PCAOB
PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

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Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions

In the Matter of Centurion ZD CPA & Co. and CHAN Kam Fuk,

Respondents.

PCAOB Release No. 105-2025-032

July 22, 2025

By this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order"), the Public Company Accounting Oversight Board ("Board" or "PCAOB") is:

a. censuring Centurion ZD CPA & Co. ("Firm" or "Centurion") and CHAN Kam Fuk (Dominic) ("Chan") (collectively, "Respondents");

b. revoking the Firm's PCAOB registration;

c. barring Chan from being an associated person of a public accounting firm registered with the PCAOB; and

d. imposing a civil money penalty in the amount of $75,000, jointly and severally, on the Firm and Chan.

The Board is imposing these sanctions on the basis of its findings that: (a) Respondents violated PCAOB rules and standards in connection with performing audits of the 2021 financial statements of two issuer clients and audit procedures for subsidiaries of a third issuer; (b) the Firm violated PCAOB rules and standards concerning audit reporting in connection with the two issuer audits; (c) the Firm filed inaccurate and/or untimely Form APs required by PCAOB rules; (d) the Firm violated PCAOB quality control standards; and (e) Chan directly and substantially contributed to the Firm's audit reporting violations.

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted against Respondents pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (the "Act"), and PCAOB Rule 5200(a)(1).[1]

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondents have submitted Offers of Settlement (the "Offers") that the Board has determined to accept. Solely for the purpose of these proceedings and any other proceeding 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 Board's jurisdiction over Respondents and the subject matter of these proceedings, which is admitted, Respondents consent to the entry of this Order as set forth below.[2]

III.

On the basis of Respondents' Offers, the Board finds that:[3]

A. Respondents

1. **Centurion ZD CPA & Co.** was, at all relevant times, a public accounting firm located in Hong Kong, a Special Administrative Region of the People's Republic of China ("Hong Kong"). Centurion is, and at all relevant times was, registered with the Board pursuant to Section 102 of the Act and PCAOB rules. The Firm, including its predecessor firms Dominic K. F. Chan & Co., DCAW (CPA) Limited, and Centurion ZD CPA Limited, has been registered with the Board since September 6, 2006. The Firm cancelled its license to practice as an accounting firm in Hong Kong in December 2024 and cancelled its business registration in March 2025.[4]

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1 All references to PCAOB rules and standards in this Order are to the versions of those rules and standards, and to their organization and numbering, in effect at the time of the audits discussed herein.

2 The findings herein are made pursuant to Respondents' Offers and are not binding on any other person or entity in this or any other proceeding.

3 The Board finds that each Respondent's 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 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.

4 The PCAOB's 2023 inspection of the Firm resulted in an inspection report published on March

2. **CHAN Kam Fuk (Dominic)** is, and at all relevant times was, the managing partner and sole equity partner of the Firm. Chan is a certified public accountant (Hong Kong Institute of Certified Public Accountants membership no. A20032), but has not been registered to practice in Hong Kong since August 2023. Chan served as the engagement partner for two issuer audits and the partner responsible for the audit work on certain subsidiaries of an issuer. Chan was, at all relevant times, 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. Issuers

3. **Luckin Coffee Inc.** ("Luckin") was, at all relevant times, a Cayman Islands corporation headquartered in Xiamen City, Fujian Province, People's Republic of China ("China"). Luckin's filings disclose that it was a Chinese coffee company and coffeehouse chain. Luckin became a public issuer through a U.S. listing of securities in 2019. Luckin was, at all relevant times, an "issuer," as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii), including at the time the Firm audited Luckin's consolidated financial statements and internal control over financial reporting ("ICFR") for the year ended December 31, 2021 (the "Luckin Audit"). On April 14, 2022, Centurion issued an unqualified opinion on Luckin's 2021 consolidated financial statements and ICFR.

4. **Greenpro Capital Corp.** ("Greenpro") was, at all relevant times, a Nevada corporation headquartered in Kuala Lumpur, Malaysia. Greenpro's public filings disclose that it trades and leases commercial real estate properties and also provides business consulting and corporate advisory services. JP Centurion & Partners PLT ("JP Centurion"), a registered public accounting firm in Malaysia that is not an affiliate of the Firm, was the principal auditor for the audit of Greenpro's consolidated financial statements for the year ended December 31, 2021. The Firm was engaged by JP Centurion to perform financial statement audit procedures for certain of Greenpro's subsidiaries (the "Greenpro Audit Work") in accordance with the principal auditor's instructions. Greenpro was, at all relevant times, an "issuer," as that term is defined by Section 2(a)(7) of the Act and Rule 1001(i)(iii), including at the time the Firm performed the Greenpro Audit Work. On March 29, 2022, JP Centurion issued an unqualified audit opinion on Greenpro's 2021 consolidated financial statements.

5. **Moxian (BVI) Inc.** ("Moxian") was, at all relevant times, a British Virgin Islands company headquartered in Beijing, China. Moxian's public filings disclose that it primarily

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29, 2024. The Firm was informed in April 2024 of the Division of Enforcement and Investigations' inquiry that led to this Order. The Firm then filed a Form 1-WD on June 19, 2024, requesting leave to withdraw from registration with the Board. The Board delayed that withdrawal given the pendency of its investigation.

conducted its operations through its operating subsidiaries located in China and the United States. It originally operated as a digital advertising company but changed its primary business to bitcoin mining operations in the United States in 2022. Moxian was, at all relevant times, an "issuer," as that term is defined by Section 2(a)(7) of the Act and Rule 1001(i)(iii), including at the time the Firm audited Moxian's consolidated financial statements for the year ended December 31, 2021 (the "Moxian Audit," and, together with the Luckin Audit, the "Audits"). On May 13, 2022, Centurion issued an unqualified opinion on Moxian's 2021 consolidated financial statements.

C. Summary

6. This matter concerns Respondents' violations of PCAOB rules and standards in connection with the Audits and the Greenpro Audit Work. Specifically, in the Audits and the Greenpro Audit Work, Respondents failed to properly perform risk assessments and obtain sufficient appropriate audit evidence in testing multiple significant risk areas. In connection with the Audits, Respondents failed to make required audit committee communications.

7. In addition, the Firm failed to comply with (1) auditing standards concerning audit reporting in connection with the Audits and (2) PCAOB rules in filing Form APs.

8. The Firm also violated PCAOB rules and quality control standards because it failed to establish and implement a system of quality control to provide it with reasonable assurance that (1) the Firm assigned work to personnel who had the technical proficiency required by PCAOB standards; and (2) the work performed by engagement personnel met applicable professional standards and regulatory requirements, specifically with respect to performing risk assessment, obtaining sufficient appropriate audit evidence, applying professional skepticism, audit reporting, and filing accurate and timely Form APs with the PCAOB.

9. Finally, Chan violated PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations*, by knowingly or recklessly, and directly and substantially, contributing to the Firm's audit reporting violations.

D. Respondents Violated PCAOB Rules and Standards in Performing the Audits and the Greenpro Audit Work

i. Relevant Rules and Standards

10. 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 the

Board's auditing and related professional practice standards.[5] An auditor may express an unqualified opinion on an issuer's financial statements only when the auditor has conducted an audit in accordance with PCAOB standards and "concludes that the financial statements, taken as a whole, are presented fairly, in all material respects, in conformity with the applicable financial reporting framework."[6]

11. PCAOB standards require an auditor to exercise due professional care in the planning and performance of the audit and the preparation of the report, exercise professional skepticism, and plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for the auditor's opinion.[7] AS 1105.06 provides that "[t]o be appropriate, audit evidence must be both relevant and reliable in providing support for the conclusions on which the auditor's opinion is based."

12. AS 2101.04, *Audit Planning*, requires the auditor to "properly plan the audit." AS 2101.05 explains that proper planning includes "establishing the overall audit strategy for the engagement and developing an audit plan, which includes, in particular, planned risk assessment procedures and planned responses to the risks of material misstatement."

13. AS 2110.59, *Identifying and Assessing Risks of Material Misstatement*, requires that the auditor "identify and assess the risks of material misstatement at the financial statement level and the assertion level." AS 2110.68 provides that "[t]he auditor should presume that there is a fraud risk involving improper revenue recognition and evaluate which types of revenue, revenue transactions, or assertions may give rise to such risks."

14. PCAOB standards require the auditor to design and implement overall responses to address the assessed risks of material misstatement, and specify that the auditor should design and perform audit procedures in a manner that addresses the assessed risks of material misstatement for each relevant assertion of each significant account and disclosure.[8] "For

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[5] *See* PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200, *Auditing Standards*.

[6] AS 3101.02, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* (footnotes omitted).

[7] *See* AS 1015.01, .07, *Due Professional Care in the Performance of Work*; AS 2301.07, *The Auditor's Responses to the Risks of Material Misstatement*; AS 1105.04, *Audit Evidence*.

[8] AS 2301.05, .08.

significant risks, the auditor should perform substantive procedures, including tests of details, that are specifically responsive to the assessed risks."[9]

15. AS 2201.39, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, provides that the auditor should test those controls that are important to the auditor's conclusion about whether the company's controls sufficiently address the assessed risk of misstatement for each relevant assertion.

16. AS 2301.13 further provides that the auditor should perform substantive procedures, including tests of details, that are specifically responsive to the assessed fraud risks; if the auditor selects certain controls intended to address the assessed fraud risks for testing, the auditor should perform tests of those controls.

17. When evaluating audit results, "[t]he auditor must evaluate whether the financial statements are presented fairly, in all material respects, in conformity with the applicable financial reporting framework."[10]

18. As described below, Respondents failed to comply with these and other PCAOB rules and standards in the Audits and the Greenpro Audit Work.

ii. Respondents Failed to Properly Assess Risk and Obtain Sufficient Appropriate Audit Evidence in the Luckin Audit

a. Background

1. Luckin's Business

19. In its 2021 Form 20-F, Luckin disclosed that it recognized revenue from retail product sales and from partnership stores.

20. Luckin disclosed that its customers placed orders for retail products mainly through Luckin's self-developed mobile app, which interfaced with different third-party payment platforms, such as WeChat and Alipay. Revenue from retail product sales was recognized upon customers' in-store pickup or the delivery of products to customers.

21. Luckin sold coupons to customers, which were stored in those customers' Luckin mobile app accounts for future use. Sometimes, Luckin would issue additional coupons for free to customers who purchased prepaid coupons. Luckin recorded the cash it received from the

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[9] *Id.* at .11.

[10] AS 2810.30, *Evaluating Audit Results*.

sale of the coupons as deferred revenue and allocated the cash amounts to each coupon, including the coupons issued for free. Luckin recognized revenue on the coupons when customers redeemed them.

22. Revenue from partnership stores mainly consisted of (1) sales of materials and equipment to the partnership stores; (2) profit-sharing when partnership stores used the Luckin Coffee or Luckin Tea brands; and (3) revenue from certain services provided to partnership stores, including integrated store operation solutions and pre-opening services.

2. Luckin's Prior Settlement of Fraud Charges

23. In July 2020, a special committee of Luckin's board of directors announced that an internal investigation concluded that, beginning in April 2019, the company had fabricated transactions and that, as a result, "the Company's net revenue in 2019 was inflated by approximately RMB 2.12 billion . . . . [and] [t]he Company's costs and expenses were inflated by RMB 1.34 billion in 2019."[11] Over the course of 2020, the board of directors terminated the company's chief executive officer, chief operating officer, and several other employees.[12] The board of directors also announced that it had resolved to require the chairman of the board to resign and that several other individuals had ceased to be directors.[13]

24. In December 2020, Luckin settled accounting fraud charges brought by the U.S. Securities and Exchange Commission (the "Commission" or the "SEC"). The Commission alleged that from at least April 2019 through January 2020, Luckin intentionally fabricated more than $300 million in retail sales transactions, which materially overstated its reported revenue by approximately 28% for the period ending June 30, 2019, and by more than 45% for the period

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11 Press Release, Luckin Coffee, *Luckin Announces the Substantial Completion of the Internal Investigation* (July 1, 2020), https://investor.luckincoffee.com/news-releases/news-release-details/luckin-announces-substantial-completion-internal-investigation.

12 *E.g.*, Press Release, Luckin Coffee, *Luckin Coffee Announces Changes to Board of Directors and Senior Management* (May 12, 2020), https://investor.luckincoffee.com/news-releases/news-release-details/luckin-coffee-announces-changes-board-directors-and-senior.

13 *Id.*; Press Release, Luckin Coffee, *Luckin Coffee Announces Changes to Board of Directors and the Appointment of New Chairman* (July 13, 2020), https://investor.luckincoffee.com/news-releases/news-release-details/luckin-coffee-announces-changes-board-directors-and-appointment; Press Release, Luckin Coffee, *Proposal of Resignation and Removal of the Chairman of the Board* (June 26, 2020), https://investor.luckincoffee.com/news-releases/news-release-details/proposal-resignation-and-removal-chairman-board.

ending September 30, 2019.[14]

25. The Commission alleged that "Luckin fabricated coupons sales and redemptions," using (a) WeChat and Alipay accounts "controlled by Luckin employees and their family members, as well as employees of [two related entities]," and (b) accounts of purported corporate customers controlled by the same types of employees and related individuals.[15] Luckin also "fabricated coupon sales to third-party shell companies—purported intermediary agents that would resell coupons to individual customers," with which "Luckin entered into sham coupon purchase agreements."[16] Other companies "controlled by or associated with Luckin employees or employees of the [two related entities]" transferred funds to Luckin that the company then recorded in altered bank statements "so that the funds appeared to originate from the" shell companies. Luckin then generated "fake orders by individual customers, who had purportedly bought coupons from the" shell companies. Through these schemes, "although real orders were never placed and the coupons were never actually redeemed, Luckin recognized the fabricated revenue."[17]

26. The auditor Luckin originally engaged to audit its consolidated financial statements for the year ended December 31, 2019 ("Auditor A") did not issue an audit report on those financial statements. On September 17, 2020, Luckin dismissed Auditor A and engaged another auditor ("Auditor B") to audit the 2019 consolidated financial statements. But Auditor B did not issue an audit report either, and on April 15, 2021, Luckin engaged Centurion to replace Auditor B as Luckin's auditor.

27. On June 30, 2021, and September 21, 2021, Centurion issued unqualified audit opinions on Luckin's 2019 and 2020 consolidated financial statements, respectively. On April 14, 2022, Centurion issued an unqualified opinion on Luckin's 2021 consolidated financial statements and ICFR.[18]

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[14] Press Release, SEC, *Luckin Coffee Agrees to Pay $180 Million Penalty to Settle Accounting Fraud Charges* (Dec. 16, 2020), https://www.sec.gov/newsroom/press-releases/2020-319.

[15] Compl. ¶¶ 22-24, *SEC v. Luckin Coffee, Inc.*, Civil Action No. 1:20-cv-10631 (S.D.N.Y. Dec. 16, 2020), https://www.sec.gov/files/litigation/complaints/2020/comp-pr2020-319.pdf.

[16] *Id.* ¶¶ 26, 28.

[17] *Id.* ¶ 28.

[18] In its 2021 financial statements, Luckin reported total assets of RMB 12.3 billion (US$1.9 billion) and total liabilities of RMB 7.2 billion (US$1.1 billion), including deferred revenues of RMB 96.2 million (US$15.1 million), as of December 31, 2021. Luckin reported total net revenues of RMB 8.0 billion

b. Risk Assessment

28. In performing the 2021 Luckin Audit, Respondents identified the following fraud risk for revenue: “Management may have increasing pressure to commit fraud in sales in view of the challenging financial performance in current year.” Respondents were also aware of the fraudulent schemes that were carried out by Luckin in 2019 and 2020, including fictitious sales transactions with related parties. However, Respondents failed to use this information and consider the characteristics of the revenue account and the related parties disclosure in identifying and assessing risks of material misstatement.[19] Respondents also failed to evaluate the types of potential misstatements that could result from the risk of incomplete identification of related parties and relationships and transactions with related parties.[20] As a result, Respondents failed to perform sufficient procedures to identify and assess the risk of material misstatement related to certain significant accounts and disclosures, in particular, Luckin’s revenue and related party transactions, and failed to design any audit procedures to address the assessed fraud risk.[21]

29. Moreover, in violation of PCAOB standards, Respondents failed to hold a discussion or “brainstorming” among the key engagement team members about the potential for material misstatement due to fraud.[22] Additionally, Respondents failed to inquire of the audit committee and others within the company about their views regarding fraud risks, as required by PCAOB standards.[23]

30. Accordingly, Respondents failed to exercise due professional care and take appropriate steps after learning of Luckin’s recent history of fraud, and did not perform the procedures necessary to properly plan and perform risk assessment for the Luckin Audit, in violation of AS 1015, AS 2101, AS 2110, and AS 2301.

(US$1.2 billion) and net income of RMB 0.7 billion (US$0.1 billion) for the year ended December 31, 2021. Luckin’s total net revenues increased by 97% from 2020 to 2021.

19 *See* AS 2110.59a.

20 *See id.* at .59c.

21 *See id.* at .59, .65; AS 2301.08.

22 *See* AS 2110.49, .52.

23 *See id.* at .54, .56, .57.

c. Revenue

1. Control Testing

31. As discussed above, during the Luckin Audit, Respondents identified a fraud risk for revenue. However, in violation of PCAOB standards, Respondents failed to identify and test any controls that addressed the risk of whether the relevant revenue recognition criteria were met prior to recognizing revenue, including any controls over the fraud risk.[24] Specifically, Respondents failed to identify and test any controls over management's consideration of the elements of ASC 606, *Revenue from Contracts with Customers*, including (1) evaluation of contracts with customers, (2) identification of the performance obligation(s) in the contracts, (3) determination of transaction price, (4) allocation of transaction price to the performance obligations in the contracts, and (5) recognition of revenue as Luckin satisfied a performance obligation.

2. Substantive Testing

32. Respondents documented that each sales transaction originating from the Luckin mobile app in 2021 was independently and concurrently transmitted to both Luckin's Business Operation Database ("BOD") and a database that was independently operated by a third-party service provider (the "Third-Party Database"). Respondents also documented that the Third-Party Database captured all user activities in the Luckin mobile app.

33. Although Respondents performed certain substantive procedures to test revenue, these substantive procedures were limited and flawed:

- First, Respondents reconciled cash receipts during the year between the BOD and third-party payment platforms. But this included cash related to coupons that had not yet been redeemed.

- Second, for a sample of 30 days, Respondents compared the number of orders and sales amounts after discounts between the BOD and the Third-Party Database. But they failed to analyze and document the reasons for the differences between the two databases, even though the differences were up to 10% for the number of orders and up to 5% for the sales amounts after discounts.

- Third, for a sample of 30 days, Respondents selected 30 orders from each day made through WeChat and compared the orders to confirm their existence in both the BOD and WeChat. But they failed to apply this procedure to the orders made

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24 *See* AS 2201.14, .39.

through other payment platforms, which accounted for approximately 32% of total annual cash payments to Luckin in 2021.

34. Given the limitations of these three procedures, they were insufficient to evaluate satisfactorily the criteria for revenue recognition under ASC 606 or to address the identified fraud risk associated with revenue. As a result, Respondents failed to (1) perform sufficient substantive procedures to evaluate whether the relevant revenue recognition criteria had been met prior to recognizing revenue and (2) perform any substantive procedures to address the identified fraud risk.[25]

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35. Accordingly, Respondents violated AS 1105, AS 2201, AS 2301, and AS 2810 by failing to obtain sufficient appropriate audit evidence in evaluating Luckin's revenue, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

d. Related Party Transactions

36. AS 2410.03, *Related Parties*, requires the auditor to perform procedures to obtain an understanding of the company's relationships and transactions with related parties that might reasonably be expected to affect the risks of material misstatement of the financial statements.

37. AS 2410.14 requires the auditor to evaluate "whether the company has properly identified its related parties and relationships and transactions with related parties." In addition, the auditor must "evaluate whether related party transactions have been properly accounted for and disclosed in the financial statements. This includes evaluating whether the financial statements contain the information regarding relationships and transactions with related parties essential for a fair presentation in conformity with the applicable financial reporting framework."[26]

38. Respondents documented that in 2021, Luckin had approximately 114 affiliated entities. Luckin disclosed in its Form 20-F that there were no related party transactions for the year ended December 31, 2021.

39. Despite having identified related party transactions and balances as a significant risk, Respondents, in violation of PCAOB standards, failed to identify and test any controls that

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25 *See* AS 2810.30; AS 2301.08, .13.

26 AS 2410.17 (footnote omitted).

were important to the Respondents' conclusion about whether Luckin's controls sufficiently addressed the significant risk of misstatement to each relevant assertion, including the controls over Luckin's process for (1) identification of related parties and relationships and (2) accounting for, and disclosure of, related party transactions.

40. In addition, Respondents failed to perform any substantive procedures to evaluate whether Luckin had properly identified its related parties and relationships and transactions with related parties. Further, they failed to perform any substantive procedures to evaluate whether related party transactions were properly accounted for and disclosed in Luckin's 2021 financial statements.

41. As a result, Respondents violated AS 1105, AS 2201, AS 2301, AS 2410, and AS 2810 by failing to obtain sufficient appropriate audit evidence to determine whether Luckin had properly identified, accounted for, and disclosed in its financial statements related parties and relationships and transactions with related parties, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

e. Property, Plant, and Equipment ("PP&E")

42. AS 2501.10, *Auditing Accounting Estimates, Including Fair Value Measurements*, requires the auditor to evaluate whether the methods used by the company to develop accounting estimates are in conformity with the requirements of the applicable financial reporting framework. PCAOB standards also require the auditor to evaluate whether the significant assumptions used by the company or its specialist are reasonable and whether the methods used by the specialist are appropriate under the circumstances.[27]

43. AS 1210.09, *Using the Work of an Auditor-Engaged Specialist*, requires that when an auditor engages a specialist, the engagement partner review that specialist's report, or equivalent documentation, and evaluate whether the specialist's work provides sufficient appropriate evidence. In addition, if the auditor-engaged specialist's findings or conclusions appear to contradict the relevant assertion or the specialist's work does not provide sufficient appropriate evidence, the engagement partner should perform additional procedures or request the specialist to perform additional procedures, as necessary to address the issue.[28]

44. As of December 31, 2021, Luckin reported PP&E, net of depreciation, of RMB 1.8 billion (approximately US$283.3 million). PP&E associated with the Luckin Coffee EXPRESS asset

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[27] AS 2501.16; AS 1105.A8b-.A8c.

[28] *Id.* at .12 and Note (providing the example of a specialist's report containing disclaimers as a circumstance where "additional procedures ordinarily are necessary").

group (“EXPRESS”) was RMB 233.5 million (approximately US$36.6 million). Respondents identified a significant risk associated with the valuation of PP&E related to the assessment of long-lived assets for impairment.

45. In 2021, Luckin identified certain impairment indicators that required it to evaluate the recoverability of EXPRESS. To that end, Luckin engaged an external valuation specialist to assist with preparing the estimate of undiscounted future cash flows from EXPRESS. This forecast included assumptions related to future revenue, gross profit, and remaining weighted average useful life of PP&E. Luckin determined the remaining weighted average useful life of EXPRESS PP&E to be six years, but also estimated undiscounted future cash flows over eight years. Based on the forecast, the carrying amount of EXPRESS was determined to be recoverable.

46. Respondents did not identify any controls over the assumptions used by Luckin’s specialist. As a result, Respondents failed to test any controls that would be important to Respondents’ conclusion about whether the controls sufficiently addressed the significant risk associated with the valuation of PP&E.

47. Respondents used an auditor-engaged specialist to review Luckin’s specialist’s report. Notably, the auditor-engaged specialist’s report stated that “information furnished by others or taken from the client’s reports and records, standard reference manuals, publications and other sources, upon which all or portions of this review report are based, is believed to be reliable, but has not been verified in all cases.”

48. Respondents did not perform additional procedures, or request the auditor-engaged specialist perform additional procedures, to address the disclaimer in the auditor-engaged specialist’s report. Thus, Respondents failed to perform sufficient procedures to evaluate whether the auditor-engaged specialist’s work provided sufficient appropriate audit evidence.

49. In addition, Respondents failed to perform any procedures to evaluate the reasonableness of the assumptions developed by Luckin and its specialist, including evaluating a significant difference between the eight years of undiscounted cash flows and the remaining useful life of six years for the assets.

50. Accordingly, Respondents violated AS 1105, AS 1210, AS 2201, and AS 2501 in connection with auditing Luckin’s PP&E, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

f. Journal Entry Testing

51. AS 1105.10 provides that when using information produced by the company as audit evidence, the auditor should evaluate whether the information is sufficient and appropriate for purposes of the audit by performing procedures to: (1) test the accuracy and completeness of the information, or test the controls over the accuracy and completeness of that information; and (2) evaluate whether the information is sufficiently precise and detailed for purposes of the audit.

52. AS 2301.41 further provides that the auditor's substantive procedures must include the audit procedure of examining material adjustments made during the course of preparing the financial statements. AS 2401.58, *Consideration of Fraud in a Financial Statement Audit*, explains that "the auditor should design procedures to test the appropriateness of journal entries recorded in the general ledger and other adjustments (for example, entries posted directly to financial statement drafts) made in the preparation of the financial statements." AS 2401.61 requires the auditor to use professional judgment in determining the nature, timing, and extent of the testing of journal entries and other adjustments, including determining the appropriate method of examining the underlying support for the items selected.

53. During the Luckin Audit, Respondents identified fraud risks in connection with management override of controls.

54. Although Respondents performed certain procedures to test a selection of journal entries in response to these identified fraud risks, they failed to identify and test any controls over journal entries and other adjustments made in the period-end financial reporting process, as required by AS 2201.14. In addition, Respondents failed to perform any substantive procedures to examine material adjustments made during the course of preparing the financial statements.

55. Respondents identified fraud criteria to identify and select journal entries and other adjustments for testing and obtained a listing of journal entries that met the criteria. However, Respondents failed to perform any procedures to test the completeness of the listing of journal entries it used to identify journal entries that met the criteria. In addition, Respondents failed to sufficiently test the journal entries that met the identified fraud risk criteria for evidence of possible material misstatement due to fraud, because they limited their procedures to certain entries without having an appropriate rationale for limiting their testing to those journal entries. Further, Respondents failed to examine the underlying support for those entries selected for testing.

56. As a result, Respondents failed to perform sufficient procedures to respond to the identified risk of management override of controls on the Luckin Audit, in violation of AS 1105, AS 2201, AS 2301, and AS 2401, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

g. Information Technology General Controls ("ITGCs")

57. AS 2201.62 requires that an auditor "evaluate the severity of each control deficiency that comes to his or her attention to determine whether the deficiencies, individually or in combination, are material weaknesses as of the date of management's assessment."

58. Respondents identified 23 control deficiencies out of 64 ITGCs for Luckin's information systems. However, Respondents failed to evaluate the severity of these control deficiencies to determine whether the control deficiencies, individually or in combination, were material weaknesses.

59. Accordingly, Respondents failed to exercise due professional care and take appropriate steps after learning of numerous control deficiencies in Luckin's systems, in violation of AS 1015 and AS 2201.

iii. Respondents Failed to Properly Assess Risk and Obtain Sufficient Appropriate Audit Evidence in the Greenpro Audit Work

a. Risk Assessment

60. Centurion was engaged to perform financial statement audit procedures for seven of Greenpro's subsidiaries in accordance with the principal auditor's instructions, including full-scope audit procedures for four subsidiaries ("Full Scope Subsidiaries") and specific-scope audit procedures for the other three subsidiaries. However, Respondents failed to inquire of management and others within Greenpro's subsidiaries who might reasonably be expected to have information that was important to the identification and assessment of risks of material misstatement, including fraud risks.

61. Accordingly, Respondents failed to exercise due professional care in properly planning and performing risk assessment for the Greenpro Audit Work, in violation of AS 1015 and AS 2110.

b. Revenue

62. For the Greenpro Audit Work, Respondents identified, and the principal auditor also advised Respondents, that revenue was a presumed fraud risk area.

63. Greenpro's subsidiaries recorded both business consulting and corporate advisory revenue during 2021. In violation of PCAOB standards, Respondents failed to perform any procedures to evaluate whether the methods Greenpro's subsidiaries used to recognize those two types of revenue were in conformity with the Generally Accepted Accounting Principles ("GAAP").[29]

64. In addition, Respondents failed to perform sufficient procedures to evaluate whether Greenpro's subsidiaries had satisfied their performance obligations prior to recognizing these two types of revenue. Specifically, Respondents limited their procedures to reviewing certain filings with the Commission related to customers' initial public offerings and/or testing that Greenpro's subsidiaries had received cash.

65. Also, with respect to business consulting revenue, corporate advisory revenue, and a third revenue stream—insurance brokerage service revenue—Respondents failed to perform procedures to evaluate whether Greenpro's subsidiaries met certain other revenue recognition criteria prior to recognizing revenue; specifically, Respondents did not review contracts between Greenpro's subsidiaries and their customers to identify performance obligations and determine the transaction price.

66. As a result, Respondents failed to obtain sufficient appropriate audit evidence to support Greenpro's subsidiaries' reported revenue, in violation of AS 1105 and AS 2810, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

c. Long-Lived Assets

67. Respondents identified a significant risk associated with the valuation of certain long-lived assets held by two of the Greenpro subsidiaries they were responsible for auditing. Specifically, Respondents identified a significant risk associated with the valuation of the subsidiaries' PP&E and real estate held for sale or investment, including the judgment involved in assessing impairment.

68. Greenpro's consulting subsidiary ("Subsidiary A") reported PP&E of $2.8 million, representing 12% of Greenpro's total assets and equaling 140 times Subsidiary A's materiality of $20,000. The PP&E consisted primarily of building space owned by Subsidiary A and used by it to conduct its business operations.

69. Greenpro's commercial real estate investment subsidiary ("Subsidiary B") reported real estate held for sale of $2.2 million, representing all of Greenpro's real estate held for sale and 10% of Greenpro's total assets. This amount was 74 times Subsidiary B's materiality

[29] *See* AS 2810.30-.31.

of $30,000. Greenpro, in the notes to its Form 20-F, disclosed that real estate held for sale (1) represents multiple units in a building located in Hong Kong for which a committed plan to sell exists and an active program to market such properties has been initiated and (2) is reported at the lower of carrying amount or fair value, less estimated costs to sell.

70. The two Greenpro subsidiaries engaged an external specialist to determine the fair value of Subsidiary A's and Subsidiary B's long-lived assets. The Greenpro subsidiaries' specialist's valuation reports stated that the properties were valued "by the direct comparison approach and by making reference to comparable sales transactions / asking evidences as available in the relevant market." However, the valuation reports did not include specific information regarding the comparable sales transactions or other evidence used by the Greenpro subsidiaries' specialist. For Subsidiary B, the valuation report also did not provide a valuation of the estimated costs to sell Subsidiary B's real estate held for sale.

71. Respondents used an auditor-engaged specialist to review the Greenpro subsidiaries' specialist's valuation reports. With respect to the assumptions used by the Greenpro subsidiaries' specialist, the auditor-engaged specialist stated in his review reports that he assumed the Centurion engagement team had obtained sufficient information on evaluating the reasonableness of the valuation assumptions. He also pointed out that the comparable sales transactions used by the Greenpro subsidiaries' specialist for Subsidiary A's PP&E were in the "upper quartile of the price range." The auditor-engaged specialist also observed that only one comparable was selected for the valuation of Subsidiary B's real estate held for sale and suggested adding "2-3 comparables to enhance the reliability." In addition, the auditor-engaged specialist's review reports included disclaimers and limitations.

72. In evaluating Subsidiary A's and Subsidiary B's long-lived assets, Respondents violated PCAOB standards by failing to:

- perform any procedures to evaluate the relevance and reliability of data that the Greenpro subsidiaries' specialist obtained from external sources and used to develop fair value, including the data associated with the comparable sales transactions and adjustment factors;[30]

- perform any procedures to identify and evaluate the reasonableness of the significant assumptions developed by the Greenpro subsidiaries and their specialist, such as the selection criteria of comparable transactions and the adjustment factors

[30] *See* AS 1105.A8a.

adopted in the valuation;[31] and

- perform any additional procedures, or request that the auditor-engaged specialist perform additional procedures, to address the disclaimers and limitations included in the auditor-engaged specialist's reports that affected the Firm's use of the reports.[32]

73. As a result, Respondents violated AS 1105, AS 1210, and AS 2501 in connection with auditing Greenpro Subsidiary A's and Subsidiary B's long-lived assets, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

d. Journal Entry Testing

74. In the Greenpro Audit Work, Respondents identified, and the principal auditor communicated, that there were fraud risks associated with management override of controls. Respondents communicated to the principal auditor that their audit procedures in response to the risks associated with management override of controls would include journal entry testing.

75. However, Respondents did not perform sufficient procedures to obtain an understanding of the Full Scope Subsidiaries' financial reporting process and the controls over journal entries and other adjustments.[33] Also, while Respondents identified characteristics of potentially fraudulent entries or adjustments for testing, they failed to determine whether any journal entries met those characteristics and instead limited their testing to haphazardly selected journal entries.[34] In addition, Respondents failed to perform sufficient procedures to test the completeness of the population from which they selected journal entries for testing because they did not identify unexplained differences between the general ledger balances used to test the completeness and the general ledger balances that were included in the financial statements.

76. As a result, Respondents failed to perform sufficient procedures to respond to the risk of management override of controls on the Greenpro Audit, in violation of AS 1105 and AS 2401, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

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31 *See id.* at .A8b; AS 2501.15, .16.

32 *See* AS 1210.09, .12.

33 *See* AS 2401.58, .60.

34 *See id.* at .61.

e. Uncorrected Misstatements

77. AS 2810.17 requires the auditor to evaluate whether uncorrected misstatements are material, individually or in combination with other misstatements. The standard explains that "[i]n making this evaluation, the auditor should evaluate the misstatements in relation to the specific accounts and disclosures involved and to the financial statements as a whole, taking into account relevant quantitative and qualitative factors." AS 2810.18 provides that the auditor's evaluation of uncorrected misstatements should include an evaluation of the effects of uncorrected misstatements detected in prior years and misstatements detected in the current year that relate to prior years.

78. During the Greenpro Audit Work, Respondents identified uncorrected misstatements but did not evaluate whether the uncorrected misstatements were material, individually or in combination with other misstatements, including the effects of the uncorrected misstatements on the specific accounts and disclosures involved and the effects of the misstatements identified related to the prior year on the current-year financial statements.

79. Accordingly, Respondents violated AS 1015 and AS 2810 in performing procedures for the Greenpro Audit Work.

iv. Respondents Failed to Assess Risk and Obtain Sufficient Appropriate Audit Evidence in the Moxian Audit

a. Risk Assessment

80. In the Moxian Audit, Respondents failed to identify and assess the risks of material misstatement at the assertion level for the significant accounts and disclosures they identified—for example, revenue and digital assets. Specifically, Respondents failed to hold a discussion among the key engagement team members about the potential for material misstatement due to fraud. Respondents also failed to inquire of the audit committee, management, and others within the company about fraud risks.

81. Accordingly, Respondents failed to exercise due professional care or to perform the procedures necessary to properly plan and perform risk assessment for the Moxian Audit, in violation of AS 2110. Respondents also violated AS 1015 by failing to exercise due professional care, including professional skepticism.

b. Digital Assets

82. As of December 31, 2021, Moxian reported $5 million in digital assets, consisting of USD Coins that Moxian disclosed it had acquired in December 2021 through the issuance of

5 million shares of preferred stock. Moxian disclosed that it held the USD Coins in a digital wallet on a digital asset platform.

83. In the Moxian Audit, Respondents identified as a fraud risk that employees or management might misappropriate digital assets. In performing substantive procedures regarding the existence assertion for Moxian's digital assets, Respondents observed a deposit history for the audit period and an account balance as of December 31, 2021, through management's account on the digital asset platform, but Respondents failed to evaluate the relevance and reliability of that information, beyond obtaining evidence about the asset platform's reputation and its regulatory compliance. Respondents also failed to perform any procedures to test the rights and obligations assertion that Moxian had control over the digital assets it reported.

84. As a result, Respondents failed to obtain sufficient appropriate audit evidence to support Moxian's reported digital assets, in violation of AS 1105 and AS 2301, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

c. Journal Entry Testing

85. Respondents identified management override of controls as a fraud risk in the Moxian Audit, but they failed to identify and select journal entries and other adjustments for testing to address the potential for material misstatement due to fraud.

86. As a result, Respondents failed to perform sufficient procedures to respond to the risk of management override of controls on the Moxian Audit, in violation of AS 2401, and violated AS 1015 by failing to exercise due professional care, including professional skepticism.

E. Respondents Failed to Make Required Audit Committee Communications in Connection with the Audits

87. Pursuant to AS 1301.01, *Communications with Audit Committees*, an auditor should communicate to a company's audit committee certain matters related to the conduct of an audit. These matters include: the overall audit strategy; the significant risks identified during the auditor's risk assessment procedures; significant accounting policies and practices and critical accounting policies and practices; critical accounting estimates; and the results of the auditor's evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework.[35] AS 1301.08 also requires the auditor to inquire of the audit committee about whether the audit committee

[35] AS 1301.09, .12-.13.

is aware of matters relevant to the audit, including, but not limited to, violations or possible violations of laws or regulations.

88. Moreover, AS 1301.10d specifies that each auditor, as part of communicating the overall audit strategy, should communicate with the audit committee the names, locations, and planned responsibilities of other independent public accounting firms or other persons, who were not employed by the auditor, that performed audit procedures in the current period audit.

89. AS 1301.21 states that "the auditor should provide to and discuss with the audit committee a draft of the auditor's report." In addition, pursuant to AS 2201.78, "[t]he auditor must communicate, in writing, to management and the audit committee all material weaknesses identified during the audit. The written communication should be made prior to the issuance of the auditor's report on [ICFR]."

90. In connection with both the Luckin Audit and Moxian Audit, Respondents failed to inform the respective audit committees of the names, locations, and planned responsibilities of other accounting firms that performed audit procedures in those audits. Respondents also failed to communicate to both audit committees any critical accounting policies and practices and critical accounting estimates. In addition, Respondents failed to inquire of both audit committees about whether they were aware of matters relevant to the audits, including, but not limited to, violations or possible violations of laws or regulations.

91. In the Moxian Audit, Respondents failed to communicate to the audit committee the significant accounting policies and practices, as well as the significant risks identified through Respondents' risk assessment procedures. Moreover, Respondents did not provide or discuss with the Moxian audit committee a draft of the Firm's audit report. Respondents also failed to communicate, in writing, to the audit committee all material weaknesses identified during the Moxian Audit.

92. Accordingly, Respondents violated AS 1301 in connection with the Luckin Audit, and violated both AS 1301 and AS 2201 in connection with the Moxian Audit.

F. The Firm Violated Auditing Standards Related to Audit Reporting in the Audits

93. AS 2201.85C provides that the auditor's report on the audit of ICFR must include "[t]he auditor's opinion on whether the company maintained, in all material respects, effective [ICFR] as of the specified date, based on the control criteria."

94. AS 2201.88 states that "[i]f the auditor chooses to issue a separate report on [ICFR], he or she should add the following paragraph (immediately following the opinion paragraph) to the auditor's report on the financial statements –

> We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ('PCAOB'), the Company's [ICFR] as of December 31, 20X8, based on [*identify control criteria*] and our report dated [*date of report, which should be the same as the date of the report on the financial statements*] expressed [*include nature of opinion*]."

95. PCAOB standards further provide that if there are control deficiencies that, individually or in combination, result in one or more material weaknesses, the auditor must express an adverse opinion on the company's ICFR and the auditor's report must include a statement that a material weakness has been identified and an identification of the material weakness described in management's assessment.[36]

96. Also, for each critical audit matter ("CAM") communicated in the auditor's report, the auditor must describe the principal considerations that led the auditor to determine that the matter is a CAM and how the CAM was addressed in the audit.[37]

97. In its audit report for the Luckin Audit, the Firm failed to appropriately describe the principal considerations that led the Firm to determine that a matter was a CAM, in violation of AS 3101.14b. The Firm also failed to meet the requirements of AS 3101.14c by stating in the Luckin Audit report that it conducted certain procedures to address two identified CAMs, when, in fact, Respondents failed to perform those procedures.

98. Similarly, the Firm disclosed in the Moxian Audit report that it conducted certain procedures to address a CAM that Respondents, in fact, never performed, violating AS 3101.14c.

99. Moreover, in its report for the Moxian Audit, the Firm failed to accurately describe the audit and the type of audit opinion it issued. Moxian was required to have an audit of ICFR, Moxian engaged the Firm to perform an integrated audit, and the Firm expressed an opinion on Moxian's ICFR. And yet, in violation of AS 2201.88, the Firm in its original financial statement audit report did not include the required explanatory paragraph when it chose to issue a separate ICFR audit report. Instead, the Firm inappropriately described what its

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[36] AS 2201.90, .91.

[37] AS 3101.14b-c.

responsibilities would have been with respect to ICFR in a financial statements-only audit.[38] Also, in violation of AS 2201.90, in its revised audit report on the financial statements, the Firm inaccurately stated that it expressed a "qualified opinion" on Moxian's ICFR, when it actually issued an adverse opinion—a "qualified opinion" on ICFR is not permitted by PCAOB auditing standards. Finally, in the ICFR report for Moxian, the Firm did not include the statement that a material weakness had been identified, as required by AS 2201.91.

100. Accordingly, Respondents violated AS 3101 in connection with the Luckin Audit, and violated AS 2201, AS 3101, and AS 3105 in connection with the Moxian Audit.

G. The Firm Failed to Comply with PCAOB Rules in Filing Multiple Form APs

101. PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*, provides that each registered public accounting firm must disclose information about engagement partners and other accounting firms that participate in audits of issuers by filing a Form AP, *Auditor Reporting of Certain Audit Participants*, for each audit report issued by the firm for an issuer.

102. A Form AP must be filed by the 35th day after the date a firm's audit report is first included in a document filed with the Commission or, in the case of a registration statement under the Securities Act of 1933, by the tenth day after the date the audit report is first included in a document filed with the Commission.[39]

103. Personnel from non-registered accounting firms performed audit procedures in the Luckin Audit, the Moxian Audit, and a third audit of another issuer in 2021. Each of these accounting firms met the definition of an "other accounting firm" as described in General Instruction 2 of Form AP. However, the related Form APs filed by the Firm stated incorrectly that no other accounting firms participated in these audits.

104. With respect to the audit reports included in six filings with the Commission by two issuers, the Firm filed five of the relevant Form APs approximately 37 days to 450 days late—and never filed a Form AP for one of the audit reports it issued.

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[38] *See* AS 3105.59, .60, *Departures from Unqualified Opinions and Other Reporting Circumstances* (requiring a firm to include certain statements in its audit report when management is required to report on the company's ICFR but such report is not required to be audited, and the auditor has not been engaged to perform an audit of management's assessment of the effectiveness of ICFR).

[39] Rule 3211(b).

105. Accordingly, the Firm violated Rule 3211 with respect to nine instances in which a Form AP was inaccurate, untimely, or never filed.

H. The Firm Violated PCAOB Quality Control Standards

106. PCAOB rules require a registered public accounting firm and its associated persons to comply with PCAOB quality control standards.[40] These standards require that a registered public accounting firm have a system of quality control for its accounting and auditing practice.[41] "A firm has a responsibility to ensure that its personnel comply with the professional standards applicable to its accounting and auditing practice."[42]

107. QC § 20.13b requires policies and procedures to be established to provide the firm with reasonable assurance that work is assigned to personnel having the degree of technical proficiency required in the circumstances.

108. Pursuant to QC § 20.17, a firm's system of quality control should include policies and procedures "to provide the firm with reasonable assurance that the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and the firm's standards of quality."

109. From 2021 through 2023, the Firm violated these quality control standards because its system of quality control did not provide reasonable assurance that (i) the Firm assigned work to personnel who have the technical proficiency required by PCAOB standards; and (ii) the work performed by engagement personnel met applicable professional standards and regulatory requirements, especially with regard to exercising the professional skepticism required by PCAOB standards in the performance of issuer audits.

110. As described in the preceding sections, each of the Audits and the Greenpro Audit Work suffered from numerous deficiencies. These were attributable, in part, to the Firm's system of quality control failing to provide reasonable assurance that engagement personnel had sufficient technical knowledge or experience necessary to enable them to fulfill the responsibilities of the work assigned. Thus, engagement personnel did not have an appropriate understanding of the relevant accounting and PCAOB standards.

111. These deficiencies were also attributable to the Firm's system of quality control failing to provide reasonable assurance that Firm personnel appropriately applied professional

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[40] Rule 3100; PCAOB Rule 3400T, *Interim Quality Control Standards*.

[41] QC § 20.01, *System of Quality Control for a CPA Firm's Accounting and Auditing Practice*.

[42] *Id.* § .03 (footnotes omitted).

skepticism, as demonstrated across the Audits and the Greenpro Audit Work in areas in which they had identified significant risks, including in some cases fraud risks.[43] The application of professional skepticism is essential to the performance of effective audits under PCAOB standards, and the lack of professional skepticism by Firm personnel had a pervasive, negative effect on the Audits and the Greenpro Audit Work.

112. As a result, for example, in the 2021 Luckin Audit, engagement personnel failed to consider the fraud risk factors related to the fraudulent schemes that were carried out by Luckin management in 2019 and 2020, including the risk of incomplete identification of related parties and relationships and transactions with related parties. Engagement personnel also failed to identify and test any controls over, and perform substantive procedures to evaluate, ASC 606 revenue recognition criteria and to address the relevant fraud risks. Moreover, in connection with three 2021 audits, Firm personnel filed Form APs that omitted information related to the participation in the audits by other accounting firms.[44]

113. Accordingly, the Firm failed to comply with QC § 20.

I. Chan Directly and Substantially Contributed to the Firm's Audit Reporting Violations

114. "A person associated with a registered public accounting firm shall not take or omit to take an action knowing, or recklessly not knowing, that the act or omission would directly and substantially contribute to a violation by that registered public accounting firm of the Act, the Rules of the Board, the provisions of the securities laws relating to the preparation and issuance of audit reports and the obligations and liabilities of accountants with respect thereto, including the rules of the Commission issued under the Act, or professional standards."[45]

115. Chan was the Firm's sole owner and managing partner, and served as the engagement partner for the Audits. Moreover, Chan was one of the three individuals in the Firm who were responsible for ensuring that the Firm complied with the PCAOB standards relevant to the reporting violations described in Section III.F. But Chan failed to carry out those engagement-specific and firm-wide responsibilities. Chan knew, or was reckless in not knowing, that his acts and omissions would directly and substantially contribute to the Firm's audit

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[43] *See supra* Section III.D.

[44] *See supra* Section III.G.

[45] PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations* (the Board has since amended this rule, but the amendment is not applicable to the conduct here).

reporting violations under AS 2201, AS 3101, and AS 3105. As a result, Chan violated Rule 3502.

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), Centurion and Chan are hereby censured.

B. Pursuant to Section 105(c)(4)(A) of the Act and the PCAOB Rule 5300(a)(1), the PCAOB registration of Centurion is hereby revoked.

C. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Chan 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).

D. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty of $75,000 is imposed on Respondents, jointly and severally.

   1. All funds collected by the Board as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act.

   2. Respondents shall pay this civil money penalty within thirty (30) days of the issuance of this Order by (1) wire transfer in accordance with instructions furnished by Board staff; or (2) United States Postal Service postal 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 Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington, D.C. 20006; and (c) submitted under a cover letter which identifies the payors as Respondents 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 which 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.

3. If timely payment is not made, interest shall accrue at the federal debt collection rate set for the current quarter pursuant to 31 U.S.C. § 3717. Payments shall be applied first to post-Order interest.

4. By consenting to this Order, the Firm acknowledges that a failure to pay the civil money penalty described above may alone be grounds to deny a request for leave pursuant to PCAOB Rule 5302(c) to file an application for registration or to deny an application for registration pursuant to PCAOB Rule 2101.

5. By consenting to this Order, Chan acknowledges that a failure to pay the civil money penalty described above may alone be grounds to deny any request for leave pursuant to PCAOB Rule 5302(c) to petition to terminate a bar or to deny any petition to terminate a bar pursuant to PCAOB Rule 5302(b).

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

July 22, 2025