

IN THE MATTER OF

A Complaint made under Section 34 (1A) and 34(1AA) of the Professional Accountants Ordinance (Cap.50) (the “**PAO**”) and referred to the Disciplinary Committee under Section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong Institute of Certified Public Accountants

COMPLAINANT

AND

- |   |                            |
|---|----------------------------|
| (1) Zenith CPA Limited (corporate practice no. M0399)             | 1 <sup>ST</sup> RESPONDENT |
| (2) Mr. Cheng Po Yuen, a CPA (practising) (membership no. F06724) | 2 <sup>ND</sup> RESPONDENT |
| (3) Ms. Keung Yee Man, a CPA (membership no. A32928)              | 3 <sup>RD</sup> RESPONDENT |
- (collectively the “**Respondents**”)

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants:

Members: Mr. NG Wai Yan (Chairman)  
Ms. CHUI Hoi Yee  
Mr. TSAI Wing Chung, Philip  
Mr. SHEN Ka Yip, Timothy

---

**REASONS FOR DECISION**

---

1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (the “**Institute**”) against the Respondents. Sections 34(1)(a)(vi) of the Professional Accountants Ordinance, Cap. 50, Laws of Hong Kong, applied to the Respondents.

2. The particulars of the Complaint as set out in a letter dated 17 May 2018 (the “**Complaint**”) are as follows:-

## **BACKGROUND**

3. China Healthcare Holdings Limited (now known as China Health Group Limited) (the “**Company**”) was incorporated in Bermuda and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 00673).
4. The 1<sup>st</sup> Respondent, Zenith CPA Limited (“**Zenith**”) audited the financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2011 (the “**2011 Financial Statements**”) and issued an unqualified opinion which included statements relating to the material uncertainty on the Group's ability to continue as a going concern.
5. The 2<sup>nd</sup> Respondent, Mr. Cheng Po Yuen (“**Cheng**”) was the engagement director who signed the auditor's report of the 2011 Financial Statements. The 3<sup>rd</sup> Respondent, Ms. Keung Yee Man (“**Keung**”) was the engagement quality control reviewer (the “**EQCR**”).
6. The 2011 Financial Statements were stated to have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Institute. The auditor's report issued by Zenith stated that the audit was conducted in accordance with the Hong Kong Standards on Auditing (“**HKSA**”) issued by the Institute.
7. The Institute received two Audit Investigation Board (“**AIB**”) reports from the Financial Reporting Council (the “**FRC**”).
  - (a) The 1st AIB report dated 16 March 2017 concerns deficiencies in respect of the following audit areas of the 2011 Financial Statements:
    - (i) classification of convertible bonds;
    - (ii) recognition and classification of subordinated convertible notes;
    - (iii) measurements of convertible bonds, redeemable convertible cumulative preference shares, and share options; and

- (iv) assessment of the Group's ability to continue as a going concern for the purpose of the preparation of the 2011 Financial Statements.
  
- (b) The 2nd AIB report dated 1 February 2018 concerns deficiencies in respect of the Company's accounting treatments, in the 2011 and 2012 Financial Statements, of:
  - (i) a subsidiary group (i.e. Harvest Network Limited (“**Harvest Network**”)) when its equity interest was less than 50%; and
  - (ii) the preferred shares issued by Harvest Network (“**Preferred Shares**”) and the related cumulative dividends.

## **THE COMPLAINT**

### Complaint 1: Against Zenith

8. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to: (a) classification of convertible bonds; and/or (b) measurements of convertible bonds, cumulative preference shares, and share options; and/or (c) accounting treatment of the Group's interest in Harvest Network; and/or (d) accounting treatment of Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply HKSA 230 “Audit Documentation”.

### Complaint 2: Against Zenith

9. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to: (a) classification of convertible bonds; and/or (b) recognition and classification of subordinated convertible notes; and/or (c) measurements of convertible bonds; and/or (d) accounting treatment of the Group's interest in Harvest Network; and/or (e) accounting treatment of Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply paragraph 6 of HKSA 500 “Audit Evidence”.

Complaint 3: Against Zenith

10. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to the assessment of the Group's ability to continue as a going concern, Zenith failed or neglected to observe, maintain or otherwise apply paragraphs 12, 14 and 16 of HKSA 570 "Going Concern".

Complaint 4: Against Zenith

11. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to the accounting treatments of (a) the Group's interest in Harvest Network; and/or (b) Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply paragraph 6 of HKSA 510 "Initial Audit Engagements - Opening Balances".

Complaint 5: Against Zenith

12. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to the accounting treatments of (a) the Group's interest in Harvest Network; and/or (b) Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply paragraph 7 of HKSA 710 "Comparative Information - Corresponding Figures and Comparative Financial Statements".

Complaint 6: Against Cheng

13. Section 34(1)(a)(vi) of the PAO applies to Cheng in that, as the engagement director in the audit of the 2011 Financial Statements, he failed or neglected to observe, maintain or otherwise apply the fundamental principle of professional competence and due care in accordance with sections 100.5(c) and 130.1 of the Code of Ethics for Professional Accountants (the "Code").

#### Complaint 7: Against Keung

14. Section 34(1)(a)(vi) of the PAO applies to Keung in that, as the EQCR in the audit of the 2011 Financial Statements, she failed or neglected to observe, maintain or otherwise apply a professional standard, namely sections 100.5(c) and 130.1 of the Code for her failure to diligently carry out an adequate engagement quality control review, in accordance with paragraph 20 of HKSA 220 “Quality Control for an Audit of Financial Statements”.
15. The Complaint Letter was issued on 17 May 2018. Those facts include the facts as set out in the 1<sup>st</sup> AIB Report dated 16 March 2017 and the 2<sup>nd</sup> AIB Report dated 1 February 2018. Both AIB reports were referred to the Institute, pursuant to s.9 (f) of the FRC Ordinance (Cap 588) (the “**FRC Ordinance**”) upon which the complaint was based. The AIB Reports stand as evidence of the facts stated therein, pursuant to s.35 (7) of the FRC Ordinance.
16. The 1<sup>st</sup> and 2<sup>nd</sup> Respondents admitted to the Complaint by joint application with the Complainant dated 26 June 2018.
17. The 3<sup>rd</sup> Respondent submitted a Respondent’s Case on 31 December 2018.
18. A directions hearing was held on 1 August 2019 attended by the Complainant and the Respondents, which was adjourned to a further date to be fixed.
19. The 3<sup>rd</sup> Respondent admitted to the Complaint by joint application with the Complainant dated 18 December 2019.
20. On 15 January 2020, the Complaint submitted its written submissions on sanctions.
21. On 30 January 2020, one of five the Disciplinary Committee members, Ms Margaret Choi retired as a Disciplinary Committee Panel A member. By letter dated 30 January 2020, the Complainant stated that it had no objection to the disciplinary proceeding with 4 Disciplinary Committee members. By letter dated 13 February 2020, the 3<sup>rd</sup> Defendant stated she had no objection to the disciplinary proceeding with 4 Disciplinary Committee members and by letter dated 19 February 2020, the 1<sup>st</sup> and 2<sup>nd</sup>

Respondents stated they had no objection to the disciplinary proceeding with 4 Disciplinary Committee members.

22. On 13 February 2020, the 3<sup>rd</sup> Respondent submitted her written submissions on sanctions.
23. On 20 and 31 March 2020 the 1<sup>st</sup> and 2<sup>nd</sup> Respondents submitted their written submissions on sanctions.
24. A sanctions hearing was held on 14 October 2020 (rescheduled from 23 July 2020 due the covid-19 situation) where the Disciplinary hearing heard submissions from the Complainant and the Respondents.
25. The Complainant also submitted supplemental submissions on 23 October 2020 to which the Respondents did not reply.

#### **THE PAO**

26. Section 34(1)(a) of the PAO provides that  
*A complaint that—  
a certified public accountant—  
(vi) failed or neglected to observe, maintain or otherwise apply a professional standard; shall be made to the Registrar who shall submit the complaint to the Council which may, in its discretion but subject to section 32D(7), refer the complaint to the Disciplinary Panels.*
27. Section 34 (1AA) of the PAO provides that  
*The provisions of subparagraphs (ia), (ib), (ic), (iv), (v), (vi), (vii), (viii) and (ix) of paragraph (a) of subsection (1) shall apply mutatis mutandis in relation to a corporate practice and accordingly, in addition to those specified in subsection (1)(b), a complaint under subsection (1) may be made against such a practice on any 1 or more of the grounds specified in those subparagraphs as so applied.*
28. Section 35 of the PAO provides that  
*(1) If a Disciplinary Committee is satisfied that a complaint referred to it under section 34 is proved, the Disciplinary Committee may, in its discretion make any one or more of the following orders—*

- (a) *an order that the name of the certified public accountant be removed from the register, either permanently or for such period as it may think fit;*
- (b) *an order that the certified public accountant be reprimanded;*
- (c) *an order that the certified public accountant pay a penalty not exceeding \$500,000 to the Institute;*
- (d) *an order that the certified public accountant—*
  - (i) *pay the costs and expenses of and incidental to an investigation against him under Part VA; and*
  - (ii) *where the disciplinary proceedings were instituted as a result of an investigation under the Financial Reporting Council Ordinance (Cap. 588), pay to the FRC the sum the Disciplinary Committee considers appropriate for the costs and expenses in relation or incidental to the investigation reasonably incurred by the FRC;*
- (da) *an order that the practising certificate issued to the certified public accountant be cancelled;*
- (db) *an order that a practising certificate shall not be issued to the certified public accountant either permanently or for such period as the Disciplinary Committee may think fit,*

#### **THE FRC ORDINANCE**

29. Section 9 of the FRC Ordinance provides that

*The functions of the FRC are—*

*f) to refer to a specified body any case or complaint concerning—*

*(i) any misconduct by a PIE auditor or registered responsible person of a registered PIE auditor;*

#### **THE CODE**

30. Section 100.5 of the Code provides that

*A professional accountant shall comply with the following fundamental principles:*

*(c) Professional Competence and Due Care—to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards...*

31. Section 130.1 of the Code provides that:
- The principle of professional competence and due care imposes the following obligations on all professional accountants:*
- (a) To maintain professional knowledge and skill at the level required to ensure that clients or employers receive competent professional service; and*
  - (b) To act diligently in accordance with applicable technical and professional standards when providing professional services.*

**1<sup>st</sup> and 2<sup>nd</sup> Respondents**

32. Zenith and Cheng admitted to the findings and that the audit of the 2011 Financial Statements failed to comply with the requirements under HKSA 230, HKSA 500, HKSA 570, HKSA 510 and HKSA 710 with regard to the Group's convertible bonds, convertible notes, cumulative preference shares, share options, interest in a subsidiary group and their preferred shares and related dividends, and going concern.
33. The Respondents lacked understanding on the standards' requirements and over-relied on management's representations without performing adequate procedures to obtain sufficient corroborative evidence and documenting the work and outcomes.
34. Cheng failed to ensure that an appropriate EQCR was appointed to carry out an objective evaluation of the 2011 audit. As EQCR, Keung, was a very junior accountant (she was admitted in about May 2010) who lacked the experience of an EQCR and should not have been appointed for the role. Cheng failed to comply with the fundamental principle of professional competence and due care in compliance with sections 100.5(c) and 130.1 of the COE.
35. The level of sanctions should take into account the seriousness of the case and public interest, particularly where they involve a listed company. The sanctions should reflect this taking into account other factors such as disciplinary record.
36. This is not the only offence by Zenith and Cheng. In another case also referred by the FRC, Zenith and Cheng were found to have not complied with professional standards in relation to the calculation of the "loss per share" of a listed company. The matter was dealt with by a Resolution by Agreement with terms of a reprimand and financial penalty of HK\$25,000.



37. The Disciplinary Committee is mindful that it is not bound by the decisions of other disciplinary committees. The Complainant has referred the Disciplinary Committee to, among others, 2 cases which it submitted were relevant.
38. In D-16-1222F, the respondents failed to comply with professional standards in respect of their audit of a listed company. That case also involved the audit of convertible bonds and impairment assessments. In that case, the auditor failed to perform adequate audit procedures to challenge management's assumptions in arriving the accounting estimates. The disciplinary committee ordered that the respondents be reprimanded and that the firm and engagement partner to each pay a penalty of HK\$150,000 and HK\$100,000 respectively and ordered a cancellation cancelation of practising certificates of the engagement partner and EQCR. The respondents had a record of prior offences.
39. In D-14-988F, the respondents failed to comply with professional standards in their audit of a listed company involving convertible bonds. The disciplinary committee ordered that the respondents be reprimanded and the engagement partner to pay a penalty of HK\$70,000. The respondents had no prior record of offences.

### **3<sup>rd</sup> Respondent**

40. Keung did not have the professional knowledge and skill at the level expected of a competent EQCR and she admitted that at the time, being a very junior accountant, she did not have sufficient experience of the EQCR's role and responsibilities. She admitted that she failed to carry out an adequate engagement quality control review as required under HKSA 220. She submitted that she had not intended to be the EQCR and was appointed as the EQCR by the engagement partner and she had minimal control over the matter. The subject matter of the Complaint took place over 8 years ago when Keung was a very junior accountant. Keung was put in a very difficult position being so junior and having to comply with the instructions of her employer. She has a clean disciplinary record. The 1<sup>st</sup> and 2<sup>nd</sup> Respondents' conduct was much more culpable than the 3<sup>rd</sup> Respondent's.
41. During the sanctions hearing Keung asked that she not be reprimanded and merely fined. She submitted that a reprimand may have a serious impact on her career and livelihood.

42. During the sanctions hearing and in its supplemental submissions dated 23 October 2020, the Complainant referred to the judgement of Hon. Au JA in HCAL 187/2016 delivered on 30 September 2020 wherein the Court considered the decision of a disciplinary committee to be a “Non-Publicity Order”.
43. The Disciplinary Committee has taken into account the said judgement but considers that it is distinguishable as this Disciplinary Committee was and is not considering any non-publicity Order in respect of the Reasons for Decision or redacting the 3<sup>rd</sup> Respondent’s name from the Reasons for Decision and/or Order. It is in the public interest that all decisions and orders be made public. In Hon. Au JA’s decision, only the Non-Publicity Order of the disciplinary committee was quashed (but not the financial penalties or the failure to reprimand).
44. The sanctions in section 35 of the PAO can and should be regarded as separate and not dependant on each other and the Disciplinary Committee is not obliged to give a reprimand in all cases.
45. During the sanctions hearing and in its supplemental submissions dated 23 October 2020, the Complainant also confirmed that it was aware of one case (D-11-0601H) where a Respondent was not reprimanded but a nominal penalty was imposed. The Disciplinary Committee could therefore impose a financial penalty reflecting the seriousness of conduct (or lack thereof) without a reprimand or give a reprimand without financial penalty.
46. The Complainant had also referred to the Guidelines to Disciplinary Committee for Determining Disciplinary Orders. In any event, the Disciplinary Committee is not bound by past disciplinary decisions or the Guidelines, though it may take them into account when considering each case on its own merits.
47. The Disciplinary Committee is concerned about the delay in commencing these proceedings as it has led to memories being blurred and it is very undesirable to have such an inordinate delay in commencing proceedings for any complaint, especially when no fraud or dishonesty is involved. The Disciplinary Committee is also concerned that the Institute consider a minimum post-qualification experience requirement for appointments of ECQRs.

## Costs

48. The Respondents should pay the costs and expenses of and incidental to the proceedings of the Institute, including the costs and expenses of the Committee. Costs incurred by the Institute in disciplinary proceedings are financed by membership subscriptions and registration fees. In addition, as the disciplinary proceedings were a result of investigations under the FRC Ordinance, the Respondents should also pay to the FRC's investigation costs.
49. The Complainant submitted a statement of costs which set out the respective hourly charging rates of the staff members of the Institute who had worked on this matter and the respective amount of time spent by them.
50. The Disciplinary Committee is satisfied by the admissions of the Respondents and evidence adduced before it that the complaints are proved.
51. IT IS ORDERED THAT:-
  - (a) The 1<sup>st</sup> and 2<sup>nd</sup> Respondents be reprimanded under Section 35(1)(b) of the PAO;
  - (b) The 1<sup>st</sup> Respondent be fined the sum of HK\$150,000 under Section 35(1)(c) of the PAO;
  - (c) The 2<sup>nd</sup> Respondent be fined the sum of HK\$150,000 under Section 35(1)(c) of the PAO;
  - (d) The 3<sup>rd</sup> Respondent be fined the sum of HK\$10,000 under Section 35(1)(c) of the PAO;
  - (e) The Respondents do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$225,000 (i.e. HK\$75,000 payable by the 1st Respondent; HK\$75,000 payable by the 2nd Respondent and HK\$75,000 payable by the 3rd Respondent) under section 35(1)(iii) of the PAO (i.e. Complainant's (including FRC's costs of HK\$91,656.70) costs of HK\$197,000 and the Clerk to the DC's costs of HK\$28,000).

Dated 22 December 2020

---

Mr. NG, Wai Yan  
Chairman of Disciplinary Committee  
Disciplinary Panel A

---

Ms. CHUI Hoi Yee  
Member of Disciplinary Committee  
Disciplinary Panel A

---

Mr. TSAI Wing Chung, Philip  
Member of Disciplinary Committee  
Disciplinary Panel B

---

Mr. SHEN Ka Yip Timothy  
Member of Disciplinary Committee  
Disciplinary Panel B

IN THE MATTER OF

A Complaint made under Section 34 (1A) and 34(1AA) of the Professional Accountants Ordinance (Cap.50) (the “**PAO**”) and referred to the Disciplinary Committee under Section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong Institute of Certified Public Accountants

COMPLAINANT

AND

- |     |   |                            |
|-----|---|----------------------------|
| (1) | Zenith CPA Limited (corporate practice no. M0399)             | 1 <sup>ST</sup> RESPONDENT |
| (2) | Mr. Cheng Po Yuen, a CPA (practising) (membership no. F06724) | 2 <sup>ND</sup> RESPONDENT |
| (3) | Ms. Keung Yee Man, a CPA (membership no. A32928)              | 3 <sup>RD</sup> RESPONDENT |
- (collectively the “**Respondents**”)

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants:

Members: Mr. NG Wai Yan (Chairman)  
Ms. CHUI Hoi Yee  
Mr. TSAI Wing Chung, Philip  
Mr. SHEN Ka Yip, Timothy

---

**ORDER**

---

Upon considering the Complaints against the 1<sup>st</sup> Respondent, Zenith CPA Limited (a firm of certified public accountants, “**Zenith**”), the 2<sup>nd</sup> Respondent, Cheng Po Yuen (a certified public accountant (practising), “**Cheng**”) and the 3<sup>rd</sup> Respondent, Keung Yee Man (a certified public accountant, “**Keung**”), as set out in a letter from the Registrar of the Hong Kong Institute of Certified Public Accountants dated 17 May 2018; the 1<sup>st</sup> and 2<sup>nd</sup> Respondents’

admission to the Complaint by joint application dated 26 June 2018; the parties' submissions during a directions hearing held on 1 August 2019; the 3<sup>rd</sup> Respondent's admission to the Complaint by joint application dated 18 December 2019; the Complainant's written submissions on sanctions submitted on 15 January 2020; the 3<sup>rd</sup> Respondent's written submissions on sanctions submitted on 13 February 2020; the 1<sup>st</sup> and 2<sup>nd</sup> Respondents' written submissions on sanctions submitted on 20 and 31 March 2020 and Upon hearing the parties' submissions at the sanctions hearing held on 14 October 2020 and Upon considering the Complainant's supplemental submissions submitted on 23 October 2020, the Disciplinary Committee is satisfied by the admissions of the Respondents and evidence adduced before it that the following complaints are proved:-

#### Complaint 1: Against Zenith

1. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to: (a) classification of convertible bonds; and/or (b) measurements of convertible bonds, cumulative preference shares, and share options; and/or (c) accounting treatment of the Group's interest in Harvest Network; and/or (d) accounting treatment of Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply HKSA 230 "Audit Documentation".

#### Complaint 2: Against Zenith

2. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to: (a) classification of convertible bonds; and/or (b) recognition and classification of subordinated convertible notes; and/or (c) measurements of convertible bonds; and/or (d) accounting treatment of the Group's interest in Harvest Network; and/or (e) accounting treatment of Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply paragraph 6 of HKSA 500 "Audit Evidence".

#### Complaint 3: Against Zenith

3. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to the assessment of the Group's ability to continue as a going concern, Zenith failed or

neglected to observe, maintain or otherwise apply paragraphs 12, 14 and 16 of HKSA 570 “Going Concern”.

#### Complaint 4: Against Zenith

4. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to the accounting treatments of (a) the Group's interest in Harvest Network; and/or (b) Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply paragraph 6 of HKSA 510 “Initial Audit Engagements - Opening Balances”.

#### Complaint 5: Against Zenith

5. Section 34(1)(a)(vi) as applied by section 34(1AA) of the PAO applies to Zenith in that, when carrying out the audit of the 2011 Financial Statements, with regards to the accounting treatments of (a) the Group's interest in Harvest Network; and/or (b) Preferred Shares and the related dividends, Zenith failed or neglected to observe, maintain or otherwise apply paragraph 7 of HKSA 710 “Comparative Information - Corresponding Figures and Comparative Financial Statements”.

#### Complaint 6: Against Cheng

6. Section 34(1)(a)(vi) of the PAO applies to Cheng in that, as the engagement director in the audit of the 2011 Financial Statements, he failed or neglected to observe, maintain or otherwise apply the fundamental principle of professional competence and due care in accordance with sections 100.5(c) and 130.1 of the Code of Ethics for Professional Accountants.

#### Complaint 7: Against Keung

7. Section 34(1)(a)(vi) of the PAO applies to Keung in that, as the EQCR in the audit of the 2011 Financial Statements, she failed or neglected to observe, maintain or otherwise apply a professional standard, namely sections 100.5(c) and 130.1 of the Code for her failure to diligently carry out an adequate engagement quality control review, in accordance with paragraph 20 of HKSA 220 “Quality Control for an Audit of Financial Statements”.

8. IT IS ORDERED THAT:-

- (a) The 1st and 2nd Respondents be reprimanded under Section 35(1)(b) of the PAO;
- (b) The 1st Respondent be fined the sum of HK\$150,000 under Section 35(1)(c) of the PAO;
- (c) The 2nd Respondent be fined the sum of HK\$150,000 under Section 35(1)(c) of the PAO;
- (d) The 3rd Respondent be fined the sum of HK\$10,000 under Section 35(1)(c) of the PAO;
- (e) The Respondents do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$225,000 (i.e. HK\$75,000 payable by the 1st Respondent; HK\$75,000 payable by the 2nd Respondent and HK\$75,000 payable by the 3rd Respondent) under section 35(1)(iii) of the PAO (i.e. Complainant's (including FRC's costs of HK\$91,656.70) costs of HK\$197,000 and the Clerk to the DC's costs of HK\$28,000).



Dated 22 December 2020

---

Mr. NG, Wai Yan

Chairman of Disciplinary Committee  
Disciplinary Panel A

---

Ms. CHUI Hoi Yee

Member of Disciplinary Committee  
Disciplinary Panel A

---

Mr. TSAI Wing Chung, Philip

Member of Disciplinary Committee  
Disciplinary Panel B

---

Mr. SHEN Ka Yip Timothy

Member of Disciplinary Committee  
Disciplinary Panel B