



Dear Assignment/News/Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against one certified public accountant

(HONG KONG, 23 October 2015) - On 11 September 2015, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered that the name of Chow Ho Tung, Anthony (membership number F03959) be permanently removed from the register of certified public accountants with effect from 22 October 2015. In addition, Chow was ordered to pay costs of the disciplinary proceedings of HK\$24,066.

Chow served as the Chief Financial Controller of a listed company in 2000 and became the Executive Director of the company in 2004. In 2011, he was convicted of offences involving conspiracy to steal, conspiracy to defraud, and publishing a false statement in a company's annual report.

Chow appealed against his conviction and sentence; however, save one charge, his appeal was dismissed by the Court of Appeal and subsequently, the Court of Final Appeal. Chow was sentenced to 5 years and 4 months of imprisonment and was disqualified from being a company director for 10 years.

After considering the information available, the Institute lodged a complaint against Chow under section 34(1)(a)(ii) of the Professional Accountants Ordinance. Chow admitted the complaint against him. The Disciplinary Committee found that he was convicted of offences involving dishonesty.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Chow under section 35(1) of the ordinance. Under the ordinance, if Chow is aggrieved by the order, he 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.

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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.

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致：編採主任／新聞／財經版編輯

香港會計師公會對一名會計師作出紀律處分

(香港，二零一五年十月二十三日) — 二零一五年九月十一日，香港會計師公會轄下紀律委員會命令將鄒浩東先生 (會員編號 F03959) 的名字由二零一五年十月二十二日起從會計師註冊紀錄冊中永久除名。此外，鄒先生須支付紀律程序費用二萬四千零六十六港元。

鄒先生自 2000 年起為一家上市公司的首席財務總監，並在 2004 年出任該公司的行政董事。在 2011 年，周先生被控涉及串謀偷竊、串謀詐騙罪及在公司的年度報告作出虛假陳述，且裁定罪名成立。

鄒先生對判決及判刑提出上訴。除了一項罪名外，他的上訴被上訴法院及終審法院駁回。他被判刑 5 年零 4 個月，並 10 年內不能擔任公司董事。

公會經考慮所得的資料，根據《專業會計師條例》第34(1)(a)(ii)條對鄒先生作出投訴。鄒先生承認投訴中的指控屬實。紀律委員會認為鄒先生的定罪是涉及不誠實行為的罪行。

經考慮有關情況後，紀律委員會根據《專業會計師條例》第35(1)條向鄒先生作出上述的命令。根據《專業會計師條例》，如鄒先生不服紀律委員會對他作出的命令，可於命令文本送達後30天內向上訴法庭提出上訴。紀律委員會的書面判決可於公會網頁內Compliance 部分查閱，網頁為<http://www.hkicpa.org.hk>。

公會的紀律程序是根據《專業會計師條例》第V部份，由五位成員組成的紀律委員會執行。每個紀律委員會的大多數成員，即包括主席在內的三名成員，是從業外人士組成的紀律小組中選派，該紀律小組的成員是由香港特別行政區行政長官委任的；另外兩名成員由專業會計師出任。

除非負責的紀律委員會因公平理由認為不恰當，否則紀律聆訊一般以公開形式進行。紀律聆訊的時間表可於公會網頁查閱。如當事人不服紀律委員會的裁判，可向上訴法庭提出上訴，上訴法庭可確定、修改或推翻紀律委員會的裁判。

紀律委員會有權向公會會員、執業會計師事務所會員及註冊學生作出處分。紀律處分範圍包括永久或有限期地將違規者從會計師註冊紀錄冊中除名或吊銷其執業證書、對其作出譴責、下令罰款不多於五十萬港元，以及支付紀律程序的費用。

關於香港會計師公會

香港會計師公會是香港唯一獲法例授權負責專業會計師註冊兼頒授執業證書的組織，會員人數接近三萬九千，註冊學生人數超過一萬八千。公會會員可採用「會計師」稱銜（英文為 **certified public accountant**，簡稱 **CPA**）。

公會(**Hong Kong Institute of Certified Public Accountants**)於一九七三年一月一日成立，當時的英文名稱為 **Hong Kong Society of Accountants**。

公會根據《專業會計師條例》履行職責，以公眾利益為依歸。其職能廣泛，包括開辦專業資格課程(**Qualification Programme**)以確保會計師的人職質素，以及頒布香港的財務報告、審計及專業操守準則。此外，公會亦負責在香港監管和推動優良而有效的會計實務，以鞏固香港作為國際金融中心的領導地位。

香港會計師公會是全球會計聯盟 (**Global Accounting Alliance, GAA**) 的成員之一。全球會計聯盟於二零零五年成立，聯合了全球頂尖的專業會計團體，推動優質服務，並積極與各地監管機構、政府及關連人士就國際重要議題共同合作。

香港會計師公會聯絡資料

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IN THE MATTER OF

A Complaint made under Section 34(1)(a) and 34(1A) 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

Mr. Chow Ho Tung Anthony
Membership No. F03959

RESPONDENT

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

Members: Ms. Chan Jo Ying Bonnie (Chairman)
Ms. Hui Ming Ming Cindi
Ms. Chow Man Ling Irene
Mr. Yeung Chi Wai Edwin
Mr. Chu Yau Wing Jason

ORDER & REASONS FOR DECISION

1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (the "**Institute**") against Mr. CHOW Ho Tung Anthony, a certified public accountant (the "**Respondent**"). Section 34(1)(a)(vi) of the PAO applies to the Respondent.
2. The particulars of the Complaint as set out in a letter dated 5 January 2015 (the "**Complaint**") are as follows:-

BACKGROUND

- (1) This case involves 2 listed companies. The first one is China Sciences Conversational Power Ltd. ("CSCP") (currently known as Asia Energy Logistic Group), of which Abba Chan Tat-chee ("Chan") was appointed Chairman and executive director in October 2003, and subsequently acquired a majority of shares in 2004. Hon Ming-kong ("Hon") was appointed an executive director of CSCP in September 2004, and by June 2005 held about 29% of the shares in CSCP. In November 2004, Hon replaced Chan as Chairman of CSCP, and Chan remained as an executive director.

- (2) The Respondent was the Chief Financial Controller of CSCP from 2000 and responsible for its financial affairs. He was appointed an executive director of CSCP in February 2004. Working under the Respondent was Chan Kwai-fun, Cammie ("Cannie Chan"), who dealt with the daily accounting documents and was responsible for keeping accounting records.
- (3) The second listed company is China Conservational Power Holdings Ltd. ("CCPHL"), of which Hon started to acquire shares in February 2002, and became its executive director and Chairman in April 2002 and February 2003 respectively. In November 2004, Chan replaced Hon as Chairman of CCPHL, and Hon remained as an executive director.
- (4) Lai Kan (also known as Lai Lai-kan, Kan and Lai Kam Tung) ("Lai") was a salaried employee from July 2003 to May 2004 of Sharpo Solutions Limited ("Sharpo"), an indirectly wholly-owned BVI subsidiary of CSCP. After May 2004 she ceased to receive a salary, but maintained an office in the company. The Respondent and Chan were directors in Sharpo.
- (5) The Respondent, Hon and Lai were arrested in September 2005 and charged in February 2006 on an indictment consisting of 14 charges including (inter alia) conspiracy to steal and conspiracy to defraud relating to CSCP and CCPHL. Of the 14 charges, 10 were directed against the Respondent. The Respondent and Hon resigned from their positions in CSCP shortly after their arrests.
- (6) The trial took place in the District Court from April 2008 to June 2011 (DCCC 661/2006). Chan was named as a co-conspirator in some of the conspiracies to steal or defraud and testified as an accomplice at the trial. Cannie Chan gave evidence under immunity. At the end of the trial the Respondent was convicted of all 10 charges against him, and sentenced to 6 years' imprisonment – see Certificate of Conviction dated 6 September 2011, and Reasons for Sentence dated 12 July 2011. Hon and Lai were also convicted of all charges save in relation to one charge (Charge 14) against Hon alone.
- (7) The defendants appealed their conviction to the Court of Appeal in November and December 2013 (CACC 272/2011), and the Court of Appeal dismissed the appeals against conviction save in relation to one charge (Charge 10) against the Respondent and Hon. On sentencing, the Court of Appeal slightly reduced the Respondent's sentence from 6 years to 5 years and 4 months. The Court of Final Appeal rejected the defendants' application for leave to appeal in November 2014.
- (8) The end result is that the Respondent stands convicted of 9 charges involving conspiracy to steal, conspiracy to defraud, and publishing a false statement in a company's annual report. All were charges involving dishonesty.

The Relevant Legal Provisions

- (9) Sections 34(1)(a)(ii) and (x) of the Professional Accountants Ordinance, Cap. 50, Laws of Hong Kong ("PAO") provide that:-

"A complaint that –

(a) a certified public accountant –

.....

(ii) has been convicted in Hong Kong or elsewhere of any offence involving dishonesty;

.....

(x) was guilty of dishonourable conduct;

.....

shall be made to the Registrar who shall submit the complaint to Council which may, in its discretion but subject to section 32D(7), refer the complaint to the Disciplinary Panels."

Complaint 1

- (10) Section 34(1)(a)(ii) of the PAO applies to the Respondent in that he had been convicted of 9 charges involving conspiracy to steal, conspiracy to defraud, and publishing a false statement in a company's annual report, all being charges involving dishonesty.

Complaint 2 (alternative to Complaint 1 above)

- (11) Section 34(1)(a)(x) of the PAO applies to the Respondent in that he was guilty of dishonourable conduct by reason of his dishonest and/or fraudulent acts for which he had been convicted as referred to in Complaint 1 above.

Facts and Circumstances in support of the Complaints

- (12) The Respondent had initially been convicted of a total of 10 charges in DCCC 661/2006, which was reduced to 9 charges on appeal – viz. Charges 1, 3, 6, 7, 8, 9, 11, 12, and 13. Below is a description of the 9 charges, based on the findings and observations made by the court (in the Reasons for Verdict delivered from 20-22 June 2011), and by the Court of Appeal in CACV 272/2011.
- (13) Charge 1: conspiracy to steal a chose in action in the sum of \$1.5 million from CSCP in May 2004: The Respondent devised a scheme to provide liquidity to Chan who needed the money in May 2004. Sharpo was named as the purchaser of a consignment of telephone for \$3 million, of which a deposit of \$1.5 million was needed. The Respondent gave instructions to Carrie Chan to issue the cheque (payable to Sharpo) and the payment voucher, which was signed by the Respondent. For the cheque, as the matter was urgent and the Respondent was not in the office, Carrie Chan telephoned the Respondent to get instructions. The Respondent told her to sign the cheque. The Respondent also instructed Carrie Chan to ask an employee of Sharpo to produce a purchase order. Sharpo transferred the sum to a company controlled by Chan, and the sum was used by Chan for his own purpose. The transaction never existed. When asked by auditors later for a stock check, the Respondent instructed Carrie Chan to say

that the auditors could wait until the end of the year to do the stock check. The court found that both the Respondent and Lai were dishonest and convicted them.

- (14) Charge 3: conspiracy to steal a chose in action in the sum of \$4 million from CSCP in January 2005: In January 2005, the Respondent advised Chan and Hon that they could use the same modus operandi as in Charge 1 above. This time however a sum of \$4 million was transferred from CSCP to Sharpo under the pretext of working capital as recorded in the payment voucher. The minutes of the board meeting approving the transfer was signed by the Respondent. The Respondent also gave instructions to Cannie Chan who prepared the cheque, and a letter purported from Sharpo requesting for \$4 million as working capital. Respondent also told Cannie Chan that Chan would repay this money soon. The sum was received by Sharpo, and then through further transfers, received by Chan and Hon. No goods were involved in this bogus transaction, and the money was not repaid to CSCP. The court found that the Respondent, Hon and Lai were dishonest, and convicted them.
- (15) Charge 6: conspiracy to steal a chose in action in the sum of \$3 million from CSCP in September 2004: In September 2004 Hon needed \$3 million and came up with a plan to steal \$3 million from CSCP by means of a false loan to one Wong Kwun-wai. The Respondent signed on the board minutes approving the loan, and requested Chan to sign on the purported loan agreement, which was granted without any security or income-proof. The Respondent gave instructions to Cannie Chan to make out the cheque for the sum, which was signed by the Respondent. The Respondent instructed Cannie Chan to go to the bank with Wong Kwun-wai to cash the cheque, and the money was brought back to the office and given to the Respondent. The loan was a sham and the money was never repaid by Wong Kwun-wai. The court found both the Respondent and Hon dishonest and convicted them.
- (16) Charge 7: conspiracy to steal a chose in action in the sum of \$2.4 million from CSCP in October 2004: In October 2004 Hon needed money and suggested a friend to get a loan from CSCP. The conspiracy was to steal \$2.4 million from CSCP by means of a false loan to one Chan Chun-kuen. The Respondent instructed Cannie Chan to prepare the payment voucher and the 2 cheques – one for \$2 million payable to Chan Chun-kuen and another cash cheque for \$400,000. The 2 cheques were signed by the Respondent and Chan. As instructed by the Respondent, Cannie Chan went to the bank to deposit the \$2 million cheque into the account of Chan Chun-kuen, and cashed the cash cheque. She brought the \$400,000 cash back to CSCP office, and the court found that the sum was likely to have been received by the Respondent as he signed the receipt voucher. The court found the loan to be a sham and the Respondent was instrumental in this fraudulent scheme. He was found to be dishonest and convicted.
- (17) Charges 1, 3, 6, and 7 above concern the misappropriation of monies from CSCP. In order to cover up the misappropriation further offences were committed as set out in Charges 8, 9, 11, 12, and 13 below.

- (18) Charge 8: conspiracy to defraud CSCP and its shareholders between December 2004 and April 2005 by (inter alia) falsely representing there was a loan for \$25 million for a project in Guilin, PRC, causing the company to part with the said \$25 million, subsequently transferring back the sum to the company by false representations that the transfers were related to other transactions, and creating or using false or misleading accounting documents: A plan was hatched in about December 2004 for CSCP to make an advance payment of \$25 million for a purported joint venture in Guilin through the vehicle of Guilin China Sciences Conservational Power Limited ("Guilin China"). The Respondent signed on the board minutes approving the purported advance payment. The Respondent gave instructions to Carrie Chan to prepare the bank transfer form and the payment voucher, and also gave her the account details of the remittance agent Wong Kim-chung. She was also told that the money would return to CSCP to cover up the previous misappropriation of monies. The sum of \$25 million was transferred to the account of Wong Kim-chung, and the sum was then broken up into smaller sums and remitted back to CSCP via other remittance agents. All of those deposits were not supported by any documents. The Respondent signed the receipt vouchers for the sums and gave the deposit slips to Carrie Chan. Respondent also instructed Carrie Chan to prepare 2 letters in relation to the transfer, which were then given to the Respondent for checking. At the Respondent's instructions Carrie Chan also prepared a false chop for Guilin China, which was affixed to the 2 letters.
- (19) Of the monies, it never went to the Guilin project and the same would return to CSCP. The Respondent gave \$30,000 cash to Carrie Chan to pay Wong Kim-chung as commission. The court found that the Respondent occupied a crucial role in orchestrating this large-scale accounting fraud. Both the Respondent and Hon were found by the Court to be dishonest, and were convicted.
- (20) Charge 9: conspiracy to defraud CSCP and its shareholders between December 2004 and April 2005 by (inter alia) falsely representing there was an earnest money in the sum of \$8 million for a project in Meizhou, PRC, causing the company to part with the said \$8 million, subsequently transferring back the sum to the company by false representations that the transfers were related to other transactions, and creating or using false or misleading accounting documents: Another plan was devised in about December 2004 in which \$8 million would be paid as "earnest money" for a project in Meizhou, PRC. A memorandum of understanding ("MOU") was entered into between a subsidiary of CSCP and another company of which one Chan Chun-kuen (a close friend of Hon) and another were beneficial owners. Later the Respondent gave instructions to Carrie Chan to prepare another MOU when it appeared that Chan Chun-kuen might not be authorized to sign on behalf of the company. The Respondent signed the board minutes approving the payment, and gave instructions to Carrie Chan to prepare a cheque for \$8 million payable to Chan Chun-kuen. The cheque was signed by the Respondent and Chan, and the Respondent also endorsed the cheque when it was presented at the bank. The Respondent also signed on the journal voucher and receipt voucher. After Chan Chun-kuen deposited the \$8 million cheque into his account, various smaller sums were repaid to CSCP by various means, including \$4 million-odd given in cash to the

Respondent, who used at least some of the monies to settle outstanding matters of CSCP. The court found that both the Respondent and Hon were dishonest and the money did not go to the Meizhou project at all, and convicted them.

- (21) Charge 11: conspiracy to defraud CCPHL by dishonestly causing and permitting a wholly-owned subsidiary of the company to part with a sum of \$5 million on the pretext of a false loan to Lai in December 2004: In December 2004 a loan agreement between Hong Tong Hai Capital Limited, a subsidiary of CCPH, and Lai was entered into under which Lai received a loan of \$5 million without any securities or income proof. The Respondent gave Carrie Chan a copy of the said loan agreement, and told her that the monies would be returned to CSCP to cover the previous misappropriation of monies. As instructed by the Respondent, Carrie Chan told Lai to make out a cheque for \$4,450,000 and deposit it into CSCP's bank account, and brought the remaining \$550,000 in cash. Lai did as instructed, and gave the \$550,000 cash to Carrie Chan, who in turn gave it to the Respondent, who signed the receipt voucher for the bank deposit. At the Respondent's suggestion money was entered in the books as received from Sharpo for purchase of goods. The court found that the loan was a sham, and the Respondent, Lai and Hon were all dishonest, and convicted.
- (22) Charge 12: conspiracy to defraud CCPHL by dishonestly causing and permitting a wholly-owned subsidiary of the company to part with a sum of \$8 million on the pretext of a false loan to one Wong Chi-keung in December 2004: This charge involved a similar modus operandi to that in Charge 11 above. Again a purported loan of \$8 million was granted by Hong Tong Hai Capital Limited, a subsidiary of CCPH, to one Wong Chi-keung, without any securities or income proof. Carrie Chan was told by the Respondent that Wong Chi-keung would come to the office for a loan, and she received a copy of the loan agreement from the Respondent. Carrie Chan was also told that the loan would be returned to CSCP to cover up the previous misappropriation of monies. On the same day that the cheque for \$8 million was paid into Wong Chi-keung's account, the money was transferred to Wong kim-chung (a remittance agent), and then split into 4 sums and remitted back to CSCP. The Respondent signed the receipt voucher. The court found that the loan was a sham, to cover up the previous misappropriation of monies, and found both the Respondent and Hon dishonest, and convicted them.
- (23) Charge 13: publishing a false statement in the Annual Report of CSCP in April 2005, namely the trade and other receivables in the consolidated balance sheet included the false receivables of \$25 million and \$8 million referred to in Charges 8 and 9 above: The consolidated balance sheet in CSCP's annual report for the year ended 31 December 2004 (published in April 2005) was signed by Hon (as Chairman of the Board) and the Respondent, as the director responsible for overseeing finance matters of the group. It showed an item "trade and receivables" under current assets amounting to \$107,575,000. The said sum included 2 items which were, to the knowledge of both the Respondent and Hon, false – the \$25 million purportedly for the Guilin project and the \$8 million purportedly for the Meizhou project as set out in Charges 8 and 9 above. As the

Respondent stands convicted of both of those matters, the court also found that the Respondent and Hon knowingly published a false statement in relation to the 2 matters.

- (24) As for Complaint 2 (alternative to Complaint 1), the acts for which the Respondent was convicted of the 9 charges in DCCC 661/2006, as referred to above, are dishonourable conduct. That included conspiracies to steal a total of \$10.9 million, and the conspiracies to defraud involved another \$46 million. The court found that both the Respondent and Hon were the masterminds who orchestrated the schemes, and provided the overall fraudulent strategy. The Respondent was sentenced to 6 years imprisonment originally, which was reduced to 5 years and 4 months on appeal. He was also disqualified from being a director of a company for 10 years, (the maximum period which could be imposed by the District Court). By reason of such acts, the Respondent was guilty of dishonourable conduct.
3. The Respondent admitted the complaints against him. He did not dispute the facts as set out in the complaints. On 13 May 2015, the parties agreed that the steps set out in paragraphs 17 to 30 of the Disciplinary Committee Proceedings Rules ("DCPR") be dispensed with.
 4. On 2 June 2015, the Disciplinary Committee agreed to the parties' joint application to dispense with the steps set out in Rule 17 to 30 of the DCPR in light of the admission made by the Respondent and the Disciplinary Committee directed the parties to make written submissions on sanctions and costs.
 5. On 15 June 2015, the Complainant made written submission on sanctions and costs.
 6. On 17 June 2015, the Respondent made written submission on sanctions and costs.
 7. In considering the proper order to be made in this case, the Disciplinary Committee has had regard to all the aforesaid matters, including the particulars in support of the Complaints, the Respondent's personal circumstances, and the conduct of the Complainant and the Respondent throughout the proceedings.
 8. The Disciplinary Committee orders that:-
 - (1) the name of the Respondent be removed from the register of certified public accountants permanently on the 40th day from the date of this order under Section 35(1)(a) of the PAO; or
 - (2) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$24,066 under Section 35(1)(iii) of the PAO.