



Dear Assignment/News/Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against two certified public accountants (practicing) and one certified public accountant

(HONG KONG, 6 October 2015) - A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Ip Wing Lun, Allan (membership number F04513), Chang Kin Man (membership number F05905) and Wong Po Ling, Pauline (membership number A27252) (collectively the " Respondents") on 10 September 2015 for their failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute. Each of the Respondents was ordered to pay a penalty of HK\$1,000 to the Institute. In addition, they were ordered to pay costs of the disciplinary proceedings of HK\$79,000.

The Respondents were directors of a Hong Kong listed company. They failed to obtain the shareholders' prior approval for making a deposit payment for a proposed acquisition. Under the Listing Rule, the deposit was regarded as a major transaction which requires shareholders' approval. The Listing Committee of the Stock Exchange of Hong Kong Limited found that the Respondents were in breach of their director's undertakings for failing to use their best endeavours to procure the company to comply with the Listing Rules. The Listing Committee imposed a public censure on the company and the Respondents and required the Respondents to undergo 24 hours of relevant training.

After considering the information available, the Institute lodged a complaint against the Respondents under section 34(1)(a)(vi) of the Professional Accountants Ordinance.

The Disciplinary Committee found that the Respondents had failed or neglected to observe, maintain or otherwise apply namely sections 100.4(e) and 150 of the Code of Ethics for Professional Accountants.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against the Respondents under section 35(1) of the ordinance.

Under the ordinance, if the Respondents are aggrieved by the order, they may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at www.hkicpa.org.hk.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. Three members of each committee, including a chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interest of justice. A hearing schedule is available at the Institute's website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practicing certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

- End -

About the Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has nearly 39,000 members and more than 18,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

Hong Kong Institute of CPAs' contact information:

Stella To
Head of Corporate Communications
Phone: 2287 7209
Mobile: 9027 7323
Email: stella@hki CPA.org.hk