



华安德会计师事务所

RUSSELL BEDFORD HUA-ANDER

COST-EFFECTIVE SOLUTIONS FOR GROWING BUSINESSES



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When you look for an accounting firm in China, it is usually not hard to find one. From small local firms to the "Big Four", all are available. However, in today's competitive and ever changing business environment, what you need but hard to find, is ingenuity, versatility, and creativity. That is the difference between ordinary accountants and entrepreneurial professionals. Russell Bedford Hua-Ander is a team of such professionals and we are ready to serve you.

Russell Bedford Hua-Ander is one of the first partnership accounting firms approved by the Ministry of Finance of the People's Republic of China. Russell Bedford Hua-Ander is internationally recognized for its technical proficiency and high standards of quality. It has grown into a prominent national firm driven by its commitment to clients' interest and satisfaction.

Russell Bedford Hua-Ander is a full service accounting firm providing diversified services from accounting, audit, and taxation to

advisory and transaction services. Our international expertise and experience, facilitated by our strong English communication ability, give us advantages in servicing foreign entities in China. The knowledge and insight into the practice of local tax and other regulatory requirements enable us to provide practical solutions. High quality of services, and personal attention to each client and issue, plus reasonable fee, make Russell Bedford Hua-Ander a best cost-effective alternative to the 'Big Four' in China.



In 1997, a group of colleagues working at one of the 'Big Four', well-trained in professional practice with valuable experiences but resentful against the constrained creativity, somewhat bureaucratic management, and clients' complaint about high cost, decided to set up Russell Bedford Hua-Ander accounting firm, a firm where both our dream client services and individual values can be realized.

It has been and will always be our mission to turn our expertise and experience into value for the benefit of our clients and our people, aiming to provide our clients with alternative cost-effective solutions. Looking back to the past decade, we are proud to see that Russell Bedford Hua-Ander has grown into a prominent firm offering a variety of professional services, with a number of satisfied and loyal clients and much enlarged group of people of high integrity and capability.

Since the first day of Russell Bedford Hua-Ander, we have established our core values and are constantly guided by them.

德 (virtue or integrity) and 技 (expertise or professional competence) set the core of our values. In everything we do, we are honest and act with integrity, both as an organization and as individuals. To provide high quality services, we strive to uphold the highest professional standards by developing unremittingly personal knowledge, skills, experience, and perspectives and sharing them with other members of the firm.

Russell Bedford Hua-Ander is –

- ✓ One of Top 50 firms in Beijing
- ✓ Level A CTA firm in Beijing
- ✓ Member of IFAC Forum of Firms
- ✓ Member of Russell Bedford International
- ✓ Member of True Partners International
- ✓ PCAOB Registered firm



OUR EXPERTISE

Russell Bedford Hua-Ander is a full service accounting firm providing diversified services from accounting, audit, and taxation to more multidisciplinary advisory and transaction services.

In the 'traditional' service areas of accounting and tax, we have specialized teams dealing with daily routines and reporting requirements for small and mid-size WFOEs (wholly foreign owned enterprises), Sino-foreign joint ventures, and representative offices of foreign companies.

In the audit area, we are experienced in financial audit, IFRS/US GAAP audit, participating in group audit, tax audit and foreign exchange review; Conducting dual audits that meet both Chinese statutory and the group's reporting requirements has been one of our cost-effective solutions to those multinational companies.

In the area of internal control design and implementation, a couple of big engagements starting from 1998 have rewarded us valuable experience and reputation among large international companies in China.

Since 2000, we have been actively involved in transaction services and financial advisory, as a result of more and more M&A operations. We have conducted successful financial and tax due diligence investigations for venture capitals, investment banks, and foreign companies seeking partners in China. In recent years, we have also provided pre-deal assistance and advisory to a number of local companies in their activities in the capital markets.





Financial Audit

The Chinese laws require that all companies to be audited annually by CPAs. The main purpose of the financial audit, in addition to meeting needs of investors, is to facilitate the annual reporting with various governmental departments.

IFRS / US GAAP Audit

IFRS – International Financial Reporting Standards are becoming a single set of high quality, understandable and enforceable global standards. In China, although IFRS are not officially adopted as the national accounting standards, the new Accounting Standards for Business Enterprises (ASBE) published in 2006 by the Ministry of Finance, PRC marked a significant step for Chinese accounting standards to move towards IFRS. The new Chinese Accounting Standards' scope includes all IFRS principles. There are, however, a small number of differences between them and IFRS to reflect unique circumstances in China, largely reflecting relationships between the state and corporate entities.

Russell Bedford Hua-Ander provides ASBE-IFRS conversion service and IFRS audit to those foreign investment enterprises in China for group consolidation purpose or for ease of understanding of

their foreign investors. For the group consolidation, Hua-Ander follows the audit instructions from the group auditor and prepares the report package in accordance with pre-defined format. For stand-alone

IFRS audit, we use the standard IFRS format in preparing the report package. Our IFRS audits are performed in accordance with the International Auditing Standards.

To those enterprises with origin of the countries that have not yet adopted IFRS, we provide ASBE-national GAAP Reporting Services. For example, many USA invested companies need our conversion and audit services along with the Chinese statutory audit.

Special Purpose Audit

- Review of foreign exchange transactions
- Audit of contract or agreement compliance
- Audit of project funded by a non-profit or non-government organization
- Audit of a segment or department
- Responsibility or performance audit
- Leaving-post audit
- Liquidation audit
- Internal audit
- Audit for loan purpose



Financial Review

A review of financial statements can serve a number of purposes, either to the entity itself or the third party. When a full-scope audit is not necessary, a review provides a cost-effective alternative; when an audit is difficult to perform or the CPA cannot express an audit opinion, a review can provide a basic understanding of the financial information.

Our financial review service can be more flexible in scope and objectives and be tailored to specific requirements of the client. In addition to review of financial statements, a financial review can be extended to related areas such as systems and controls, specific financial issues that the client concerns, and to tax issues. Such a review report can be used as an alternative to financial due diligence report.

Due Diligence

As accountants specializing in financial and tax areas, Russell Bedford Hua-Ander conducts financial due diligence individually or cooperatively with lawyers and other experts. In either case, we do not deem financial and tax aspects isolated. Instead, while focusing on the key financial and tax figures and issues, we consider wider scope of the target company from its

strategic aspects to internal controls. Quite often, operational, organizational, and environmental considerations contribute a lot in assessing the financial and tax performance, both in the past and for the near future.

When the target company is a local growing company, we will pay special attention to those 'typical' practices and issues that often appear in such companies. Examples include hidden books and fake employees list arising from the consideration of tax and social insurance burdens.

Pre-deal Assistance

While due diligence is the most important part of pre-deal activities, we also offer other assistance related to M&A transactions and those transactions involving IPO and strategic investments. One of the areas we are most experienced in is assisting the target company in streamlining the accounting report system and improving the internal control system before the transaction. The propose is to clean up its accounting system to meet the basic requirements of applicable accounting standards and to enable the auditor or reporting accountant to perform his/her tasks smoothly and in a cost-effective way.



Accounting and Reporting

From the very beginning of Russell Bedford Hua-Ander, accounting services have been one of its core businesses and now we have a full range of services for your choice, from simple but sensitive work such as the cashier function to high-level sophisticated controller function.

- Cash and bank custodianship: receipts and payments, bank reconciliation, cash report
- Expenses handling and reporting (for rep offices)
- Complete bookkeeping and reporting (for companies): ledgers, vouchers, journal entry, reconciliation, accounts closing, statutory reporting, group reporting in English language and in pre-defined format/GAAP
- Statutory filing of financial report with governmental agencies
- Payroll service (see [payroll](#))
- Accounting system designManagement accounting

Compilation Service

Russell Bedford Hua-Ander provides the compilation service to companies of any size or type. The compilation can be performed in accordance with any comprehensive basis of accounting, be it the

International Financial Reporting Standards, the Chinese Accounting Standards for Business Enterprises, or US GAAP. Our compilation service provides the clients with a low-cost option when a full audit or review is not required.

Payroll and Benefits

- preparation of employee monthly payroll details, including calculations of IIT and social and labor insurance contributions payable
- payroll slips
- payroll ledger
- payment of net pay electronically
- registration and de-registration of expatriates
- reporting of newly hired and resigning employees to the various agencies as stipulated by legislation in China
- arranging payment of IIT
- arranging payment of social and labor insurance contributions
- consultation on labor contract, payroll and benefits profile, and labor dispute



Tax Compliance

As a member of the Chinese Certified Tax Agents Association (CCTAA), Hua-Ander CTAs Co., Ltd. is authorized by tax authorities to undertake all tax-related assignments. Based on our tax expertise and experience and our good relationship with tax authorities, we can deliver cost-efficient tax compliance services to FIEs, representative offices, and their employees. Our regular services include preparation and filing of the following tax returns:

- Enterprise income tax returns, including the year-end clearance filing
- Business tax, value-added tax, and consumption tax returns
- Stamp duty returns
- Individual income tax returns, including the year-end self-reporting
- Withholding tax returns in respect of payments made overseas
- Export duty returns
- VAT refunds for export

Tax Audit

- For year-end clearance filing
- For filing of assets loss
- For any special requirements of tax authorities

Tax Planning and Advisory

Russell Bedford Hua-Ander tax experts can provide valuable tax planning and advices during different phases of your business in China:

- Establishment
- During the normal operation
- Exit

We can also assist FIEs in dealing with tax authorities in a number of tax issues, such as tax audit or inspection and penalties or/and surcharges due to tax non-compliance or tax evasion. We can provide daily on-going tax advice to enable clients to take advantages of any new tax laws and regulations and provisions and circulars from tax authorities and to avoid any tax risks during the daily operation of business.

Preparation of related party transaction contemporaneous documents

In the international tax area, we work closely with True Partners Consulting, an international tax network specializing in tax advisory and planning.



Business Advisory

Our business service team at Russell Bedford Hua-Ander is familiar with the procedures of setting up and maintaining businesses in China, whether the business is a representative office, a joint venture or a wholly foreign owned enterprise.

- Business setup
- Change of business
- Annual reporting
- Assistance in foreign exchange (FX) transactions
- Closure of business

Internal Control

Our Russell Bedford Hua-Ander professionals have an in-depth understanding of companies' situation, problems, and needs with respect to internal control and have accumulated valuable related experiences from a dozen of major internal controls assignments and regular audit practice. In undertaking internal control assignments, our practical, proactive but joint-force approach has resulted in cost-effective and practical internal control systems or procedures for our clients.

To address different needs from clients, we offer a variety of services that are flexible to client requirements and specific situation.

- ✓ Systematical design/restructuring of internal control system: to new companies and those existing companies that need a new/restructured system. Our final delivery is a set of control documentation containing policies, procedures (including flowcharts), instructions, and if desirable, forms.
- ✓ Review /diagnosis of internal control: review of the key processes and controls of the main cycles of the client's business, or otherwise limited to only one or two specific areas of business. Our final delivery is a report containing issues and recommendations for improvement.
- ✓ Internal audit assistance: full/partial responsibilities of the internal audit function, advisory and technical assistance to the internal audit department or team of the client.
- ✓ Drafting of procedures: working together with people of the client to setup specific working process and procedures for a certain function(s) or business cycle(s).



OUR PARTNERS

Wang Guoqi

Managing Partner, PhD, CPA, CTA (Certified Tax Agent)

Wang Guoqi received his Bachelor's and Master's degrees in Accounting from Renmin (People's) University of China in Beijing. He also earned his PhD in Accounting and Finance at the London School of Economics and Political Science in early 1990's. Prior to establishing Russell Bedford Hua-Ander in 1997, he worked at Coopers & Lybrand in London and Beijing in areas of training, business services and business advisory.

With rich knowledge of international accounting, finance, and auditing and extensive experience in servicing multinational businesses, Wang Guoqi has served foreign investment enterprises (FIEs) and Hi-tech ventures in China in areas of business services, IFRS audit and review, due diligence, financial advisory, and management consultancy.

Ren Jianchun

Partner, CPA, CTA

Ren Jianchun holds a degree in Accountancy from Renmin University of China and has postgraduate education background. Prior to founding the firm, she worked as the controller at a large state-owned enterprise and, from 1994 at Coopers & Lybrand CIEC providing audit and business services.

Ren Jianchun has two-decade of experience in Chinese accounting and finance, tax, and providing audit and consulting services to Chinese companies and FIEs. The range of her expertise includes business advisory, Chinese statutory audit, tax planning, compliance and advisory, and internal control system design and reconstruction.

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James Chang

Partner, CPA (AICPA), Practicing CPA (CICPA)

James received his Bachelor of Science from New York University and his certificate, from New York State Society of CPAs, to practice as a CPA in 1988. Prior to founding James Chang CPAs in 1996, he worked as an audit manager at Person & Co. CPAs. He was a partner of a Chinese local CPA firm prior to joining Russell Bedford Hua-Ander in 1999. James is one of the first foreign citizens who were approved as Chinese practicing CPAs in 1998.

Armed with unique accounting and tax practical experience in both USA and China, James has led numerous assignments covering audit, business advisory, and international tax planning and compliance. He also specializes in US IIT compliance and immigration audit support.

Romona Zhao

Partner, CPA

Romona got a diploma in Accountancy from Capital United Technology University. Prior to founding the firm, she worked as an accountant at a local manufacturing company and, from 1995 at Coopers & Lybrand CIEC providing audit and business services. Romona was promoted to a partner in 2005.

Romona has an intimate knowledge of Chinese and international accounting. The range of her expertise includes business advisory, Chinese statutory audit and IFRS audit, due diligence, and financial advisory.

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Theresa Liu

Partner, CPA

Theresa has rich experience in Chinese statutory audit and IFRS audit, due diligence, and management and tax consulting. She has led and participated in a number of audit and consulting assignments to FIEs, particularly in manufacturing and IT service industries. Theresa is a member of Chinese Institute of Certified Public Accountants (CICPA).

Theresa graduated from Renmin University of China. Prior to founding the firm in 1997, Theresa worked at one of the "Big Four" in Beijing providing training and business services.

Frank Zheng

Partner, CPA, MBA

Frank joined Russell Bedford Hua-Ander in 2000, when he already had four-year finance experience with a state-owned company. Frank was promoted to partnership in 2012.

Frank holds bachelor and MBA degrees from Central University of Finance and Economics. He has deep knowledge of Chinese accounting and tax and rich experience in auditing state owned and foreign owned entities, due diligence, merger and acquisition and IPO assistance. His expertise industries include real estate and high-tech.



OUR CLIENTS (SELECTED)

