



**DRIVING BUSINESS SUCCESS**

2026 Issue 2 Volume 22

**PLUS:**

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Services and tools that can help accountants harness technology

**WOMEN CPAS**

Female Institute members share their journeys, reflecting different facets of success

**SECOND OPINIONS**

What can make a business transformation a success?

# CHIEF VISIONARY



Arthur Lee, an auditor turned energy-sector strategist, talks to *A Plus* as he prepares to lead the Institute into its next phase of development



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**“Ongoing dialogue between policymakers and the profession remains important, and the Institute will continue to provide our input grounded in professional expertise.”**



## **DEAR MEMBERS**

The first few months of 2026 have been both energizing and demanding for our profession. Against a backdrop of economic adjustment, technological acceleration and increasing global interconnection, one message has come through clearly: the accountancy profession has an important role to play in supporting Hong Kong's long-term development.

Earlier this year, the Institute continued to engage constructively with the broader policy environment facing Hong Kong. Around the time of the 2026-27 Budget, we contributed professional perspectives on fiscal priorities, competitiveness and long-term resilience. Ongoing dialogue between policymakers and the profession remains important, and the Institute will continue to provide our input grounded in professional expertise.

In February, the Institute announced Strategic Plan 2026, setting a clear direction for the years ahead. The plan outlines our priorities in strengthening global engagement, advancing digital transformation and supporting members across diverse career paths. It reflects extensive consultation and a forward-looking view of how the profession must continue to evolve.

This commitment to quality and thoughtful engagement is also reflected in the international recognition received by *A Plus*, which was awarded Bronze honours at the 2025/26 MERCURY Awards. The recognition reflects the collective effort behind the publication in supporting informed discussion for members and the wider accounting community.

A key highlight during the period was the Institute's Public Affairs Series event on "The Two Sessions 2026 – Key Takeaways and Implications" in March, which brought together close to 300 participants from across the profession and the wider community. I was honoured, in my capacity as a member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), to join fellow CPPCC members and an National People's Congress representative in

sharing perspectives on national development priorities and their implications for Hong Kong. The strong turnout and lively exchange reflected the profession's keen interest in understanding the broader policy context in which we operate, and the value of informed, open dialogue on issues shaping Hong Kong's future.

Opportunities to reconnect and strengthen ties across sectors also featured during the period. Events such as the Institute's Spring Cocktail created space for members and stakeholders to come together, reinforcing the sense of community that underpins our profession and our collective ability to navigate change.

April marked an important milestone in our international engagement. As part of a series of engagements with the International Federation of Accountants (IFAC), the Institute welcomed members of IFAC's Professional Accountants in Business Advisory Group during their visit to Hong Kong. The visit culminated in the HKICPA x IFAC Professional Accountants in Business Conference, where the Financial Secretary attended as Guest of Honour. His participation was instrumental in advancing meaningful dialogue on the evolving role of professional accountants in business as drivers of innovation, resilience and sustainable growth. In particular, his three key observations on navigating this era of change were highly insightful and well received. The HKICPA will continue to work closely with our members in these areas as we collectively strive for excellence.

The Institute also entered a new chapter in leadership with Arthur Lee's appointment as Chief Executive and Registrar. With extensive experience spanning finance and sustainability, Arthur brings valuable perspective as we continue to strengthen our organizational capabilities and deliver on our strategic priorities. I encourage members to join me in welcoming Arthur and to work closely with him as we take the Institute and the profession forward together.

**Stephen Law, President**

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## Success on her terms

A *Plus* interviews four female members of the Institute who are redefining what it means to be successful



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DRIVING BUSINESS SUCCESS

### About our name

A Plus stands for Accounting Plus. It represents a profession that is rich in career options, stays relevant amid rapid changes, and adds value to business. This magazine strives to present the global mindset and varied expertise of Institute members – Accountants Plus.



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The digital version is distributed to over 47,000 members, and around 12,000 students of the Institute and stakeholders every quarterly.

# NEWS

Institute news Business news

## HKICPA hosts IFAC PAIBAG visit and conference on the future of accountants in business

The Institute hosted a cocktail reception on 15 April for Professional Accountants in Business Advisory Group (PAIBAG) members of the International Federation of Accountants (IFAC) during their visit to Hong Kong. Institute President Stephen Law delivered a welcome address, highlighting the Institute's commitment to fostering international collaboration, strengthening Hong Kong's role as a global financial hub, and advancing the profession's contribution to sustainable economic growth. PAIBAG Chair Josephine Okui Ossiya also shared her remarks at the event.

The reception brought together a broad range of stakeholders from across the financial sector, including HKICPA Council members; David Sun, Chairman of the Accounting and Financial Reporting Council (AFRC); Janey Lai, Chief Executive Officer of the AFRC; Agnes Chan, Chairman of the Hong Kong General Chamber of Commerce; Webster Ng, Legislative Councillor representing the accountancy sector; as well as representatives from corporations, professional bodies and trade associations.

Over the following two days, PAIBAG held a series of meetings at the Institute, culminating in the HKICPA x IFAC PAIB Conference on 18 April.

The conference, jointly organized by the Institute and IFAC, welcomed over 300 professionals for a day of insightful discussion and meaningful exchange, and shared valuable insights on initial public offering markets, green finance, family offices and cross-



The Institute and the International Federation of Accountants co-organized the HKICPA x IFAC PAIB Conference on 18 April during IFAC PAIBAG's visit to Hong Kong

border investments. Under the theme “Forging what's next: PAIBs at the helm of change”, the event spotlighted the evolving role of professional accountants in business as drivers of innovation, resilience, and sustainable growth. In addition to addresses from the Institute President Law, IFAC Chief Executive Officer Lee White and PAIBAG Chair Ossiya, attendees heard from Guest of Honour Paul Chan, Financial Secretary of Hong Kong, whose insights set the tone for the day. Keynote Speakers Kelvin Wong, Chairman of the Securities and Futures Commission, and Michael George Fitzgerald, Finance Director of MTR Corporation Limited, together with a distinguished panel of industry leaders, added further depth to the programme. Read the [press release](#) to learn more.

### Institute submits response to AFRC consultation on sustainability assurance

The Institute submitted its response

to the AFRC's public consultation on the proposed regulatory framework for sustainability assurance in Hong Kong. In preparing the submission, the Institute organized two all-member seminars and two focused discussion sessions with representatives from relevant committees and industry stakeholders to gather feedback on the proposals. The Institute's response reflects its general support for the development of a credible and well-structured sustainability assurance regime in Hong Kong.

### Strategic Plan 2026 sets out clearer priorities

The Institute released Strategic Plan 2026 in February, building on the 2025 framework with clearer priorities and more focused execution across all 12 areas. Guided by the principles of Building Trust, Nurturing Talent, and Driving Development and Transformation, the Plan strengthens support for members and Hong Kong's

standing as a leading international financial centre. While the 12 focus areas from the 2025 plan remain unchanged, the Strategic Plan 2026 introduces several notable highlights, including the launch of the HKICPA Volunteer Team, stronger Go Global and international engagement, and a greater focus on digital and artificial intelligence (AI) transformation. Visit the [dedicated website](#) to read the full plan.

### Institute signs MoU with HKIAAC

The Institute signed a Memorandum of Understanding (MoU) with the Hong Kong International Academy Against Corruption (HKIAAC), established by the Hong Kong ICAC, to further strengthen collaboration in upholding the highest ethical standards within the accounting profession and collectively safeguarding a robust financial ecosystem. The partnership establishes a framework for deepening collaboration on ethics-focused initiatives, including guest lectures, training course contributions, and the exchange of best practices in professional development. Read the [press release](#) for details.

### Institute welcomes budget 2026-27 measures

The government's 2026-27 Budget included a number of measures in line with the Institute's budget submission, including promoting digitalization and the application of AI and quantum computing, as well as further tax incentives for commodities trading. Overall, the Institute welcomed the concrete and pragmatic approach to accelerating Hong Kong's economic transformation and consolidating its standing as a world-class financial market, in alignment with the national 15th Five-Year Plan. Read the [press release](#) for details.

### Rich Kid, Poor Kid marks 20 years of financial education

The Institute hosted a cocktail reception on 21 January to celebrate the 20th anniversary of its "Rich Kid, Poor Kid" financial education programme. Honoured by Guest of Honour Joseph Chan, Under Secretary for Financial Services and the Treasury, the event brought together around 100 partners from the education, social welfare and financial sectors, as well as the Institute's Accountant Ambassadors, to recognize two decades of empowering Hong Kong's younger generation with

strong financial literacy. Read the [press release](#) to learn more.

### Spring Cocktail and Spring Dinner mark the Year of the Horse

Nearly 300 guests joined the HKICPA Spring Cocktail 2026 on 27 February to celebrate the Year of the Horse, with festivities kicked off by a traditional Lion Dance. Watch the [highlights](#) and [photos](#). A Spring Dinner was also held in Guangzhou on 20 March, hosting nearly 150 guests and members.

### HKICPA Volunteer Team now recruiting

The Institute opened recruitment for the HKICPA Volunteer Team on 2 April, offering members a meaningful platform to give back by sharing their time, professional expertise and compassion. Members are welcome to join a wide range of volunteering activities throughout the year to bring positive impact to the community and demonstrate CPAs' genuine care for those around them. Find the enrolment form [here](#).

### A Plus magazine recognized at MERCURY Awards

*A Plus* has been awarded Bronze in both the "Writing: Magazines – Overall" and "Magazines – Overall Presentation: Non Profit" categories at the 2025/26 MERCURY Awards, competing alongside publications from around the world. The recognition reflects the collective effort behind the magazine in serving Institute members and the wider accounting community. Guided by the interests of the profession, *A Plus* supports informed discussion and connection around the professional and business issues shaping Hong Kong and beyond.

### Council meeting minutes

The [abridged minutes](#) from the January and February 2026 Council meetings are now available.



*A Plus* magazine was recognized at the 2025/26 MERCURY Awards, an awards organization for professional communications

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# HK\$1 billion

The amount the Securities and Futures Commission (SFC) said PwC's Hong Kong business would set aside to compensate China Evergrande Group's independent minority shareholders. It marks the first time an auditor of a defunct company is compensating independent minority shareholders, who were harmed by the false and misleading financial statements, said SFC Chief Executive Officer Julia Leung in a statement. In a separate announcement, the Accounting and Financial Reporting Council said it has prohibited PwC from accepting, performing or issuing auditing reports for new public interest entity clients for six months, and has also fined the firm HK\$300 million.

# 1,000+

The number of accounting firms worldwide that have experienced private equity (PE) investment over the past 10 years, with activity accelerating significantly since 2022, according to the International Federation of Accountants' new global research analyzing the rapid growth of PE investment in firms. "Regardless of ownership structure, the integrity, quality, and independence that underpin our work as professional accountants must remain non-negotiable," said Lee White, Chief Executive Officer at IFAC.



Hong Kong International Airport expects revenue to grow by 9 to 10 percent year-on-year in 2026 despite disruptions caused by the Iran conflict. Airport Authority Hong Kong Chief Executive Officer Vivian Cheung told the *South China Morning Post* that Hong Kong airport was expected to welcome about 70 million passengers this year, up from around 61 million last year, despite flight cancellations.

# T+1

Hong Kong Exchanges and Clearing launched a consultation proposing to halve the cash settlement cycle for share trading. It aims to implement a T+1 system, under which trades settle one business day after the transaction, in the fourth quarter of 2027, replacing the existing T+2 cycle. The reform would align Hong Kong's US\$7.5 trillion market with international peers, including the United States and Canada, which shifted to T+1 in May 2024.

# HK\$140 billion

The approximate amount raised by Hong Kong's IPO market this year as of April, maintaining the city's lead in global IPO fundraising, wrote Hong Kong's Financial Secretary, Paul Chan, in his blog. "The developments prove that despite external volatility, with the tireless efforts of the government and the industry, the momentum of Hong Kong's financial market is unstoppable," Chan said.

"At a time of rising climate instability and accelerating decarbonization in key industries, a failure to account for probable losses or liabilities could put investor capital at risk."

— Institutional investors' letter to the Financial Reporting Council in the United Kingdom. A coalition of investors has urged the U.K.'s audit watchdog to scrutinize HSBC's 2025 financial statements and PwC audit over climate risk disclosures. According to *Reuters*, the group said HSBC's conclusion that climate change poses no material short-to-medium-term impact was "excessively optimistic," given the bank's exposure to physical risks such as floods and wildfires, and transition risks such as changing regulations.

# ¥1.69 trillion

China's consumption tax revenue in 2025, accounting for 9.6 percent of total national tax revenue, according to data from the Ministry of Finance. In April, the State Taxation Administration exposed eight consumption tax-violation cases involving sectors such as gold jewellery, alcoholic beverages and refined oil, signalling tighter enforcement against tax evasion, and Beijing extending its reach into consumption taxes to stabilize local government finances.

# Guiding the Institute's next chapter

As he steps into the Chief Executive and Registrar role, Arthur Lee is drawing on decades of experience across audit, energy and governance to guide the Institute into its next phase. He talks to [Jemelyn Yadao](#) about his priorities as a leader

Photography by Jocelyn Tam

**W**ith three weeks to go before he officially becomes the Chief Executive and Registrar of the Hong Kong Institute of CPAs, Arthur Lee is having conversations with as many people as possible. “It goes back to the old ways of doing audit: Understand the organization first,” says Lee, sitting with *A Plus* before his effective start date of 22 April. “I need to get everybody’s perspective. It will take some time, but I’ll try to talk to the whole team at the Institute.” All that listening will come in handy as the Institute enters a new era.

Coming from a career shaped by management roles in listed companies and a state-owned enterprise – his most recent job was as director of finance and risk management at CLPe – Lee will oversee the Institute’s 170-plus staff, and guide the development and implementation of its strategic plans.

But in the current rapidly evolving landscape, driven primarily by the widespread integration of artificial intelligence (AI), Lee recognizes that there will be challenges ahead,



particularly as the Institute looks to continue securing the profession's growth and relevance.

"There's a lot going on in the world today. Leading the Institute at this time will be a challenge and an exciting opportunity. I am eager to share my experience, my expertise, and work with our members to shift the accounting profession from its traditional focus on the past to a forward-looking, strategic role where historical insights powerfully inform future decisions," he says. "Of course, AI will play a pivotal role in this evolution. While I do not yet have a detailed roadmap, I am fully committed to working hand-in-hand with our members. Together we will equip members to thrive, adapt with confidence and advance as stronger, and highly strategic, professionals in this rapidly evolving landscape."

Lee served as the Chairman of the ACCA Hong Kong from 2015 to 2016, and was elected a member of the ACCA Global Council from 2016 to 2022. He is also a Hong Kong Accounting Advisor appointed by the Ministry of Finance of the PRC, Treasurer and Adjunct Professor at the Hong Kong Polytechnic University, and Honorary Fellow of Hong Kong Baptist University. In 2023, Lee was awarded the Medal of Honour by the HKSAR Government in recognition of his community service, particularly in the accounting profession.

### A trusted profession

Having grasped the Institute's Strategic Plan 2026, organized prior to his appointment around three themes: Building Trust, Nurturing Talent, and Driving Development and Transformation, Lee believes the Institute is moving in the right direction. "But perhaps I can help do some fine-tuning to make it move faster, or even better," he says.

His broader ambition is to make accounting "the profession of choice for our next generation and ensure the general public views us as a trusted professional," Lee says. "In some countries, people

**"In some countries, people vote accounting as the second most respectful and trustworthy profession in society. I hope to achieve an even better score."**

vote accounting as the second most respectful and trustworthy profession in society. I hope to achieve an even better score."

He wants the public to think of accountants the way he thinks of himself. "I tell my supervisor: 'I'm your trusted business partner.' I want people to look at accountants as a trusted partner to everyone doing business," Lee says.

Recent scandals have dented public trust in the profession, and he acknowledges the challenge. Lee believes the Institute can build trust meaningfully by enhancing the Institute's continuing professional development (CPD) courses, arranging better networking events and nurturing a family ethos within the community. "During my interview, one of the Council members asked me what keeps me awake at night," he says. "What truly concerns me is the possibility that any member might inadvertently misstep and face serious consequences. I see the membership of the Institute as one extended family, and my sincere hope is that each of us succeeds and thrives," Lee says. "CPD plays a vital role in this, but I envision it going beyond simply conveying rules and procedures."

Through well-designed programmes, Lee hopes to ensure members not only understand the regulations thoroughly but also develop the practical judgement needed to make sound decisions across diverse scenarios – always in full compliance with ethical and professional standards.

"More importantly, I hope we can cultivate a deeper appreciation for the 'why' behind these rules," he

continues. "When members truly internalize the purpose and values that underpin our responsibilities, compliance becomes not merely an obligation, but a natural expression of professional integrity," Lee says.

Lee also emphasizes the importance of community. "In parallel, I believe we can create an environment that encourages members to connect, support and learn from one another," he continues. "Such collegiality will in time, help our profession grow wiser, more enlightened and even stronger in serving the public interest."

He sees himself drawing from his own sustainability leadership experience as the Institute continues to focus on integrity in reporting and assurance practices. "We have actively supported the Accounting and Financial Reporting Council's recent consultation on the proposed regulatory framework for sustainability assurance in Hong Kong. Moving forward, we will continue to prioritize education and are considering the development of targeted design programmes to help members bridge the gap between auditing financial statements and provision of high-quality ESG assurance."

Lee draws on years of experience in building the financial case for renewable energy to investors, and he applies the same framing as he looks to support the sustainable development of both the Institute and the wider profession. "Sustainability should not be viewed merely through the lens of philanthropy or social responsibilities. It represents a powerful strategic opportunity for organizations. By embracing sustainable practices, businesses can strengthen their financial position, lower their cost of capital and secure resilient, long-term growth. My aim is to help organizations adopt a more forward-looking perspective, one that integrates sustainability as a core driver of enduring success and value creation," he says.

On AI, he is resolutely optimistic. "When the car was invented, it rendered certain roles

obsolete but gave rise to entirely new industries, from expanded personal mobility and logistics to tourism, urban development and countless innovations we now take for granted,” says Lee. “With AI, I believe some old jobs will be phased out, but many more will be created – more than we’ve ever seen before. I’m very optimistic about AI’s potential impact on the profession and its ability to empower professionals to deliver greater strategic value.”

### The accidental accountant

Born in Beijing in 1972 to Chinese parents who had repatriated from Singapore and Indonesia, Lee arrived in Hong Kong at the age of two. He grew up in the city, studying

from kindergarten through to university at the Chinese University of Hong Kong, where he studied information engineering largely because many of his peers were doing the same, he says candidly.

After graduating with no clear plan, he applied to work for Arthur Andersen’s business consulting division after attending a career talk by the firm. Instead, he found himself being interviewed by the audit team and offered a role. “I didn’t know why I was being interviewed by the audit division, but I accepted the offer, believing that perhaps this profession was right for me,” Lee recalls. He went on to pass all required exams with top scores, which filled him with confidence.

Years later, as he prepared to leave the firm, he asked to see his recruitment file. The interviewer’s note stunned him: “*Can give this gentleman a chance because we need the headcount.*”

“I had always believed I was chosen because I had the attributes of a good auditor,” says Lee with a laugh. “It taught me two lessons. If you truly believe you can do something, then you can really do it. Second, you have to be humble. You can achieve a lot of things just by being at the right place, at the right time. Always believe in something and, at the same time, stay humble. It sounds contradictory, but it’s a balance.”

Those audit years brought more lessons. Lee describes himself as



Arthur Lee brings over 30 years of expertise in finance and sustainability into his new role as the Institute’s Chief Executive and Registrar. His most recent leadership role was as director of finance and risk management at CLPe.

## PROFILE

Arthur Lee

an introvert, formed by a self-reliant nature that he says stems from his upbringing. “My parents always instilled that we have to work hard and don’t bother people. Don’t be a troublemaker,” he says. At the now-defunct firm, the limits of self-reliance were exposed. “I committed many careless mistakes,” he admits. “I always had the impression that if I ask people questions, they would look at me as if I’m stupid. But the reality is, it is worse if you don’t ask.”

The importance of teamwork became clear to Lee. “I think a lot of people like myself who are more academic have the same issue. We like to accomplish things all by ourselves,” he says. “But that audit period taught me that I could rely on a team, and by working with a team, we can achieve great things. I cannot do everything myself.”

### Career in energy

From Arthur Andersen, Lee followed a former client, United States-listed power generation company Mirant, into the commercial world. The controller there had observed his diligence during the audit relationship and offered him a role. He considers his boss at Mirant an important mentor, who taught him the politics of large multinationals, even something as granular as who to CC on an email, who never to CC. “I think it’s my biggest luck to work for him for those few years,” says Lee. “He was a very kind person, and coached me on the meaning behind daily work, like accounting entries, but also how to work well in management. What to say, what not to say.”

Three years and eight months later, the Enron crisis shuttered Mirant’s Asia-Pacific operations and Lee left. He joined the finance team at i-CABLE on 1 April 2003, a day he remembers vividly. It was the day Cantopop and film star Leslie Cheung passed away. “It was a very sad day to kick off the new job,” he says, adding that it was also the peak of SARs in Hong Kong.



Lee says his goal is to work alongside members to make accounting “the profession of choice for our next generation and ensure the general public views us as a trusted professional.”

Despite the bleak setting, the role broadened Lee’s capabilities. “I was able to apply some of my information engineering knowledge, so that came back. I also applied my audit knowledge in a listed company environment,” he says.

“But my heart was still with the energy sector,” Lee adds. He moved to Meiya Power, and helped to facilitate Meiya’s sale to China General Nuclear Power Group (CGN), in 2010.

Lee stayed with the new entity, CGN New Energy, for 14 years, a period that included leading investor relations for the company’s Hong Kong IPO in 2014. He had first been put on strategy work, during which he developed a five-year plan centred on transitioning the business towards renewables. “At that time, I enrolled in a master’s degree on corporate governance at the Hong Kong Polytechnic University. We planned for the IPO so I wanted to equip myself with knowledge on governance issues for listed companies,” Lee says.

When the IPO came, he was put in charge of investor relations, persuading cornerstone investors

including a prominent Hong Kong-based investment fund widely regarded as a market leader at the time. “We recognized that securing the support of such a respected fund would signal strong confidence to the market and encourage others to follow,” he recalls. The key selling point was the company’s strategic transition – a coal-and-gas power generator diversifying its energy generation away from fossil fuels to curb environmental pollution. “It wasn’t just me; everybody believed that renewables were the future,” says Lee.

CGN New Energy (named CGN Meiya in 2014) secured commitments worth US\$200 million from five cornerstone investors, including China Southern Power Grid, Value Partners, Hengjian Investment, Chow Tai Fook and Cinda HK. Lee personally negotiated most of these deals. The experience sharpened his ability to communicate strategically. “It was a pretty exciting process. You have to communicate the big picture of the future so that investors understand the direction.”

Lee then became company

secretary at CGN for 10 years, before moving on to what he originally assumed would be the last job of his career – CLPe, the business unit under CLP specializing in energy and infrastructure solutions. “It’s focused on providing sustainability products, which is aligned with my vision on sustainability,” he says.

Lee oversaw the financial analysis for projects ranging from electric vehicle charging infrastructure to liquefied natural gas bunkering for large vessels. The work brought him back to financial modelling after years in strategy and compliance. “After saying goodbye to financial work for more than 10 years, I came back to financials again. My supervisor expected me to give him an opinion on key business decisions before it got to him. This trained me up to take on a more decision-making role.”

Lee says the energy years deepened his conviction about climate change. “I still remember back in university in the 1990s, I wore long sleeves in October. I compare that with today – in October, we’re always wearing short sleeves,” he says. “I just think we have to do something. As a father, I want this to be a better place for our next generation to live in.”

### Making joy a priority

Lee arrives at the Institute with a management philosophy he has refined over many years and distilled into an acronym: HAPPY. “H is for high performance; A for achieving big things together; P for professional excellence; P for handling people with care; and Y for yielding big things with joy,” he explains. “For me, creating a Happy team is not about pursuing fun for its own sake or avoiding serious work. It is about fostering an environment where we accomplish meaningful goals as a team and derive the deepest satisfaction from those shared achievements. Making joy a priority means recognizing that the greatest fulfilment comes

## “A leader’s primary role is to support and empower the team. That is why I encourage colleagues to approach tasks in ways that best suit their strength and judgement.”

from delivering excellence together and seeing the positive impact of collective efforts.”

The framework was first inspired by the audit partner he worked with during his early days at Arthur Andersen, and was further reinforced by his reading of *Joy at Work* by Dennis Bakke, the founder of global energy company AES. “As someone with a background in energy, the book resonated deeply with me. It reinforced my belief that a leader’s primary role is to support and empower the team. That is why I encourage colleagues to approach tasks in ways that best suit their strength and judgement. Of course, when guidance is needed, we discuss openly and constructively.”

His management style also translates in an open-door approach, with a lot of communication. At CLPe, Lee says, the open-plan office naturally encouraged frequent dialogue and spontaneous exchanges. “I want the team to feel genuinely happy in their work. They can have real fulfilment and purpose in what they do, rather than viewing their role merely as a means to earn a salary. If it’s the case, then I would consider myself to have fallen short as a leader.”

### Leading by example

Running used to be Lee’s main release until a race in Taipei ended with him waking up in an ambulance, being told by hospital staff that “he could die at any moment.” He suffered a heart attack mid-run. “When I woke up, I wanted to be sent back so I could

finish the race,” he laughs. Doctors fitted a stent and he has not run competitively since.

When he’s not working, Lee gives his mind a break through cinema, and embraces the dad-life. He shares how his son’s early struggles at university while studying law in Beijing prompted him to sit the PRC Law exams himself. He ended up passing. “My boss at Mirant told me: lead by example, and this has also become one of my mottos,” he says. “If I ask my son to work hard, and I’m not a hard worker myself, then I can’t motivate him. So I tried it myself, to face what he’s facing, and then share this experience with him.”

His daughter, meanwhile, has taught him patience. “I honestly didn’t always have patience when dealing with people in the old days. If people don’t understand me the first time, I don’t like to repeat myself,” he says. “But given that she has special educational needs, she needs me to be more patient and to understand that there are people out there with different backgrounds or histories. Both of my kids have made me a better person.”

Lee is currently doing a Master of Laws at City University of Hong Kong, with subjects including arbitration law, sports and entertainment law, and more. He expects to put it on hold once the new role starts. “To me, learning is finding out the truth about the world,” he says. “Last week, we did a presentation on defamation and breach of confidentiality, and all my team members are probably even younger than my kids. The good thing is that we communicate well with each other.”

That same spirit of continuous enhancement will now be directed towards the Institute’s over 47,000 members, each one, in Lee’s vision, a valued part of an extended family he is honoured to serve. “This is a community I am fully committed to supporting, empowering and helping to thrive in the years ahead,” he says.



In February, The Institute shared its [Strategic Plan 2026](#), building on the 2025 framework with clearer priorities and sharper execution across all 12 focus areas.

The Council concluded that the themes of Building Trust, Nurturing Talent, and Driving Development and Transformation remain appropriate and relevant. As the Chief Executive and Registrar, Arthur Lee will guide the implementation of this strategy.



# DIGITAL TRANSFORMATION

SMPs and SMEs



# Digital transformation: HOW FIRMS CAN GET IT RIGHT

As cloud platforms, robotic process automation, and artificial intelligence reshape the professional services industry, Hong Kong's small- and medium-sized practices face a decisive question – not whether to digitize, but how to do it wisely. [Gigi Wong](#) reports

Illustrations by [Olga Aleksandrova](#)

**A**cross Hong Kong's small- and medium-sized accounting practices (SMPs), something is changing. Tasks that once consumed hours of professional time each week – sorting receipts, keying in transactions, reconciling figures across incompatible spreadsheets – are increasingly being handed to software that can do them faster and, in many cases, more accurately.

The shift is being driven by a confluence of forces: acute talent shortages, rising client expectations, and a rapid expansion in accessible technology. Together, they are giving practitioners a compelling reason and a practical pathway to free up their teams for the higher-value advisory work that clients need most.

But where should a firm begin, what tools actually

deliver, and how do you bring your people along for the ride?

## The friction problem

Eugenio Ferrante, Chief Executive Officer of Osome – a cloud-based platform for automated accounting and company administration, and part of Cyberport's innovation and technology community – sees the challenge. “Right now, in Hong Kong's vibrant ecosystem, the biggest point of friction isn't a lack of ambition, it's a surplus of admin,” he says.

For small and medium enterprises (SMEs) scaling across borders, the pain point shows up as fragmented multi-currency ledgers and tangled tax compliance. For SMPs, it manifests as what Ferrante calls “the margin crush of manual labour,” compounded by a

*References to specific software and solutions in this article are for illustrative purposes only. They do not constitute endorsement or recommendation by the Institute, nor are they intended to represent all options available in the market. Readers are advised to conduct their own assessment to determine suitability.*

talent market where qualified staff are increasingly difficult to recruit and retain.

Firms find themselves hiring not to expand their advisory capacity but simply to keep pace with the volume of repetitive processing work their client books demand. “SMPs are facing a severe talent shortage,” Ferrante observes. He notes that professionals do not go through the rigour of the CPA exams just to spend their days on data entry – they train to advise, to analyse, and to add value. “Our philosophy is that artificial intelligence (AI) shouldn’t replace the accountant; it should give them a superpower, freeing them to do exactly that.”

It is a sentiment echoed on the technology side of the equation by Leon Fan, Chief Financial Officer of Laiye, a specialist in intelligent automation and robotic process automation (RPA) that is also part of Cyberport, whose tools are designed for precisely the kind of high-volume, repetitive workflows that consume so much capacity in accounting firms.

Fan, who began developing what he calls “financial robots” during his time at a Big Four firm a decade ago, notes that the underlying technology

**“Through process control, cross-checking, and the interaction between humans and machines, you ensure quality and accuracy remain very high.”**

is well proven. What has changed is its accessibility. RPA, once the preserve of large multinationals with dedicated IT budgets, is now within reach of the practices and businesses that arguably need it most.

### From empty software to executed work

The first stage of the digital transformation journey for many firms involves moving from manual documentation to cloud-enabled automation – replacing paper-based processes and desktop software with platforms that not only store data in the cloud but actively process it.

Osome, which serves more than 40,000 customers globally across Hong Kong, Singapore, and the United Kingdom, illustrates what this looks like in practice. When a client uploads a document or connects a bank feed, the platform’s AI ingests unstructured data, cross-references it, and categorizes transactions, typically within 24 hours. If supporting documents are missing, the system automatically prompts the client.

Ferrante draws a distinction between this approach and what he describes as the “empty car” problem inherent in legacy accounting software. “Traditional software gives an accounting firm a nice digital dashboard, but the firm still has to supply the human ‘driver’ to manually key in the data,” he explains.

“At Osome, when a customer uploads a document, our AI ingests the unstructured data, cross-references it, and categorizes the transaction instantly. Their staff no longer log in to start typing out individual transactions. They log in to find that the baseline bookkeeping is already done,” Ferrante notes. “We abstract away the manual data entry so the firm can focus entirely on client strategy.”

The practical impact, Ferrante says, is that partner firms reclaim an average of around 40 hours of administrative time per month –

effectively an entire working week. “They stop looking in the rearview mirror at last month’s receipts and start looking out the windshield at the client’s future.”

### Going deeper with intelligent automation

If cloud-enabled platforms represent the first wave, the next evolution involves deeper process automation through RPA and AI – technology that can execute multi-step financial workflows end to end, with human oversight at critical checkpoints rather than at every stage.

Laiye’s financial robots, for instance, can automate invoice processing, accounts receivable and payable reconciliation, tax filing preparation, and fixed asset management. Fan explains that the system operates on strict, pre-defined workflows with multiple layers of cross-checking built in.

“At every step, the system can run a checking procedure to ensure each action is accurate and the result is controlled,” Fan says. When the system encounters an anomaly such as a stamp obscuring a digit on an invoice, an image captured in poor lighting, or a figure it cannot read with sufficient confidence, it flags the item and routes it to a human operator for review.

This “human-in-the-loop” model is central to how Fan thinks about automation in the accounting context. He is candid that no system achieves 100 percent accuracy, but argues that the combination of procedural control, cross-checking, and human-machine cooperation maintains quality at a consistently high level.

“Through process control, cross-checking, and the interaction between humans and machines, you ensure quality and accuracy remain very high,” he says. Over time, as a firm gains confidence in a particular workflow, typically after two or three months of supervised operation, the process owner may choose to let the system run autonomously, stepping in only when

outliers arise.

Fan sees this model reshaping the role of accounting professionals in a fundamental way. Rather than spending the bulk of their time on manual processing, practitioners will increasingly function as supervisors and managers of their digital assistants.

“The workload might shift from 100 percent manual processing to perhaps 80 percent handled by RPA and AI, with the remaining 20 percent devoted to managing those digital tools and focusing on human interaction – the client relationships and business collaboration that machines simply cannot replace,” he says.

### The view from inside the firms

For Hong Kong’s SMPs, the promise of technology is compelling. But the reality of implementation involves navigating challenges that no vendor brochure fully captures. Jonathan Wan, Partner of Financial Services at Forvis Mazars Consulting (HK), describes digital transformation as “an ongoing journey rather than a one-off programme.”

The firm has established foundational platforms and shifted its focus toward scaling adoption, embedding digital tools into daily workflows, and extracting more value from data across audit, advisory, and compliance engagements. But Wan is frank about where the difficulty lies.

“One of the most significant challenges has been change management,” he says. “Technology adoption is not purely a technical exercise; it requires shifts in mindset, behaviours, and ways of working. Professionals may initially view new tools as adding complexity rather than

reducing it.”

Forvis Mazars addressed this by investing in training, appointing internal champions, and communicating clear use cases that demonstrate how tools make work more effective, not merely different. “People and process changes must move in tandem with technology for transformation to be sustainable,” Wan says.

At BDO, Managing Director Andrew Lam, and an Institute member, points to the firm’s adoption of proprietary audit software used by BDO firms worldwide, developed over the years to incorporate AI and analytics capabilities that enhance both audit quality and

efficiency. The platform also enables seamless service for multinational clients across jurisdictions.

Beyond audit, BDO Hong Kong has deployed client management systems, and automation in supporting functions such as human resources and administration – some of it self-developed to suit the firm’s specific requirements. But Lam emphasizes that capability must be matched by discipline.

“While IT tools could enhance efficiency, system and information security is paramount to ensure integrity and security of both clients’ and the firm’s data,” he says. “Staff



have very strict guidelines as to the proper use of IT tools for serving clients and in internal functions.”

When Conpak CPA began building its own optical character recognition system in-house, most SMPs were still filing paper returns. Hazel Yim, Director at Conpak and an Institute member, notes that the firm began its digital journey more than a decade ago and achieved a fully paperless environment 10 years ago.

Today, its IT team represents nearly 11 percent of total headcount – an exceptional ratio for an SMP. Cross-industry benchmarks put IT staffing at around one technologist for every 18 to 27 employees.

Yet even at this advanced stage, Yim identifies a persistent tension. “The biggest challenge is balancing optimization with future readiness, ensuring our optimized processes remain flexible enough to support new technologies,” she says.

“A solution that was cutting-edge six months ago can quickly become outdated, superseded by another technology that does the same job better and faster. This constant flux makes it difficult to know when to commit, when to wait, and how to avoid investing in tools with a short shelf life,” Yim explains.

Conpak’s response has been to embed continuous improvement into its operating rhythm. The



**“This constant flux makes it difficult to know when to commit, when to wait, and how to avoid investing in tools with a short shelf life.”**

firm’s managing director chairs an IT meeting every Friday morning with the IT team and all functional team heads, reviewing emerging technologies, resolving pain points, and refining systems in real time.

The firm has also implemented a “no-blame” pilot period, during which staff can test new tools without fear of making errors. “By embedding continuous improvement into everyday workflows rather than treating it as a one-time transformation, we stay future-ready without chasing every trend,” Yim says.

### Lowering the entry threshold

For firms weighing the cost of digital adoption, government funding schemes have offered a meaningful way to defray the initial outlay. With SMEs accounting for over 98 percent of Hong Kong’s businesses, the government has built up a substantial portfolio of technology support programmes over the past decade.

The Digital Transformation Support Pilot Programme (DTSP), for instance, helps SMEs in selected sectors adopt digital solutions, with plans to expand with an additional

HK\$300 million incorporating AI and cybersecurity. Combined with injections into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the 2024 Policy Address and the 2025-26 Budget have allocated a total of HK\$2.5 billion to SME support schemes.

Jason Yau, Partner and Head of Technology at RSM in Hong Kong, and a member of the Institute's Practice Management and Digitalization Support Group, describes such schemes as vital to lowering the barriers that hold many firms back. "Cost remains the biggest barrier for many firms, and these funding schemes lower technology's entry threshold, allowing SMPs to experiment with new tools without bearing the full investment cost upfront," he says.

Wan at Forvis Mazars agrees, noting that government funding can provide useful support, "particularly for well-defined digital initiatives such as system upgrades, cybersecurity enhancements, or productivity tools." From a broader industry perspective, he adds, "these schemes are most effective when firms have clear transformation objectives and realistic implementation plans."

While programmes such as the DTSP and BUD Fund are not accountancy-specific, they signal the government's continued commitment to subsidizing digital adoption – and professional services firms should watch for schemes that may be tailored to their sector in the future.

Yau, however, stresses that funding alone is not enough. He sees government programmes as catalysts rather than complete solutions. "Government support provides a springboard, but firms must carry the transformation forward with their own vision and commitment," he says. "Long-term success depends on sustained investment and cultural change within firms."

### Starting the journey

For firms that have yet to take the first step, the advice from those further along the path is to start small, start with a real pain point, and do not try to do everything at once.

"Digital transformation does not require a 'big bang' approach," says Wan. "Start with specific pain points – manual processes, data silos, or client communication inefficiencies – and adopt technology that addresses those areas directly."

Wan adds that SMPs should remain pragmatic, focusing on solutions that are "scalable, secure, and aligned with regulatory expectations" rather than pursuing technology for its own sake. "Digital transformation is increasingly becoming a baseline capability rather than a differentiator, and starting early – at a pace that suits the firm – will pay dividends in resilience, talent retention, and client service," he adds.

Fan at Laiye offers similar advice. "Choose the scenario where you face the greatest pain, and where you can achieve the biggest improvement with the least cost and fastest speed," he says. "Test it, see whether it delivers a meaningful return on investment, and then expand from there. That is the pattern we see across almost every firm adopting new technology successfully."

Ferrante at Osome puts it more bluntly. "Stop buying empty software. Do not just digitize a bad, manual process. Putting a faster treadmill on a bad workflow doesn't mean you're going anywhere," he says. "Get that quick win. Delight your internal team by showing them a better way to work. Once you build that momentum and culture of innovation, the rest follows naturally."

What distinguishes Hong Kong's digital adoption story, Ferrante observes, is that it is being propelled by competitive necessity as much as by policy support. Government schemes have lowered the cost of entry, but the deeper motivation is

**“Test it, see whether it delivers a meaningful return on investment, and then expand from there.”**

commercial. "Hong Kong is such a hyper-competitive, globalized hub that SMPs are realizing digital transformation is a commercial imperative to attract the best talent and the best clients," he says. "They are choosing to adapt, not because they have to, but because they want to win."

Fan frames the stakes even more sharply. Cloud-based accounting services powered by AI are already beginning to handle work that SME clients once outsourced to small practices. Firms that do not adopt similar efficiencies risk finding their value proposition eroded – not by a competitor down the street, but by a platform on a screen.

The counter-strategy, Fan argues, is for practitioners to harness the same technologies to lower their own costs, improve service quality, and double down on the human dimension of client relationships that no algorithm can replicate. "When you can provide better service than others under the same fee conditions, people have no reason to leave you for a cold, unfeeling machine," he says.

The accounting firms that thrive over the coming decade, in other words, will be those that use technology not to replace judgement but to make room for it. "The future of automation isn't about removing humans; it's about giving them the insights they need to be heroes for their clients," says Ferrante.



*The Institute, with support from its Digital Transformation Task Force, has launched the Digital Transformation Roadmap and Digital Transformation Hub to help Hong Kong SMPs and SMEs thrive in a digitized business landscape. Visit the [dedicated webpage](#) to learn more about this initiative.*





Hong Kong's  
CPA Qualification  
香港會計師專業資格

## QP Graduates – December 2025 Session

The Institute is pleased to announce that 553 QP candidates successfully completed the Qualification Programme in the December 2025 Session. The list of graduates is as below.

AN, Lingyan  
BU, Jun  
CAI, Hongkai  
CAI, Ruofan  
CAI, Yuqing  
CAO, Yanrong  
CAO, Yue  
CAO, Yuming  
CHAN, Chau Ping  
CHAN, Cheuk Him  
CHAN, Chi Lai  
CHAN, Chui Yee  
CHAN, Chun Him  
CHAN, Cin Ting Bridgette  
CHAN, Hiu Wai  
CHAN, Ho Hang  
CHAN, Hoi Hang  
CHAN, Hoi Yi  
CHAN, Ka Fai  
CHAN, Ka Ki  
CHAN, Kar Cheong  
CHAN, Karsten Pak Yin  
CHAN, King Long Timothy  
CHAN, Kwan Yin  
CHAN, Man Ching  
CHAN, Man Tik  
CHAN, Ming Yan  
CHAN, Pak Chuen  
CHAN, Pak Sin  
CHAN, Pui Kei  
CHAN, Pui Shan  
CHAN, Pui Wing  
CHAN, Pui Yi  
CHAN, Sin Yu  
CHAN, Tsz Chuen  
CHAN, Tsz Hei  
CHAN, Wai Ho  
CHAN, Wai Tung  
CHAN, Wai Yan  
CHAN, Wan Sze  
CHAN, Wing Lam  
CHAN, Wing Suet  
CHAN, Wing Yan  
CHAN, Yi Ching  
CHAN, Yi Ting  
CHAN, Yip Fung  
CHAU, Hing Yi  
CHAU, Po Yi Polly  
CHEN, Huihuang  
CHEN, Liteng  
CHEN, Ruijun  
CHEN, Xiaofan  
CHEN, Xiaoying  
CHEN, Yangjiefu  
CHEN, Yijian  
CHEN, Yuehan  
CHEN, Yufeng  
CHEN, Yuxuan  
CHENG, Ho Yin  
CHENG, Ka Ho  
CHENG, Ka Ho  
CHENG, Ning  
CHENG, Tsz Kwan  
CHENG, Wan Chi  
CHENG, Wing Fung  
CHEUNG, Chun Yin  
CHEUNG, Hoi Yan  
CHEUNG, Ka Wai  
CHEUNG, Kwan Ping  
CHEUNG, Man Ying Jasmine  
CHEUNG, Ming Ho  
CHEUNG, Tsz Yan  
CHEUNG, Wai Ling  
CHEUNG, Wing Lam  
CHEUNG, Wing Yin  
CHEUNG, Wing Yiu  
CHEUNG, Yau Fan  
CHEUNG, Yuet Lam  
CHI, Chun Tat  
CHIANG, Chun Hei  
CHIU, Chi Kit  
CHIU, Long Ting Christy  
CHIU, Sung Ho  
CHO, Lee Shan  
CHOI, Cheuk Wing  
CHOI, Kwong Yung  
CHONG, Shuk Wai  
CHOR, Sing Man  
CHOW, Hon Sing  
CHOW, Kin Shing  
CHOW, Pak Yin  
CHOW, Tsz Yuet  
CHOW, Wai Yi  
CHU, Chelsey  
CHU, Chung Ngong  
CHU, Hon Yat  
CHU, Kin Hang  
CHU, King Sing  
CHU, King Yin  
CHU, Yung Tsam  
CHUI, Mei Sze  
CHUNG, Chui Shan  
CHUNG, Hei Yi  
DAI, Jingyan  
DAI, Shiqing  
DENG, Rulong  
DENG, Zhiwei  
DING, Pei Wen  
DING, Siqian  
DING, Yixin  
DONG, Xiaochen  
FAN, Luyan  
FAN, Oi Ki  
FAN, Pak Yiu  
FAN, Xianyu  
FAN, Yipeng  
FAN, Yuang  
FENG, Jiayun  
FENG, Qi  
FENG, Ruijie  
FENG, Shichun  
FENG, Shuyuan  
FENG, Yongqi  
FOK, Yat Tung  
FONG, Tsz Lok  
FONG, Yuen Ting  
FONG, Yuk Ngo  
FU, Huiyu  
FU, Jingjin  
FU, Wailan  
FUNG, Chun Kwong  
FUNG, Chun Man  
FUNG, Chun Sum  
FUNG, Kwok Yin  
FUNG, Ngok Chun  
FUNG, Tin Wing  
FUNG, Tsz To  
GAO, Chenqi  
GO, Mui Fong Mabel  
GU, Kangling  
GUAN, Ieng Long  
GUO, Chuyao  
GUO, Yue  
HAN, Yuke  
HAU, Yee Ki  
HE, Jiayi  
HE, Yuming  
HO, Ka Kiu  
HO, Kam Pui  
HO, Ming Him Markus  
HO, Pui Lun  
HO, Wai Lung  
HO, Yin Shu  
HO, Ying Wai  
HO, Yuen Ting  
HO, Yuet Mei  
HO, Yui Ka  
HON, Fei  
HUANG, Haipei  
HUANG, Jiayi  
HUANG, Junhan  
HUANG, Leqi  
HUANG, Qirong  
HUANG, Shan  
HUANG, Yuet Ying  
HUANGFU, Jun  
HUI, Lok  
HUI, Wing Chi  
HUI, Wing Kin  
IO, Chun Fai  
IP, Cheuk Yan  
IP, Hoi Yi  
IP, Ka Hei  
IP, Yan Tung  
JI, Xiaoran  
JIA, Guangyu  
JIAN, Xinlin  
JIANG, Yimeng  
JIN, Yanwen  
JU, Linlin  
KONG, Lingsong  
KONG, Tsz Ching  
KONG, Wai Tak  
KONG, Yuet Sze  
KUALI, Yiyi  
KWAN, Chun Yin  
KWAN, Wai Tin  
KWOK, Chun Kit  
KWOK, Fu Yan  
KWOK, Hin Yan  
KWOK, Sin Man  
KWONG, Cheuk Hin  
KWONG, Tik Hin  
LAI, Cheuk Yiu  
LAI, Chun Fung  
LAI, Kim Wa  
LAI, Ming Tong  
LAI, Wai Lam  
LAI, Yibin  
LAI, Yutong  
LAM, Chi Ki  
LAM, Chin Yu  
LAM, Fong Ki  
LAM, Hin Wang Walter  
LAM, Hing Sum  
LAM, Hiu Tung  
LAM, Leung Sang Andrew  
LAM, Lok Yi Ophelia  
LAM, Sin Yu  
LAM, Suet Kei  
LAM, Sze Fai  
LAM, Tsz Yiu  
LAM, Yi Ki  
LAM, Yin Ting  
LAM, Yu Fung  
LAU, Him  
LAU, Ka Hei  
LAU, Lai Shan  
LAU, Ling Fung  
LAU, Pui San, Sandra  
LAU, Wing Yan  
LAW, Hau Ying  
LAW, Lydia Kathlyn  
LAW, Sze Man  
LAW, Wing Sum  
LAW, Wing Yan  
LAW, Wing Yee  
LEE, Kwan In  
LEE, Man Hang Matthew  
LEE, Man Kei  
LEE, Sau Lin  
LEE, Shin Dong  
LEE, Shu Kwan  
LEE, Wing Yan  
LEI, Kunlin  
LEI, Zonghao  
LEONG, Chon Meng  
LEUNG, Alison Wing Yee  
LEUNG, Ching  
LEUNG, Ching Wan  
LEUNG, Chun Ho Kelvin  
LEUNG, Chung Hang  
LEUNG, Hai Ting  
LEUNG, Hiu Fung  
LEUNG, Ho Chi  
LEUNG, Ho Man  
LEUNG, Hoi Ying Janet  
LEUNG, Ji Ching  
LEUNG, Ka Ho  
LEUNG, Kin Chun  
LEUNG, Nga Yi  
LEUNG, Shing Chun  
LEUNG, Sin Yan Kiki  
LEUNG, Tsz Yui  
LEUNG, Wai Yi  
LI, Caiwei  
LI, Chun Hang  
LI, Dapeng  
LI, Ho Yan  
LI, Huizhu  
LI, Jinrui  
LI, Ka Chun  
LI, Lin  
LI, Lingdi  
LI, Ngar See  
LI, Qiuqi  
LI, Rui  
LI, Sijia  
LI, Sixuan  
LI, Sze Wing  
LI, Tsz Ting  
LI, Wang  
LI, Wanjing  
LI, Wanyue  
LI, Wangye



Hong Kong Institute of  
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# to Success

LI, Xinlu  
LI, Zhefan  
LI, Zhuoya  
LI, Zijie  
LIANG, Shubin  
LIAO, Yunqi  
LIAUW, Tsz Shing  
LIE, God Zoeng Jadeon  
LIN, Chau Tung  
LIN, Guiru  
LIN, Ruohan  
LIN, Wan Wai  
LIN, Yinglan  
LIN, Yuyang  
LING, Cheuk Yan  
LING, Man Yee  
LIU, Chenrui  
LIU, Helu  
LIU, Jialin  
LIU, Jialing  
LIU, Jihuan  
LIU, Junkang  
LIU, Keming  
LIU, Man Wah  
LIU, Ruijun  
LIU, Shuer  
LIU, Xiaozheng  
LIU, Yuxin  
LIU, Zhenxian  
LIU, Zhenzhen  
LIU, Zhixuan  
LO, Kan Yu Wylie  
LO, Wing Ki  
LO, Wing Lam  
LU, Xin  
LU, Yi  
LUI, Shing Fai Owen  
LUI, Shuk Man  
LUK, Chun Hin  
LUK, Hoi Ching  
LUO, Xin  
LUO, Xu  
LYU, Feng  
MA, Jing  
MA, Ling  
MA, Man Tik  
MA, Ruilin  
MA, Tin Yau  
MABOHANG, Rojal  
MAN, Ho Yuen  
MAN, Tsz Yan  
MAN, Wai Yee  
MING, Yongxian  
MO, Wing Sum  
MOK, Cheuk Lam  
MOK, Ka Yee  
MU, Qing  
NG, Ho Wing  
NG, Ho Yin  
NG, Hoi Kiu  
NG, Hoi Ting  
NG, Hon Tung  
NG, Ka Yu  
NG, Sue Zen  
NG, Suet Ching  
NG, Tsin Yu Teresa  
NG, Tsun Yip  
NG, Yan Lam  
NG, Yee Lam  
NGAN, Cheuk Yin  
NI, Minghong  
NIP, Hon Toh Dominic  
OR, Wing Laam  
OUYANG, Jingya  
PAN, Lijie  
PAN, Yijun  
PAN, Yingqi  
PAN, Yu  
PAN, Yuhui  
PAN, Zuli  
PANG, Ho Lam  
PANG, Nga Hei  
PANG, Tak Yui  
PANG, Tsz Yan  
PAT, Yuen Sze  
PENG, Xirun  
PO, Pak Kin  
POON, Ka Shun  
QIN, Ziqing  
QIU, Bohan  
QIU, Hongjun  
RO, Yoon Seo  
SHAN, Yuxuan  
SHEA, Hei Man  
SHEN, Tiantian  
SHI, Qingqing  
SHI, Xiaozhen  
SHI, Xuanlin  
SHUM, Cheuk Lam  
SHUM, King Lok  
SHUM, Wing Sze  
SIN, Wui Sing  
SO, Ka Chun  
SO, Ka Wai  
SO, Ka Yee  
SO, Lan Heung  
SONG, Wenda  
SOON, Cheuk Ying  
SU, Xiaoshi  
SZE TO, Ka Yan  
SZE, Ching Yi  
SZE, Ka Lok  
SZE, Tsz Yan  
SZETO, Man Kin  
TAM, Chin Cheuk  
TAM, Hei Tung  
TAM, Ka Wai  
TANG, Hung  
TANG, Jialing  
TANG, Ka Hei  
TANG, Panqi  
TANG, Yuk Kwan  
TAO, Zhen  
TAY, Siew Yi  
TENG, Meihe  
THIRUVENKADAM, Cynthia  
TIAN, Shucheng  
TONG, Ka Kei  
TONG, Shu  
TONG, Sin In  
TONG, Tsz Fung  
TSANG, Cheuk Him  
TSANG, Ka Hung  
TSANG, Man Ki  
TSE, Lok Yee  
TSE, Wing Shan  
TSE, Yat Sing Martin  
TSO, King Chi  
TSOI, Hiu Nok  
TSOI, Wa Ming  
TSUI, Wing Man  
TU, Yanmei  
WANG, Haiyan  
WANG, Ka Ki  
WANG, Luying  
WANG, Xiao  
WANG, Xinyi  
WANG, Yihan  
WANG, Yuetong  
WANG, Zhe  
WANG, Zhenhua  
WEI, Yin  
WEN, Junxiang  
WEN, Wanying  
WEN, Yuehua  
WONG, Annabelle  
WONG, Cheuk Yan  
WONG, Eunice Diana  
WONG, Frankie  
WONG, Hiu Tung  
WONG, Ho Leung  
WONG, Ka Hei  
WONG, Ka Hei  
WONG, Kai Him  
WONG, Kin Man  
WONG, Kin Shing  
WONG, Kong Keung  
WONG, Lok Him  
WONG, Man Lok  
WONG, Ngai Sze  
WONG, Pui Sze  
WONG, Sing Fai  
WONG, Sze Ching  
WONG, Tsz Hang  
WONG, Tsz Him Jasper  
WONG, Tsz Kiu  
WONG, Tsz On Charlie  
Wong, Tsz Yi  
WONG, Wai Kai  
WONG, Wai Lam Winnie  
WONG, Wai Ying  
WONG, Yee Hang  
WU, Jiejun  
WU, Ka Lam  
WU, Sibai  
WU, Wei  
WU, Yunyan  
WU, Zixuan  
XIAO, Shuyue  
XIAO, Xia  
XIAO, Yongyi  
XIAO, Yufei  
XIE, Rongge  
XIE, Yu  
XIE, Yujia  
XU, Jie Qiang  
XU, Shuyi  
XU, Weizhong  
XU, Yujie  
XUE, Yawen  
YAN, Wing Sze  
YANG, Bowen  
YANG, Chuyi  
YANG, Jing  
YANG, Mei Sze  
YANG, Tianshu  
YANG, Yibo  
YAO, Lin  
YAU, Hang Chi  
YEUNG, Ka Fai  
YEUNG, Kiu Fung Timothy  
YEUNG, Lai Yin  
YEUNG, Ming Fai  
YEUNG, Yiu Chun  
YI, Xianying  
YIP, Cheuk Hang  
YIP, Chun Ho  
YIP, Wing Yan  
YIU, Hoi Ching  
YIU, Kwan Ho  
YIU, Wing Lam  
YOU, Qiuyi  
YOU, Zhi  
YOUNG, Tsz Chun  
YU, Cheuk Hin Elston  
YU, Hiu Shun  
YU, Lok Kwan  
YU, Shuk Yi  
YU, Sum Yee  
YU, Wenxi  
YU, Yanli  
YUAN, Jie  
YUAN, Quan  
YUEN, King Yan  
YUEN, Wing Kiu  
ZENG, Haoxiang  
ZENG, Ruisi  
Zeng, Xianghao  
ZHANG, Hanhuang  
ZHANG, Jiayu  
ZHANG, Jing  
ZHANG, Ren  
ZHANG, Sa  
ZHANG, Shu  
ZHANG, Tianhao  
ZHANG, Xiaobin  
ZHANG, Yan  
ZHANG, Yifan  
ZHANG, Yifei  
ZHANG, Yuanyuan  
ZHANG, Yunxue  
ZHANG, Zhe  
ZHANG, Zixin  
ZHANG, Ziyuan  
ZHAO, Gang  
ZHAO, Xuan  
ZHAO, Yujing  
ZHENG, Dongjie  
ZHENG, Qinghua  
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ZHOU, Chuangqi  
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ZHOU, Shengwei  
ZHOU, Ying  
ZHOU, Yongqi  
ZHOU, Yuting  
ZHOU, Zheyuan  
ZHOU, Ziqi  
ZHOU, Zixuan  
ZHU, Aiyin  
ZHU, Shan  
ZHU, Yang  
ZHU, Yunuo  
ZHU, Zehua  
ZOU, Fengting  
ZOU, Jiayun  
ZOU, Qianqian  
ZUO, Junxing

Congratulations to the graduates of the Hong Kong Institute of CPAs' Qualification Programme. Under the guidance of experienced CPAs, these graduates are on their way to joining the world's most prestigious accounting professionals. And they've taken the first big step towards becoming one of Hong Kong's success ingredients.

## DEFINING SUCCESS

Women CPAs



Achievement is not one-dimensional, and neither are the women who define it. *A Plus* talks to four female members of the Institute whose journeys span career reinvention, community service, motherhood, and personal fulfillment, revealing the many ways women CPAs build meaningful lives while shaping business, society, and the profession

# SUCCESS ON HER TERMS

**M**argaret Leung's journey into women's empowerment began with a refusal. When she was working at JP Morgan, a human resources manager asked her and several other women to establish a women's council for Hong Kong, her response was immediate: "No, we don't need such a council," said Leung, who grew up in Canada. "I assumed everyone was as content as I was. In early 2000s, jobs were plentiful and career opportunities were abundant."

Then she was given some statistics, and changed her mind. "The most significant differences and gaps appeared at the lower levels. In addition, the ratio of female to male executives was quite shocking and resembled a pyramid. Senior women executives then were mostly in supporting roles, rather than business head positions. That information convinced me that we should take action and narrow the gap," she says.

That eye-opening moment set the course for a career defined not just by professional achievement, but by a determination to use influence purposefully. Leung went on to help form the women's councils for most of the banks she worked for, and today, she is the Founder of Les Beatitudes Foundation, a charity supporting women in Hong Kong, mainly from the city's most impoverished districts, by hiring them to make fashion accessories and art pieces through upcycling men's neckties. "We also train and empower them to grow as they serve a wider community in need for Hong Kong," she notes.

Her advocacy goes back decades, spanning boardrooms

and golf courses where she was frequently the only woman. "Playing golf with 85 men in South Korea while being the only woman on the course was very upsetting. No female executives or clients were invited, and the men could not avoid me because I was the host," she says. "That loneliness can become a source of motivation."

When Leung left banking to build the charity from scratch, her CPA training guided her. She says it taught her to be fearless, to walk into unfamiliar environments and identify issues quickly, to manage competing demands and maintain rigorous governance. "Respecting governance helps build a solid moral compass that is absolutely necessary in life and work. Also, knowing the numbers allows us to assess situations realistically. Can we afford to take on a project? We need to understand the numbers and the financial implications to build a realistic and executable plan for a social enterprise and for ourselves," she says.

The absence of support structures was an early challenge, Leung says, but her CPA training kept her steady. "All CPAs begin by drawing a process map of a company," she says.

Leung notes that in moments of crisis, there had been opportunities to demonstrate leadership with empathy and a soft touch. When she was head of financial institutions for North Asia at a bank, an earthquake and tsunami struck Japan and she flew in to support the local team, the industry, and the government. "We continued our bank's sponsorship for an international insurance conference. We demonstrated leadership, whether female or male, and highlighted important subjects such as catastrophic

insurance and sustainability bonds. Most of all, we showed the market that women can be courageous too,” says Leung. During SARS, the women’s council she had helped establish gave women a voice. “We allowed all pregnant staff to go home until we understood what SARS was,” she says.

As CEO of the foundation, Leung leads with a philosophy that values flexibility and readiness “to lead and be led”. The timing is always a delicate balancing act, she adds. “Many women executives make the mistake of being too strong and at times too humble,” she says.

Indeed, Leung believes she wouldn’t be where she is today without the support of open-minded men and women. At a women’s leadership course at Smith College in the United States, she was taught by senior women executives to always look out for the next potential woman leader and help her advance, and that visible women in leadership enable other women to rise. “The senior executives said optical impact can be a very powerful statement,” Leung recalls. “Always remember that the

**“Always remember that the women before us made time for us and opened doors for us.”**

women before us made time for us and opened doors for us. We should also make time for the women who come after us.”

### A mother’s insight

It’s well known that becoming a mother changes a woman in ways that are not always visible. For Debbie Pak, Assistant Private Banker at Royal Bank of Canada, it fundamentally changed the way she approaches client advisory. “I no longer see a trust or a will as merely a legal or tax-efficient document; I see it as a parent’s final ‘love letter’ to their children,” she says.

This empathetic lens, born

from being a mother of two, now defines Pak’s work in Hong Kong’s competitive wealth management sector. Pak, who began her career in the tax department at PwC, transitioned into wealth management to bridge technical expertise with personal impact. “I realized that technical skills alone don’t solve human problems,” she explains. “It is an industry built entirely on trust; to provide a truly effective solution, you have to look beyond the numbers to understand a client’s personal anxieties, their dreams for their children, and their family dynamics.”

Currently, Pak oversees comprehensive management of high-net-worth accounts. The opportunities of her job are in the human connections. “Building that deep level of trust and seeing a family’s financial goals come to fruition is what makes this profession so fulfilling. It’s about more than just assets; it’s about being the person they call during life’s biggest transitions,” she says.

The fast-paced markets and shifting global regulations require her to be agile and decisive. “Meeting the highest standards of compliance while delivering timely advice is a delicate balance, but it is exactly where my accounting background provides the most value to my clients,” she notes.

Yet it is Pak’s life as a working mother that has most profoundly shaped her approach. She says those early years as a mum building her career were “a masterclass in prioritization and resilience,” involving sleepless nights and the heavy mental load of balancing a demanding career with a growing family. “I quickly realized that striving for perfection in every direction was unsustainable,” she says. Pak learned to identify the three most important tasks each day and to hold a five-year vision, discovering that true balance is not a perfect 50/50 split but about “intentional presence.”

These days, business hours

Margaret Leung (front row, in red) at a Les Beatitudes exhibition



are dedicated to clients through time-blocking for maximum focus. Evenings belong to family. Dinners with the family are a sacred time for listening to her children’s highlights and challenges. “Afterwards, I transition into a supportive role – reviewing their homework and staying involved in their learning journey,” she says. “Both of my children are currently in a Hong Kong youth team, so a large portion of our family time is actually spent at practices and matches. It’s a huge part of our intentional presence and something we are very proud of.”

**“You cannot give your best to clients or your children if your own tank is empty.”**

This dual perspective has made Pak a passionate advocate for financial literacy, particularly for children. As an Accountant Ambassador, she participates in school workshops for the Institute’s “Rich Kid, Poor Kid” programme, and recently spoke to the press about the results of the Institute’s Teen Money Management Survey 2025. “Financial literacy is one of the most essential life skills, yet it is rarely taught in a traditional classroom setting,” she notes. “As a mother, I want my own children, and indeed all children, to enter adulthood not with anxiety, but with the confidence to manage their resources wisely.”

What Pak sees during school visits inspires her to continue the work. “There is nothing more rewarding than witnessing a young person move from being intimidated by financial concepts to feeling curious and capable of managing their own future. Those ‘lightbulb moments’ in a classroom are just as significant as the large-scale

advocacy work,” she says.

Pak tells new working mothers to never let others define their success. “We live in a dynamic economy that requires us to be resilient and to constantly evolve; learning how to manage multiple skill sets is essential, but so is the ability to define ‘winning’ on your own terms,” she says. They should also adapt priorities as children grow, seek mentors, and prioritize self-care, she adds. “You cannot give your best to clients or your children if your own tank is empty.”

**Running her own race**

As one of the world’s premier women’s marathon events, serving as a selection race for Japan’s national team, the Osaka International Women’s Marathon is a dream for both elite marathoners and high-level amateurs. Among the runners lining up at the 2025 edition was Carman Tam, Financial Planning Manager at Hong Kong’s Urban Renewal Authority.

“All the Abbott World Marathon Majors (a series of the most renowned marathons in the world) have been memorable, each shaping me into a stronger runner. But the Osaka International Women’s Marathon was the race I dreamed of most,” she says. “The event is prestigious, with strict entry standards and exceptional treatment for participants – dedicated changing facilities, warm clothing until the very start, and staff support throughout.”

Tam crossed the finish line in 2 hours 59 minutes. The 42.195-kilometre course through

central Osaka was challenging. “The small field size meant I often had to run alone, and strong winds made it difficult to form groups for drafting,” she says. Finishing under three hours “remains a cherished milestone,” she adds. It represented years of discipline, early mornings, late nights, and a commitment to a life of fulfillment that extends well beyond the office.

She explains the allure of completing a marathon in under three hours. “It is not something that can be achieved through talent alone. It requires years of disciplined training, consistency, and resilience,” says Tam. “For women, it is even more challenging due to physiological differences, making the accomplishment particularly significant. Although difficult, it is not impossible, which is why so many runners are motivated to pursue this milestone.”

Tam’s career has taken her from



Debbie Pak with her two children

audit into the commercial sector and eventually into management accounting, allowing her to focus on planning, analysis, and supporting strategic decisions. In her current role at the Urban Renewal Authority, her first in the public sector, she prepares five-year corporate plans and annual business plans, oversees budgeting, and coordinates financial projections across multiple departments.

Coordinating departments with competing priorities demands exceptional communication and negotiation skills, but also deep satisfaction, she notes. “Unlike the commercial sector, the focus here is not solely on profit but also on social impact and long-term urban development. This allows me to contribute to projects that directly benefit the community, which is both meaningful and rewarding.”

**“Running has taught me to plan ahead, commit to goals, and remain flexible.”**

Yet Tam’s greatest achievements may lie outside her professional life. After leaving audit, she turned to running during rehabilitation from a hockey injury. “Running felt therapeutic. It became the best time of day to connect with myself,” she says. She set a goal to complete a half marathon, and she has since completed six of the seven Abbott World Marathon Majors. She did Chicago last October and finished London this April, completing what runners call the six-star journey.

She also represented the Hong Kong Athletics Team in the



Shenzhen-Hong Kong Marathon in February 2025, a historic cross-boundary test event for the National Games. It was a childhood dream realized on a course of bridges and fierce crosswinds. “The atmosphere was incredible thanks to the support of citizens and volunteers. I finished in 3 hours and 3 minutes; though not my best time, I was satisfied given the difficulty of the course,” Tam says. “To give my all in such a historic event was deeply meaningful and a proud milestone in my running journey.”

Balancing a demanding career with serious marathon training takes meticulous planning. Tam schedules high-intensity sessions around track availability, often early morning or late evening, and fits easier runs before or after work. “The key is careful planning and flexibility,” she notes. “Everyone has the same 24 hours; how you allocate them determines your achievements.”

Running, she adds, has sharpened her professional approach. “Running has taught me to plan ahead, commit to goals, and remain flexible. This mindset translates directly into my work: I approach projects with strategic foresight, but I am agile enough to recalibrate when

circumstances change.”

For CPAs contemplating long-distance running, Tam’s advice is to start gradually, prioritize consistency over intensity, and embrace the benefits. “Exercise brings both physical health and mental energy, which are invaluable in a demanding profession. Build gradually, enjoy the process, and let running become a sustainable source of strength and resilience.”

### A bold reinvention

AusMed Global’s first six years were relentless. Founded in 2017 by Dr. Christine Yip, AusMed Global set out to pioneer a non-invasive handheld breath ketone analyzer as a painless alternative to finger-prick blood tests for children with diabetes. Over time, the company has grown into a leading force in non-invasive ketone technology, advancing the future of diabetes and obesity care.

“The difficulties are far more than whether a technology is good or not. It’s whether you can really bring laboratory-grade accuracy into a portable system that can be used at point-of-care and by individuals at home. That is a very long journey,” says Yip.

Carman Tam running the Tokyo Marathon

## “As women entrepreneurs, we must overcome the many obstacles to get through the tough journey of entrepreneurship.”

On top of that, she faced another challenge. As a woman, she needed to work twice as hard during those early years. “You have to prove to both your team and your outside stakeholders and collaborators that you have the ability and capacity to work in this highly competitive and demanding industry. You have to put in double the effort. Even now, I think that we still have to,” she says. “But once I demonstrated my ability and passion, I began to work more smoothly in the tech world.”

She believes having holistic skills has been powerful, particularly when motivating her team to continue innovating when facing ups-and-downs and many research and development (R&D) challenges. “As women entrepreneurs, we must overcome the many obstacles to get through the tough journey of entrepreneurship,” she says.

Yip has since led the company to achieving breakthroughs in developing the world’s first medical-grade portable breath ketone system providing a non-invasive alternative to traditional blood testing. The company has released its first model of KetoMetrics®, a solution for diabetes and lifestyle management,

and is in partnership with Merck, a leading science and technology company, and China Resources. The company is in the progress of partnering with insurance industry for preventive care, wellness engagement and personalized undertaking. “If we want to position AusMed as the global leader in non-invasive breath ketone management systems, then we need to keep up the R&D momentum. Building on our core technological advancements, we are establishing the KetoMetrics® ecosystem in collaboration with leading universities and industry partners – leveraging AI-powered digital twin metabolic health modelling to advance human wellness globally.” An IPO, she says, is the goal within two to three years.

Yip leading a cutting-edge life science company was not something anyone could predict. She began her academic journey in the arts before moving into university administration and later business. Seeking rigorous professional training, she broadened her expertise across accounting, law, and corporate governance. Her career advanced from auditing and strategic

management into international higher-education leadership, culminating in a senior management role at the University of Sydney, one of Australia’s leading research institutions.

She met professors, assessed projects, and developed a sharp instinct for identifying which ideas had genuine commercial potential. When the former dean of the engineering faculty introduced her to a research team working on non-invasive photonic sensing for diabetes care, she ran due diligence. “I read extensively, and spoke to people passionate about this, and finally found that the technology was viable and very advance. That motivated me to back it.”

That decision became AusMed Global. Those first six years tested not only the technology but the team, the finances, and Yip’s own tenacity. “Nothing is really smooth in the entrepreneur and innovation journey. But it is full of satisfaction because we want to bring something painless for children and anyone in need.” says Yip.

Throughout it all, she draws from her CPA training. Cash flow discipline, risk identification, strategic foresight, the auditor’s habit of looking beyond the surface are what, she argues, transitioned a compelling idea into a company on the verge of scaling globally.

“Without this background and training, I don’t think I could have led the company to this stage,” she says, adding that it also helped her make the best decisions for her start-up. “Innovative start-ups can grow very rapidly, but my CPA training gave me the professionalism to remain calm and prudent, ensuring we build in a sustainable way. This discipline is essential as we strive to deliver the benefits of our deep-tech innovation not only locally, but to communities worldwide.”



Dr. Christine Yip (front row, left) at the signing ceremony for AusMed Global’s strategic partnership with Merck



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Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

The Privacy Commissioner for Personal Data on key aspects to consider when developing internal artificial intelligence policies for accounting firms



## Harnessing AI in accounting: Guidelines for the use of generative AI by employees

In recent years, generative artificial intelligence (Gen AI) has moved from hype to habit across sectors. A compliance check conducted in 2025 by my Office, the Office of the Privacy Commissioner for Personal Data (PCPD) found that 80 percent of the surveyed organizations had used AI in their day-to-day operations. The accounting profession is no exception, with studies showing 88 percent of accounting and finance respondents in Hong Kong reported using Gen AI tools at work in 2025. Amid this surge in workplace adoption, the Government’s “AI Training for All” announced in this year’s Budget represents an important step in equipping organizations, including accounting firms, with the necessary knowledge to use AI tools.

### A tool or a threat?

For accounting professionals, the benefits of AI may be harnessed by automating data entry and analytics, processing statements and contracts to reconcile accounts, and so on. Behind the extraordinary capabilities of AI, however, lie privacy risks that are not negligible.

For instance, the vast amount of personal data and confidential information stored in Gen AI systems may be seen as treasure troves of sensitive data and become attractive targets for hackers and cyber criminals. We have also seen reports of various AI privacy and security pitfalls present in the internal environment of an organization. For example, in 2023, sensitive internal source code was inputted by employees of a leading Korean tech giant into a Gen AI chatbot, which subsequently led to the leakage of the sensitive data.

### Guidelines for the use of generative AI by employees

To mitigate the aforesaid privacy risks and to help organizations develop internal policies or guidelines on the use of Gen AI by employees at work while complying with the requirements of the Personal Data (Privacy) Ordinance, the PCPD published the “[Guidelines for the Use of Generative AI by Employees](#)” (Guidelines) in 2025.

The Guidelines, which are presented in the form of a checklist, recommend various aspects for organizations to consider when developing their internal AI policies or guidelines, including the key elements set out below.

#### Scope of permissible use of Gen AI

Firstly, the AI policy or guideline should specify the Gen AI tools that are permitted within the organization, which may include publicly available tools and/or internally developed tools. In addition, organizations should clearly define the permissible purposes for using these tools to avoid ambiguity – for example, whether employees may use such tools for drafting documents, summarizing information or creating textual, audio and/or visual content.

To clearly delineate accountability, organizations should also specify whether such policies apply to the entire organization or only to specific divisions or employees.

#### Protection of personal data privacy

It is recommended that organizations provide clear instructions on both the “inputs” and “outputs” of Gen AI tools. Regarding the permissible inputs, organizations should specify the types and amounts of information that can be entered. For instance, clear instructions should be provided on whether employees may share personal or copyrighted data with the tools.

Regarding the outputs generated by the Gen AI tools, the AI policy should outline the permissible purposes for using the outputs (including personal data), and whether, when and how such personal data should be anonymized before further use. Additionally, guidance should be provided in respect of the permissible storage of the output information and the applicable data retention policy.

#### Lawful and ethical use and prevention of bias

To ensure lawful and ethical use of the Gen AI tools, it should be specified in the policy that employees shall not use such tools for unlawful or harmful activities.

The Guidelines also recommend that the AI policy should emphasize that employees acting as human reviewers are responsible for verifying the accuracy of AI-generated outputs, and for correcting and reporting biased or discriminatory AI-generated outputs. To enhance transparency and avoid misleading stakeholders, organizations should also provide instructions on when and how to watermark or label AI-generated outputs.

#### Data security

To safeguard data security, the AI policy should specify the types of devices on which employees are permitted to access Gen AI tools and the categories of employees who are permitted to use these tools. Employees should be required to use robust user credentials and maintain stringent security settings in Gen AI tools.

In the event of any incident involving AI, such as a data breach, employees should report such incidents according to the organization’s own AI Incident Response Plan.

#### Violations of policies or guidelines

Lastly, we recommend organizations to specify the possible consequences of employees’ violations of the policies or guidelines on the use of AI.

### Strengthening the accounting profession

Looking ahead, the priority for the accounting profession is not “more AI” but governed AI. It is high time for the accounting profession to devise their respective organizations’ AI policies or guidelines so that accountants and other staff can use the new technology effectively, responsibly and safely, thereby building a stronger profession that is able to leverage new technologies to move with the times.

# SECOND OPINIONS: WHAT CAN MAKE A BUSINESS TRANSFORM- ATION A SUCCESS?

**“The strongest transformations are powered by data, enabled by better processes, embraced by people, and accelerated by technology.”**



MANDY NG

CHIEF BUSINESS TRANSFORMATION OFFICER AT AS WATSON GROUP, AND AN INSTITUTE MEMBER

Many business transformations fail for a simple reason: they over-index on technology. Too often, organizations treat transformation as a systems upgrade, assuming that new platforms alone will create new outcomes. In reality, technology is only one enabler. Sustainable transformation happens when a business rewires how it makes decisions, how work gets done, and how people adapt and lead through change.

At AS Watson Group, that is a reality we see every day. We operate a complex O+O (Offline plus Online) retail ecosystem spanning more than 17,000 stores across 31 markets, with over 120 e-commerce platforms and around 130,000 people. In an environment of this scale, transformation cannot sit within a single function, nor can it be run as a collection of disconnected initiatives. It has to be anchored at the top, with strategic clarity, cross-functional alignment, and execution discipline. That is why the Group established the Business Transformation Office. Beyond being a functional organizational unit, it communicates a clear signal that transformation is being led as a business priority, with senior leadership sponsorship, enterprise accountability, and a focus on long-term value creation.

While technology is one of the four pillars, success is disproportionately driven by the other three. First, data must be the single source of truth. In a global business, fragmented data leads to fragmented decisions. Without trusted data, leaders cannot allocate resources confidently, measure performance consistently, or respond quickly to customer and market shifts. Transformation becomes far more effective when data is not treated as a reporting output, but as the backbone of decision-making.

Second, processes must be redesigned, not merely digitized. Many organizations automate existing habits and call it transformation. That is not enough. Real progress comes from rethinking workflows so they are faster, simpler, and better suited to a more connected and customer-centric business. For boards and finance leaders, this is where transformation becomes tangible, through greater agility, stronger control, better productivity, and lower execution risk.

Third, people ultimately determine whether change sticks. Transformation succeeds when employees understand the direction, trust the intent, and feel equipped to contribute. A change-ready culture is not built through messaging alone. It is shaped through leadership consistency, capability building, and visible commitment from the top.

Technology still matters, of course. But it is the amplifier, not the foundation. The strongest transformations are powered by data, enabled by better processes, embraced by people, and accelerated by technology. That is why transformation should never be viewed as a one-off digital programme. It is a continuous journey of cultural and operational refinement, and it must be led that way, from the top.



**BONNIE CHAN**  
ASSOCIATE PARTNER, GENAI APAC AT IBM,  
AND AN INSTITUTE MEMBER

**MARIE FRANCE THONGPHANH**  
TRANSFORMATION MANAGER AT JOHNSON STOKES  
AND MASTER, AND AN INSTITUTE MEMBER

A successful business transformation demands a holistic reinvention of how an organization operates, creates value, and competes. I see five key success factors.

**A clear, value-driven, and ambitious vision** – Transformation begins with a vision that is bold, realistic, and anchored in measurable business outcomes. Organizations must identify the critical value pools, such as revenue growth, cost efficiency, customer experience, operational resilience, or risk reduction, and use these as the foundation for the transformation roadmap. Leadership alignment is essential. When the C-suite and business-unit leaders share the same priorities, execution accelerates, decisions become clearer, and teams gain the confidence to act quickly.

**A modern digital foundation** – The most successful transformations invest early in building a strong digital foundation. This starts with unified, well-governed data that eliminates silos and ensures accuracy, accessibility, and trust. Artificial intelligence can then be confidently integrated to improve decision-making, automate workflows, and elevate human performance. Hybrid cloud architecture provides the flexibility, security, and scalability needed to modernize core systems while enabling innovation at speed. Together, these components form the digital backbone required for scaled, enterprise-wide reinvention.

**An operating model built for speed and collaboration** – High-performing organizations redesign their operating models around cross-functional teams, shared KPIs, end-to-end ownership, and simplified workflows. They standardize processes before automating them and accelerate innovation through agile ways of working. Empowering teams with clear decision rights, rapid experimentation,

**“Transformation succeeds faster and more sustainably when organizations leverage strong partnerships.”**

and continuous improvement unlocks the speed and adaptability required in today’s environment.

**A workforce empowered by skills, leadership and**

**culture** – Organizations must cultivate a culture of digital fluency and continuous learning. Upskilling and reskilling programmes prepare the workforce for new capabilities, new responsibilities, and evolving business needs. Leaders must act as champions of change and cultivate an environment where innovation thrives.

**Ecosystem collaboration and a disciplined focus on value realization** – Transformation succeeds faster and more sustainably when organizations leverage strong partnerships, for example with technology providers and cloud ecosystems. Equally important is a disciplined approach to measuring value through clear KPIs, transparent reporting, and continuous refinement. Companies that track outcomes closely can sustain long-term transformation.

One Sunday, I was on my way to brunch. The bus ride was peaceful – the city felt unhurried and no one was on early calls. Suddenly, the bus jolted to a halt, and someone shouted, “Get off the bus”. No one moved. People looked around in confusion, reluctant to leave their seats, unsure when the next bus would come. I felt uneasy, my peace had been disrupted. That unease, however, lasted only about 10 seconds until someone shouted, “Fire!”

All the passengers jumped to their feet and rushed off. Smoke was curling from the back. Thankfully, it was just an overheated engine, and everyone was safe. In hindsight, the realization was chilling: we had stayed in a burning vehicle simply because we did not understand why we needed to move, even though we were told to do so.

Transformation is not about a technical upgrade or a strategic expansion. It is a movement of people from one way of working and thinking to another. Designing strategy and KPIs are project-side functions, but driving change is a human one.

**“Making change meaningful to different audiences requires more than clarity, it requires resonance.”**

We hold town halls, present sleek slide decks, and send mass emails, assuming information will drive change, but often, it does not. I have seen both effective and ineffective town halls. One, in particular, stood out. On paper, it was perfectly prepared, yet the impact fell flat once the speakers began.

All the speakers held pages of A4 scripts. The first read verbatim, sounding like a GPS. Another slipped into lecture mode as if the room was full of schoolkids. By the time the final speaker took the stage, he realized that the audience were disengaged and spoke in platitudes. What the intended message was is hard to recall, but the unintended one was clear – There was communication but no connection.

Making change meaningful to different audiences requires more than clarity, it requires resonance. It calls for a vision people can see themselves in, and communication that builds belief, so that people choose commitment rather than compliance.

More often than not, top management is the primary voice of change who paints a rosy company future. In reality, reporting leads and team managers play an equally critical role. By consistently reinforcing the message and translating it into day-to-day work, they make the change tangible and personally relevant. This inspires individual transition and encourages more meaningful input, bridging the gap between strategy and day-to-day reality.

Staff are like the bus passengers. If they do not see the smoke, they will remain in their seats and slip back into old routines, no matter how often they are told to move. Ultimately, a business transformation succeeds when we leverage the power of why and make it so vivid that remaining sitting down no longer feels like an option.

## FIVE QUESTIONS

PAIB & PAIP

**Tell us about your role and the issues you deal with.** As part of the bank's senior management, apart from overseeing financial crime and compliance functions, I also attend the bank's Executive Committee meetings to discuss and handle the general banking matters. Over the years, I have accumulated knowledge and experience in the banking industry from auditing, regulatory, and compliance perspectives. This has given me insight into the bank's framework, workflow, products, internal controls, and regulatory requirements, allowing me to steadily broaden my scope in the banking sector. Management is another soft skill I have developed and can use to enhance the effectiveness and efficiency of banking operations.

**What drew you to the anti-fraud space?** I started my career in PwC Assurance (Financial Institutions Group). After obtaining my CPA qualification, I chose to develop my knowledge and experience in Hong Kong's financial market regulation. So I went on to work at the Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited, and the Commercial Crime Bureau. About 12 years ago, I joined banking to apply this composite experience. A bank typically offers a wide range of products, from deposit taking and lending to securities brokerage, IPO settlements and transactional banking, etc. My composite experience from previous financial regulatory bodies has given me a solid foundation to better serve the bank and its customers from a compliance and protection perspective.

**How is your team using technology like AI for anti-fraud measures to protect customers?** Technology makes it easier for criminals to reach many potential victims, using deepfake technology and tailored



## FIVE QUESTIONS FOR PAIB Tony Mak

Tony Mak, Deputy Chief Executive of Industrial and Commercial Bank of China (Asia) Limited, on the critical role of technology in protecting customers, and how his unconventional career journey shaped his expertise in anti-fraud and compliance

scenarios. To tackle this, we must also apply AI and technology. Many banks use robotic process automation for information retrieval and comparison to boost efficiency. We also use machine learning to “teach” the program how to investigate suspicious alerts like a human would, as well as to compile suspicious transaction reports. Whenever we identify potential victims during an investigation, we reach out immediately to persuade them to cancel the fund transfer and protect their assets. Under my leadership, ICBC (Asia) has been honoured with many prestigious awards from Hong Kong's foremost regulatory and law enforcement institutions in recent years, underscoring our excellence in financial crime prevention and detection, which was significantly strengthened by our AI application and RegTech innovations.

**How has your CPA qualification helped you in your role?** The most valuable thing I learned is how to review financial statements. The ability to quickly assess a company's financial status, assets and liabilities, profit-earning ability, going-concern issues, and auditor's opinion is essential to performing effectively in financial work. In addition, the qualification process trained me to find the root cause of issues and solve them accordingly. Just like when total debits and credits in a trial balance are not equal, when we cannot produce correct financial statements, we must identify the root cause.

**What are the biggest lessons from your career so far?** Following your passion and pursuing a job you truly care about will drive you to go to work every day and give you the determination to tackle challenges. In the end, you will find job satisfaction and career achievements over time.

**What are the biggest lessons from your career so far?** One of the biggest lessons from my career is that building depth takes time, but perspective comes from experience. I began my career in Deloitte's London office, then moved to Hong Kong on secondment. After returning to the United Kingdom, I later had the opportunity to move back to Hong Kong permanently as a director. Along the way, I also spent time on secondment to Deloitte's global office in New York, helping to develop parts of our global assurance offering. Working across London, Hong Kong and New York has reinforced for me that while accounting standards may be global, professional judgement is shaped by experience, context and people.

**What is the top priority for most finance leaders looking to strengthen the finance function today?** My main client focus is the insurance industry. Here, I see finance leaders very focused on building resilience and sustainability. Many insurers have spent recent years delivering significant programmes driven by regulatory and accounting change, such as IFRS 17 and the Hong Kong Risk-Based Capital reforms. The priority now is making those changes work in practice. This means simplifying processes, improving data quality and ensuring there is clear ownership across the finance and actuarial functions. Finance leaders want teams that can produce reliable information efficiently, explain outcomes clearly to boards and regulators, and respond quickly when requirements change.

**How have you seen technology like AI transform audit work?** I have seen emerging technologies, including AI and advanced analytics, make a real difference in audit by enhancing how we assess risk and where we focus



## FIVE QUESTIONS FOR PAIP

### Benjamin Hucklebridge

From training in London to leading audits in Hong Kong, Benjamin Hucklebridge, Partner in Deloitte Hong Kong's audit and accounting advisory practice, reflects on the power of international experience and the evolving role of finance in insurance

our time, particularly for large and complex clients. Deloitte is investing a lot into developing the capabilities we need to really embed AI into the end-to-end audit cycle. I am very clear with my teams that technology does not replace skepticism or human judgement. Especially in insurance audits, understanding the business, regulatory environment and assumptions remains incredibly important. Getting ready for this shift is about building digital capability alongside continuing to develop strong core audit fundamentals.

**What advice do you have for the next generation of auditors?** Use the early years of your career to build a really strong technical base, but also be curious about how businesses actually operate. It's sometimes easy to get lost in accounting and forget about what our clients actually do on a day-to-day basis. Understanding products, risks and decision-making processes will make you a better auditor and, over time, a more trusted advisor. I would also encourage the next generation to embrace opportunities outside their comfort zone. The audit profession is evolving rapidly, and those who are adaptable, open-minded and willing to keep learning will find audit can be an excellent foundation for a wide range of career paths.

**How has your CPA training helped you for your role?** I originally qualified as an ICAEW ACA. After moving to Hong Kong, I converted to HKICPA. Having both qualifications has been valuable given my focus on insurance clients operating across multiple jurisdictions. The qualification reinforces the importance of integrity, consistency and lifelong learning, principles that remain essential as accounting standards, regulation and business models continue to evolve.

# ISSB finalizes amendments to IFRS S2: Changes to greenhouse gas emissions disclosures

HKICPA's feedback reflected in final amendments, ensuring local voices are heard

The International Sustainability Standards Board (ISSB) has issued final amendments to IFRS S2 *Climate-Related Disclosures*, introducing targeted reliefs and clarifications to support the effective implementation of greenhouse gas (GHG) emissions disclosure requirements. These amendments respond to market feedback and are designed to ease application challenges while maintaining the decision-usefulness of information for investors.

## Background

In April 2025, the ISSB issued an Exposure Draft (ED) proposing targeted amendments to IFRS S2 for public consultation. After considering market feedback and deliberation, the ISSB published the final amendments on 11 December 2025. These amendments are effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

## Key amendments

They include:

- **Clarification of Scope 3 Category 15 GHG emissions:** Entities may limit measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions as defined in IFRS S2.
- **Flexibility in industry classification:** Entities are permitted to use alternative industry classification systems, beyond the Global Industry Classification Standard (GICS), to disaggregate financed emissions information.

- **Jurisdictional relief:** The amendments clarify the availability of jurisdictional relief from using the GHG Protocol Standard, allowing parts of an entity to use different measurement methods if required by local regulations.
- **Relief from using latest Intergovernmental Panel on Climate Change (IPCC) values:** Entities are provided relief from the requirement to use global warming potential values from the latest IPCC Assessment Report for converting GHG emissions.

Read our [impact analysis](#) to learn more.

## Stakeholder feedback and ISSB response

The HKICPA's Sustainability Disclosure Standards Committee reviewed the final amendments and concluded that all substantive comments raised in the Institute's [recommendation](#) on the ED have been addressed:

- **Disclosure of derivatives and financial activities:** The proposed requirement to disclose the amounts of derivatives and financial activities excluded from Category 15 GHG emissions has been replaced with a qualitative requirement to describe these activities and explain what is treated as a derivative.
- **Industry classification systems:** The final amendments replace the previously proposed hierarchy with a less prescriptive approach. Entities are not required to use the GICS on a group-wide basis simply because a

small part of the group uses it. Instead, entities may select a single, commonly used industry classification system that best supports comparability and understanding of transition risks. Entities engaged in both commercial banking and insurance activities may use different systems for each activity.

- **Jurisdictional relief clarification:** The term "part" of an entity is clarified, allowing jurisdictional relief to be applied to subsidiaries, branches or specific assets.
- **Transition requirements:** Specific provisions are provided for entities regarding adjustments to comparative information if they previously applied IFRS S2 when first applying the final amendments.

The equivalent amendments to HKFRS S2 were issued in February 2026.

## Implementation support activities

Implementation support will be integrated into ongoing HKFRS S1 and S2 capacity-building initiatives, including training, publications, the [Implementation Platform](#), and the [technical query system](#). The Institute will monitor the application of the amendments and update the support plan as needed to address stakeholders' needs.

*This article was contributed by **Anthony Wong**, Associate Director of the Institute's Standard Setting Department.*

# Merger accounting under AG 5: Proposed changes and why they matter

## A summary of the Institute's Exposure Draft

The Institute issued an [Exposure Draft](#) (ED) on 26 February 2026 proposing amendments to Accounting Guideline 5 (Revised) *Merger Accounting for Common Control Combinations* (AG 5) and is seeking [comments](#) by 27 May 2026.

### Background

The Institute's 2016 post-implementation review of AG 5 identified several accounting issues. While limited amendments to AG 5 were made in 2020, some issues remained outstanding (Outstanding Issues) pending the outcome of the International Accounting Standards Board (IASB)'s then project on Business Combinations under Common Control (BCUCC).

Following the IASB's discontinuation of the BCUCC project in 2023, the Financial Reporting Standards Committee (FRSC) of the Institute resumed its efforts towards addressing the Outstanding Issues. Since then, the Institute undertook research and conducted outreach to reassess the significance and pervasiveness of these issues for local entities and to evaluate possible solutions. Based on the findings, the FRSC noted that certain issues remain pervasive and could be addressed by amending AG 5.

### Key proposals

#### Scope of AG 5

Stakeholders commented that AG 5 lacks clarity on whether merger accounting applies to common control combinations that do not involve businesses. Although this issue has become less significant following the Amendments to HKFRS 3 *Definition of a Business*, the FRSC believes that AG 5 could be enhanced by clarifying that such combinations fall outside its scope. Accordingly, the ED proposes adding references in AG 5 to the definitions of "business" and "business combination" in HKFRS 3.

#### Controlling party and carrying values

AG 5.9 requires entities to measure assets, liabilities and equity of the combining

entities or businesses using existing book values from the controlling parties' perspective. However, AG 5 does not define the term "controlling party". In a multi-layered group, this may create ambiguity as to which perspective (e.g. immediate, intermediate or ultimate parent level) should be used for measurement.

To address this, the ED proposes adding: (i) a reference to the concept of "controlling party" in HKFRS 3; (ii) a new paragraph emphasizing the use of judgement when making this determination; and (iii) a disclosure requirement requiring entities to specify the identity of the controlling party and the basis for that determination.

#### Measurement of shares issued as consideration

Practice varies in how shares issued as consideration are measured, especially when the combined entity is not publicly listed. While some stakeholders supported prescribing a single measurement approach, many considered that a "one size fits all" approach would not be appropriate for all common control combinations, and could result in unintended consequences or divergence from other HKFRS Accounting Standards. After considering the feedback, the FRSC decided not to prescribe a specific measurement approach. Instead, to improve transparency and help users understand the approaches adopted by entities, the ED proposes adding a disclosure requirement for entities to describe how share consideration is measured.

#### Restating comparatives

Stakeholders remain concerned about the requirement to restate comparatives under AG 5. Preparers noted that obtaining reliable historical information of acquired businesses can be costly and impractical. In addition, for post-IPO and private-entity common control combinations, the usefulness of restated comparative information may be limited, as users tend to focus on future performance.

To address these concerns, the ED introduces a practical expedient that permits entities not to restate comparatives. Under this expedient, entities would

present the assets, liabilities, equity, income and expenses of the acquired businesses prospectively from the combination date. Entities applying the expedient must disclose that fact and apply the accounting policy consistently to similar transactions. The ED also adds examples to illustrate the application and effects.

The FRSC proposes applying these amendments prospectively to common control combinations with a combination date on or after 1 January 2028, with early adoption permitted.

### Key impact

Common control combinations are prevalent in Hong Kong. The proposed amendments are expected to impact a wide range of entities engaged in such combinations, including listed and private entities, IPO applicants, as well as users of financial statements.

Overall, the proposals primarily clarify existing requirements and enhance disclosures using readily available information, without altering the underlying principles of AG 5. The major change is the introduction of the practical expedient that allows entities not to restate comparatives. This proposal is expected to reduce the reporting burden for private entities and those undertaking post-IPO common control combinations, where the costs of restatement often outweigh the benefits.

### Act now – share your views

Entities that have entered into, or expect to enter into, common control combinations are encouraged to review the ED carefully and provide feedback. Stakeholder input will be important in helping the Institute assess whether the proposed amendments appropriately address local practice issues and strike the right balance between cost and usefulness. Submit your comments by the deadline.

*This article was contributed by **Kennis Lee** and **Shiro Lam**, Associate Directors of the Institute's Standard Setting Department.*



# Digital Transformation Hub



Discover more!  
[hkicpa.org.hk/digitalhub](http://hkicpa.org.hk/digitalhub)



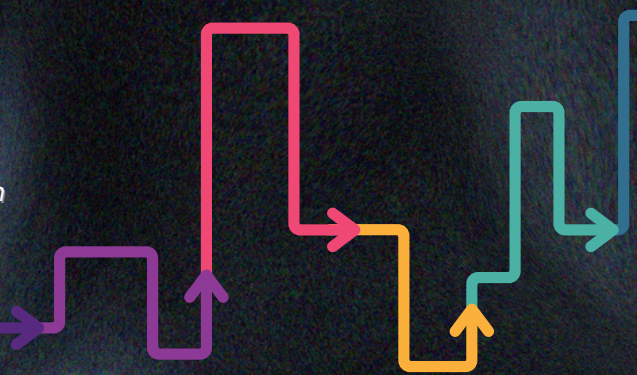
One-stop resource platform

- to equip SMPs and SMEs with cutting-edge tools, knowledge, and inspiration to excel in a digital-first world

## Digital Transformation Roadmap

Strategic framework, organized into 6 key stages:

- to empower SMPs and SMEs in navigating change with confidence, unlocking unprecedented Efficiency, Innovation, and Growth



**Training Programme**



**Case Studies and Success Stories**



**Resource Library**

# Navigating the future: A strategic digital transformation roadmap and hub for SMPs and SMEs

How the Institute's initiatives provide firms and enterprises an actionable framework for their transformation journeys

As the business environment becomes increasingly digitized, small and medium practices (SMPs) and enterprises (SMEs) face mounting pressure to adapt. To bridge the gap between ambition and execution, the Institute has launched a comprehensive, two-pronged initiative: the [Digital Transformation Roadmap](#) and the [Digital Transformation Hub](#). Designed for the unique needs of SMPs and SMEs, these resources provide a strategic blueprint and a dynamic support ecosystem to turn digital ambitions into sustainable, real-world success.

## Driving SMPs and SMEs forward through the Digital Transformation Roadmap

Developed in close consultation with industry experts, practitioners, and technology partners, the Digital Transformation Roadmap is a structured guide to help SMPs and SMEs navigate their transformation with clarity.

The roadmap sets out a practical, phased approach that helps organizations assess their current digital maturity, identify strategic priorities, and execute step-by-step actions suited to their scale and objectives. Beyond just adopting technology, it emphasizes cultural readiness, process optimization and talent upskilling, ensuring transformation efforts lead to sustainable business advancements rather than one-off technological upgrades.

It also offers real-world case examples, toolkits, and key considerations for decision-makers who may be constrained by resources yet eager to modernize.

The roadmap aims to demystify technology adoption and empower SMPs and SMEs to take actionable, measurable

steps on their own transformation journey.

By following this roadmap, our profession can collectively raise standards of digital capability, enhance client service, and strengthen Hong Kong's position as a trusted and future-ready international business hub.

## A hub for innovation, learning and collaboration

Complementing the roadmap, the Digital Transformation Hub is a one-stop online resource centre that brings the profession's digital transformation to life.

The hub provides guidance at every stage of transformation – from understanding emerging technologies such as artificial intelligence, automation, and cloud solutions, to exploring case studies of firms of different sizes that have successfully adopted these tools. By leveraging insights from the International Federation of Accountants and collaboration with industry partners, the hub shares best practices tailored to local contexts, ensuring members learn from credible, real-world examples. It also curates a wide range of practical materials, success stories, and tools to help SMPs and SMEs translate awareness into action.

Beyond being a knowledge repository, the hub acts as a catalyst for continuous learning and peer exchange. SMPs and SMEs can explore articles, videos, and thought-leadership pieces that showcase practical strategies to boost productivity, strengthen internal controls, and deliver greater value to clients.

Ultimately, the hub empowers firms to approach digital transformation not as

a daunting overhaul, but as an ongoing journey of improvement.

## Looking ahead: Phase 2

The roadmap was unveiled during a launch ceremony in November 2025, where over 300 members gathered for dynamic networking and insightful dialogues.

Looking ahead, the Institute will proceed with Phase 2 of the hub's development, transforming the platform into a "living resource." Through strengthened collaborations with key technology partners and professional organizations, the hub will offer a curated ecosystem enriched with in-depth case studies, innovative problem-solving, and "lessons learned" from early adopters.

Together, the roadmap and hub affirm the Institute's commitment to equipping the accounting community for a tech-enabled future – where innovation, resilience, and professional trust go hand in hand.

We extend our profound appreciation to the members of the Digital Transformation Task Force for their technical expertise, leadership, and relentless commitment, in crafting these initiatives.

*This article was contributed by **Jimmy Yip**, Chairman of the Small and Medium Practices Committee, Co-Convenor of the Digital Transformation Task Force, and Managing Director at Forvis Mazars, and **Anthony Lin**, Chairman of the Professional Accountants in Business Committee, Co-Convenor of the Digital Transformation Task Force, and Financial Controller at Hong Kong Jockey Club.*

# TECHNICAL NEWS

## The latest standards and technical development highlights

### Members' handbook

Handbook Update [No. 342](#) relates to the issuance of *Amendments to Greenhouse Gas Emissions Disclosures* (Amendments to HKFRS S2 *Climate-related Disclosures*) in Volume IV. The amendments:

- i. Clarify that an entity is permitted to limit measurement and disclosure of Scope 3 Category 15 greenhouse gases (GHG) emissions to financed emissions as defined in HKFRS S2;
- ii. Permit the use of alternative classification systems to disaggregate information about financed emissions;
- iii. Clarify the availability of the jurisdictional relief from using the GHG Protocol Standard, if only part of an entity is required to use a different method for measuring GHG emissions; and
- iv. Introduce a jurisdictional relief from using global warming potential values from the latest Intergovernmental Panel on Climate Change Assessment Report for converting GHG emissions.

These amendments are effective for reporting periods beginning on or after 1 January 2027, with early application permitted. The [Impact Analysis](#) sets out the high-level details of the amendments and their impact on entities in Hong Kong.

### Financial reporting

#### Invitation to comment

The Institute is seeking [comments](#) on our Exposure Draft [Proposed Amendments to Accounting Guideline 5 \(Revised\) Merger Accounting for Common Control Combinations](#) by 27 May.

#### Institute's resources to support implementation of HKFRS 18

To support members in implementing HKFRS 18 *Presentation and Disclosure in Financial Statements*, the Institute has developed the [HKFRS 18 Navigator](#). The series of targeted newsletters will be rolled out throughout 2026, focusing on critical

areas to streamline your preparation.

This first issue, [Getting Ready](#), provides an overview of the major changes introduced by HKFRS 18, their potential impacts, and the initial steps entities should be taking now, while the second issue, [Navigating the New Structure](#), provides guidance on classifying income and expenses across operating, investing and financing categories, highlights the two required subtotals, and outlines key implications for preparers. This [webcast](#) provides a practical overview of the core changes introduced by HKFRS 18 and why they matter for financial reporting.

#### Educational publication: Financial Reporting Considerations for Closing Out 2025

The Institute has issued an educational publication titled [Financial Reporting Considerations for Closing Out 2025](#). It provides preparers with key reminders and insights for preparing their 2025 annual financial statements in accordance with HKFRS Accounting Standards, and covers three key areas:

- Amended HKFRS Accounting Standards mandatorily effective on 1 January 2025.
- Topical and emerging topics in relation to evolving tariffs, stablecoins, and relevant IFRS Interpretations Committee's agenda decisions.
- New and amended HKFRS Accounting Standards issued but not yet effective as of 1 January 2025.

#### IFRS Foundation's video on risk mitigation accounting

This IFRS Foundation [video](#) addresses three frequently asked questions (FAQs) about the International Accounting Standards Board's proposed Risk Mitigation Accounting model: the use of repricing time bands in applying risk mitigation accounting and the role of risk limits; whether equity is in or out of the model; and the requirements for reflecting the effects of unexpected changes and recognizing any risk mitigation adjustment excess.

#### IFRS Foundation's webcast on Overview of the forthcoming IFRS Accounting Standard – IFRS 20

This IFRS Foundation [webcast](#) explains the forthcoming IFRS 20 *Regulatory Assets and Regulatory Liabilities*, which sets out the accounting requirements for regulatory assets, regulatory liabilities, regulatory income and regulatory expense. The standard is expected to primarily affect entities subject to a specific type of rate regulation, such as those operating in the utilities, energy and transportation sectors. The standard is expected to be issued in the second quarter of 2026.

#### Educational material to support implementation of the IFRS for SMEs Accounting Standard

The IFRS Foundation has published a [webcast](#) and an [educational module](#) to support implementation of the IFRS for SMEs Accounting Standard. The webcast covers updates to Section 9 *Consolidated and Separate Financial Statements* and Section 15 *Joint Arrangements*, while the educational module focuses on Section 33 *Related Party Disclosures*. Explore educational resources published by the IFRS Foundation in the first quarter of 2026 [here](#).

### Auditing and assurance

#### Invitation to comment

The Institute invites [comments](#) on the International Auditing and Assurance Standards Board's (IAASB) public consultation survey for [post-implementation review \(PIR\) of International Standard on Auditing 540 \(Revised\)](#) by 15 May.

#### Educational publication: Auditing and Ethics Considerations for 2025 Year-end Audits

This Institute [publication](#) outlines focus areas for auditors conducting audits in accordance with Hong Kong Standards on Auditing (HKSA's).

- *Accounting estimates*: Enhanced focus on auditing accounting estimates under HKSA 540 (Revised).
- *IT environment*: Requirements under HKSA 315 (Revised 2019) to obtain an understanding of an entity's IT environment.
- *Group audits*: Key changes in HKSA 600 (Revised) and the independence requirements for group audits under Section 405 of the HKICPA Code of Ethics for Professional Accountants (Code).
- *Expanded PIE definition*: Overview of the revised definition of a public interest entity (PIE) in the Code, enhanced auditor's report disclosures on PIE independence requirements and related amendments to HKSAs.

#### HKSA 700 (Revised) FAQs

These Institute [FAQs](#) provide guidance on disclosing the auditor's signature in the auditor's report.

#### AFRC issues open letter to PIE auditors

The Accounting and Financial Reporting Council (AFRC) issued an [open letter](#) to all PIE auditors serving as reporting accountants for entities seeking initial public offerings. In the letter, the AFRC outlines its key expectations for PIE auditors and emphasizes their indispensable role in maintaining the quality of financial reporting and fostering public trust in Hong Kong's capital markets.

#### AFRC report "Transparency Reports: Building Trust and Unlocking Audit Excellence"

The AFRC published a [report](#) highlighting key insights drawn from transparency reports published by audit firms. The report explains how relevant and meaningful disclosures assists audit committees and investors in making informed decisions regarding auditor appointments, while also supporting the development of high-performing audit teams.

#### IAASB's video "The Skeptic's Pause"

In this [video](#), the IAASB highlights the importance of pausing to critically assess audit evidence, challenge assumptions, and remain alert to conditions that may indicate

possible material misstatement due to fraud or error.

Through a series of reflective prompts, auditors are encouraged to consider whether they have obtained sufficiently persuasive evidence, addressed higher assessed risks appropriately, and remained mindful of potential bias.

### Ethics

#### Invitation to comment

The Institute invites [comments](#) on the International Ethics Standards Board for Accountants (IESBA)'s surveys for PIRs of [Non-compliance with Laws and Regulations](#) (NOCLAR) by 30 June and the [Restructured Code](#) by 3 June. IESBA has also published a [snapshot](#) providing an overview of the PIRs, explaining their purpose, direction and current focus.

#### Updated Q&As: HKICPA revisions to the definitions of Listed Entity and Public Interest Entity in the Code

The Institute has updated the [Questions & Answers](#) (Q&As) on the definitions of listed entity and PIE in the Code to provide additional guidance on the following areas:

- Additional ethics and auditing requirements applicable to audits of PIEs under the Code.
- Key differences between the PIE definition under the Code and that under the Accounting and Financial Reporting Council Ordinance.
- The impact of PIE classification on auditor eligibility and independence requirements.

#### IESBA paper on linkages between IESBA viewpoints and ISQM 1

IESBA has released a [paper](#) explaining the linkages and key differences between the IESBA Firm Culture and Governance (FCG) viewpoints (IESBA viewpoints) and International Standard on Quality Management (ISQM) 1. The paper highlights their mutually supportive nature, while recognizing the distinctions in their objectives, scope, output and focus. For illustrative purposes, the paper also presents the linkages between the IESBA viewpoints and ISQM 1 in relation to the eight elements of the FCG framework.

#### IESBA launches new workstream on private equity investment in accounting firms

The IESBA has agreed to [launch](#) a dedicated workstream to examine the ethical and independence implications of private equity investment in accounting firms. The workstream will assess the need for standard setting on alternative practice structures.

### Sustainability

#### Invitation to comment

The Institute is seeking [comments](#) on the International Sustainability Standards Board (ISSB) Exposure Draft [Proposed amendments to the SASB Standards and IFRS S2 Industry-based Guidance](#) by 22 June.

#### Webcast: Climate resilience and climate-related scenario analysis requirements in IFRS S2

In this [webcast](#), ISSB member and ISSB technical staff explain the requirements in IFRS S2 on disclosing information about climate resilience and the use of climate-related scenario analysis, including the proportionality mechanisms that enable entities to select an approach to scenario analysis that is commensurate with their circumstances.

### Taxation

#### Inland Revenue Department (IRD) – 2025/26 Profits Tax Filing

The IRD issued 2025/26 Profits Tax Returns (PTRs) on 1 April 2026. Under the first phase of the implementation of mandatory e-filing, entities of in-scope multinational enterprise groups are mandated to e-file their PTRs with effect from the year of assessment 2025/26 onwards. Apart from these entities, other taxpayers are encouraged to e-file their PTRs, together with the supporting documents, in iXBRL format, on a voluntary basis. The IRD has implemented the full adoption of electronic Block Extension Scheme starting from 1 April 2026. Visit [IRD website](#) for details.

Please refer to the full versions of *Technical News on the Institute's website*: [www.hkicpa.org.hk](#)

# 15 YEARS OF CELEBRATING YOUNG MEMBERS



Left to right:  
**Ambrose Chan,**  
YMC Chairman

**Yan Yeung,**  
Institute Council  
member and  
past YMC Chairman

**Calvin Tse,**  
Institute  
Vice-President  
and past YMC  
member

When the Young Members Committee (YMC), formerly the 25.35 Core Group, started in 2011, its vision was to go beyond just organizing events and build a supportive network of young CPAs working in all branches of the profession. To celebrate this community, *A Plus* talks to the current chairman and past members about the work of the YMC over the last 15 years in helping young members thrive.

**In your view, what makes the committee so important?**

**Ambrose Chan:** It fills a critical gap as a dedicated platform for CPAs under 40, who make up more than 40 percent of the Institute membership, to voice their needs. By being a trusted communication channel between young CPAs and the Institute leadership, the YMC ensures that young professionals' perspectives play a role in shaping Institute policies, continuing professional development (CPD) topics, and member services, while building a pipeline of future leaders.

**Yan Yeung:** When starting out, your world can feel quite small. The YMC gives young members a community beyond their own workplace to meet peers from other firms, commercial sectors and government. It creates a space where young CPAs can grow as whole people – building confidence, broadening perspectives, and discovering interests and strengths they might not have known they had. What excites me most is how the YMC serves as a launchpad for future leaders of the accounting profession. After my time as YMC Chairman in 2019-2020, I continued serving on other HKICPA committees, and I have been privileged to serve as an elected Council member since 2023. That journey started with the YMC.

**Calvin Tse:** The YMC plays a particularly important role in today's evolving professional landscape. As the accounting profession continues to expand beyond traditional boundaries, young CPAs are presented with increasingly diverse career paths and challenges. In this context, the YMC not only facilitates their professional development, but also acts as a bridge between the Institute and the younger generation, ensuring their perspectives are reflected in the profession's ongoing development. More importantly, it helps foster a sense of belonging and engagement among young CPAs, which is essential for sustaining the long-term growth and relevance of the profession.

**Which of the committee's past achievements, events or activities do you find most memorable, and why?**

**Ambrose Chan:** The Mentorship Programme stands out as the most impactful initiative. Launched in 2015, it has paired nearly 2,000 mentor-mentee pairs, making it one of the YMC's longest-running and most subscribed programmes. For young CPAs working in busy firms, access to senior mentors can be limited. The programme offers them a real opportunity for career and personal development, through sustained, personalized guidance on career progression, workplace communication, ethical decision-making, and work-life balance. Mentors, meanwhile, pass on legacy knowledge and build leadership skills. It has also led to community building. Annual gatherings and training workshops (for both mentors and mentees) have turned professional relationships into long-term bonds.

**Yan Yeung:** First, our Chinese Mainland exchange tours, which give young members genuine exposure to new business environments and opportunities, as well as industry leaders and government officials in the Chinese Mainland. For many young members, it was their first high-level interaction of that kind, and you could see it truly broadened their horizons. Some of the strongest bonds within our young members community were forged during these trips which continue to this day. Second, our cross-professional networking drinks. There is something really energizing about bringing young professionals from different professions together in a relaxed setting. Third is our lifestyle series events, which give members a chance to unwind with peers in a casual environment.

**Calvin Tse:** I find the mentorship and cross-sector networking programmes particularly memorable. These initiatives go beyond conventional professional activities by creating opportunities for young CPAs to engage with professionals from different industries and backgrounds. What makes these programmes especially meaningful is their long-term impact. They not only broaden members' horizons, but also help them build valuable relationships and develop a more forward-looking mindset. It is encouraging to see how such initiatives inspire young members to explore new possibilities, whether within the profession or in broader business and entrepreneurial settings.

**How has the YMC managed to successfully help members with both their career aspirations and personal development over the years?**

**Ambrose Chan:** The YMC's success stems from a dual-focus strategy that addresses both career and personal growth through targeted programmes and activities. Aside from the flagship Mentorship Programme, career development support involves the Career Insight Series, featuring industry leaders sharing real-world journeys to help members explore diverse career options; while CPD seminars, enterprise visits (e.g. Google and Huawei), and workshops on AI, ESG, and digital innovation, keep members competitive and future-ready. For personal development, we foster a support network where members share challenges, celebrate wins, and form lasting friendships. Young CPAs also have spaces (panel discussions and member forums) to express ideas, challenge norms, and build confidence.

**Yan Yeung:** The magic of the YMC is that it helps you grow in unexpected ways. Organizing exchange tours, lifestyle events, and the Young Members Conference taught me practical skills in event planning, project management, and communications. I got to practise being an MC, coordinate logistics as an event helper, and gradually build the confidence to speak in front of large groups. One of our core goals has always been to unite past and present YMC members alongside the broader young membership of the HKICPA into one connected, supportive network. Ultimately, the YMC brings together young CPAs from all corners of the profession – from Big Four firms, mid-tier practices, small firms, commercial organizations, academia, and government – and is built on the idea that we are stronger together.

**Calvin Tse:** Over the years, the YMC has been successful because it adopts a holistic and forward-looking approach to member development. On the professional front, it provides a wide range of learning and exposure opportunities, which help members stay relevant in a rapidly changing environment. Equally important is its emphasis on personal development. Through mentorship, networking and engagement activities, the YMC supports members in building confidence, resilience and a broader perspective beyond technical expertise. By combining professional knowledge with personal growth and cross-industry exposure, the YMC has effectively equipped young CPAs to navigate both traditional and emerging career paths.

# Institute’s submission to the AFRC Consultation on the Proposed Regulatory Framework for Sustainability Assurance in Hong Kong

A close look at the HKICPA’s submission supporting the development of a strong sustainability assurance regime, and the initiatives available to members as the landscape evolves

The Hong Kong Institute of CPAs has submitted its response to the Accounting and Financial Reporting Council (AFRC) Consultation on the Proposed Regulatory Framework for Sustainability Assurance in Hong Kong.

To support the development of a robust and workable regime, the HKICPA undertook extensive engagement with the profession. This included organizing two all-member seminars and two focused discussion sessions with representatives from relevant committees and industry stakeholders to review the proposals and gather practical feedback.

The HKICPA recognizes that independent assurance is a critical component of high-quality sustainability reporting. As sustainability disclosures become increasingly important for investment and decision-making, assurance plays a vital role in enhancing the credibility, reliability and comparability of such information, and in safeguarding against risks such as greenwashing.

Professional accountants are

**“A consistent regulatory framework, supported by effective registration, inspection and disciplinary arrangements, will help ensure that all assurance providers are subject to the same high standards.”**

particularly well positioned to lead in sustainability assurance. With deep expertise in assurance methodologies, internal controls, governance and financial reporting, CPAs bring a disciplined, standards-based approach to evaluating sustainability information. As such information becomes more closely connected with financial reporting, the profession’s ability to assess consistency and linkages across both areas will be increasingly important in strengthening overall reporting quality and market confidence.

In parallel, a robust oversight mechanism is essential in underpinning confidence in sustainability assurance. A consistent regulatory framework, supported by effective registration, inspection and disciplinary arrangements, will help ensure that all assurance providers are subject to the same high standards in terms of competence, independence and quality management, strengthening the trust among investors and other stakeholders.

As sustainability reporting and assurance continue to develop, the HKICPA continues to support members and the broader market through a wide range of sustainability initiatives. These include developing globally aligned standards, providing practical implementation guidance, delivering professional training programmes, and advocating best practices. This all contributes to the HKICPA’s wider commitment to strengthening Hong Kong’s sustainability ecosystem.

Upcoming activities include the [Sustainability Ethics Series](#), which equips

**“The HKICPA will continue to engage with regulators to support the development of the sustainability assurance regime, while keeping members updated on the latest developments.”**

sustainability assurance practitioners with a comprehensive understanding of the *Ethics Standards for Sustainability Assurance and Other Revisions to the Code Relating to Sustainability Assurance and Reporting*. The Institute will also hold the HKICPA Sustainability Forum, in addition to a series of learning events designed to help members strengthen capabilities and position themselves for emerging opportunities.

To stay connected with the latest sustainability developments, the HKICPA encourages members and stakeholders to visit its [Sustainability Information Centre](#) and join the [HKICPA Sustainability Community](#) for updates, resources, and knowledge-sharing opportunities. The HKICPA also offers the [HKICPA Certificate on Sustainability Reporting](#), which focuses on the practical application of HKFRS S1 and HKFRS S2, with government subsidy available for eligible participants.

The HKICPA will continue to engage with regulators to support the development of the sustainability assurance regime, while keeping members updated on the latest developments and sharing insights as the landscape evolves.

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