RISKS UNDERSTOOD
POWER DELIVERED

Mitigate your business risks and empower you to win with confidence

RSM CONSULTING MONTHLY ALERT

Welcome to the RSM Consulting Monthly Alert covering the latest news on risk advisory and cybersecurity, transaction and valuation updates, IT trends and upcoming events.

Risk Advisory Annual Results 2016

Our Risk Advisory Services focus on helping local and overseas companies to list in Hong Kong, and on providing consulting services to these companies after listing to help them comply with the listing rules on corporate governance, risk management and internal audit matters.

THIS ISSUE'S HIGHLIGHTS

* Risk Advisory Services clients raised more than HK$1.4 billion funds in 2016
* Super Mario Run for Android? No, it's malware
* 4 Predictions for Cloud Computing and Machine Learning in 2017
* 6 Top Trends for Big Data in 2017

"In 2016, we have provided consulting services to over 35 listed companies in Hong Kong and Singapore."

said *Mr. Patrick Lo, Partner, Risk Advisory, RSM Consulting (Hong Kong) Limited*

Active Player in the IPO Market

We continued to be an active player in the IPO market in the role of internal control consultant helping clients and their sponsors to meet the PN21 requirements. We worked with almost all active international, PRC and local banks on these IPO projects. In 2016, we......

· were involved in **8 new listings** in both the Main Board and Growth Enterprise Market Board (GEM)

· helped the listing clients to **raise more than HK$1.4 billion of funds**

· worked across various industries, including **medical care, interior design, food processing, online fashion, IT solution development, securities broking and financial advisory, real estate and resort hotel operations,** etc.

· worked with **more than 50 sponsors**

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Stepped Outside Asia Pacific

Jarden (US consumer products company), Platform Specialty Products Corporation (global high technology specialty chemical products producer and technical service provider) and IPG Photonics (international fiber lasers and fiber amplifiers manufacturer) are our biggest overseas clients and our work comprised **internal audit outsource**, **Sarbanes-Oxley (SOX) compliance testing** and **forensic investigations**.

New Service : Provision of ESG Reporting Guidance

We provided **ESG reporting guidance (environmental, social and governance)** to clients. The main focus was on assisting clients to **establish an ESG reporting framework** and to **meet the minimum reporting requirement** by 2017. The next phase is to assist clients to **provide more specific KPI disclosure** and help clients to **improve their environmental measures**.

Involved in HKICPAs AML Guidelines Development

We were involved in the **development of the HKICPA's AML Guidelines** (anti-money laundering) for accountants, which are required by the HKSAR Government to comply with international standards on AML regimes set out by Financial Action Task Force (FATF). FATF is a global organization set up by the United Nations to devise international standards for anti-money laundering and combating terrorist financing activities.

We Speak to the Public

We continued to contribute to the profession and different industries by providing professional and up-to-date information to the public. We **spoke at a number of seminars and conferences for institutions**, including HKICPA, AHKA and CPA (Australia), on some hot topics, such as **Corporate governance updates**, **ESG** (environmental, social and governance) **reporting requirements** and **AML** (anti-money laundering) **regimes** for accountants.

Cybersecurity News

Super Mario Run for Android? No, it's malware

Attackers have created a fake version of *Super Mario Run* for Android devices in an attempt to steal unsuspecting users' banking and other login credentials by embedding a type of malware that acquires administrative privileges on Android devices called "the Marcher Trojan". Upon successful installation, Marcher will obtain administrative rights then wait for the opportunity to strike an attack at the banking or account management app on the device.

Super Mario Run for Android? No, it's malware
https://www.grahamcluley.com/super-mario-run-for-android-no-its-malware/

Rise of Cybercrime-as-a-Service

Hong Kong Productivity Council ("HKPC") has warned HK enterprises and the public to be on guard against a rising trend of Cybercrime-as-a-Service (e.g. Ransomware attacks). Data shows a 23% rise in security incidents in Hong Kong in 2016, in which malware accounted for 19%. Botnets and phishing attacks remained the main sources. HKPC said Hong Kong businesses should be prepared for the growing frequency and sophistication of cyber attacks.

HKPC warns of rise of Cybercrime-as-a-Service
http://cw.com.hk/news/hkpc-warns-rise-cybercrime-service

MongoDB: The Case for Not Paying the Database Hackers

Over 30,000 MongoDB databases have been hijacked and held for ransom in the last few weeks. MongoDB is a type of database that uses a language known as 'NoSQL'. The attack itself is not a type of hacking because the attacker doesn't actually have to 'hack' anything. The issue lies with the database administrators and their inability to secure their databases. The hackers responsible for the hijackings are accepting payment through bitcoin. Experts suggest not paying the hackers as they are possibly "copycats" and do not really have control of the stolen databases.

MongoDB: The Case for Not Paying the Database Hackers
https://www.scmagazine.com/mongodb-the-case-for-not-paying-the-database-hijackers/article/632499/

IT Trends

2017: Security to Focus on Data, IoT, Cloud and Mobile Payment Systems

Information security is most likely to be on the top of all board meeting agendas for every enterprise, big or small. The biggest challenge for every enterprise is to keep ahead of the threat landscape and be prepared for security breaches.   Four areas where security is set to be of paramount importance in the coming year, enterprise data, IoT, cloud and mobile payment systems, are discussed in this article.

2017: Security to Focus on Data, IoT, Cloud and Mobile Payment Systems
http://www.mis-asia.com/blogs/blogs/2017-security-to-focus-on-data-iot-cloud-and-mobile-payment-systems/

4 Predictions for Cloud Computing and Machine Learning in 2017

A growing number of organizations are opting for cloud computing as the impact of technology advances on infrastructure upgrades and IT budgets are becoming increasingly complex, time consuming and frustrating. Four key trends will be driving cloud computing this year:
· More companies will turn to the cloud than new hardware
· Cloud vendors with incomplete solutions will form surprising alliances
· SaaS will emerge to help people manage cloud-based resiliency
· Machine learning will help predict application downtime and duration

4 Predictions for Cloud Computing and Machine Learning in 2017
http://www.information-management.com/news/infrastructure/4-predictions-for-cloud-computing-and-machine-learning-in-2017-10030720-1.html

6 Top Trends for Big Data in 2017

In addition to artificial intelligence, data lakes, and machine learning, IT trends including data governance, data agility and blockchain will also drive big data adoption in 2017. Together these new technologies can bring tangible success to businesses by ensuring more effective consistency to high volume repetitive tasks, providing both analytical and operational processing, gaining competitive advantage through understanding data in context and taking business action and securing data.

6 Top Trends for Big Data in 2017
http://www.information-management.com/gallery/6-top-trends-for-big-data-in-2017-10030738-1.html

Upcoming Events

Cyber Security: Protect your Business from Cyber Attacks

With the widespread and rapid development of the internet and smart phones, SMEs can easily conduct retail and other business activities through their business website, emails or mobile apps. However, the reliance of businesses on the internet might also leave an open door for hackers. Recently, there has been growing news coverage of SMEs being vulnerable to cyber attacks, which can cause great losses to their business. In this talk, Michael Lai, Territory Manager & Senior Security Sales Engineer from Rapid7, is invited to talk about current web security threats and ways for SMEs to avoid cyber attacks.

Date: 28 February 2017 (Tuesday)
Time: 12:30 PM – 2:00 PM
Venue: HKGCC Theatre, 22/F United Centre, 95 Queensway, Hong Kong
Price: HK$180 (Members) / HK$380 (Non-Members) (+$50 for booking offline)
               · This event accepts Chamber Coupon
               · Members enjoy 30% discount with BOC HKGCC VISA Card
Language: Cantonese

Cyber Security: Protect your Business from Cyber Attacks
http://www.chamber.org.hk/en/events/whatson_detail.aspx?e_code=R170228WL

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To find out more what RSM Consulting (Hong Kong) Limited can offer:

RISK ADVISORY

- Pre-IPO review of internal control systems
- Internal control review (listed & unlisted companies)
- Internal audit (out-sourcing & co-sourcing)
- Corporate governance
- Sarbanes-Oxley compliance and related services
- IT risk assurance and consulting

TRANSACTION ADVISORY

- Transaction support
- Financial advisory
- Valuation advisory

TECHNOLOGY AND MANAGEMENT CONSULTING

- Management consulting
  - IT strategy review
  - Rapid assessment
  - Software selection
  - Project management
- Technology consulting
  - System implementation
  - Cloud portfolio
  - Content management
  - Business intelligence
- IT assurance
  - IT due diligence
  - Cybersecurity review
  - Penetration Testing
  - IT audit

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