

STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. Pursuant to section 37CA of the Accounting and Financial Reporting Council Ordinance (Cap. 588) (**AFRCO**), the Accounting and Financial Reporting Council (**AFRC**) has imposed the following sanctions against Mr Mak Kwong Yiu (**Mak**), Ms Chan Lai Yee (**Chan**) and Ms Wong Shuk On (**Wong**):
 - 1.1. public reprimand for each of Mak, Chan and Wong;
 - 1.2. pecuniary penalty of **HK\$400,000** against Mak;
 - 1.3. pecuniary penalty of **HK\$200,000** against Chan; and
 - 1.4. pecuniary penalty of **HK\$160,000** against Wong.(collectively, **Disciplinary Sanctions**).
2. The Disciplinary Sanctions were imposed in relation to the CPA misconduct committed by Mak, Chan and Wong under section 37AA(2)(b) of the AFRCO pursuant to Mak, Chan and Wong's respective convictions of two counts of conspiracy to defraud in Hong Kong in a judgment handed down by the Court of Final Appeal (**CFA**) dated 5 November 2025 (*HKSAR v Mak Kwong Yiu & Ors* [2025] HKCFA 20).

Summary of Facts

A. Background

3. Mak
 - 3.1. Mak is a former member of the Hong Kong Institute of Certified Public Accountants (**HKICPA**),¹ from 13 May 2003 until 21 March 2023. Mak has never applied for a practising certificate.
 - 3.2. Mak was the executive director of Convoy Financial Holdings Limited (**CFHL**), specifically serving as the (a) Group Chief Financial Officer from 1 February 2013 to 31 December 2014 and (b) Group Chief Executive Officer from 1 January 2015 until 31 March 2016.
 - 3.3. Mak was also a director of, and indirectly held an approximately 12% shareholding in, Convoy Investment Services Limited (**CISL**).

¹ Former HKICPA membership number: A22362.

4. Chan
 - 4.1. Chan is a former member of the HKICPA,² from 1 January 2018 until 21 March 2023. Chan has never applied for a practising certificate.
 - 4.2. Chan was the (a) Group Financial Controller and head of the Finance and Accounting Department of CFHL from July 2014 to 31 December 2014 and (b) Group Chief Financial Officer of CFHL since 1 January 2015.
 5. Wong
 - 5.1. Wong is a former member of the HKICPA,³ from 1 January 2015 until 21 March 2023. Wong has never applied for a practising certificate.
 - 5.2. Wong was the Manager of the Finance and Accounting Department of CFHL (from June 2010 to 31 December 2014) and the Senior Manager for Group Strategic Development (from 1 January 2015 until 20 April 2016).
 6. At the material times:
 - 6.1. CFHL was a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (**SEHK**) (Stock Code: 1019).
 - 6.2. CISL was a connected person of CFHL under the Rules Governing the Listing of Securities on the SEHK (**Listing Rules**).
 7. Between 8 July 2014 and 21 January 2015, CFHL conducted four bond placement exercises. Gransing Securities Co., Ltd. (**Gransing**) was engaged as the placing agent for these exercises under specific placement agreements. Matching sub-placement agreements as to the bonds were also entered between Gransing and CISL.
 8. The bonds were placed by CISL (via consultants) for which it was paid commissions and a bonus of approximately HK\$50.8 million by Gransing, which was approximately 98.5% of the HK\$51.5 million placement fees paid by CFHL to Gransing. After meeting expenses of approximately HK\$26 million, CISL made a profit in excess of HK\$25 million.
- B. The Criminal Convictions
9. On 20 September 2021, following a trial before Deputy District Judge Newman Wong (**Trial Judge**), Mak, Chan and Wong were each found guilty of the following charges (**Criminal Convictions**):

² Former HKICPA membership number: A28954.

³ Former HKICPA membership number: A25170.

- 9.1. Conspiracy to defraud - Between 1 June 2014 and the 27 April 2017, both dates inclusive, in Hong Kong, Mak, Chan and Wong conspired to defraud CFHL, its Board of Directors, shareholders, and potential investors by dishonestly:
 - 9.1.1. causing CFHL to enter into agreements with Gransing to purportedly engage Gransing as the placing agent for the placement of bonds to be issued by CFHL;
 - 9.1.2. arranging Gransing to enter into agreements with CISL to purportedly engage CISL as the sub-placing agent of the said bonds;
 - 9.1.3. concealing or failing to disclose that CISL was the actual placing agent of the said bonds; and
 - 9.1.4. causing CISL to be paid a total commission of HK\$49,600,680 for the said placement of the bonds.
- 9.2. Conspiracy to defraud - Between around 1 June 2014 and 31 January 2016, both dates inclusive, in Hong Kong, Mak, Chan and Wong conspired to defraud SEHK by dishonestly concealing that CISL was the actual placing agent for the placement of bonds to be issued by CFHL, thereby causing SEHK not to:
 - 9.2.1. raise any enquiries in relation to the said placement of the bonds with CFHL; and
 - 9.2.2. request CFHL to comply with the relevant Listing Rules.
10. Pursuant to the Trial Judge's decision:
 - 10.1. Mak was sentenced to seven months' imprisonment.
 - 10.2. Chan was sentenced to five months' imprisonment, suspended for 18 months.
 - 10.3. Wong was sentenced to four months' imprisonment, suspended for 18 months.
11. On 30 April 2024, the Court of Appeal allowed appeal of Mak, Chan and Wong and quashed the Criminal Convictions ([2024] HKCA 217).
12. On 5 November 2025, in a unanimous judgment of the CFA, the Court of Appeal's judgment was overturned and the Criminal Convictions and sentence were restored.

13. In summary, the CFA found that:

13.1. The above transactions were connected transactions under the Listing Rules. The interposition of Gransing as an intermediary served no commercial reason and was to conceal the fact that CISL was the actual placing agent, thereby disguising the arrangement as transactions that were not “connected” under the Listing Rules.

Mak

13.2. Mak was responsible for the set-up of the placement/sub-placement arrangements between CFHL, Gransing and CISL, with the net result being that more than HK\$25 million was diverted from CFHL to CISL, a company in which Mak and other CFHL directors were indirectly interested.

13.3. Mak failed to make full disclosure to, and seek the approval of, the CFHL Board regarding his conflicts of interest before committing CFHL to the placing arrangements with Gransing.

13.4. Mak must have realised that disclosure of the involvement of CISL would have been likely to result in the independent directors of CFHL forming their own judgment as to whether the connected transaction rules applied, possibly informing SEHK, or scrutinising the commission arrangements in favour of CISL.

13.5. Mak’s concealment of CISL’s involvement using Gransing, coupled with the breach of his duties of disclosure, were dishonest. Mak’s concealment in the 2014 and 2015 Annual Reports of CFHL regarding his conflicts of interest was evidence of his dishonesty.

Chan

13.6. Chan was involved in the implementation of the placement and sub-placement arrangements, which included the payment of commission to Gransing. Furthermore, Chan was also involved in preparing the 2014 Annual Report and the 2015 Annual Report of CFHL, neither of which disclosed the role of CISL.

13.7. It was inferred that Chan knew Mak had originally intended CISL to be the placing agent but there was a connected transaction problem. It was also inferred Chan knew that while Gransing was the placing agent, the CFHL/CISL consultants were doing the actual placing of the bonds and the interest on the bonds was to be paid to CISL. Chan therefore ought to have known that the Gransing’s appointment was because of the connected transaction problem.

13.8. Chan was in breach of personal duties of disclosure owed to CFHL, including in relation to a deliberate concealment of information. Chan also facilitated breaches by Mak of his duties to CFHL. Chan was therefore a party to the conspiracy to defraud.

Wong

- 13.9. Wong was involved in the implementation of the placement and sub-placement arrangements, which included the payment of commission to Gransing. Furthermore, Wong was also involved in preparing the 2014 Annual Report of CFHL, which did not disclose the role of CISL.
- 13.10. Wong knew that Mak had originally intended CISL to be the placing agent but there was a connected transaction problem. Wong also knew that while Gransing was the placing agent, the CFHL/CISL consultants were doing the actual placing of the bonds and that the interest on the bonds was to be paid to CISL. Wong therefore ought to have known that the Gransing's appointment was because of the connected transaction problem.
- 13.11. Wong was in breach of personal duties of disclosure owed to CFHL, including in relation to a deliberate concealment of information. Wong also facilitated breaches by Mak of his duties to CFHL. Wong was therefore a party to the conspiracy to defraud.

Summary of Findings

14. Section 37AA(2)(b) of the AFRCO states that, where the professional person is a certified public accountant, the person is guilty of CPA misconduct if the person is convicted in Hong Kong or elsewhere of any offence involving dishonesty.
15. At all material times, Mak, Chan and Wong were certified public accountants.
16. As set out above, Mak, Chan and Wong were convicted of two counts of conspiracy to defraud by the District Court, which were subsequently affirmed by the CFA.
17. The particulars of the offences are set out in paragraph 9 above. As a matter of law, the essential elements of the charges for which Mak, Chan and Wong were convicted expressly required a finding of dishonest intent. Consequently, Mak, Chan and Wong were convicted of offences involving dishonesty.
18. The AFRC found that Mak, Chan and Wong committed CPA misconduct under section 37AA(2)(b) of the AFRCO by reason of the Criminal Convictions.

Conclusion

19. In determining the Disciplinary Sanctions, the AFRC has had regard to its Sanctions Policy for Professional Persons and Guidelines for Exercising the Power to Impose a Pecuniary Penalty for Professional Persons, and has taken into account all relevant circumstances. These circumstances incorporate any applicable aggravating and mitigating factors, and include the following considerations:

- 19.1. the serious nature of criminal convictions for engaging in a conspiracy to defraud and the need to send a strong deterrent message to the profession that dishonest conduct, particularly when perpetrated by senior executives and senior managers holding professional qualifications, is unacceptable;
- 19.2. The systematic and elaborate course of action spanning approximately three years, from June 2014 to April 2017, and involving the preparation of multiple agreements for the placement of four separate batches of bonds, multiple commission payments, and repeated omissions in CFHL's annual reports; and
- 19.3. The damage to the reputation of the accounting profession and public confidence in its trustworthiness, and prejudice to the interests of the investing public by circumventing the Listing Rules and concealing the payment of commissions to CISL, which put the economic interests of CFHL at risk and undermined the integrity of the financial markets.