



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

Hong Kong Institute of Certified Public Accountants takes regulatory action against a certified public accountant

(HONG KONG, 22 July 2020) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr. Kong Kam Yu, certified public accountant (A12551) for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Kong was formerly an executive director, qualified accountant and company secretary of Golden Meditech Holdings Limited (“Company”), a Hong Kong listed company. As a director, Kong was responsible for ensuring the Company’s compliance with the Rules Governing the Listing of Securities (“Listing Rules”) of The Stock Exchange of Hong Kong Limited (“Exchange”).

In 2018, Kong was sanctioned by the Exchange for a breach of the Listing Rules and his director’s undertakings. The breach arose as a result of Kong’s failure to ensure that the Company made timely disclosure and obtained shareholders’ approval of a series of transactions and events which occurred in 2011 and 2014, involving the Company’s interest in a foreign listed company. Kong was reprimanded by the Exchange and ordered to attend 24 hours of training on Listing Rules compliance and director’s duties.

The Institute concluded that the public censure of Kong by the Exchange for the above matter would negatively affect the public’s view of the professional competence of a certified public accountant. Accordingly, Kong 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.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council of the Hong Kong Institute of Certified Public Accountants concluded that the following should resolve the complaint:

1. Kong acknowledges the facts of the case and the areas of non-compliance with professional standards;
2. Kong be reprimanded; and
3. Kong pay an administrative penalty of HK\$50,000 and the Institute’s costs of HK\$15,000.

About Resolution by Agreement

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants ("HKICPA") ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

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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 around 46,000 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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