



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

## **Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant**

(HONG KONG, 7 May 2019) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 1 April 2019 that the name of Mr. Ng Chi Ching, a certified public accountant (F04959), be removed from the register of CPAs for 12 months with effect from 13 May 2019. In addition, Ng was ordered to pay HK\$32,496 towards the costs of the disciplinary proceedings.

Ng was the financial controller, company secretary and compliance officer of Yorkey Optical International (Cayman) Limited ("Company"), a company listed in Hong Kong. In those positions, Ng had a statutory obligation to ensure that the Company complied with the relevant disclosure requirements under the Securities and Futures Ordinance (Cap. 571) ("SFO").

In August 2012, the Company announced its interim results and stated that it expected significant growth and increasing profitability in the second half of the year. However, the Company's full year results announcement in March 2013 revealed that performance had in fact deteriorated significantly. The Company had therefore breached the relevant disclosure requirements by not issuing any profit warning announcement in the intervening period. The Market Misconduct Tribunal started proceedings in 2016 in relation to the breach.

The Tribunal noted that Ng did not obtain the Company's monthly management accounts, and as a result he was not alerted to the deteriorating performance during the second half of the year. Ng only became aware of the poor results one month before the Company's annual results announcement, and even then he failed to ensure that the Company issue a profit warning announcement.

In 2017, the Tribunal found that Ng was reckless in failing to ensure the Company's timely disclosure, and that he failed to put in place a system to enable the timely identification and disclosure of price sensitive information. The Tribunal found Ng had breached sections 307G(2)(a) and 307G(2)(b) of the SFO and issued sanctions against him. They also recommended referring the findings to the Institute.

After considering the information available, the Institute lodged a complaint under section 34(1A) of the Professional Accountants Ordinance (Cap 50).

The Disciplinary Committee found Ng was in breach of the fundamental principle of Professional Behaviour in sections 100.5(e) and 150.1 of the Code of Ethics for Professional Accountants.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order under section 35(1) of the ordinance. The Committee noted that Ng's conduct was grossly insufficient and highly undesirable. He had wholly ignored and

disregarded his duties and responsibilities. The Committee further noted he was appointed in the positions of the Company because of his professional background as an accountant. His conduct amounted to a serious breach of statutory duties and the trust and confidence placed upon him by the public and shareholders.

#### About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants (HKICPA) enforces the highest professional and ethical standards in the accounting profession. Governed by the Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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#### **About HKICPA**

The Hong Kong Institute of Certified Public Accountants (HKICPA) is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has more than 43,000 members and 19,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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