

### Explanatory Memorandum

The purpose of this Bill is to reform and modernize Hong Kong company law, to restate part of the enactments relating to companies (except those parts relating to disqualification of directors, winding up of companies, receivers and managers, prospectuses, and prevention of evasion of the Societies Ordinance), to make other provision relating to companies, and to provide for incidental and connected matters.

2. The Bill is divided into 21 Parts.

#### Part 1

3. Part 1 contains preliminary provisions. Clause 1 sets out the short title and provides for commencement. Division 2 defines or otherwise explains certain expressions used in the Bill. It also provides for the effect of a note to a provision. Division 3 defines the expressions used for different types of companies in the Bill. Division 4 contains the definitions of *holding company* and *subsidiary*, and also of other related expressions (by reference to Schedule 1), used in the Bill. Division 5 provides for the application of the Bill to existing companies and other types of companies.

#### Part 2

4. Part 2 contains provisions relating to the Registrar of Companies (*Registrar*), the Companies Register and the registration of documents by the Registrar.
5. Division 1 defines or otherwise explains certain expressions used in Part 2.

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6. Division 2 provides for matters relating to the Registrar. Clause 20 provides for the appointment of the Registrar and for related matters. Clauses 21 to 24 set out the functions and the general powers of the Registrar.
7. Division 3 provides for matters relating to the Companies Register. Clause 26 sets out how the Companies Register is to be kept. Clause 27 sets out when the Registrar may destroy or dispose of a document delivered to him or her for registration. Clause 28 requires the Registrar to keep an index of names of every company and every non-Hong Kong company registered by the Registrar under Part 16 (*registered non-Hong Kong company*).
8. Division 4 deals with the registration of documents by the Registrar. Clause 29 sets out what constitutes an unsatisfactory document for the purposes of Division 4. Clauses 30 to 32 are supplementary to clause 29. Clause 33 provides for the Registrar's powers to refuse to accept, or to refuse to register, a document delivered for registration if the Registrar is of the opinion that the document is unsatisfactory. Clause 35 provides that an appeal may be made against the Registrar's decision to refuse to register a document.
9. Division 5 provides for the Registrar's powers in relation to keeping the Companies Register. They include powers to require the company concerned to resolve inconsistency between the information in a registered document and other information on the Companies Register, powers to require further information, powers to rectify, and powers to annotate.
10. Division 6 deals with the inspection of the Companies Register. Clause 43 provides for the Registrar's duties to make the Companies Register available for public inspection. For this purpose, the Registrar may produce a copy or certified true copy of any document or information on the Companies Register. Clause 44 sets out the admissibility in evidence in any proceedings of a document that purports to be such a certified

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true copy and the probative value of such a document so admitted.

11. Division 7 provides for the Registrar's duties and powers to make information on the Companies Register unavailable for public inspection. Clause 46 provides for the Registrar's duties regarding the information excluded from public inspection by or under an Ordinance or by a court order. Clause 47 provides for the Registrar's powers regarding the usual residential address of a director, reserve director or company secretary, or an identification number of any person, contained in a document delivered to the Registrar for registration. It applies to a document delivered for registration before its commencement date under the Companies Ordinance (Cap. 32) and to a document delivered for registration on or after its commencement date under the Ordinance resulting from the Bill (*the resulting Ordinance*) or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32). Clause 49 provides for the Registrar's duties regarding the usual residential address of a director or reserve director, or an identification number of any person, contained in a document delivered to the Registrar for registration. It applies to a document in a prescribed or specified form and is delivered for registration under the resulting Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), or a saved provision of the Companies Ordinance (Cap. 32). Clause 50 allows the Registrar to make available for inspection a residential address that is protected under clause 49. Clause 52 prohibits the Registrar from using or disclosing a residential address or identification number protected under clause 49, unless the use or disclosure falls within clause 53 or 54.
12. Division 8 deals with miscellaneous matters. Clause 46 provides for the Registrar's powers to certify, for the purposes of any proceedings, the delivery of a document that is required to be delivered to the Registrar. Clause 58 contains provisions on immunity of the Registrar or a public officer.

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### Part 3

13. Part 3 contains provisions relating to company formation and registration, re-registration of unlimited companies as companies limited by shares and related matters.
14. Division 1 is about how companies are formed and registered. Subdivision 1 sets out the types of companies that may be formed, and the formation procedures. Subdivision 2 provides for the issue of certificates of incorporation on registration by the Registrar and the effect of the incorporation of a company.
15. Division 2 deals with various matters relating to a company's articles of association (*articles*).
16. Subdivision 1 of Division 2 contains a requirement that every company must have articles prescribing regulations for the company. It also prescribes the formatting requirements for articles.
17. Subdivision 2 of Division 2 gives the Financial Secretary the power to prescribe different model articles for different types of companies. A company may choose to adopt any or all of the provisions of the model articles prescribed for its type. Model articles will apply by default to a limited company on its incorporation if no regulations are prescribed for the company.
18. Subdivision 3 of Division 2 sets out the required contents of the articles. It also explains the effect and enforceability of articles.
19. Subdivision 4 of Division 2 deals with an alteration of articles. It states what must not be altered by different types of companies in their articles, and how to alter different types of provisions of articles. It also provides for a mechanism under which a proposed alteration to certain provisions of the articles may be cancelled by the Court of First Instance. Clauses 89 and 90 contain provisions for an alteration of articles affecting the

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status of private or public companies. Companies are required under clauses 91 and 92 to notify the Registrar of alteration of articles by an order of the Court of First Instance or any other Ordinance.

20. Subdivision 5 of Division 2 deals with miscellaneous matters relating to articles. Following the abolition of memorandum of association, clause 93 provides that conditions that were contained in a company's memorandum of association are to be regarded as provisions of the company's articles from the commencement date of Division 2.
21. Division 3 regulates company names.
22. Subdivision 1 of Division 3 prohibits or restricts the registration of certain names as company names. It also empowers the Financial Secretary to specify words or expressions that may only be registered as company names with the Registrar's prior approval.
23. Subdivision 2 of Division 3 requires the name of a limited company to end with "Limited" or "有限公司". A company is exempt from this requirement if it is granted a licence by the Registrar under clause 98.
24. Subdivision 3 of Division 3 is about changes of company names. Clause 102 sets out how a company may change its name and the effect of the change. Clauses 103 and 104 empower the Registrar to direct a change of company name in certain cases. If a direction is not complied with within the specified period, the Registrar has power under clause 105 to substitute the relevant name with the company's registration number.
25. Division 4 defines who a company's members are. Clause 108 provides that unless in circumstances covered by the exception stated in that clause, a company cannot be a member of its own

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holding company. Clause 109 requires a company limited by guarantee to notify the Registrar if it increases the number of its members beyond the number previously registered with or notified to the Registrar.

26. Division 5 is about the capacity of companies and the power of directors to bind companies. Division 6 deals with matters relating to contracts made by or on behalf of companies.
27. Division 7 sets out the execution requirements of documents by companies. Subdivision 1 provides for the keeping and use of common seal and official seal by companies. It permits but does not require a company to have a common seal. Subdivision 2 sets out the execution requirements of deeds and other documents by companies or their attorneys.
28. Division 8 provides for the re-registration of an unlimited company as a company limited by shares.

**Part 4**

29. Part 4 contains provisions relating to the share capital of companies. Share capital is the money paid to a company, or legally promised as being available on call, by members for shares in the company.
30. Division 1 contains provisions concerning the nature of shares. Clause 129 confirms that shares are personal property and are transferable in accordance with the company's articles. Clause 130 effectively abolishes the concept of nominal (or par) value for shares. Clause 131 deals with the numbering of shares, and clause 132 sets out the evidentiary value of share certificates. Clause 133 repeals the power of a company to convert its shares into stock, and clause 134 repeals the power of a company to issue share warrants.

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31. Division 2 contains provisions for the allotment and issue of shares. Clauses 135 and 136 provide that a company resolution is generally required for the directors to allot shares or grant rights to subscribe for, or to convert any security into, shares. Clause 137 requires a company to deliver a return of allotment to the Registrar, and clause 138 requires a company to register an allotment. Clauses 139 and 140 deal with the issuing and delivery of share certificates for allotted shares, and clause 141 empowers the Court of First Instance to validate an issue or allotment of shares.
32. Division 3 prohibits a company from applying its share capital in the payment of any commission, discount or allowance to a person in consideration of the person subscribing or procuring subscriptions for the company's shares, except that such commission may be paid if permitted by clause 143. Clause 144 permits a company to apply its share capital in writing off certain expenses and commission.
33. Division 4 deals with the transfer of shares and the transmission of shares by operation of law.
34. Subdivision 1 of Division 4 deals with the transfer of shares. Clause 145 prohibits registration of a transfer without a proper instrument of transfer. Clauses 146 to 151 set out the procedures relating to a transfer of shares, including the registration or refusal of registration of a transfer, certification of transfer, and the issuing and delivery of share certificates on transfer. Clause 152 permits a company to compensate a person who suffers loss arising from a forged transfer.
35. Subdivision 2 of Division 4 deals with the transmission of shares by operation of law, for example transmission on the death or bankruptcy of a shareholder. The procedure in clauses 153 and 154 for registration or refusal of registration of a transmission of shares is similar to that in clauses 146 and 147

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- for a transfer of shares. Clause 155 preserves pre-emption rights in a company's articles in the case of a transmission of shares.
36. Subdivision 3 of Division 4 contains a general provision relating both to transfer and transmission of shares, requiring a company to accept certain documentary evidence of the grant of probate of a will or letters of administration.
37. Division 5 sets out the procedure for listed companies to replace lost share certificates. Clause 158 provides for an application to be made for a new certificate to replace a certificate which has been lost, and clause 159 requires the company to publish notice of the application. Clauses 160 and 161 provide for the issuing of the new certificate by the company and the related notification requirements. Clause 164 requires the applicant to pay all expenses relating to the application for the new certificate. The Division also contains provisions in relation to rectification of the company's register and the liability of parties if rectification cannot be ordered.
38. Division 6 contains provisions permitting a company to alter its share capital. Clause 165 sets out a number of permitted alterations, and clause 166 requires a company to notify the Registrar of an alteration of its share capital. Clause 167 permits redenomination of share capital by a company from one currency to another. Clause 168 requires a company to notify the Registrar of a redenomination. Clause 169 permits a company to reconvert any stock into shares (this applies if shares were converted into stock before the commencement date of clause 133, as that clause repeals a company's power to convert shares into stock). Clause 170 requires a company to notify the Registrar of a reversion of stock into shares.
39. Division 7 contains provisions related to classes of shares and class rights of shareholders and members of a company.

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40. Subdivision 1 of Division 7 deals with companies having a share capital. If such a company has shares of different classes, clause 174 requires the share certificates and other documents issued by the company to contain suitable information about class rights. Clauses 175 to 179 provide the procedure for a company to vary the rights attaching to shares in any class in the company. Generally, class rights may only be varied with the consent of holders of 75% of the voting rights attaching to shares in the class (or a special resolution of shareholders of the class), or as otherwise permitted by the company's articles. Clause 177 permits holders of 10% of the voting rights attaching to shares in the class to apply to the Court of First Instance for disallowance of the variation, and the Court may confirm or disallow the variation.
41. Subdivision 2 of Division 7 deals with companies without a share capital. Clauses 183 to 187 provide a procedure for the variation of the rights of class members that is similar to the procedure in Subdivision 1 of Division 7 for variation of the rights attaching to shares in a class.
42. Subdivision 3 of Division 7 is an interpretation provision applying to Division 7, providing that a reference to a variation of class rights includes an abrogation of those rights.
43. Division 8 contains supplementary and miscellaneous provisions for the purposes of Part 4.
44. Subdivision 1 of Division 8 gives relief to companies from certain share capital requirements in the case of a group reconstruction of companies or a merger of companies. In these circumstances, companies are relieved from the requirement to record as share capital certain amounts determined in accordance with clauses 190 and 191 respectively.

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45. Subdivision 2 of Division 8 contains miscellaneous provisions. Clause 195 deals with differences between shareholders in the amounts and times of payment of calls on their shares. Clause 196 sets out the required contents of a statement of capital, which may be required to be included in a return or notice to the Registrar under Part 4 or 5. For example, clause 137 requires a statement of capital to be included in a return of allotment of shares, and clause 266 requires a statement of capital to be included in a return relating to a redemption or buy-back of shares. Clause 197 contains requirements on a company to state its paid up capital in its official documents.

## Part 5

46. Part 5 contains provisions dealing with certain transactions in relation to a company's share capital. These transactions concern capital maintenance (the reduction of share capital and redemption or buy-back of a company's own shares) and related rules (financial assistance by a company for the acquisition of its own shares).
47. Division 1 defines certain expressions used in Part 5.
48. Division 2 deals with the solvency test which is used in relation to the transactions covered by Part 5. Clause 200 sets out a uniform solvency test for all such transactions. Clause 201 sets out the requirements for a solvency statement to be made by a company's directors, and clause 202 creates certain offences regarding solvency statements.
49. Division 3 contains provisions for the reduction of a company's share capital.
50. Subdivision 1 of Division 3 contains general provisions for the purposes of the Division. Clause 205 describes the ways in which a company may reduce its share capital, and clause 206 describes the two different procedures by which a company may

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- reduce its share capital, either by special resolution supported by a solvency statement or by special resolution confirmed by the Court of First Instance. Clause 207 creates an offence for a company to reduce its share capital in contravention of Division 3. Clause 208 details the liability of members of a company following a reduction in its share capital.
51. Subdivision 2 of Division 3 sets out the procedure for a company to reduce its share capital by special resolution supported by a solvency statement. Under clause 211, the special resolution must be passed within 15 days after the date of the solvency statement. Clause 213 requires public notice to be given of the reduction of share capital, and clauses 215 to 218 provide a procedure for the Court of First Instance to cancel the special resolution on application by a member or creditor of the company. Clauses 219 and 220 provide for the company to deliver a return of a reduction of share capital to the Registrar. The special resolution is effective on registration of the return.
52. Subdivision 3 of Division 3 sets out the procedure for a company to reduce its share capital by special resolution confirmed by the Court of First Instance. Clause 222 provides for the Court of First Instance to settle a list of creditors entitled to object to the reduction of share capital. Clause 224 empowers the Court of First Instance to make an order confirming the reduction of share capital. Clause 225 provides for the company to deliver a return of a reduction of share capital to the Registrar, together with a copy of the Court of First Instance's order and a minute approved by the Court. The special resolution is effective on registration of the return, order and minute.
53. Division 4 contains provisions for the redemption and buy-back by a company of its own shares.

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54. Subdivision 1 of Division 4 is an application provision for the Division.
55. Subdivision 2 of Division 4 deals with redeemable shares. Clause 229 empowers a company to issue redeemable shares, subject to any prohibition or restriction in its articles. Clause 230 provides for the terms, conditions and manner of redemption of shares.
56. Subdivision 3 of Division 4 deals generally with share buy-backs. Clause 231 provides that a company may buy back its own shares in accordance with Subdivision 4 or 5 of Division 4, depending on whether it is a listed company or an unlisted company. This is subject to any prohibition or restriction in its articles. Clause 232 requires a company to keep certain contracts, agreements or memoranda relating to any share buy-backs and to allow inspection of them by members and, in the case of a listed company, by any other person.
57. Subdivision 4 of Division 4 contains provisions for share buy-backs by listed companies. There are three different procedures: clause 233 provides for share buy-backs under a general offer (as defined in clause 696), clause 234 provides for share buy-backs on a recognized stock market or approved stock exchange, and clause 235 provides for share buy-backs by a contract authorized by special resolution.
58. Subdivision 5 of Division 4 contains provisions for share buy-backs by unlisted companies. Unlike for listed companies, there is a single procedure: clause 239 provides for share buy-backs by a contract authorized by special resolution. Clauses 240 and 241 contain detailed provisions for disclosure of the contract details to members and for the exercise of voting rights by members on the special resolution. Clauses 242 to 251 contain similar provisions in relation to any variation of a buy-back contract, any agreement to release the company's rights under a buy-back

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contract and any variation of an agreement to release the company's rights under a buy-back contract.

59. Subdivision 6 of Division 4 deals with the payment by a company for share redemptions and buy-backs. Clause 252 details the permissible sources of payment. If the payment is out of capital, it must be done in accordance with the procedure set out in clauses 253 to 261. This procedure is similar to the procedure in Subdivision 2 of Division 3 for a reduction of share capital by special resolution supported by a solvency statement, except that a return is not required to be delivered to the Registrar in relation to the payment out of capital (but note that the company is required by clause 266 to deliver a return to the Registrar in relation to the share redemption or buy-back). Under clause 253, the payment out of capital must be made no earlier than 5 weeks and no later than 7 weeks after the date of the special resolution, but this period may be altered or extended by the Court of First Instance under clause 260.
60. Subdivision 7 of Division 4 contains general provisions applicable to share redemptions and buy-backs. Clause 262 prohibits the acquisition by a company of its own shares except as provided by the resulting Ordinance. Clause 263 prohibits the redemption or buy-back of shares unless they are fully paid. Clause 264 provides that shares are to be regarded as cancelled on their redemption or buy-back. Clause 266 requires a company to deliver a return to the Registrar in relation to a share redemption or buy-back. Clauses 267 and 268 provide for the effect of a company's failure to redeem redeemable shares or to buy back shares it has agreed to buy back, including the effect if the company is wound up.
61. Division 5 deals with financial assistance by a company for the acquisition of its own shares.
62. Subdivision 1 of Division 5 defines or otherwise explains certain expressions used in the Division.

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63. Subdivision 2 of Division 5 contains a general prohibition against a company giving financial assistance to a person who is acquiring or proposing to acquire shares in the company or its holding company, or giving financial assistance for the purpose of reducing or discharging a liability incurred by a person for the purpose of acquiring shares in the company or its holding company. The giving of financial assistance is prohibited except as provided by the Division.
64. Subdivision 3 of Division 5 contains a number of exceptions to the prohibition against the giving of financial assistance. Clause 273 contains general exceptions. Clause 274 contains an exception depending on the purpose for which the assistance is given and whether it is given in good faith in the interests of the company. Clause 275 gives an exception for companies whose ordinary business includes money-lending, and clauses 276 and 277 give an exception for certain employee share schemes and loans to employees. However, clause 278 imposes restrictions on the application to listed companies of the exceptions in clauses 275 to 277.
65. Subdivision 4 of Division 5 sets out three different procedures by which a company may be authorized to give financial assistance. Clause 279 sets out a procedure for a company to give financial assistance by a directors' resolution supported by a solvency statement, if the financial assistance does not exceed 5% of shareholders funds. Clause 280 sets out a procedure for a company to give financial assistance by written resolution of all members after a directors' resolution has been passed and a solvency statement made. Clause 281 sets out a procedure for a company to give financial assistance by ordinary resolution of the company after a directors' resolution has been passed and a solvency statement made. In the last case, clause 282 permits members holding at least 10% of the total voting rights of shares in the company or 10% of the members (depending on the type of company) to apply to the Court of First Instance for an order restraining the giving of the financial assistance.

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Clauses 283 and 284 set out the powers of the Court of First Instance on such an application, and clause 285 requires the company to deliver a copy of the Court's order to the Registrar.

## **Part 6**

66. Part 6 contains provisions relating to the distribution of profits and assets to members.
67. Division 1 defines or otherwise explains certain expressions used in Part 6. It also provides for the application to distributions made on or after the commencement date of Part 6.
68. Division 2 deals with the prohibitions and restrictions on distribution by a company of profits and assets to members. Clause 293 provides that a company may only make a distribution out of profits available for distribution. Clause 294 provides that a listed company may only make a distribution if the amount of its net assets is not less than the aggregate of its called up share capital and undistributable reserves. A distribution must not reduce the amount of those assets to an amount less than that aggregate. Clause 295 requires a company not to apply an unrealized profit in paying up debentures or not to pay up any amount unpaid on its issued shares. Clause 296 provides for the Financial Secretary's powers to modify any of these prohibitions or restrictions in relation to an investment company or to exempt an investment company from any of these prohibitions or restrictions. Clause 297 deals with the consequences of unlawful distribution.
69. Division 3 contains provisions supplementary to Division 2. Clause 298 provides that the amount of a distribution that may be made lawfully is to be determined by reference to certain financial items as stated in the financial statements specified in Division 4. Clause 299 deals with the application of clause 298 in the case of successive distribution.

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70. Division 4 specifies the financial statements for the purposes of clause 298. Clause 300 specifies the last annual financial statements for those purposes. Clause 301 specifies the interim financial statements for those purposes where the proposed distribution cannot be justified by reference to the last annual financial statements specified under clause 300. Clause 302 specifies the initial financial statements for those purposes where it is proposed to make a distribution before any financial statements have been laid before the company in general meeting or sent to the members.

## **Part 7**

71. Part 7 contains provisions relating to debentures.
72. Division 1 defines or otherwise explains certain expressions used in Part 7.
73. Division 2 is about the keeping and closing of registers of debenture holders. It provides for the rights to inspect a register of debenture holders and to request a copy of the register and trust deeds and other documents securing the issue of the debentures. It also contains provisions for the keeping and discontinuance of branch registers of debenture holders.
74. Division 3 is about allotment of debentures or debenture stock. Clause 313 obliges a company to register any such allotment. Clauses 314 and 315 require a company to deliver to the Registrar for registration a return of allotment and to complete and deliver the debentures or certificates for debenture stock. The Court of First Instance is empowered under clause 316 to order for delivery of the debentures or certificates for debenture stock in certain cases.
75. Division 4 deals with transfer of debentures or debenture stock. Clause 317 states that a company may only register any such transfer after receipt of a proper instrument of transfer. Clause

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318 allows the parties to a transfer to lodge the transfer with the company. Clause 319 provides for the certification by a company of an instrument of transfer of debentures or debenture stock. Clause 320 requires a company to complete and deliver the debentures or certificates for debenture stock. The Court of First Instance is empowered under clause 321 to order for delivery of the debentures or certificates for debenture stock in certain cases.

76. Division 5 contains the miscellaneous provisions relating to debentures. In particular, clause 328 allows debenture holders to apply to the Court of First Instance for a meeting of the company's debenture holders to be held to give directions to the trustee for the debenture holders.

## **Part 8**

77. Part 8 contains provisions relating to the registration of charges by a company or registered non-Hong Kong company.
78. Division 1 defines or otherwise explains certain expressions used in Part 8. It also contains an application provision. Part 8 does not apply to certain registered non-Hong Kong companies.
79. Division 2 provides for the obligations to register a charge specified in clause 333 after it is created. Clause 334 deals with the obligations of a company while clause 335 deals with the obligations of a registered non-Hong Kong company. Clause 336 provides that if clause 334 or 335 is contravened, the charge is void against any liquidator and creditor of the company or registered non-Hong Kong company.
80. Division 3 provides for the obligations to register an existing charge. Clause 337 deals with the obligations of a company in relation to a charge existing on any property acquired. Clause 338 deals with the obligations of a registered non-Hong Kong company in relation to such a charge. Clause 339 deals with the

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obligations of a registered non-Hong Kong company in relation to a charge existing on any property on the company's registration under Part 16.

81. Division 4 provides for the obligations of a company and of a registered non-Hong Kong company to register other particulars of debentures. Clause 340 deals with the obligations to register every issue of debentures of a series. Clause 341 deals with the obligations to register particulars of any commission, allowance or discount that has been paid or made by the company or registered non-Hong Kong company to any person in consideration of the person subscribing for, or procuring subscriptions of, any of its debentures.
82. Division 5 contains provisions supplementary to Divisions 2, 3 and 4. Clause 343 deals with the issue of a certificate of registration. Clause 344 deals with the registration by the Registrar of a notification of debt payment or of release of any charged property. Clause 345 provides for the Court of First Instance's powers to extend the time allowed for registration of a charge or other particulars of debentures. Clause 346 provides for the Court of First Instance's powers to rectify any omission or misstatement of any registered particulars in relation to a charge or debentures.
83. Division 6 provides for the obligations of a company and of a registered non-Hong Kong company to notify the Registrar of certain actions that have been taken for enforcement of any security. Clause 347 deals with the obligations in relation to an appointment of a receiver or manager of the property of the company or registered non-Hong Kong company. Clause 348 deals with the obligations in relation to an entry into possession by a mortgagee of the property of the company or registered non-Hong Kong company. Clause 349 deals with the obligations to give notice of a cessation of the appointment or of the mortgagee going out of possession of the property. A notice is

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also required to be given of any change in the particulars of the receiver, manager or mortgagee that have previously been given.

84. Division 7 provides for the obligations of a company and of a registered non-Hong Kong company to keep the records of charges and a register of charges. Clause 350 deals with the obligations to keep a copy of every instrument of charge requiring registration. Clauses 351 to 353 deal with the obligations to keep a register of charges. Clause 354 provides for the requirements of the instruments and register to be open for public inspection.

## **Part 9**

85. Part 9 contains provisions relating to the keeping of accounting records, and the preparation and publication of financial statements, directors' reports and auditor's reports. It also contains provisions relating to the appointment and rights of auditors.
86. Division 1 defines or otherwise explains certain expressions used in Part 9. It also contains an application provision. Part 9 applies in relation to a financial year that begins on or after the commencement date of the relevant provision.
87. Division 2 deals with the concept of reporting exemption. Clause 358 sets out the conditions for a company to fall within the reporting exemption for a financial year. Clauses 359 to 362, and Schedule 3, are supplementary to clause 358.
88. Division 3 deals with the concept of financial year. Clause 363 deals with when a company's first financial year after the resulting Ordinance comes into operation, and every subsequent financial year, begins and ends. That is determined by reference to a company's accounting reference period and accounting reference date. Clauses 364 to 367 deal with these concepts.

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89. Division 4 provides for the keeping of accounting records and the preparation of financial statements and directors' reports. Subdivision 2 (clauses 369 to 374) provides for the keeping of accounting records. Clause 369 provides for a company's duties to keep accounting records. Clauses 370 to 374 set out where, how and for how long accounting records are to be kept and provide for the inspection of accounting records and for copies of accounting records being made and obtained. Subdivision 3 (clauses 375 to 379) provides for the preparation of financial statements. Clause 375 provides for the directors' duties to prepare financial statements for each financial year. Clauses 376 to 379, and Schedule 4, set out the detailed requirements for financial statements. Subdivision 4 (clauses 380 to 382) provides for the preparation of directors' reports. Clause 380 provides for the directors' duties to prepare a directors' report for each financial year. Clauses 381 and 382, and Schedule 5, set out the detailed requirements for a directors' report.
90. Division 5 provides for the appointment of auditors, the preparation of auditor's reports and related matters.
91. Subdivision 1 of Division 5 defines certain expressions used in Division 5.
92. Subdivision 2 of Division 5 deals with the appointment of auditors. Clause 384 sets out who is eligible for the appointment. Clause 385 provides for the requirement of appointing an auditor for each financial year. Clauses 386 to 389 set out the different kinds of appointments that may be made in different situations. Clauses 391 and 392 deal with certain procedural requirements for making an appointment. Clause 393 deals with the terms of office. Clause 394 provides for the situations where a person is deemed to be reappointed as auditor of a company.

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93. Subdivision 3 of Division 5 provides for the preparation of an auditor's report. Clause 396 provides for an auditor's duties to prepare an auditor's report. Clauses 397, 398 and 400 set out the detailed requirements for an auditor's report.
94. Subdivision 4 of Division 5 sets out an auditor's rights and privileges. Clause 401 provides for the protection from being sued in defamation that is given to an auditor in respect of any statement made in the course of performing duties as auditor and that is given to any person in respect of the publication of any document prepared by an auditor in the course of performing duties as auditor. Clauses 402, 403 and 405 set out the rights of an auditor in relation to performing duties as auditor.
95. Subdivision 5 of Division 5 provides for the avoidance of a contractual provision, or a provision in a company's articles, that exempts an auditor from any liability in connection with negligence, default, breach of duty or breach of trust occurring in the course of performance of duties as auditor or that indemnifies an auditor from such liability.
96. Subdivision 6 of Division 5 provides for the termination of an auditor's appointment. Clause 407 sets out when an auditor's appointment is terminated. Clause 408 deals with a resignation. Clause 409 deals with a cessation of office on ceasing to be eligible, or on becoming disqualified, for the appointment. Clause 410 deals with a removal by a company of an auditor.
97. Subdivision 7 of Division 5 provides for an outgoing auditor's rights to give the members a statement on the circumstances surrounding the resignation or the termination of appointment due to a retirement or removal from office.
98. Subdivision 8 of Division 5 provides for an outgoing auditor's duties to give the company a statement on the circumstances connected with the resignation or the termination of

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appointment due to a retirement or removal from office (clauses 415 and 416). Clause 417 provides for a company's duties to send a copy of the statement to the members or to apply to the Court of First Instance for an order directing copies of the statement not to be sent to the members. A person who claims to be aggrieved by the statement may also apply to the Court of First Instance for the order. Clause 418 provides for the Court of First Instance's powers to give the directions.

99. Division 6 provides for the laying and publication of financial statements, directors' reports and auditor's reports (*reporting documents*). Clause 420 provides for the directors' duties to lay the reporting documents before the company in general meeting. Clause 421 provides for a company's duties to send a copy of the reporting documents to the members before the general meeting is held. Clause 423 provides for the exceptions to the requirements under clause 421. Clause 426 provides for a company's duties to send a copy of any of the latest reporting documents to a member on demand. Clause 427 provides for certain requirements in connection with the publication of financial statements and other accounts.
100. Division 7 deals with the summary financial reports. Clause 429 contains an application provision. Division 7 applies to a company if it does not fall within the reporting exemption for the financial year. Clause 430 provides for the directors' discretion to prepare a summary financial report for a financial year. A summary financial report is to be derived from the reporting documents for the financial year. Clause 432 provides for a company's discretion to send a copy of the summary financial report for a financial year to the members. Clauses 433 to 435 provide for a scheme under which a company may seek a member's intent on receiving a copy of the summary financial report or the reporting documents for a financial year and the company must comply with that intent. Clause 436 provides for a company's duties to send, on request, a copy of the summary financial report or the reporting documents for a financial year

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to a member who has already been sent a copy of the reporting documents or the summary financial report respectively. Clause 437 prohibits a company from sending out a copy of the summary financial report under certain circumstances.

101. Division 8 deals with miscellaneous matters. Clause 438 deals with the exemption that is applicable to a dormant company. Clause 439 provides for a director's civil liability for any untrue or misleading statement in, or any omission from, a directors' report or a summary financial report (so far as it is derived from a directors' report).

## **Part 10**

102. Part 10 contains provisions relating to directors and company secretaries.
103. Division 1 provides for the appointment, removal and resignation of directors. Clauses 444 and 445 provide for the minimum number of directors for different types of companies. Clause 446 allows a private company to nominate a person as a reserve director if the specified conditions are satisfied. Clauses 447 and 448 restrict corporate directorship. Clause 449 provides for the Registrar's powers to give directions to a company requiring it to appoint a director or directors in compliance with the relevant statutory requirements. Clause 450 sets out the minimum age for appointment as director. Clause 451 provides that the appointment of each proposed director of a public company or a company limited by guarantee must be voted on individually unless there is unanimous agreement to a block resolution. Clause 452 provides that a director's actions are valid even if the director's appointment is subsequently found to have been defective or void. Clauses 453 to 455 deal with the removal and resignation of a director.

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104. Division 2 deals with directors' duty of care, skill and diligence. Clause 456 provides that a director must exercise reasonable care, skill and diligence. Clause 457 preserves the existing civil consequences of breach (or threatened breach) of that duty.
105. Division 3 deals with directors' liabilities. Clause 459 prohibits a company from exempting a director from, or indemnifying a director against, any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the company. The prohibition against indemnification also applies to a director of the company's associated company. Clause 460 permits a company to indemnify a director against liability to a third party if the specified conditions are met. Clause 461 requires that a permitted indemnity provision must be disclosed by the company in the directors' report. Clause 462 provides for the duty to keep such a provision available for inspection. Clause 463 empowers any member of a company to inspect the provision kept by the company. Clause 464 deals with the ratification of conduct of directors.
106. Division 4 provides for the appointment and resignation of company secretaries. Clause 465 provides that a company must have a company secretary. Clause 466 specifies the circumstances under which a director may not be a company secretary. Clause 467 provides for the Registrar's power to give directions to a company requiring it to appoint a company secretary in compliance with the relevant statutory requirements. Clause 468 deals with the resignation of a company secretary.
107. Division 5 contains miscellaneous provisions concerning directors and company secretaries.

**Part 11**

108. Part 11 contains provisions relating to fair dealing by directors. Some transactions involving a director (or a connected entity) require members' approval because a conflict of interest is

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perceived. These transactions are loan transactions, payments for loss of office and long-term service contracts. This Part also deals with a director's disclosure of material interests in transactions, arrangements or contracts.

109. Division 1 defines or otherwise explains certain expressions used in Part 11. In particular, clause 477 contains the definition of *connected entity*.
110. Division 2 deals with loan transactions.
111. Subdivision 1 of Division 2 defines or otherwise explains certain expressions used in Division 2. In particular, clauses 483, 484, 487 and 488 explain "quasi-loan", "credit transaction", "value of transaction or arrangement" and "relevant transaction or arrangement".
112. Subdivision 2 of Division 2 provides for the prohibitions on a company from entering into a loan transaction, or giving a guarantee or providing security in connection with a loan transaction, without members' approval. Clause 491 deals with a loan made by a company to a director or to a director of a holding company. Clause 492 deals with a quasi-loan made by a specified company (i.e. either a public company, or one of its subsidiaries that is a private company or a company limited by guarantee) to a director or to a director of a holding company. Clause 493 deals with a loan or quasi-loan made by a specified company to an entity connected with a director. Clause 494 deals with a credit transaction entered into by a specified company for a director or an entity connected with a director, or for a director of a holding company. Clause 495 provides for the prohibition on a company from taking part in an arrangement that purports to circumvent clauses 491 to 494.

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113. Subdivision 3 of Division 2 sets out the exceptions to Subdivision 2. Clause 496 provides for an exception to any of clauses 491 to 494 where the value of the transaction, plus the value of any other relevant transaction or arrangement, does not exceed 5% of the company's total assets or called-up share capital. Clause 497 provides for an exception to any of clauses 491 to 494 where the transaction provides the director or connected entity with funds to meet expenditure on company business. Clauses 498 and 499 provide for an exception to any of clauses 491 to 494 where the transaction provides the director with funds to meet expenditure on putting up a defence in any proceedings, investigation or regulatory action. Clause 500 provides for an exception to any of clauses 491 to 494 where the transaction is entered into for the purpose of facilitating the purchase of residential premises as the director's or connected entity's only or main residence or for connected purposes. Clause 501 provides for an exception to any of clauses 491 to 494 where the transaction is a lease of goods or land to the director or connected entity. Clause 502 provides for an exception to any of clauses 491 to 494 where the transaction is entered into in the ordinary course of business of the company. Clause 503 provides for an exception to clause 493 or 494 in the case of intra-group transactions.
114. Subdivision 4 of Division 2 provides for the consequences of contravening Subdivision 2. Clause 504 provides for the validity of the transaction or arrangement and the civil liability of the director or connected entity or some other persons. Clause 505 provides for the affirmation of the transaction or arrangement.
115. Division 3 deals with payments for loss of office. Subdivision 1 defines or otherwise explains certain expressions used in Division 3. Subdivision 2 provides for the prohibitions on a company from making payment for loss of office without members' approval. Clause 512 deals with a payment to a director or former director, or to a director or former director of a holding company. Clauses 513 and 514 deal with a payment

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- to a director or former director in connection with a transfer of company's undertaking or property or with a transfer of shares in the company resulting from a takeover offer. Subdivision 3 sets out the exceptions to Subdivision 2. Clause 515 provides for an exception where the payment is made in discharge of a legal obligation or by way of damages for breach of an existing legal obligation. The exception also applies if the payment is made by way of settlement of any claim arising in connection with the termination of a person's office or employment or by way of pension. Clause 516 provides for an exception where the amount or value of the payment, plus the amount or value of any other relevant payment for loss of office to the director or former director, does not exceed \$20,000. Subdivision 4 provides for the civil consequences of contravening Subdivision 2.
116. Division 4 deals with service contracts of directors. Clauses 521 to 524 define or otherwise explain certain expressions used in Division 4. Clause 525 provides for the prohibition on a company from agreeing to any service contract of a director under which the guaranteed term of employment exceeds 3 years without members' approval. Clause 526 provides for the civil consequences of contravening clause 525.
117. Division 5 deals with a director's disclosure of material interests in transactions, arrangements or contracts. Clause 527 provides for the director's duties to make the disclosure. Clauses 528 to 531 are supplementary provisions.
118. Division 6 deals with miscellaneous matters. Clause 533 deals with the disclosure of management contracts in directors' reports. It also provides for a company's duties to keep available for inspection a copy of the contract (or a written memorandum of an unwritten contract). Clause 535 provides for a company's duties to keep a written memorandum of an unwritten contract entered into with a sole member (who is also a director) otherwise than in the ordinary course of the company's business.

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**Part 12**

119. Part 12 contains provisions on company administration and procedure.
120. Division 1 governs resolutions and meetings.
121. Subdivision 1 of Division 1 defines or otherwise explains certain expressions used in Division 1.
122. Subdivision 2 of Division 1 introduces a comprehensive set of provisions for proposing and passing a written resolution.
123. Subdivision 3 of Division 1 contains provisions about resolutions at meetings. Clauses 553 and 554 respectively define an ordinary resolution and special resolution.
124. Subdivision 4 of Division 1 contains provisions about calling general meetings.
125. Subdivision 5 of Division 1 contains provisions about notice of general meetings. There are provisions dealing with the required notice period, the manner in which notice must be given, the persons entitled to receive notice and the contents of notice.
126. Subdivision 6 of Division 1 contains provisions relating to statements concerning the business to be dealt with at a general meeting. Clause 570 empowers members to request circulation of those statements. Clauses 571 to 573 deal with the company's duty and the expenses of circulating those statements.
127. Subdivision 7 of Division 1 deals with the procedures at general meetings. Clause 574 permits a company to hold a general meeting at 2 or more places using audio-visual technology. The other clauses include provisions dealing with the quorum and election of chairperson of a general meeting.

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128. Subdivision 8 of Division 1 contains provisions relating to voting at general meetings. The general rules on votes of members on a show of hands or on a poll are set out in clause 578.
129. Subdivision 9 of Division 1 contains provisions relating to the appointment, rights and obligations of a proxy or corporate representative.
130. Subdivision 10 of Division 1 provides for the requirement to hold an annual general meeting. There are provisions dealing the exemption from and dispensation of the requirement.
131. Subdivision 11 of Division 1 provides for the duty to keep records of resolutions and meetings available for inspection. Clause 610 empowers any member of a company to inspect those records kept by the company.
132. Subdivision 12 of Division 1 applies Division 1 (except Subdivision 10) to class meetings with necessary modifications.
133. Division 2 contains provisions relating to the keeping of registers.
134. Subdivision 1 of Division 2 contains an interpretation clause.
135. Subdivision 2 of Division 2 contains provisions relating to registers of members. Clauses 617 and 620 provide for the duty to keep a register of members and an index of members' names available for inspection. Clause 621 provides for the right of inspection and the right to request a copy of the register or index. Clause 624 provides for the Court of First Instance's powers to order rectification of the register. Clause 625 provides that no notice of trust may be entered in the register. Clause 626 provides for the evidential value of the register. Clauses 627 to 631 contain provisions relating to a branch register of members.

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136. Subdivision 3 of Division 2 contains provisions relating to registers of directors. Clause 632 provides for the duty to keep a register of directors available for inspection. Clause 633 provides for the right of inspection and the right to request a copy of the register. Clause 634 sets out the particulars of directors and reserve directors required to be contained in the register. Clause 635 enables a company to withhold certain particulars contained in its register of directors from a person who inspects the register or requests for a copy of it. Clause 636 requires a company to notify the Registrar of the appointment of a director or a reserve director and any change in the particulars contained in its register of directors. Clause 637 imposes a duty on a director and a reserve director of a company to disclose particulars for the purpose of enabling the company to comply with clauses 634 and 636. Clause 638 requires the Registrar to keep an index of directors.
137. Subdivision 4 of Division 2 contains provisions relating to registers of company secretaries. Clause 639 provides for the duty to keep a register of company secretaries available for inspection. Clause 640 provides for the right of inspection and the right to request for a copy of the register. Clause 641 sets out the particulars of company secretaries required to be contained in the register. Clause 642 enables a company to withhold certain particulars contained in its register of company secretaries from a person who inspects the register or requests for a copy of it. Clause 643 requires a company to notify the Registrar of the appointment of a company secretary and any change in the particulars contained in its register of company secretaries. Clause 644 imposes a duty on a company secretary to disclose particulars for the purpose of enabling the company to comply with clauses 641 and 643.
138. Division 3 contains provisions relating to company records. Clause 645 defines company records. Clause 646 allows company records to be kept in hard copy form or electronic form. Clause 647 requires a company to take measures that

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protect company records from falsification and facilitate the discovery of the falsification, if they are not kept in bound books. Clause 648 empowers the Financial Secretary to make regulations about the keeping, inspection and provision of copies of company records.

139. Division 4 contains provisions relating to a company's registered office and publication of information, including company names, relating to companies. Clause 649 provides that a company must have a registered office in Hong Kong. Clause 650 empowers the Financial Secretary to make regulations requiring a company to display, state or provide prescribed information. Clause 651 provides that the regulations may provide that it is an offence not to comply with the regulations. Clause 652 provides for the civil consequences if a person signs on behalf of a company certain documents in which the company's name is not mentioned in the prescribed manner.
140. Division 5 relates to annual returns. Clause 653 requires a company to deliver an annual return to the Registrar for registration. Clause 654 provides that the requirement does not apply to a dormant company. Clause 655 prescribes the contents of an annual return. Clause 656 deals with the construction of references to annual returns.

### **Part 13**

141. Part 13 contains provisions relating to schemes of arrangement or compromise with creditors or members, amalgamation of a company with other companies, and compulsory acquisition of shares following a takeover offer or following a general offer for share buy-back.
142. Division 1 defines or otherwise explains certain expressions used in Part 13.

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143. Division 2 provides for the schemes of arrangement or compromise with creditors or members. Clause 659 defines or otherwise explains certain expressions used in Division 2. Clause 660 sets out the situation to which Division 2 applies: an arrangement or compromise is proposed to be entered into by a company with the creditors (or any class of them) or members (or any class of them), or with the creditors (or any class of them) and members (or any class of them). Clause 661 provides for the Court of First Instance's powers to order a meeting of the creditors, the members or any class of the creditors or members (as the case requires). Clauses 662 and 663 are supplementary to clause 661. Clause 664 provides for the Court of First Instance's powers to sanction the arrangement or compromise if the creditors or the members (or the class of creditors or members) agree to the arrangement or compromise. Clause 665 provides for the Court of First Instance's additional powers in the case of an arrangement or compromise proposed for a scheme of reconstruction or amalgamation of companies.
144. Division 3 provides for the amalgamation of a company with other companies. Clauses 667 and 668 define or otherwise explain certain expressions used in Division 3. Clause 669 provides for the amalgamation of a company with one or more of its wholly owned subsidiaries. Clause 670 provides for the amalgamation of two or more of the wholly owned subsidiaries of a company. Clause 671 provides for the duties of the directors of an amalgamating company to give written notice of the proposed amalgamation to every secured creditor of the company and to publish such a notice in newspapers. Clause 672 provides for the duties of a director of an amalgamating company to issue a certificate on the solvency statement. Clause 673 deals with the registration of the amalgamation with the Registrar. Clause 674 deals with the effective date of the amalgamation.
145. Division 4 provides for the compulsory acquisition of shares by the offeror following a takeover offer.

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146. Subdivision 1 of Division 4 defines or otherwise explains certain expressions used in Division 4. In particular, clause 678 contains the definition of *takeover offer*, and clause 680 explains what shares are those to which a takeover offer relates.
147. Subdivision 2 of Division 4 deals with the “squeeze-out” mechanism. Clause 682 provides for the powers of an offeror under a takeover offer, having acquired at least 90% in number of the shares to which the offer relates, to give notice to the holders of the remaining shares of the offeror’s desires to acquire those remaining shares. It also provides for the powers of an offeror of a takeover offer, having acquired less than 90% in number of the shares to which the offer relates, to apply to the Court of First Instance for an order authorizing the offeror to give notice to the holders of the remaining shares of the offeror’s desires to acquire those remaining shares. Clause 683 sets out the requirements for a notice to these holders. Clauses 684 and 685 provide for the offeror’s rights and obligations to acquire those remaining shares after notice is given of the offeror’s desires to acquire those shares. Clause 686 provides for the company’s duties to register the offeror as a member.
148. Subdivision 3 of Division 4 deals with the “sell-out” mechanism. Clause 689 deals with the situation where, by virtue of a takeover offer, the offeror controls at least 90% in number of the relevant shares before the end of the offer period. It provides for the powers of the holders of the remaining shares to require the offeror to acquire those remaining shares. Clause 690 provides for the offeror’s duties to notify these holders of their rights under clause 689. Clause 691 sets out the requirements for a notice to these holders. Clause 692 provides for the offeror’s rights and obligations to acquire those remaining shares after the offeror is required to acquire those shares.

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149. Division 5 provides for the compulsory acquisition of shares of a repurchasing company following a general offer for share buy-back.
150. Subdivision 1 of Division 5 defines or otherwise explains certain expressions used in Division 5. In particular, clause 696 contains the definition of *general offer*, and clause 698 explains what shares are those to which a general offer relates. Clause 700 also explains that a member of a repurchasing company becomes a “non-tendering member” by notifying the other members that the member will not tender any shares to be bought back by the company under a general offer.
151. Subdivision 2 of Division 5 deals with the “squeeze-out” mechanism. Clause 701 provides for the powers of a repurchasing company, having bought back at least 90% in number of the shares to which a general offer relates, to give notice to the holders of the remaining shares of its desires to buy back those remaining shares. It also provides for the powers of a repurchasing company, having bought back less than 90% in number of the shares to which the general offer relates, to apply to the Court of First Instance for an order authorizing the repurchasing company to give notice to the holders of the remaining shares of its desires to buy back those remaining shares. This applies if a member of the repurchasing company has given notice that the member will not tender any shares to be bought back by that company under a general offer. Clause 702 sets out the requirements for a notice to these holders. Clauses 703 and 704 provide for the repurchasing company’s rights and obligations to buy back those remaining shares after notice is given of its desires to buy back those shares. Clause 705 provides for a repurchasing company’s duties to pay for the shares bought back.
152. Subdivision 3 of Division 5 deals with the “sell-out” mechanism. Clause 707 deals with the situation where, by virtue of a general offer, a repurchasing company controls at least 90% in number

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of the relevant shares before the end of the offer period. It provides for the powers of the holders of the remaining shares to require the repurchasing company to buy back those remaining shares. This applies if a member of the repurchasing company has given notice that the member will not tender any shares to be bought back by that company under a general offer. Clause 708 provides for the repurchasing company's duties to notify these holders of their rights under clause 707. Clause 709 sets out the requirements for a notice to these holders. Clause 710 provides for the repurchasing company's rights and obligations to buy back those remaining shares after the repurchasing company is required to buy back those shares.

#### **Part 14**

153. Part 14 contains provisions relating to the remedies available for protection of companies' or members' interests. These include unfair prejudice remedies, an injunction order restraining conduct that constitutes contravention of the resulting Ordinance, the statutory derivative action, and a court order for inspection of company records.
154. Division 1 defines or otherwise explains certain expressions used in Part 14.
155. Division 2 deals with unfair prejudice remedies. Clause 713 sets out the situations where the Court of First Instance may order the remedies. The powers are exercisable on petition by a member or past member of the company or non-Hong Kong company or by the Financial Secretary. Clause 714 provides for the Court of First Instance's powers to order the remedies. Clause 715 is supplementary to clause 714.
156. Division 3 deals with an injunction restraining conduct that constitutes contravention of the resulting Ordinance or that constitutes a breach of fiduciary or other duties owed to the company or non-Hong Kong company. Clause 717 sets out the

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situations to which clause 718 applies. Clause 718 provides for the Court of First Instance's powers to grant an injunction. The powers are exercisable on application by an affected person or the Financial Secretary. Clause 719 is supplementary to clause 718.

157. Division 4 deals with the statutory derivative action. Clause 721 sets out the situations where a member of the company or non-Hong Kong company or of an associated company may, with the leave of the Court of First Instance, bring or intervene in proceedings on behalf of the company or non-Hong Kong company. Clause 722 provides for the Court of First Instance's powers to grant leave for this purpose. Clause 724 provides that if proceedings are brought or intervened in under clause 721, the proceedings may only be discontinued with the leave of the Court of First Instance. Clauses 725 to 727 provide for the Court of First Instance's additional powers.
158. Division 5 deals with the court order for inspection of company records. Clause 729 provides for the Court of First Instance's powers to make such an order on application by certain number of members of the company or non-Hong Kong company. Clauses 730 and 731 are supplementary to clause 729.

## Part 15

159. Part 15 contains provisions relating to the dissolution of companies after being struck off the Companies Register by the Registrar or the court or after being deregistered by the Registrar.
160. Division 1 deals with the mechanism of striking off. Clauses 732 to 734 provide for the Registrar's powers to strike a defunct company's name off the Companies Register. The powers also apply to a company that does not reply to the Registrar's inquiries. Clauses 735 and 736 provide for striking off under

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other circumstances. A company is dissolved after its name is struck off the Companies Register.

161. Division 2 deals with the deregistration. Clause 737 contains the definition of *company* used in Division 2. Some companies are excluded. Clause 738 provides for an application to be made by a company or a director or member to the Registrar for deregistration of the company. Clause 739 provides for the Registrar's powers to deregister a company. A company is dissolved on deregistration.
162. Division 3 deals with the property of a dissolved company (including one that is wound up) and other miscellaneous matters. Clause 740 provides for the vesting in the Government as bona vacantia of the property and right vested in, or held on trust for, a company immediately before its dissolution. Clause 741 provides for the Registrar's powers to disclaim the Government's title to any property or right other than immovable property. Clause 742 deals with the effect of a disclaimer. Clauses 744 to 747 deal with other matters relating to a dissolved company.
163. Division 4 deals with the restoration to the Companies Register of a company whose name has been struck off the Companies Register or that has been deregistered. Subdivision 1 provides for the restoration by the Registrar of a company whose name has been struck off the Companies Register and for the effect of such a restoration. Subdivision 2 provides for the restoration by the Court of First Instance of a company whose name has been struck off the Companies Register or that has been deregistered. It also provides for the application procedures and the effect of such a restoration. Subdivision 3 contains provisions relating to the name under which a company is to be restored and to the effect of restoration on bona vacantia property or right.

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## Part 16

164. Part 16 contains provisions relating to non-Hong Kong companies, i.e. companies incorporated outside Hong Kong that have established a place of business in Hong Kong.
165. Division 1 defines or otherwise explains certain expressions used in Part 16. In particular, it contains the definitions of *approved name* and *corporate name*.
166. Division 2 provides for the registration of non-Hong Kong companies. Clause 764 provides for a non-Hong Kong company's duties to apply for registration. Clause 765 provides for the registration process.
167. Division 3 deals with the addition, change or cessation of a corporate name of a registered non-Hong Kong company. Clause 766 provides for a registered non-Hong Kong company's duties to notify the Registrar of any addition, change or cessation of a corporate name. Clause 767 provides for the Registrar's duties on being notified of such addition, change or cessation.
168. Division 4 contains regulatory provisions in relation to any name used by a registered non-Hong Kong company to carry on business in Hong Kong. Clause 768 provides for the Registrar's powers to serve a notice on a registered non-Hong Kong company if a corporate name or approved name of the company is the same as or is too like the name of another body corporate or is misleading. Clause 769 provides for the effect of such a notice. The registered non-Hong Kong company is prohibited from carrying on business in Hong Kong under the corporate name or approved name. Clause 770 provides for the registration by the registered non-Hong Kong company of another name for carrying on business in Hong Kong. Clause 773 provides for a change by the registered non-Hong Kong company of this other registered name.

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169. Division 5 deals with authorized representatives of a registered non-Hong Kong company. Clause 774 provides for a registered non-Hong Kong company's duties to keep the authorized representative's details in the Companies Register. Clause 775 provides for the termination of the authorization of an authorized representative.
170. Division 6 provides for a registered non-Hong Kong company's duties to deliver annual return and accounts to the Registrar for registration and for related matters.
171. Division 7 provides for other obligations of a registered non-Hong Kong company.
172. Division 8 deals with the mechanism of striking off. Clauses 784 to 786 provide for the Registrar's powers to strike a defunct registered non-Hong Kong company's name off the Companies Register. The powers also apply to a registered non-Hong Kong company that does not reply to the Registrar's enquiry on its operation. Clauses 787 to 789 deal with the restoration to the Companies Register of a non-Hong Kong company whose name has been struck off the Companies Register.
173. Division 9 deals with miscellaneous matters.

## **Part 17**

174. Part 17 contains provisions relating to companies not formed under the resulting Ordinance or a former Companies Ordinance but eligible to be registered under the resulting Ordinance.
175. Division 1 defines or otherwise explains certain expressions used in Part 17.
176. Division 2 deals with the registration of an eligible company. Clause 795 contains the Registrar's powers to register an eligible

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company as an unlimited company or a company limited by guarantee. Clauses 796 to 798 contain restrictions on the Registrar's powers. Clause 800 contains the Registrar's duties to issue a certificate of registration.

177. Division 3 deals with the consequences of registration. These include the status, property, rights and liabilities of the eligible company, and also continuation of existing proceedings and existing constitutional documents.

### **Part 18**

178. Part 18 contains provisions relating to communications in electronic or hard copy form between a company and its members, debenture holders and other persons. It also deals with communications sent by a company to its members and debenture holders by means of a website.
179. Division 1 defines or otherwise explains certain expressions used in Part 18. It also specifies the period, time and address for the purposes of certain provisions in Part 18. Clause 814 provides that in the application in relation to documents or information to be sent or supplied to the Registrar, Part 18 has effect subject to Part 2.
180. Division 2 deals with service of documents on a company.
181. Division 3 deals with other communications to a company by a person who is not a company. Clauses 816 to 818 provide for how communications in electronic form, hard copy form, or any other form are to be sent or supplied to the company for the purposes of a relevant statutory provision that authorizes or requires the document or information to be sent or supplied to the company.
182. Division 4 deals with other communications by a company to another person. Clauses 819 to 822 provide for how

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communications in electronic form or hard copy form, or by means of websites, or by any other form, are to be sent or supplied by the company to another person for the purposes of a relevant statutory provision that authorizes or requires the document or information to be sent or supplied by the company to that other person. Clause 823 deals with the case of joint holders of shares or debentures. Clause 824 deals with the case of a holder of shares who is dead or bankrupt.

## **Part 19**

183. Part 19 contains provisions relating to investigations and enquiries into companies' affairs.
184. Division 1 defines or otherwise explains certain expressions used in Part 19.
185. Division 2 provides for the investigation of companies' affairs by inspectors. Clause 827 defines certain expressions used in Division 2. Clauses 828 and 829 set out the circumstances under which the Financial Secretary may or has to appoint an inspector to investigate a company's affairs. Clauses 831 to 833 provide that the Financial Secretary may give directions regarding an investigation, including its scope and termination. Clauses 834 to 837 set out the powers of an inspector which are very extensive. Clause 838 provides for the delegation of powers by an inspector. Clauses 839 to 842 deal with the resignation and revocation of appointment of an inspector, and appointment of a replacement inspector. Clauses 843 to 845 provide for the preparation of interim and final reports on an investigation. Clause 846 requires an inspector, before sending a draft report to the Financial Secretary, to send a copy of the draft to any person who would be adversely affected on the publication or disclosure of the report and give the person an opportunity of being heard. Clauses 847 to 849 provide for the filing, provision of copies and publication of reports. Clause 850 contains evidential provisions relating to a report prepared by an

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- inspector. Clause 851 contains offence provisions, and clause 852 provides that an inspector may apply to the Court of First Instance for an inquiry into the failure to comply with an inspector's requirements. Clause 853 sets out the limitations on the use of incriminating evidence obtained in an investigation. Clause 854 provides for the payment of expenses of an investigation.
186. Division 3 provides for the enquiry into companies' affairs by the Financial Secretary. Clause 855 defines the types of companies that may be subject to an enquiry. Clauses 856 and 857 set out the circumstances under which an enquiry may be made, and the Financial Secretary's powers in the enquiry. The powers are much more limited than those of an inspector in an investigation under Division 2. Clause 858 provides for delegation of powers by the Financial Secretary. Clause 859 contains offence provisions, and clause 860 sets out the limitations on the use of incriminating evidence obtained in an enquiry.
187. Division 4 provides for the powers of the Registrar to enquire whether acts that constitute offences under clause 738(7) or 883(1) have been done. Clause 861 sets out the circumstances under which an enquiry may be made and the powers of the Registrar in the enquiry. Clause 862 provides for delegation of powers by the Registrar. Clause 863 contains offence provisions, and clause 864 sets out the limitations on the use of incriminating evidence obtained in an enquiry.
188. Division 5 contains supplementary provisions. Clause 865 provides for the circumstances under which a magistrate may issue warrants authorizing entry into premises in connection with investigations under Division 2 or enquiries under Division 3. Clause 867 provides that the Financial Secretary may, on the basis of reports made on or materials obtained in these investigations or enquiries, initiate proceedings, such as petitions for winding up orders and disqualification orders. Clauses 868

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to 870 contain confidentiality provisions relating to information obtained in these investigations or enquiries. Clauses 872 to 879 deal with miscellaneous matters relating to investigations under Division 2 and enquires under Divisions 3 and 4, such as protection of informers, legal professional privilege and immunity.

189. Division 6 provides for the investigation of companies' affairs by appointed persons. Clause 880 provides that a company may, by special resolution, appoint a person to investigate its affairs. The clause also sets out the powers of the appointed person. Clause 881 provides that the appointed person may apply to the Court of First Instance for an inquiry into a failure to comply with the appointed person's requirement. Clause 882 contains evidential provisions relating to a report prepared by the appointed person.

## **Part 20**

190. Part 20 contains miscellaneous provisions.
191. Division 1 provides for miscellaneous offences. Clause 883 deals with the offence for false statements in any return, report, financial statements, certificate or other document. Clause 884 deals with the offence for the improper use of "Limited" or "有限公司" etc.
192. Division 2 provides for miscellaneous provisions relating to the investigation or enforcement measures. Clause 885 provides for the Court of First Instance's powers to order inspection or production of certain documents where an offence is believed to have been committed in connection with the management of a company's affairs. Clause 887 provides for the Registrar's powers to compound certain offences (as specified in Schedule 7) that he or she has reason to believe to have been committed. Clause 888 deals with limitation period of a summary offence under

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the resulting Ordinance. Clause 889 deals with the application of fines provided under the resulting Ordinance.

193. Division 3 provides for miscellaneous provisions relating to any misconduct by an officer or auditor of a company. Clauses 891 and 892 provide for the Court of First Instance's powers to grant relief.
194. Division 4 provides for other miscellaneous provisions. Clause 896 provides for the inclusion in Schedule 8 of amendments relating to paperless holding and transfer of shares and debentures. The purpose is to amend the resulting Ordinance to remove obstacles to the introduction of paperless holding and transfer of shares and debentures.

## Part 21

195. Part 21 provides for the inclusion in Schedule 9 of consequential amendments and for the inclusion in Schedule 10 of transitional and saving provisions. Schedule 9 contains consequential amendments that are necessary because of the transitional and saving provisions in Schedule 10. Division 2 also contains provisions that deal with the operation of a provision whose effect is saved. Division 3 contains supplemental provisions.

## Schedules

196. Schedule 1 relates to Division 4 of Part 1. It contains the definitions of *parent undertaking* and *subsidiary undertaking*.
197. Schedule 2 relates to Division 1 of Part 3. It prescribes the contents of the incorporation form that must accompany an application for company formation under that Division.

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198. Schedule 3 relates to Division 2 of Part 9. It sets out the qualifying conditions for a small private company, a small guarantee company, a group of small private companies and a group of small guarantee companies.
199. Schedule 4 relates to Subdivision 3 of Division 4 of Part 9. It contains provisions on accounting disclosures to be made in financial statements.
200. Schedule 5 relates to Subdivision 4 of Division 4 of Part 9. It provides for the requirements for a directors' report to contain a business review.
201. Schedule 6 relates to clause 655. It sets out the information to be contained in an annual return and the documents by which an annual return must be accompanied.
202. Schedule 7 relates to clause 887. It specifies the offences to which the Registrar's powers under clause 887 apply.
203. Schedule 8 relates to clause 896. It contains amendments relating to paperless holding and transfer of shares and debentures.
204. Schedule 9 provides for the consequential amendments.
205. Schedule 10 deals with the transitional and saving provisions.
206. The following table shows provisions defining or otherwise explaining expressions used in the Bill (other than those defining or otherwise explaining expressions used in defining or explaining provisions).

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accounting reference date	clause 366
accounting reference period	clauses 364, 599 and 653(9)
accounting standards	clause 376(8)
accounting transaction	clause 2(1)
acquisition of shares by company	clause 189(2)(a)
actuarial investigation	clause 289(5)
address	clause 809(1)
adopted	clause 475(1)
affected member	clause 507(1)
agent of company	clause 826(1)
aggregate amount of total revenue or assets of group of companies	section 2(2) and (3) of Schedule 3
agreement on sending document or supplying information by website	clause 821(4) and (5)
agreement to the proposed written resolution	clause 547(1)
amalgamating holding company	clause 669(1)
amount not required to be recorded as share capital	section 35(2) of Schedule 10
annual consolidated financial statements	clause 356(1), and section 2(5) of Schedule 3

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annual financial statements	clause 356(1), and sections 1(10)(b) and 2(5) of Schedule 3
annual return	clause 656
applicable provision	clause 809(1)
applicable requirements	clause 29(2)
appointment period	clause 383
approved amalgamation proposal	clause 667(3)
approved name	clause 762(1)
approved stock exchange	clause 234(4)
arrangement	clauses 189(1) and 659(1)
articles	clauses 2(1), 167(5), 659(2), 711(2) and 805(5)
associate of offeror or member	clause 658
associated body corporate	clause 826(2)
associated company	clause 2(1)
auditor's report	clause 356(1)
authorized institution	clause 826(1)
authorized person	clause 865(10)
authorized representative	clause 762(1)
authorizing meeting	clause 700(3)
average number of company's employees	section 2(4) of Schedule 3

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base value of assets transferred	clause 190(4)(a)
base value of liabilities assumed	clause 190(4)(b)
body corporate	clauses 2(1) and 108(11)
body corporate with which a person is associated	clause 479(1)
books	clause 826(1)
branch register of debenture holders	clause 303(1)
branch register of members	clause 616
business day	clauses 150(5), 320(5) and 809(1)
called up share capital	clause 286(1)
capital redemption reserve	section 42(2) of Schedule 10
capitalization	clause 286(1)
certified copy	clauses 331(4), 344(5) and 763
certified public accountant (practising)	clause 2(1)
certified translation	clauses 4 and 762(2)
cessation statement	clause 383
charge	clause 331(1)
charged property	clause 331(5), and section 63(2) of Schedule 10
child/children	clauses 276(2), 277(2) and 475(1)

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Chinese language newspaper	section 48 of Schedule 10
circulation date of written resolution	clause 537(1)
circumstances constituting contravention	clause 476
claimant	clause 163(5)
commencement date	clause 2(1)
Commission	clause 198(1)
Companies Register	clauses 2(1) and 42(2)
company	clauses 2(1), 19(1), 189(1), 471(5), 659(1), 711(1), 737(1), 827, 855 and 893(3)
company limited by guarantee	clause 8
company limited by shares	clause 7
company records	clause 645
company secretary	clause 2(1)
conduct	clause 464(5)(a)
connected entity	clauses 113(9), 464(5)(d) and 477
consideration provided by third party	clauses 683(8) and 691(10)
constitutional document	clauses 794 and 804(2)
contingent buy-back contract	clause 198(1)
continuing provision	section 36 of Schedule 10
contract	clauses 232(8) and 534(5)

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contributory	clause 2(1)
conversion of shares into stock	section 13(2) of Schedule 10
copies of requisition deposited on more than one day	section 92(2) of Schedule 10
corporate name	clause 762(1)
corporate representative	clause 575(5)
costs for obtaining Government's confirmation	clause 749(3)
Court	clause 2(1)
court	clauses 2(1) and 889(4)
credit transaction	clause 484
damages for personal injury	clause 754(5)
date of passing of resolution	clause 538(4)
debenture	clauses 2(1) and 303(1)
decision date	clause 51(9)
default	clause 717(5)
deficit in fund maintained by insurer in respect of long term business	clause 289(4)(b)
delegate	clause 826(1)
deliver document	clause 19(2)
digital signature	clause 19(1)

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director	clauses 2(1), 48(1), 48(2)(b), 438(3), 455(6), 464(5)(b) and (c), 475(1), 482(1), 507(1), 521(1) and 535(6)
directors' report	clauses 356(1), 461(5) and 533(7)
disqualification order	clause 43(4)
distributable profits	clause 198(1)
distribution	clause 286(1)
document	clauses 2(1), 19(1), 809(1) and 826(1)
domestic name	clause 762(1)
dormant company	clause 5
electronic address	clause 537(1)
electronic form	clauses 2(4)(b), 19(1), 368 and 646(6)
electronic means	clause 2(4)(c)
electronic record	clause 2(1)
electronic signature	clause 19(1)
eligible company	clause 794
eligible employees of company	clause 277(2)
eligible members	clause 537(2)
eligible person	clause 157
emoluments	clause 567(2)
employee of company	clause 384(3)

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employee share scheme	clause 276(2)
employment	clause 525(2)
English language newspaper	section 48 of Schedule 10
equity share capital	clause 189(1)
equity shares	clause 189(1)
equivalent debenture holders	clause 821(12)
exception provision	clause 488(3)
executing agent of company	clause 120(7)
exempted company	clause 114(4)
exercise “bought out” rights	clause 693
existing company	clause 2(1)
existing legal obligation	clause 515(3)
expenses of investigation	clause 854(8)
family member	clause 478
final report	clause 827
financial assistance	clauses 270(1) and 286(1)
financial assistance for reducing or discharging liability incurred for acquisition of shares	clause 270(2)(b)
financial assistance that has not been repaid	clause 279(3)
financial items	clause 286(1)
financial statements	clause 356(1)

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financial year	clauses 2(1) and 363, and section 1(10)(a) of Schedule 3
forename	clauses 634(4), 641(3) and (5) and 781(8), and section 6(1) of Schedule 2
former Companies Ordinance	clause 2(1)
former forename	clause 634(6), and section 6(2) of Schedule 2
former name	clause 758(7)
former surname	clause 634(6), and section 6(2) of Schedule 2
founder member	clause 2(1)
fresh general offer	clause 699
fresh takeover offer	clause 681
general offer	clauses 233(6), 696 and 697
genuine purchaser of shares	clause 157
group of companies	clause 2(1)
group of small guarantee companies	clause 362
group of small private companies	clause 361
guarantee	clause 482(1)
guaranteed term of director's employment	clause 525(3) and (6)

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hard copy form	clauses 2(4)(a), 19(1), 368 and 646(6)
holding company	clauses 12 and 190(1)(a)
identity card	clause 2(1)
Index of Company Names	clause 2(1)
information	clause 826(1)
information system	clause 2(1)
inspector	clause 826(1)
insurer	clause 289(5)
interim report	clause 827
investigation	clause 827
investment company	clause 296(3)
issue of debentures at discount	clause 341(9)
issuing company	clause 189(1)
key performance indicators	section 5 of Schedule 5
land	clauses 110(3) and 482(1)
latest value of shares	clause 159(7)
liabilities	clauses 270(1) and 665(8)
liability imposed on property or right	clause 740(5)(b)
limited company	clause 6
listed company	clause 2(1)
listing rules	clause 2(1)

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long term business	clause 289(5)
loss of office	section 90(2) of Schedule 10
losses	clause 286(3)
majority or 75% of members	clause 797(3)
manager	clause 2(1)
manager of property of body corporate	clauses 2(3)(a) and (c) and 331(1)
material date	clause 768(4)
material time	clause 714(6)
matters of which directors aware	clause 527(5)
member	clauses 2(1), 560(6), 564(2) and 712(1)
member present at general meeting	clause 797(4)
members in one class	clause 182
members voting in favour of resolution	clause 538(5)
minor children	clause 276(2)
misconduct	clauses 499(5), 720 and 890
mistake of Registrar	clause 751(2)
motion for appointment	clause 451(5)
net assets	clauses 270(1) and 286(1)
net base value of assets transferred	clause 190(3)
new share certificate	clause 157

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nominal amount of share	section 42(1) and (3) of Schedule 10
nominal value of share	section 42(1) and (3) of Schedule 10
nominee	clauses 676 and 694(1)
non-equity shares	clause 189(1)
non-Hong Kong company	clause 2(1)
non-statutory accounts	clause 427(6)
non-statutory constitutional document	clause 794
non-tendering member	clauses 233(6) and 694(1)
notice of meeting given on more than one day	section 92(1) of Schedule 10
offer period	clause 657
officer	clauses 2(1), 384(3), 612(9) and 826(1)
official document	clause 197(3)
Official Receiver	clause 2(1)
ordinary resolution	clauses 2(1) and 553
original share certificate	clause 157
parent company	clause 15, and section 4 of Schedule 1
parent undertaking	clause 15, and section 2 of Schedule 1
past member	clause 712(2) and (3)
payment for loss of office	clauses 497 and 517

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payment for loss of office in connection with transfer of shares	clause 514(2)
payment for loss of office in connection with transfer of undertaking or property	clause 513(3)
pension	clause 515(3)
perform duties as auditor	clauses 401(4) and 406(6)
permitted indemnity provision	clauses 458(1), 462(6) and 463(6)
person dealing with company in good faith	clause 112(2)
person for whom arrangement entered into	clause 485(2)
person for whom transaction entered into	clause 485(1)
person incurring liability	clause 270(2)(a)
person interested in a charge	clause 331(3)
personal injury	clause 754(5)
place of business	clause 762(1)
potential member	clause 428
practice unit	clause 383
pre-amended predecessor Ordinance	clauses 444(7) and 445(4)
predecessor Ordinance	clause 2(1) and (2)

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prescribed	clauses 306(9), 463(5), 609(6), 610(5) and 615
prescribed approval of members	clauses 486, 509, 514(4) and 523
prescribed securities	section 2 of Schedule 8 (to be incorporated into clause 2(1))
preserve record or document	clause 834(4)
previous accounting reference period	clause 367(9)
primary accounting reference date	clause 365
principal register	clause 310(1) and (4)
private company	clause 10
procedural regulations	clause 762(1)
proceedings	clause 720
profits	clause 286(3)
profits available for distribution	clause 291(2)
projected sum	clause 288(7)
property	clause 665(8)
property in Hong Kong	clause 331(2)(a)
property outside Hong Kong	clause 331(2)(b)
property vested in or held on trust for company	clause 740(5)(a)
protected address	clause 48(1) and (2)(a)

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protected identification number	clause 48(1)
protected information	clause 48(1)
protected person	clauses 58(5) and 873(6)
provision for share capital in articles or resolution	clause 94(3)
public company	clause 11
publish	clause 849(3)
quasi-loan	clause 482
questionable transaction	clause 495(4)
realized losses	clauses 287, 288 and 289
realized profits	clauses 287, 288, 289 and 290
receiver of property of body corporate	clause 2(3)(b) and (c)
recognized exchange company	clause 2(1)
recognized exchange controller	clause 198(1)
recognized stock market	clause 2(1)
record	clauses 728 and 826(1)
redeemable shares	clause 2(1)
reduction of share capital	clauses 165(7) and 667(2)
referential financial statements	clause 286(4)
register of debenture holders	clause 303(1)
registered charge	clause 344(6)

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registered holder of shares in listed company	clause 157
registered non-Hong Kong company	clause 2(1)
registered number	clause 109(3)
Registrar	clause 2(1)
Regulation	clause 356(1)
related entity	clause 403(9)
relevant address	clause 47(10)
relevant company	clauses 84(10) and 85(10)
relevant correspondence address	clause 48(1)
relevant debentures	clause 84(10)
relevant document of company	clauses 112(6) and 114(4)
relevant financial statements	clauses 500(5) and 501(3)
relevant financial year	clause 435(4)
relevant member	section 93(2) of Schedule 10
relevant notice	clause 435(4)
relevant Ordinance	clause 49(3)
relevant right to vote	clause 570(3)
relevant time	section 27(3) of Schedule 10
relevant transaction or arrangement	clause 488
remuneration	clause 395, and section 1(2) of Part 2 of Schedule 4

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repeal/repealed	section 1 of Schedule 10
reporting documents	clause 356(2)
reporting exemption	clause 358
repurchasing company	clause 694(1)
required details	clause 762(1)
required number of members	clause 729(6)
requisite percentage	clause 394(8)
reserve director	clause 2(1)
residential address	clause 634(4), and section 6(1) of Schedule 2
residential premises	clause 500(4)
responsible officer	clause 762(1)
responsible person	clause 3
retirement	section 90(2) of Schedule 10
revocation of agreement on sending document or supplying information in electronic form	clauses 816(3) and 819(4)
revocation of agreement on sending document or supplying information by website	clause 821(6)
right vested in or held on trust for company	clause 740(5)(a)
rights attached to share	clause 172
rights of a class of members	clause 181

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Scripless Rules	section 2 of Schedule 8 (to be incorporated into clause 2(1))
Secretary	clause 2(1)
secure 90% equity holding	clause 192
send document	clause 809(2)(a)
send document by post	clause 809(3)
service contract	clauses 522
services	clause 482(1)
shadow director	clauses 2(1), 456(6), 482(2), 507(5), 521(2), and 535(7)
share	clauses 2(1) and 108(12)
share premium account	section 42(2) of Schedule 10
share warrant	clause 2(1)
shares controlled by offeror	clause 689(5)
shares controlled by repurchasing company	clause 707(6)
shares held by non-tendering member	clause 694(2)
shares in one class	clause 173
shares to which general offer relates	clause 698
shares to which takeover offer relates	clause 680
signatory	section 6(1) of Schedule 2
small guarantee company	clause 360

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small private company	clause 359
solicitor	clause 762(1)
solvency statement	clause 668
special notice	clauses 2(1) and 568
special resolution	clauses 2(1) and 554
specified	clause 832(3)
specified act	clause 861(8)
specified address	clause 26(9)
specified charge	clause 333
specified Chinese language newspaper	clause 198(1)
specified company	clause 482(1)
specified English language newspaper	clause 198(1)
specified financial statements	clause 427(6)
specified form	clause 2(1)
specified incumbent	clauses 391(4) and 392(5)
specified materials	clause 867(7)
specified officer	clause 871
specified percentage	clause 328(4)
specified person	clause 890
statement of circumstances	clause 383
subsidiary	clause 14

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subsidiary undertaking	clause 15, and section 5 of Schedule 1
summary financial report	clause 356(1)
supply information	clause 809(2)(b)
supply information by post	clause 809(3)
supporting evidence	clauses 888(4) and 904(5)
surname	clauses 634(4), 641(3) and 781(8), and section 6(1) of Schedule 2
surplus in fund maintained by insurer in respect of long term business	clause 289(4)(a)
takeover offer	clauses 507(1), 678 and 679
terms of general offer	clauses 703(4) and 710(4)
terms of takeover offer	clauses 684(4) and 692(4)
third party	clauses 59(4) and 458(1)
this Ordinance	clause 2(2)
time of creation of charge	clauses 340(11) and 341(10)
total exposure amount	clause 489
transaction	clause 113(10)
transaction to which arrangement relates	clause 506(6)
transfer	clause 189(1)
transfer of shares by company	clause 189(2)(c)

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transfer of shares to company	clause 189(2)(b)
transferee	clause 665(8)
transferor	clause 665(8)
transferor company	clause 190(1)(b)
uncalled share capital	clause 286(1)
undertaking	clause 2(1)
undistributable reserves	clause 286(1)
unlimited company	clause 9
unlisted company	clause 2(1)
unsatisfactory document	clause 29
value of other relevant transaction or arrangement	clause 487(1)(b)
value of transaction	clause 487(1)(a)
variation of rights attached to shares	clauses 175(5) and 613(7)
variation of rights of a class of members	clauses 183(5), 188 and 614(6)
website	clauses 159(7) and 160(5)
wholly owned subsidiary	clauses 356(3) and 566(7)
work-related information	clause 405(3)
written resolution	clauses 2(1) and 546