm's adopting and maintaining an adequate system of quality control during that period. Tan Chin Huat is a Chartered Accountant with the Malaysian Institute of Accountants (member no. 10081) and is licensed to perform auditing services by the Malaysian Ministry of Finance (license No. 2037/06/18(J)). Tan Chin Huat is an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).

B. Summary

3. This matter concerns the Firm's violations of PCAOB rules and standards that require a registered public accounting firm and its associated persons to be independent of the firm's issuer audit clients throughout the audit and professional engagement period. During the audits for five issuers, the Firm was not independent because directors and substantial owners of an associated entity of the Firm also served as directors and officers of the issuer audit clients or affiliated entities of the issuer audit clients in a decision-making capacity. Respondents nevertheless authorized and issued audit reports on those issuers' financial statements, in which the Firm purported to be independent.

4. This matter also concerns the Firm's violation of Section 10(b) of the Exchange Act⁵ and Rule 10b-5 by issuing an audit report on the financial statements of Odenza Corp. for the year ended January 31, 2012, stating that the audit has been performed in accordance with PCAOB standards when it knew, or was reckless in not knowing, that the statement was false. Tan Chin Huat took or omitted to take actions that he knew, or was reckless in not knowing, would directly and substantially contribute to the Firm's violations of Section 10(b) and Rule 10b-5, and thereby violated PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations*.

5. In addition, this matter concerns Respondents' failures to obtain required engagement quality reviews, their failure to comply with the "cooling-off" requirements

⁵ 78 U.S.C. § 78j(b). All references to laws, regulations, and PCAOB rules and standards are to the versions of those laws, regulations, and PCAOB rules and standards in effect at the time of the relevant conduct. As of December 31, 2016, the PCAOB reorganized its auditing standards using a topical structure and a single, integrated numbering system. See *Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules*, PCAOB Release No. 2015-002 (Mar. 31, 2015); see also *PCAOB Auditing Standards Reorganized and Pre Reorganized Numbering* (January 2017).

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for the engagement quality reviewer, and their failure to prepare and retain appropriate audit documentation.

6. This matter also concerns the Firm's failure to comply with PCAOB quality control standards, and Tan Chin Huat's failure to take appropriate steps to establish and monitor an appropriate system of quality control for the Firm.

7. Finally, this matter concerns the Firm's failure to comply with PCAOB Rule 2203, *Special Reports*, by failing to timely report disciplinary action against one of its audit partners.

C. Respondents Violated PCAOB Rules and Standards Relating to Auditor Independence

8. In connection with the preparation or issuance of an audit report, PCAOB rules require that a registered public accounting firm and its associated persons comply with all applicable auditing and related professional practice standards.⁶ PCAOB standards also provide that due professional care is to be exercised in the planning and performance of the audit and the preparation of the audit report.⁷

9. PCAOB rules require that a registered public accounting firm and its associated persons be independent of the firm's audit client throughout the audit and professional engagement period.⁸ A registered public accounting firm or an associated person's independence obligation with respect to an audit client that is an issuer encompasses not only an obligation to satisfy the independence criteria set out in the rules and standards of the PCAOB, but also an obligation to satisfy all other independence criteria applicable to the engagement, including the independence criteria

⁶ PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards* ("PCAOB Rule 3100"); PCAOB Rule 3200T, *Interim Auditing Standards* ("PCAOB Rule 3200T").

⁷ See AU § 150.02, *Generally Accepted Auditing Standards*; AU § 230, *Due Professional Care in the Performance of Work*; see also Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement* ("AS 13"), at ¶ 7.

⁸ See PCAOB Rule 3520, *Auditor Independence*; see also AU § 220, *Independence*.

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set out in the rules and regulations of the Securities and Exchange Commission ("Commission") under the federal securities laws.⁹

10. Rule 2-01 of Commission Regulation S-X¹⁰ ("Rule 2-01") provides, among other things, that "[a]n accountant is not independent if, at any point during the audit and professional engagement period, the accounting firm or any covered person in the firm has any direct or material indirect business relationship with an audit client, or with persons associated with the audit client in a decision-making capacity, such as an audit client's officers, directors, or substantial stockholders."¹¹ Rule 2-01 also provides that "[a]n accountant is not independent if, at any point during the audit and professional engagement period, the accountant has an employment relationship with the audit client, such as . . . [a] current partner, principal, shareholder or professional employee of the accounting firm is employed by the audit client or serves as a member of the board of directors or similar management or governing body of the audit client."¹²

11. For purposes of Rule 2-01, the "[a]udit and professional engagement period includes both: (i) The period covered by any financial statements being audited or reviewed (the 'audit period'); and (ii) The period of the engagement to audit or review the audit client's financial statements or to prepare a report filed with the Commission (the 'professional engagement period')"¹³ References to the "accounting firm" in Rule 2-01 include, among others, the firm's parents, subsidiaries and associated entities.¹⁴ References to the "audit client" in Rule 2-01 include "affiliates of the audit client."¹⁵

⁹ See PCAOB Rule 3520, Note 1.

¹⁰ 17 C.F.R. § 210.2-01.

¹¹ Rule 2-01(c)(3).

¹² Rule 2-01(c)(2)(i).

¹³ Rule 2-01(f)(5).

¹⁴ See Rule 2-01(f)(2).

¹⁵ See Rule 2-01(f)(6); Rule 2-01(f)(4).

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12. The engagement partner on an audit is responsible for the engagement and its performance,¹⁶ including the planning of the audit¹⁷ and compliance with PCAOB standards.¹⁸ As part of the planning activities at the beginning of the audit, the auditor should determine compliance with independence and ethics requirements.¹⁹

13. As discussed, below, Weld Asia failed to satisfy the auditor independence criteria set forth in Rule 2-01 when auditing the financial statements of: (a) Odenza Corp. ("Odenza") for the years ended January 31, 2013, 2014, 2015 and 2016; (b) Greenpro Capital Corp. ("Greenpro") for the years ended October 31, 2013 and 2014; (c) DSwiss Inc. ("DSwiss") for the years ended December 31, 2013, 2014, and 2015; (d) CGN Nanotech, Inc. ("CGN") for the year ended December 31, 2014; and (e) Rito Group Corp. ("Rito") for the year ended June 30, 2015. Specifically, Weld Asia was not independent during those audits because directors of Weld Asia CPA (HK) Limited (hereinafter "Weld HK"), an associated entity of the Firm, were serving as directors and officers of the Firm's issuer audit clients, or of affiliated entities of issuer audit clients in a decision-making capacity, during the audit and professional engagement period.

Weld Asia and Weld Asia CPA (HK) Limited

14. At all relevant times, Weld Asia has operated as an associated entity of an accounting firm in Hong Kong, PRC, named Weld Asia CPA (HK) Limited (hereinafter "Weld HK"). Both firms use the same Weld Asia trademark. In its audit work papers for the first audit it performed for Odenza, Weld Asia documented that Weld HK was its "affiliated firm." At various times, from at least 2013 and continuing into 2016, both Weld Asia and Weld HK issued invoices identifying that the firms were associated entities with one another, including invoices for some of the audits discussed below. Weld Asia also directed some of its issuer clients to remit payment for Weld Asia services to Weld HK, including fees for some of the audits discussed below.

15. From at least July 20, 2011, through July 3, 2015, Weld HK was substantially or wholly owned by individuals—"Person A" and "Person B"—who were

¹⁶ See Auditing Standard No. 9, *Audit Planning* ("AS 9"), at ¶ 3; Auditing Standard No. 10, *Supervision of the Audit Engagement* ("AS 10"), at ¶ 3.

¹⁷ See AS 9 ¶ 3.

¹⁸ See AS 10 ¶ 3.

¹⁹ See AS 9 ¶ 6(b).

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also associated with the issuer audit clients identified in paragraph 13.²⁰ Person A and Person B were also directors of Weld HK. Person A was a director of Weld HK from July 20, 2011 to June 18, 2014. Person B was a director of Weld HK from January 1, 2012 to July 3, 2015.

Odenza Audits

16. Odenza was, at all relevant times, a Nevada corporation with its principal executive office in Selangor, Malaysia. Odenza's public filings disclosed that it was "an exploration stage company engaged in the business of acquiring mineral exploration rights throughout Asia, exploring for commercially producible quantities of minerals, and exploiting any mineral deposits we discover that demonstrate economic feasibility." At all relevant times, Odenza was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

17. Weld Asia served as the auditor for Odenza's January 31, 2013, 2014, 2015 and 2016 financial statements. Weld Asia issued an audit report expressing an unqualified opinion on the 2013 financial statements, dated April 26, 2013, which was included in a Form 10-K that Odenza filed with the Commission. Weld Asia issued an audit report expressing an unqualified opinion on the 2014 financial statements, dated April 16, 2014, which was included in a Form 10-K that Odenza filed with the Commission. Weld Asia issued an audit report expressing an unqualified opinion on the 2015 financial statements, dated April 20, 2015, which was included in a Form 10-K that Odenza filed with the Commission. Weld Asia issued an audit report expressing an unqualified opinion on the 2016 financial statements, dated April 15, 2016, which was included in a Form 10-K that Odenza filed with the Commission.

18. During the audit and professional engagement period for those audits, Person A served as the CFO, treasurer and a director of Odenza, and Person B served as a director of Odenza, while Person A and/or Person B were also serving as directors and owners of Weld HK. As a result, the Firm did not satisfy the applicable independence criteria and thereby violated PCAOB rules and standards.²¹

²⁰ Person A owned 50% of Weld HK from July 20, 2011 to July 28, 2014. Person B owned 50% of Weld HK from March 15, 2012 to September 25, 2014, and 99.9% of Weld HK from September 25, 2014 to July 3, 2015.

²¹ See Rule 3520; AU § 220.

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Greenpro Audits

19. Greenpro was, at all relevant times, a Nevada corporation with its principal executive office in Hong Kong, PRC. Greenpro's public filings disclosed that it was a development stage company with "plan[s] to provide cloud system resolution, financial consulting services and corporate accounting services to small and mid-size businesses located in Asia, with an initial focus on Hong Kong and Malaysia." At all relevant times, Greenpro was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

20. Weld Asia served as the auditor for Greenpro's October 31, 2013 and 2014 financial statements. Weld Asia issued an audit report expressing an unqualified opinion on the 2013 financial statements, dated November 28, 2013, which was included in a Form S-1 and three Forms S-1/A that Greenpro filed with the Commission. Weld Asia issued an audit report expressing an unqualified opinion on the 2014 financial statements, dated January 23, 2015, which was included in a Form 10-K that Greenpro filed with the Commission.

21. During the audit and professional engagement period for those audits, Person A and Person B were the majority shareholders of Greenpro, Person A served as the CEO, president and a director of Greenpro, and Person B served as the CFO, treasurer, secretary and a director of Greenpro, while also serving as directors and owners of Weld HK. As a result, the Firm did not satisfy the applicable independence criteria and thereby violated PCAOB rules and standards.²²

DSwiss Audits

22. DSwiss was, at all relevant times, a Nevada corporation with its principal executive office in Selangor, Malaysia. DSwiss's public filings disclosed that it was "a beauty supply company that sells cosmetics and other related beauty products to consumers in Malaysia with plans to expand throughout the world." At all relevant times, DSwiss was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

23. Weld Asia served as the auditor for DSwiss's December 31, 2013, 2014 and 2015 financial statements. Weld Asia issued an audit report expressing an unqualified opinion on the 2013 and 2014 financial statements, dated November 12, 2015, which was included in a Form S-1 and two Forms S-1/A that DSwiss filed with the

²² See Rule 3520; AU § 220.

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Commission. Weld Asia issued an audit report expressing an unqualified opinion on the 2015 financial statements, dated March 25, 2016, which was included in five Forms S-1/A that DSwiss filed with the Commission.

24. Greenpro was a substantial shareholder in DSwiss through its subsidiary Greenpro Venture Capital Ltd (Anguilla) ("Greenpro Venture Capital"). During the audit and professional engagement period for those audits, Person A and Person B were the majority shareholders of Greenpro, Person A served as the CEO, president and a director of Greenpro, Person B served as the CFO, treasurer, secretary and a director of Greenpro, while Person A and/or Person B were also serving as directors and owners of Weld HK. As a result, the Firm did not satisfy the applicable independence criteria and thereby violated PCAOB rules and standards.²³

CGN Audit

25. CGN was, at all relevant times, a Nevada corporation with its principal executive office in Hong Kong, PRC. CGN's public filings disclosed that it was the exclusive global sales and distributor for lighting products produced by PRC-based Dongguan Light Power New Energy S&T Co. Ltd. At all relevant times, CGN was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

26. Weld Asia served as the auditor for CGN's December 31, 2014 financial statements. Weld Asia issued an audit report expressing an unqualified opinion on those financial statements, dated March 2, 2015, which was included in a Form S-1 and two Forms S-1/A that CGN filed with the Commission.

27. During the audit and professional engagement period for that audit, Person B served as the CFO, treasurer, secretary and a director of CGN, while also serving as a director and 99.9% owner of Weld HK. As a result, the Firm did not satisfy the applicable independence criteria and thereby violated PCAOB rules and standards.²⁴

Rito Audit

28. Rito was, at all relevant times, a Nevada corporation with its principal executive office in Hong Kong, PRC. Rito's public filings disclosed that it was engaged

²³ See Rule 3520; AU § 220.

²⁴ See Rule 3520; AU § 220.

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in "the sale of miscellaneous retail goods." At all relevant times, Rito was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

29. Weld Asia served as the auditor for Rito's June 30, 2015 financial statements. Weld Asia issued an audit report expressing an unqualified opinion on those financial statements, dated August 7, 2015, which was included in a Form S-1 and six Forms S-1/A that Rito filed with the Commission.

30. Greenpro was a substantial shareholder in Rito through its subsidiary Greenpro Venture Capital. During the audit and professional engagement period for those audits, Person B was the CFO, treasurer, secretary, and a substantial shareholder and director of Greenpro, while Person B was also serving as a director and 99.9% owner of Weld HK. As a result, the Firm did not satisfy the applicable independence criteria and thereby violated PCAOB rules and standards.²⁵

31. Tan Chin Huat served as the engagement partner for the audits of Odenza's FY 2013-2015 financial statements, Greenpro's FY 2013-2014 financial statements, DSwiss's FY 2013-2014 financial statements, CGN's FY 2014 financial statements, and Rito's FY 2015 financial statements, and he authorized the Firm's audit reports on those financial statements.²⁶ At the time of those audits, he was aware of Person A's and Person B's relationships to the issuer audit clients and to Weld HK.

32. During the audits in which he served as the engagement partner, Tan Chin Huat violated PCAOB rules and standards because he failed to exercise due professional care in determining whether the firm was in compliance with independence requirements during the audit and professional engagement periods for those audits.²⁷ Despite Person A's and/or Person B's relationships with the issuer audit clients and Weld HK, Tan Chin Huat and the engagement teams on those audits failed to take any steps to determine whether the Firm was in compliance with the independence criteria set forth in Rule 2-01. Tan Chin Huat also violated PCAOB Rule 3502 because he knew, or was reckless in not knowing, that he was directly and substantially contributing

²⁵ See Rule 3520; AU § 220.

²⁶ Another partner of Weld Asia served as the engagement partner for the audits of Odenza's FY 2016 financial statements and DSwiss's FY 2015 financial statements. See *Tan Poh Ling, Chartered Accountant*, PCAOB Release No. 105-2017-047 (Dec. 13, 2017).

²⁷ See AU § 230; AS 9 ¶ 6(b).

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to the Firm's violations of PCAOB rules and standards when he improperly authorized the issuance of the Firm's audit report regarding those financial statements.

D. The Firm Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder, and Tan Chin Huat Violated PCAOB Rule 3502, in Connection with the 2012 Odenza Audit

33. Section 10(b) of the Exchange Act and Commission Rule 10b-5 thereunder prohibit a person, in connection with the purchase or sale of a security, from making an untrue statement of a material fact or from omitting to state a material fact necessary to make statements made, in light of the circumstances under which they were made, not misleading.²⁸ To violate Section 10(b) or Rule 10b-5, a defendant must act with scienter,²⁹ which the Supreme Court has defined as "a mental state embracing intent to deceive, manipulate, or defraud."³⁰ Scienter encompasses knowing or intentional conduct, or recklessness.³¹

34. An auditor violates Section 10(b) of the Exchange Act and Commission Rule 10b-5 thereunder by issuing an audit report stating that the audit has been performed in accordance with PCAOB standards when he or she knows, or is reckless in not knowing, that the statement is false.³² These statements are clearly material, as "[f]ew matters could be more important to investors than that of whether an issuer's financial statements, contained in its filings with the Commission, had, in fact, been

²⁸ See Section 10(b) of the Exchange Act; Exchange Act Rule 10b-5, *Employment of Manipulative and Deceptive Practices*, 17 C.F.R. § 240.10b-5(b).

²⁹ See *Aaron v. SEC*, 446 U.S. 680, 695, 701-02 (1980).

³⁰ *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 193 n.12 (1976).

³¹ See, e.g., *IIT v. Cornfeld*, 619 F.2d 909, 923 (2d Cir. 1980).

³² See *Deloitte Touche Tohmatsu Auditores Independentes*, PCAOB Rel. No. 105-2016-031, at *8-17 (Dec. 5, 2016); *Eugene M. Egeberg III, CPA*, Exchange Act Rel. No. 71348, at *7-9 (Jan. 17, 2014); *Hood & Associates CPAs, P.C.*, PCAOB Rel. No. 105-2013-012, at *16-17 (Nov. 21, 2013); *Harris F Rattray CPA, PL*, PCAOB Rel. No. 105-2013-009, at *4-5 (Nov. 21, 2013); *Richard P. Scalzo, CPA*, Exchange Act Rel. No. 48328, 2003 WL 21938985, at *14 (Aug. 13, 2003).

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subjected to an annual audit conducted in accordance with [PCAOB standards] in all material respects."³³

35. Odenza's financial statements for the year ended January 31, 2012, were originally audited by another PCAOB-registered accounting firm. On or about April 12, 2013, Odenza dismissed that firm, and engaged Weld Asia as its independent auditor. Weld Asia issued an audit report, dated April 26, 2013, which contained an unqualified audit opinion with respect to both Odenza's 2012 and 2013 financial statements. That report was included in a Form 10-K that Odenza filed with the Commission on April 26, 2013. Tan Chin Huat, the engagement partner, authorized the issuance of the report. The report stated, among other things, that the Firm had "audited the accompanying balance sheets of Odenza Corp. (An Exploration Stage 'Company') as of January 31, 2013 and 2012 and the related statement of operations, changes in shareholders' equity and cash flows for the years then ended January 31, 2013 and 2012." It further stated that the Firm had conducted the audit "in accordance with the standards of the Public Company Accounting Oversight Board (United States)."

36. While Weld Asia conducted audit procedures with respect to Odenza's January 31, 2013, financial statements, it failed to perform any audit procedures related Odenza's 2012 financial statements.

37. Weld Asia violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, by issuing an audit report that falsely stated that the audit of Odenza's 2012 financial statements had been conducted in accordance with PCAOB standards when the Firm knew, or was reckless in not knowing, that it had failed to perform any audit procedures prior to the issuance of the Firm's audit report.

38. Tan Chin Huat knew, or was reckless in not knowing, that he was directly and substantially contributing to the Firm's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder when he improperly authorized the issuance of the Firm's audit report regarding Odenza's 2012 financial statements because he knew, or was reckless in not knowing that the Firm had failed to perform any audit procedures prior to his authorizing the issuance of the audit report. Tan Chin Huat, accordingly, violated PCAOB Rule 3502.

³³

Scalzo, 2003 WL 21938985, at *14.

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E. Respondents Violated Additional PCAOB Rules and Standards in Connection With Issuer Audits

The Firm and Tan Chin Huat Failed to Obtain Engagement Quality Reviews in Eight Issuer Audits

39. PCAOB standards require that an engagement quality review be performed on audits, interim reviews, and certain attestation engagements conducted pursuant to PCAOB standards.³⁴ AS 7 also provides that, in an audit, a firm may grant permission to a client to use the engagement report only after an engagement quality reviewer provides concurring approval of issuance of the report.³⁵ As described below, the Firm failed to obtain a required engagement quality review in eight issuer audits, and Tan Chin Huat directly and substantially contributed to those violations.

40. In addition to issuer audits described above, Weld Asia also audited the financial statements of XYI Group, Inc. ("XYI") for the year ended January 31, 2015. XYI was, at all relevant times, a Nevada corporation with its principal executive office in Hong Kong, PRC. XYI's public filings disclosed that it was a development stage company seeking to engage in the sale and marketing of custom and personalized souvenir products. At all relevant times, XYI was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

41. Weld Asia issued an audit report expressing an unqualified opinion on XYI's FY 2015 financial statements, dated February 16, 2015, which was included in a Form S-1 and a Form S-1/A that XYI filed with the Commission. Tan Chin Huat served as the engagement partner for the FY 2015 XYI audit, and authorized the Firm's audit report on those financial statements.

42. The Firm failed to obtain an engagement quality review for each of the issuer audit engagements set forth in the table below, even though PCAOB standards required an engagement quality review to be performed:

³⁴ See Auditing Standard No. 7, *Engagement Quality Review* ("AS 7"), at ¶ 1.

³⁵ See AS 7 ¶ 13.

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Issuer	Fiscal Year(s) Ended	Date of Audit Report
CGN	December 31, 2014	March 2, 2015
DSwiss	December 31, 2013 and 2014	November 12, 2015
Greenpro	October 31, 2013	November 28, 2013
Greenpro	October 31, 2014	January 23, 2015
Odenza	January 31, 2012 and 2013	April 26, 2013
Odenza	January 31, 2013 and 2014	April 16, 2014
Rito	June 30, 2015	August 7, 2015
XYI	January 31, 2015	February 16, 2015

Tan Chin Huat was the engagement partner for each of the audits identified in the chart, above, and authorized the issuance of those audit reports.

43. In each of the eight audits, above, the Firm issued unqualified audit reports, and permitted those reports to be included in the issuers' filings with the Commission, despite failing to obtain an engagement quality review and concurring approval of issuance. As a result, the Firm violated AS 7.

44. Tan Chin Huat knew that the Firm had not obtained an engagement quality review and concurring approval of issuance for the above-referenced audit reports. Tan Chin Huat therefore knew, or was reckless in not knowing, that he was directly and substantially contributing to the Firm's violations of AS 7 when he caused the Firm to grant permission to the client to use the audit reports. As a result, Tan Chin Huat violated PCAOB Rule 3502.

Respondents Failed to Comply with the Engagement Quality Reviewer "Cooling-Off" Requirement

45. AS 7 also provides that: "[t]he person who served as the engagement partner during either of the two audits preceding the audit subject to the engagement

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quality review may not be the engagement quality reviewer."³⁶ As described below, Respondents violated AS 7 because Tan Chin Huat served as the engagement quality reviewer on one issuer audit, immediately after serving as the engagement partner on the prior year's audit.

46. Gushen, Inc. ("Gushen") was, at all relevant times, a Nevada corporation with its principal executive office in Hong Kong, PRC. Gushen's public filings disclosed that it was "a developmental stage company that intends to provide managerial and IT support to start-ups as well as SME (small and medium enterprises) to assist them in their early stages of operations as they expand and grow their own company." At all relevant times, Gushen was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

47. Weld Asia audited Gushen's April 30, 2015 year-end financial statements. The Firm issued an audit report expressing an unqualified opinion on Gushen's FY 2015 financial statements, dated May 18, 2015, which was included in a Form S-1 and two Forms S-1/A that Gushen filed with the Commission. Tan Chin Huat served as the engagement partner on the Firm's audit of Gushen's FY 2015 financial statements.

48. Weld Asia also audited Gushen's April 30, 2016 year-end financial statements. The Firm issued an audit report expressing an unqualified opinion on Gushen's FY 2016 financial statements, dated July 21, 2016, which was included in a Form 10-K that Gushen filed with the Commission. After serving as the engagement partner on the FY 2015 audit, Tan Chin Huat immediately served as the engagement quality reviewer on the FY 2016 audit, violating AS 7's two-year "cooling-off" period.

The Respondents Failed to Prepare and Retain Appropriate Audit Documentation

49. PCAOB standards require that the auditor document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions.³⁷ The audit documentation "must contain sufficient information to enable an experienced auditor, having no previous connection with the engagement: [a.] [t]o understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached, and [b.] [t]o

³⁶ AS 7 ¶ 8.

³⁷ See Auditing Standard No. 3 ("AS 3"), *Audit Documentation*, at ¶ 6.

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determine who performed the work and the date such work was completed as well as the person who reviewed the work and the date of such review."³⁸

50. The Respondents violated AS 3 during the FY 2013 Odenza audit, the FY 2014 Odenza audit, and the FY 2015 Rito audit, because the audit work papers for those engagements did not contain sufficient information to allow an experienced auditor, having no previous connection with those engagements, to understand the nature, timing and extent of the audit work that Tan Chin Huat performed or the conclusions that he reached. In each of those audits, the engagement team had prepared checklists and forms for the engagement partner to complete to demonstrate his review of the audit work and the specific conclusions that he reached through that review. However, Tan Chin Huat failed to complete those work papers or otherwise document his review during the completion phase of the audit.

51. PCAOB standards also provide that, in an audit, the auditor "must retain audit documentation for seven years from the date the auditor grants permission to use the auditor's report in connection with the issuance of the company's financial statements (*report release date*), unless a longer period of time is required by law."³⁹ Likewise, Rule 2-06 of the Commission's Regulation S-X requires that for a period of seven years after an accountant concludes an audit or review of an issuer's financial statements to which section 10A(a) of the Exchange Act applies, the accountant must retain records relevant to the audit or review.⁴⁰ The Firm violated AS 3 and Rule 2-06 in connection with the FY 2014 CGN audit, the FY 2013 Greenpro audit, and the FY 2015 XYI audit, because the firm failed to retain a complete and final set of audit documentation for those audits for seven years from the report release dates for the audit reports.

F. The Firm Failed to Maintain an Adequate System of Quality Control and Tan Chin Huat Contributed to that Failure

52. PCAOB rules and standards require that a registered public accounting firm comply with the Board's quality control standards.⁴¹ PCAOB quality control

³⁸ Id. at ¶ 6.

³⁹ Id. at ¶ 14.

⁴⁰ See 17 C.F.R. § 210.2-06 ("Rule 2-06").

⁴¹ See PCAOB Rule 3400T, *Interim Quality Control Standards*.

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standards require that a registered public accounting firm "shall have a system of quality control for its accounting and auditing practice."⁴² Pursuant to those standards, a registered firm should establish quality control policies and procedures to provide the firm with reasonable assurance that, among other things:

- a. personnel maintain independence (in fact and in appearance) in all required circumstances;⁴³
- b. personnel participate in general and industry-specific continuing professional education and other professional development activities that enable them to fulfill responsibilities assigned;⁴⁴ and
- c. the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and the firm's standards of quality, including standards and requirements for documenting the audits.⁴⁵

53. The Firm violated PCAOB quality control standards because it failed to maintain an adequate system of quality control from at least 2012 through 2016. During that period, the Firm failed to adopt adequate policies and procedures to provide reasonable assurance that the firm and its personnel maintained independence from its audit clients, obtained adequate training in PCAOB auditing standards, and complied with PCAOB auditing standards. Among other things, the Firm's deficient system of quality control permitted the firm to repeatedly (1) perform audits for clients while lacking independence, (2) fail to obtain required engagement quality reviews, (3) fail to comply with the cooling-off requirement for engagement quality reviewers, (4) fail to document audit procedures, and the review of those procedures, in accordance with PCAOB auditing standards, and (5) fail to maintain audit documentation for the requisite seven-year time period.

54. At all relevant times, Tan Chin Huat served as the Firm's managing partner and held ultimate responsibility for the Firm's adopting and maintaining an adequate

⁴² Quality Control ("QC") § 20.01, *System of Quality Control for a CPA Firm's Accounting and Auditing Practice*.

⁴³ See QC § 20.09.

⁴⁴ See QC § 20.13(c).

⁴⁵ See QC §§ 20.17-.18.

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system of quality control. During that time, Tan Chin Huat knowingly or recklessly failed to reasonably ensure that the Firm took appropriate steps to establish and monitor an appropriate system of quality control in the above-described areas, and thereby directly and substantially contributed to the Firm's violations of the PCAOB's quality control standards. As a result, Tan Chin Huat violated PCAOB Rule 3502.

G. The Firm Failed to Timely Disclose a Reportable Event to the PCAOB

55. PCAOB Rule 2203 provides that a registered public accounting firm must file a special report on Form 3 to report any event specified in that form within thirty days of the event's occurrence.⁴⁶ One such specified event occurs when a firm "has become aware that, in a matter arising out of his or her conduct in the course of providing professional services for a client, a partner, shareholder, principal, owner, member, or audit manager of the Firm who provided at least ten hours of audit services for any issuer, broker, or dealer during the Firm's current fiscal year or its most recently completed fiscal year has become a defendant or respondent in a civil or alternative dispute resolution proceeding initiated by a governmental entity or in an administrative or disciplinary proceeding other than a Board disciplinary proceeding" ("Item 2.9 Proceeding").⁴⁷ Another such specified event occurs when a firm "has become aware that" an Item 2.9 Proceeding "has been concluded."⁴⁸

56. On August 19, 2013, the Malaysian Audit Oversight Board⁴⁹ reprimanded Tan Chin Huat for "[f]ailure to comply with certain requirements of International Standards on Auditing in discharging his professional duties in the performance of an audit of [a public interest entity]" for the year ended December 31, 2010.⁵⁰

⁴⁶ See PCAOB Rule 2203, *Special Reports*. As the Board noted when adopting its rules on special reporting, "[R]eportable events will sometimes occur, and the public interest, as well as the ability to consider whether prompt action is warranted by the Board's inspection staff or enforcement staff, will be served by contemporaneous reporting of the event." PCAOB Rel. No. 2008-004, at 17 (June 10, 2008).

⁴⁷ PCAOB Form 3, at Item 2.9 (italics in the original removed).

⁴⁸ PCAOB Form 3, at Item 2.10.

⁴⁹ The Audit Oversight Board was established pursuant to Part IIIA of the Securities Commission Malaysia Act 1993.

⁵⁰ See List of Sanctions by the Malaysian Audit Oversight Board for 2013, available at https://www.sc.com.my/post_archive/2013-sanctions/.

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57. In violation of Rule 2203, the Firm failed to file a Form 3 with the Board, reporting this disciplinary action against Tan Chin Huat.

IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondents' Offers. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), Weld Asia Associates and Tan Chin Huat are hereby censured;
- B. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Tan Chin Huat is barred from being an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i);⁵¹
- C. After five (5) years from the date of this Order, Tan Chin Huat may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm;
- D. Pursuant to Section 105(c)(4)(A) of the Act and PCAOB Rule 5300(a)(1), the registration of Weld Asia Associates is revoked;
- E. After five (5) years from the date of the Order, Weld Asia Associates may reapply for registration by filing an application pursuant to PCAOB Rule 2101; and
- F. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$20,000 is imposed upon Weld Asia

⁵¹ As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Tan Chin Huat. Section 105(c)(7)(B) provides: "It shall be unlawful for any person that is suspended or barred from being associated with a registered public accounting firm under this subsection willfully to become or remain associated with any issuer, broker, or dealer in an accountancy or a financial management capacity, and for any issuer, broker, or dealer that knew, or in the exercise of reasonable care should have known, of such suspension or bar, to permit such an association, without the consent of the Board or the Commission."

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Associates. All funds collected by the Board as a result of the assessment of these civil money penalties will be used in accordance with Section 109(c)(2) of the Act. The Firm shall pay the civil money penalty imposed within ten (10) days of the issuance of this Order by (1) wire transfer pursuant to instructions provided by Board staff; or (2) United States Postal Service money order, bank money order, certified check, or bank cashier's check (a) made payable to the Public Company Accounting Oversight Board, (b) delivered to the Controller, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (c) submitted under a cover letter that identifies the Firm as a Respondent in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, a copy of said cover letter and money order or check shall be sent to Office of the Secretary, Attention: Phoebe W. Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

December 13, 2017