

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 YIN Ying-Neng, Richard, ('Yin') under section 34(1A) of the Professional Accountants Ordinance, Chapter 50 ('the Ordinance'), found that sections 34(1)(a)(vi) and 34(1)(a)(viii) of the Ordinance applied to Yin in that he failed or neglected to observe, maintain or otherwise apply the fundamental principles of (i) integrity under sections 100.5(a) and 110.2 of the Code of Ethics for Professional Accountants and (ii) professional behavior under sections 100.5(e) and 150.1 of the Code. The Committee further found that Yin was guilty of professional misconduct.

Yin was appointed as the Chairman of First China Financial Network Holdings Ltd. ('First China'), a Hong Kong listed company, in 2005 and was subsequently re-designated as a non-executive director. He resigned in December 2008.

In 2012, the Securities and Futures Commission filed a court action against Yin and others for their breach of director's duties to First China. The breach concerned falsely putting forward a non-existent agreement between the company and a third party for the distribution of dividends in connection with an acquisition undertaken by the company. This caused First China to wrongly pay a dividend of RMB18,692,000 to the third party. The Court found Yin breached his duties as a director under the GEM Listing Rules and common law, and ordered him to be disqualified from being a director or involved in the management of any listed or unlisted corporation in Hong Kong for four years.

After considering the information available, the Institute lodged complaints against Yin. Yin admitted the complaints.

Under section 35(1) of the Ordinance, the said Disciplinary Committee ordered on 25 March 2019 that:—

- (i) the name of YIN Ying-Neng, Richard be removed from the register of certified public accountants for two years with effect from 24 May 2019; and
- (ii) Yin pay the costs of the disciplinary proceedings of HK\$37,000.

17 May 2019

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