

PROFESSIONAL ACCOUNTANTS ORDINANCE (Chapter 50)

It is hereby notified that a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ('the Institute'), having considered a complaint lodged by the Institute against NG Chi-Ching ('Ng') under section 34(1A) of the Professional Accountants Ordinance, Chapter 50 ('the Ordinance'), found that Ng was in breach of the fundamental principle of Professional Behavior in sections 100.5(e) and 150.1 of the Code of Ethics for Professional Accountants.

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 (Chapter 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.

Under section 35(1) of the Ordinance, the said Disciplinary Committee ordered on 1 April 2019 that:—

- (i) the name of NG Chi-Ching be removed from the register of certified public accountants for 12 months with effect from 13 May 2019; and
- (ii) Ng pay HK\$32,496 towards the costs of the disciplinary proceedings.

17 May 2019

Donald LEO *General Counsel,*
Hong Kong Institute of Certified Public Accountants