

# Client Alert

## Corporate Commercial

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### Holding of Virtual General Meetings

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On 25 November 2022, the Companies (Amendment) Bill 2022 (**Bill**) was gazetted. The Bill clarifies the manner general meetings shall be held under the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (**Companies Ordinance**).

#### General meetings under the current Companies Ordinance

Under the current Companies Ordinance, a company must hold an annual general meeting within the prescribed time.<sup>1</sup> A company may also hold a general meeting from time to time to pass such resolutions it deems appropriate.<sup>2</sup>

Section 584 of the Companies Ordinance provides that a company may hold a general meeting at 2 or more places using any “*technology that enables the members of the company who are not together at the same place to listen, speak and vote at the meeting*”.<sup>3</sup> The provision was intended to facilitate business operation by permitting a general meeting to be held at more than one location.<sup>4</sup> Despite that the provision is designed to cater for advancement in technology<sup>5</sup>, there is no express reference for holding general meetings in a fully virtual manner or in a hybrid mode (virtual and physical). The Bill seeks to also provide clarity on point once passed.

#### New provision on the mode of holding general meetings

The Bill introduces a new section 583A to the Companies Ordinance.<sup>6</sup> The new section stipulates that a company may hold a general meeting (a) at a physical venue; (b) by using “*virtual meeting technology*”; or (c) both at a physical venue and by using “*virtual meeting technology*”. “*Virtual meeting technology*” means a technology that allows a person to listen, speak and vote at a meeting without being physically present at the meeting”.<sup>7</sup> Practically speaking, this provides flexibility to companies in that a physical venue is not mandatory.

Please note that the above is subject to the provisions of a company’s articles of association. If a company’s articles expressly (i) preclude the holding of a general meeting by using virtual meeting technology or (ii) require a general meeting to be held at a physical venue, the company would still have to hold its general meetings in accordance with its articles unless necessary amendments are made to the articles.

#### Amendment on Model Articles

The Bill also proposes to amend the model articles to allow the attendance of general meetings by using virtual meeting technology.<sup>8</sup> It should be noted that the amendment of the model articles do not automatically apply to companies which adopted earlier versions of the model articles. A company will have to pass a special resolution if it wishes to bring its articles in line with the latest Companies Ordinance.

#### Status of the Bill

The Bill is currently being considered by the House Committee and there is no visibility yet on when the Bill will be passed.

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<sup>1</sup> See section 610 of the Companies Ordinance.

<sup>2</sup> See sections 565 to 568 of the Companies Ordinance.

<sup>3</sup> See section 584 of the Companies Ordinance.

<sup>4</sup> See Annex D of the Legislative Council Brief on the Companies Bill (File Ref.: CBT/17/2C).

<sup>5</sup> See paragraph 2(n) of the minutes of the twenty-fourth meeting of the Bills Committee on Companies Bill held on Friday, 16 December 2011, at 8:30 am in Conference Room 2A of the Legislative Council Complex (Ref : CB1/BC/3/10/2).

<sup>6</sup> See the proposed section 583A under clause 6 of the Bill.

<sup>7</sup> See clause 3 of the Bill.

<sup>8</sup> See clause 9-10 of the Bill.

## Want to know more?

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