

CONTENTS

Volume 1

<i>Preface</i>	v
<i>Table of Cases</i>	xxxvii
<i>Table of Legislation</i>	lxvii

Introduction

<i>Background</i>	1
-------------------	---

PART 1 PRELIMINARIES

Division 1 Short Title and Commencement

Section 1. Short title and commencement	8
---	---

Division 2 Interpretation of this Ordinance: General

Section 2. Interpretation	11
Section 3. Responsible person	26
Section 4. Certified translation	27
Section 5. Dormant company	29
Section 6. Offering shares or debentures to public, etc.	33

Division 3 Interpretation of this Ordinance: Types of Companies

Subdivision 1 Limited Company and Unlimited Company

Section 7. Limited company	34
Section 8. Company limited by shares	35
Section 9. Company limited by guarantee	36
Section 10. Unlimited company	38

Subdivision 2 Private Company and Public Company

Section 11. Private company	38
Section 12. Public company	40

Division 4 Interpretation of this Ordinance: Holding Company and Subsidiary (Amended 35 of 2018 s.5)

Section 13. Holding company	41
Section 14. Provisions supplementary to section 13	42
Section 15. Subsidiary	43
Section 16. (Repealed 35 of 2018 s.6)	44

Division 5 Application of this Ordinance

Section 17. Application to existing company	44
Section 18. Application to unlimited company registered in pursuance of former Companies Ordinance as limited company	45
Section 19. Application to company registered, but not formed, under former Companies Ordinance	45

PART 2 REGISTRAR OF COMPANIES AND COMPANIES REGISTER**Division 1 Preliminary**

Section 20. Interpretation	50
----------------------------	----

Division 2 Registrar of Companies

Section 21. Office of Registrar	52
Section 22. Registrar's functions	53
Section 23. Registrar may specify form	54
Section 24. Registrar may issue guidelines	55
Section 25. Registrar may authenticate document etc.	56
Section 26. Fees payable to Registrar	56

Division 3 Companies Register

Section 27. Registrar must keep records of companies	57
Section 28. Provisions supplementary to section 27	60

Section 29. Registrar not required to keep certain documents etc.	61
Section 30. Registrar must keep Index of Company Names	62

Division 4 Registration of Document**Subdivision 1 Preliminary**

Section 31. Unsatisfactory document	62
Section 32. Registrar may specify requirements (for section 31(1))	64
Section 33. Registrar may agree to delivery by electronic means (for section 31(1))	66
Section 34. Financial Secretary may make regulations requiring delivery by electronic means (for section 31(1))	67

Subdivision 2 Registrar's Powers to Refuse to Accept and to Register Document

Section 35. Registrar may refuse to accept or register document	68
Section 36. Registrar may withhold registration of document pending further particulars etc.	71
Section 37. Appeal against Registrar's decision to refuse registration	73
Section 38. Certain period to be disregarded for calculating daily penalty for failure to deliver document to Registrar	75

Division 5 Registrar's Powers in relation to Keeping Companies Register

Section 39. Registrar may require company to resolve inconsistency with Companies Register	77
Section 40. Registrar may require further information for updating etc.	78
Section 41. Registrar may rectify typographical or clerical error in Companies Register	79
Section 42. Registrar must rectify information on Companies Register on order of Court	80
Section 43. Registrar may appear in proceedings for rectification	85
Section 44. Registrar may annotate Companies Register	86

Division 6 Inspection of Companies Register

Section 45. Registrar must make Companies Register available for public inspection	86
Section 46. Registrar's certified true copy admissible as evidence	88

**Division 7 Materials in Companies Register Unavailable
for Public Inspection**

Subdivision 1 General Protection

Section 47. Interpretation	91
Section 48. Information excluded from public inspection by law or court order	92
Section 49. Registrar may withhold residential address and identification number from public inspection	92
Section 50. Restriction on use or disclosure of withheld information	95
Section 51. Permitted use or disclosure of withheld information by Registrar	96
Section 52. Disclosure under order of Court	97

**Subdivision 2 Protection of Residential Address and Identification
Number Contained in Certain Documents**

Section 53. Interpretation	99
Section 54. Registrar must not make residential address and identification number available for public inspection	101
Section 55. Registrar may make protected address available for inspection	102
Section 56. Provision supplementary to section 55	104
Section 57. Restriction on use or disclosure of protected information	106
Section 58. Permitted use or disclosure of protected information by Registrar	107
Section 59. Disclosure under order of Court	108

Subdivision 3 Supplementary

Section 60. Extent of prohibition	110
-----------------------------------	-----

Division 8 Miscellaneous

Section 61. Registrar may issue certificates in any manner	110
Section 62. Registrar not responsible for verifying information	111
Section 63. Immunity	112
Section 64. Discrepancy between document and certified translation	114
Section 65. Offence for destruction etc. of registers, books or documents	115

**PART 3 COMPANY FORMATION AND RELATED
MATTERS, AND RE-REGISTRATION OF COMPANY**

Division 1 Company Formation

Subdivision 1 General Requirements for Formation

Section 66. Types of companies	120
Section 67. Formation of company	125
Section 68. Content of incorporation form	127
Section 69. Signing of incorporation form	129
Section 70. Statement of compliance to be contained in incorporation form	129

Subdivision 2 Incorporation of Company

Section 71. Issue of certificate of incorporation on registration	130
Section 72. Conclusiveness of certificate of incorporation	131
Section 73. Effect of incorporation	131
Section 74. Delivery of director's written consent	134

Division 2 Company Articles

Subdivision 1 General

Section 75. Articles prescribing regulations for company	135
Section 76. Language of articles	136
Section 77. Form of articles	136

Subdivision 2 Model Articles

Section 78. Financial Secretary may prescribe model articles	137
Section 79. Adoption of model articles	137
Section 80. Application of model articles to limited company	138

Subdivision 3 Content and Effect of Articles

Section 81. Company name	139
Section 82. Company's objects	139

Section 83.	Members' liabilities	140
Section 84.	Liabilities or contributions of members of limited company	141
Section 85.	Capital and initial shareholdings	142
Section 86.	Effect of articles	143

Subdivision 4 Alteration of Articles

Section 87.	Company may alter articles	145
Section 88.	Alteration by special resolution or ordinary resolution	147
Section 89.	Alteration of company's objects	150
Section 90.	Alteration of certain articles by existing company	153
Section 91.	Application to Court to cancel alteration	157
Section 92.	Certain alterations not binding on members	159
Section 93.	Company must incorporate alteration into articles	160
Section 94.	Alteration affecting status of private company	161
Section 95.	Alteration affecting status of public company	163
Section 96.	Notifying Registrar of alteration by order of Court	164
Section 97.	Copies of articles to be provided to members	166

Subdivision 5 Miscellaneous

Section 98.	Conditions of memorandum of association of existing company to be regarded as provisions of articles	167
Section 99.	Articles of company limited by guarantee	168

Division 3 Company Name

Subdivision 1 Restriction on Company Name

Section 100.	Company must not be registered by certain names	169
Section 101.	Financial Secretary may specify word or expression for section 100(2)(b)	172

Subdivision 2 Limited Company Name with "Limited" as Last Word etc.

Section 102.	Limited company must not be registered without "Limited" as last word of name etc.	173
Section 103.	Registrar's licence to dispense with "Limited" etc.	173
Section 104.	Terms and conditions of licence	177

Section 105.	Effect of licence	178
Section 106.	Revocation of licence	179

Subdivision 3 Change of Company Name

Section 107.	Company may change name by special resolution	181
Section 108.	Registrar may direct company to change same or similar name etc.	183
Section 109.	Registrar may direct company to change misleading or offensive name etc.	189
Section 110.	Registrar may change company name in case of failure to comply with direction	191

Subdivision 4 Supplementary Provision

Section 111.	Determining whether name is same as or similar to another name	194
--------------	--	-----

Division 4 Membership

Section 112.	Members of company	195
Section 113.	Members of holding company	199
Section 114.	Notifying Registrar of increase in number of Members of company limited by guarantee	202

Division 5 Capacity and Powers of Company

Section 115.	Company's capacity etc.	203
Section 116.	Company's exercise of powers limited by articles	205
Section 117.	Transaction or act binds company despite limitation in articles etc.	207
Section 118.	Transaction or act involving directors or their associates is voidable	211
Section 119.	Section 117 not to apply to certain cases	214
Section 120.	No constructive notice of matters disclosed in articles etc.	216

Division 6 Contracts of Company

Section 121.	Contracts made by or on behalf of company	217
Section 122.	Contracts made before company's incorporation	221
Section 123.	Bills of exchange and promissory notes	224

Division 7 Execution of Documents**Subdivision 1 Company Seal**

Section 124.	Company may have common seal etc.	226
Section 125.	Official seal for use abroad	228
Section 126.	Official seal for sealing share certificates etc.	230

Subdivision 2 Execution Requirements

Section 127.	Execution of documents by company	231
Section 128.	Execution of deeds by company	238
Section 129.	Execution of deeds or other documents by attorney for company	239

Division 8 Re-registration of Unlimited Company as Company Limited by Shares

Section 130.	Unlimited company may apply for re-registration as company limited by shares	240
Section 131.	Application for re-registration	243
Section 132.	Issue of fresh certificate of incorporation	244
Section 133.	Winding up of company re-registered as company limited by shares	245

PART 4 SHARE CAPITAL**Division 1 Nature of Shares**

Section 134.	Nature and transferability of shares	251
Section 135.	No nominal value	254
Section 136.	Numbering of shares	260
Section 137.	Share certificate to be proof of title in the absence of contrary evidence	262
Section 138.	Repeal of power to issue stock	264
Section 139.	Repeal of power to issue share warrants	265

Division 2 Allotment and Issue of Shares

Section 140.	Exercise by directors of power to allot shares or grant rights	267
Section 141.	Allotment of shares or grant of rights with company approval	273

Section 142.	Return of allotment	275
Section 143.	Registration of allotment	278
Section 144.	Issue of share certificate on allotment	279
Section 145.	Order of Court for delivery of share certificate	280
Section 146.	Validation by Court of issue or allotment	281

Division 3 Commissions and Expenses

Section 147.	General prohibition of commissions, discounts and allowances	282
Section 148.	Permitted commissions	283
Section 149.	Capital may be applied in writing off certain expenses and commission	285

Division 4 Transfer and Transmission of Shares**Subdivision 1 Transfer of Shares**

Section 150.	Requirement for instrument of transfer	285
Section 151.	Registration of transfer or refusal of registration	287
Section 152.	Order of Court for registration	290
Section 153.	Transfer by personal representative	292
Section 154.	Certification of transfer	293
Section 155.	Issue of share certificate on transfer	295
Section 156.	Order of Court for delivery of share certificate	297
Section 157.	Compensation regarding forged share transfers	298

Subdivision 2 Transmission of Shares by Operation of Law

Section 158.	Registration or refusal of registration	299
Section 159.	Order of Court for registration	300
Section 160.	Pre-emption rights in relation to transmission by law	301

Subdivision 3 General

Section 161.	Evidence of grant of probate etc.	302
--------------	-----------------------------------	-----

Division 5 Replacement of Listed Companies' Lost Share Certificates

Section 162.	Interpretation	302
Section 163.	Application for new certificate	304

Section 164.	Publication requirements	305
Section 165.	Issue of new certificate	308
Section 166.	Public notice of issue of new certificate	310
Section 167.	Orders of Court for rectification of the register	311
Section 168.	Liability if rectification cannot be ordered	312
Section 169.	Applicant to pay expenses	314

Division 6 Alteration of Share Capital

Section 170.	Permitted alteration of share capital	315
Section 171.	Notice of alteration of share capital	320
Section 172.	Redenomination of share capital	323
Section 173.	Notice of redenomination	325
Section 174.	Reconversion of stock into shares	326
Section 175.	Notice of reconversion	327

Division 7 Classes of Shares and Class Rights

Subdivision 1 Companies having a Share Capital

Section 176.	Application of Subdivision	327
Section 177.	Rights attached to shares	328
Section 178.	Classes of shares	329
Section 179.	Description of shares of different classes	329
Section 180.	Varying class rights	331
Section 181.	Notifying class members of variation	334
Section 182.	Disallowance or confirmation of variation by Court	335
Section 183.	Delivery of order of Court to Registrar	337
Section 184.	Notifying Registrar of variation	338

Subdivision 2 Companies without a Share Capital

Section 185.	Application of Subdivision	339
Section 186.	Rights of members	340
Section 187.	Classes of members	341
Section 188.	Varying class rights	341
Section 189.	Notifying class members of variation	343
Section 190.	Disallowance or confirmation of variation by Court	344

Section 191.	Delivery of order of Court to Registrar	345
Section 192.	Notifying Registrar of variation	346

Subdivision 3 General

Section 193.	Variation includes abrogation	347
--------------	-------------------------------	-----

Division 8 Supplementary and Miscellaneous

Subdivision 1 Relief from Share Capital Requirements

Section 194.	Interpretation	347
Section 195.	Group reconstruction relief	350
Section 196.	Merger relief	352
Section 197.	Merger relief: meaning of 90% equity holding	354
Section 198.	Relief may be reflected in company's statement of financial position	355
Section 199.	Regulations	357

Subdivision 2 Miscellaneous

Section 200.	Provision for different amounts to be paid on shares	358
Section 201.	Statement of capital	359
Section 202.	Notice of paid up capital	360

PART 5 TRANSACTIONS IN RELATION TO SHARE CAPITAL

Division 1 Preliminary

Section 203.	Interpretation	365
--------------	----------------	-----

Division 2 Solvency Test

Section 204.	Application of Division	367
Section 205.	Solvency test	368
Section 206.	Solvency statement	369
Section 207.	Offences regarding solvency statement	372
Section 208.	Power to modify solvency test by regulation	372

Division 3 Reduction of Share Capital**Subdivision 1 General Provisions**

Section 209.	Application of Division	373
Section 210.	Permitted reductions of share capital	374
Section 211.	Procedure for a company to reduce its share capital	375
Section 212.	Offence if share capital is reduced in contravention of Division	377
Section 213.	Liability of members following reduction of share capital	378
Section 214.	Reserves arising from reductions of share capital	379

Subdivision 2 Reduction of Share Capital by Special Resolution Supported by Solvency Statement

Section 215.	Special resolution for reduction of share capital	380
Section 216.	Solvency statement for reduction of share capital	381
Section 217.	Special resolution: exercise of voting rights	383
Section 218.	Public notice of reduction of share capital	384
Section 219.	Inspection of special resolution and solvency statement	387
Section 220.	Application to Court by members or creditors	389
Section 221.	Power of Court to adjourn proceedings	390
Section 222.	Power of Court to confirm or cancel special resolution	391
Section 223.	Company to deliver copy of order of Court to Registrar	392
Section 224.	Registration of return if no application to Court	393
Section 225.	Registration of return if application to Court	394

Subdivision 3 Reduction of Share Capital Confirmed by Court

Section 226.	Special resolution and application to Court for confirmation of reduction of share capital	396
Section 227.	Creditors entitled to object to reduction of share capital	398
Section 228.	Offence in connection with creditors list	399
Section 229.	Order of Court confirming reduction of share capital	400
Section 230.	Registration of order, minute and return	402
Section 231.	Certification of registration	404
Section 232.	Liability to creditors omitted from list of creditors	405

Division 4 Share Redemptions and Buy-backs**Subdivision 1 Preliminary**

Section 233.	Application of Division	407
--------------	-------------------------	-----

Subdivision 2 Redeemable Shares

Section 234.	Issue of redeemable shares	408
Section 235.	Terms, conditions and manner of redemption	409

Subdivision 3 Share Buy-backs

Section 236.	General power of company to buy back its own shares	410
Section 237.	Retention and inspection of share buy-back contracts	412

Subdivision 4 Share Buy-backs: Listed Companies

Section 238.	Share buy-back under general offer	414
Section 239.	Share buy-back on recognized stock market or approved stock exchange	418
Section 240.	Share buy-back otherwise than under section 238 or 239	419
Section 241.	Exemptions	421
Section 242.	No assignment of right to buy back own shares	422
Section 243.	Release of right to buy back own shares	422

Subdivision 5 Share Buy-backs: Unlisted Companies

Section 244.	Share buy-back under contract	423
Section 245.	Resolution authorizing contract: disclosure of contract details	424
Section 246.	Resolution authorizing contract: exercise of voting rights	425
Section 247.	Variation of authorized contract	426
Section 248.	Resolution authorizing variation: disclosure of details of variation	427
Section 249.	Resolution authorizing variation: exercise of voting rights	429
Section 250.	No assignment of right to buy back own shares	430
Section 251.	Release of right to buy back own shares	430
Section 252.	Resolution authorizing release: disclosure of details of release	431
Section 253.	Resolution authorizing release: exercise of voting rights	433
Section 254.	Variation of release of right to buy back own shares	434

Section 255.	Resolution authorizing variation of release: disclosure of details of variation	434
Section 256.	Resolution authorizing variation of release: exercise of voting rights	436
Subdivision 6 Payment for Share Redemptions and Buy-backs		
Section 257.	Payment for redemption or buy-back	438
Section 258.	Special resolution for payment out of capital	440
Section 259.	Solvency statement for payment out of capital	440
Section 260.	Special resolution: exercise of voting rights	442
Section 261.	Public notice of payment out of capital	443
Section 262.	Inspection of special resolution and solvency statement	447
Section 263.	Application to Court by members or creditors	448
Section 264.	Power of Court to adjourn proceedings	449
Section 265.	Power of Court to confirm or cancel special resolution	450
Section 266.	Company to deliver copy of order of Court to Registrar	452
Subdivision 7 General Provisions		
Section 267.	General prohibition on acquisition of own shares	452
Section 268.	No redemption or buy-back of unpaid or partly-paid shares	454
Section 269.	Effect of redemption or buy-back	455
Section 270.	Return of share redemption or buy-back	456
Section 271.	Effect of company's failure to redeem or buy back	458
Section 272.	Effect on winding up of company's failure to redeem or buy-back	459
Section 273.	Power to modify by regulation	460
Division 5 Financial Assistance for Acquisition of Own Shares		
Subdivision 1 Preliminary		
Section 274.	Interpretation	462
Subdivision 2 General Prohibition on Financial Assistance for Acquisition of Own Shares		
Section 275.	Prohibition on financial assistance for acquisition of shares or for reducing or discharging liability for acquisition	465

Section 276.	Failure to comply with Division does not affect validity of financial assistance, etc.	467
Subdivision 3 Exceptions from Prohibition		
Section 277.	General exceptions	468
Section 278.	Principal purpose exception	470
Section 279.	Exception for money lending businesses	472
Section 280.	Exception for employee share schemes	472
Section 281.	Exception for loans to employees	474
Section 282.	Special restriction for listed companies	475
Subdivision 4 Authorization for Giving Financial Assistance		
Section 283.	Financial assistance not exceeding 5% of shareholders funds	476
Section 284.	Financial assistance with approval of all members	479
Section 285.	Financial assistance by ordinary resolution	481
Section 286.	Application to Court for restraining order	484
Section 287.	Power of Court to adjourn application	486
Section 288.	Power of Court to confirm or restrain giving of financial assistance	486
Section 289.	Company to deliver copy of order of Court to Registrar	488
PART 6 DISTRIBUTION OF PROFITS AND ASSETS		
Division 1 Preliminary		
Section 290.	Interpretation	490
Section 291.	Realized profits and losses	493
Section 292.	Certain amount to be regarded as realized profit or loss	494
Section 293.	Certain amount relating to insurance company with long term business to be regarded as realized profit or loss	497
Section 294.	Distribution in kind: certain amount to be regarded as realized profit	499
Section 295.	Application of Part	499
Section 296.	Saving for other restraints on distribution	500

Division 2 Prohibitions and Restrictions

Section 297.	Prohibition on certain distributions	501
Section 298.	Listed company may only make certain distributions	502
Section 299.	Restriction on application of unrealized profits	503
Section 300.	Financial Secretary may modify or exempt provisions in relation to investment company	504
Section 301.	Consequences of unlawful distribution	505

Division 3 Provisions Supplementary to Division 2

Section 302.	Justification of distribution by reference to financial statements	507
Section 303.	Successive distributions	508

Division 4 Specified Financial Statements

Section 304.	Last annual financial statements specified for purposes of section 302	510
Section 305.	Interim financial statements specified for purposes of section 302	512
Section 306.	Initial financial statements specified for purposes of section 302	514

PART 7 DEBENTURES**Division 1 Preliminary**

Section 307.	Interpretation	519
--------------	----------------	-----

Division 2 Register of Debenture Holders

Section 308.	Register of debenture holders	521
Section 309.	Place where register must be kept	523
Section 310.	Right to inspect and request copy	524
Section 311.	Power to close register of debenture holders	526
Section 312.	Branch register of debenture holders	528
Section 313.	Keeping of branch register	530
Section 314.	Transactions in debentures registered in branch register	531
Section 315.	Discontinuance of branch register	532

Division 3 Allotment of Debentures or Debenture Stock

Section 316.	Return of allotment	533
Section 317.	Registration of allotment	535
Section 318.	Issue of debenture or certificate for debenture stock on allotment	536
Section 319.	Court order for delivery of debenture or certificate for debenture stock	537

Division 4 Transfer of Debentures or Debenture Stock

Section 320.	Requirement for instrument of transfer	539
Section 321.	Registration of transfer or refusal of registration	540
Section 322.	Certification of transfer	541
Section 323.	Issue of debenture or certificate for debenture stock on transfer	543
Section 324.	Court order for delivery of debenture or certificate for debenture stock	544

Division 5 Miscellaneous Provisions

Section 325.	Evidence of grant of probate etc.	546
Section 326.	Form of register of holders of debentures kept under instrument made by company	546
Section 327.	Perpetual debentures	547
Section 328.	Power to reissue redeemed debentures	548
Section 329.	Deposit of debentures to secure advances	550
Section 330.	Specific performance of contracts to subscribe for debentures	550
Section 331.	Court may order meeting of debenture holders	551
Section 332.	Liability of trustees for debenture holders	552

PART 8 REGISTRATION OF CHARGES**Division 1 Preliminary**

Section 333.	Interpretation	560
--------------	----------------	-----

Division 2 Obligation to Register Specified Charges after Creation

Section 334.	Specified charge	563
Section 335.	Company must register specified charge created by it	572
Section 336.	Registered non-Hong Kong company must register specified charge created by it	580
Section 337.	Consequences of contravention of section 335 or 336	583

Division 3 Obligation to Register Existing Charges

Section 338.	Company must register charge existing on property acquired	585
Section 339.	Registered non-Hong Kong company must register charge existing on property acquired	587
Section 340.	Registered non-Hong Kong company must register charge existing on property on date of company's registration under Part 16	589

Division 4 Obligation to Register Other Particulars of Debentures

Section 341.	Company or registered non-Hong Kong company must register particulars of issue of debentures	592
Section 342.	Company or registered non-Hong Kong company must register particulars of commission etc. in relation to debentures	594
Section 343.	Consequences of contravention of section 342	597

Division 5 Provisions Supplementary to Divisions 2, 3 and 4

Section 344.	Certificate of registration	598
Section 345.	Notification to Registrar of payment of debt, release, etc.	601
Section 346.	Extension of time for registration	604
Section 347.	Rectification of registered particulars	610

Division 6 Notice to Registrar of Enforcement of Security

Section 348.	Notice of appointment of receiver or manager	613
Section 349.	Notice of mortgagee entering into possession of property	615
Section 350.	Notice of cessation of appointment of receiver or manager or mortgagee going out of possession of property, etc.	616

Division 7 Company's and Registered Non-Hong Kong Company's Records and Register of Charges

Section 351.	Obligation to keep copies of instruments creating charges	618
Section 352.	Obligation of company to keep register of charges	621
Section 353.	Obligation of registered non-Hong Kong company to keep register of charges	623
Section 354.	Notification of place where register of charges is kept	625
Section 355.	Right to inspect	627
Section 356.	Financial Secretary may make regulations for purposes of this Division	628

PART 9 ACCOUNTS AND AUDIT**Division 1 Preliminary**

Section 357.	Interpretation	644
Section 358.	Application in relation to financial year beginning on or after commencement date of relevant provision etc.	647

Division 2 Reporting Exemption

Section 359.	Company falling within reporting exemption	650
Section 360.	Conditions specified for section 359(1)(c)(iii), (2)(c)(ii) and (3A)(d)	661
Section 361.	Small private company	663
Section 362.	Eligible private company	665
Section 363.	Small guarantee company	667
Section 364.	Group of small private companies	668
Section 365.	Group of eligible private companies	671
Section 366.	Group of small guarantee companies	673
Section 366A.	Mixed group	676

Division 3 A Company's Financial Year

Section 367.	Financial year	680
Section 368.	Accounting reference period	683
Section 369.	Primary accounting reference date	685
Section 370.	Accounting reference date	690
Section 371.	Alteration of accounting reference date	690

Division 4 Preparation of Financial Statements and Directors' Reports

Subdivision 1 Preliminary

Section 372.	Interpretation	692
--------------	----------------	-----

Subdivision 2 Accounting Records

Section 373.	Company must keep accounting records	693
Section 374.	Where accounting records to be kept	695
Section 375.	Director may obtain copies of accounting records during inspection	697
Section 376.	Form of accounting records	699
Section 377.	How long accounting records to be preserved	700
Section 378.	Court may order accounting records to be inspected on director's behalf	701

Subdivision 3 Financial Statements

Section 379.	Directors must prepare financial statements	702
Section 380.	General requirements for financial statements	705
Section 381.	Subsidiary undertakings to be included in annual consolidated financial statements	708
Section 382.	Provisions supplementary to sections 380 and 381	710
Section 383.	Notes to financial statements to contain information on directors' emoluments etc.	712
Section 384.	Register of particulars not required to be contained in notes to financial statements	716
Section 385.	Place where register mentioned in section 384 must be kept	716
Section 386.	Right to inspect and request copy	718
Section 387.	Statement of financial position to be approved and signed	719

Subdivision 4 Directors' Report

Section 388.	Directors must prepare directors' report	721
Section 389.	Provisions supplementary to section 388	728
Section 390.	Contents of directors' report: general	730
Section 391.	Directors' report to be approved and signed	732

Division 5 Auditor and Auditor's Report

Subdivision 1 Preliminary

Section 392.	Interpretation	733
--------------	----------------	-----

Subdivision 2 Appointment of Auditor

Section 393.	Eligibility for appointment	734
Section 394.	Auditor must be appointed for each financial year	736
Section 395.	Appointment of first auditor by directors	736
Section 396.	Appointment of auditor by company members	738
Section 397.	Appointment to fill casual vacancy	740
Section 398.	Appointment of auditor by Court	741
Section 399.	Effect of appointing a firm as auditor	743
Section 400.	Special notice required for resolution for appointing auditor in some cases	744
Section 401.	Copies of written resolution for appointment must be sent to new and old auditors	745
Section 402.	Terms of office of auditor	747
Section 403.	Person deemed to be reappointed as auditor	748
Section 404.	Auditor's remuneration	751

Subdivision 3 Auditor's Report

Section 405.	Auditor's duty to report	752
Section 406.	Auditor's opinion on financial statements, directors' report, etc.	753
Section 407.	Auditor's opinion on other matters	754
Section 408.	Offences relating to contents of auditor's report	755
Section 409.	Auditor's reports to be signed	757

Subdivision 4 Auditor's Rights and Privileges, etc.

Section 410.	Qualified privileges	757
Section 411.	Rights in relation to general meeting	759
Section 412.	Rights in relation to information	759
Section 413.	Offences relating to section 412	762
Section 414.	Auditor may provide information to incoming auditor without contravening duties	765

Subdivision 5 Auditor's Liability

- Section 415. Avoidance of provisions protecting auditor from liability 766

Subdivision 6 Termination of Auditor's Appointment

- Section 416. When appointment is terminated 768
 Section 417. Resignation of auditor 769
 Section 418. Cessation of office 770
 Section 419. Company may remove auditor 771
 Section 420. Removed auditor not deprived of compensation, damages, etc. 773

Subdivision 7 Outgoing Auditor's Right to Requisition Meeting of Company and Make Representation

- Section 421. Resigning auditor may requisition meeting 773
 Section 422. Cessation statement in relation to, and attendance at, general meeting 774
 Section 423. Cessation statement in relation to written resolution 778

Subdivision 8 Outgoing Auditor's Statement of Circumstances

- Section 424. Duty of resigning auditor to give statement 779
 Section 425. Duty of auditor who retires or is removed to give statement 780
 Section 426. Company's and aggrieved person's responses to statement of circumstances 782
 Section 427. Court may order statement of circumstances not to be sent 784
 Section 428. Offences relating to section 427 786

Division 6 Laying and Publication of Financial Statements and Reports

- Section 429. Directors must lay financial statements etc. before company in general meeting 787
 Section 430. Company must send copies of financial statements etc. to members before general meeting 789
 Section 431. Period for laying and sending financial statements etc. 792
 Section 432. Exception to section 430 795
 Section 433. Offences relating to section 430 796
 Section 434. Company must send to non-voting members other documents 797
 Section 435. Company must send copies of financial statements etc. to members and others on demand 798
 Section 436. Requirement in connection with publication of financial statements etc. 799

Division 7 Summary Financial Reports

- Section 437. Interpretation 803
 Section 438. Application of Division 803
 Section 439. Directors may prepare financial report in summary form 804
 Section 440. Summary financial report to be approved and signed 805
 Section 441. Company may send copy of summary financial report to member 806
 Section 442. Company may seek member's intent on receiving summary financial report 807
 Section 443. Notice of revocation and notice of cessation of statutory election 811
 Section 444. Company must comply with member's request in notice of intent etc. 813
 Section 445. Additional copy of reports etc. to be sent by company 814
 Section 446. Company must not send summary financial report under some circumstances 817

Division 8 Miscellaneous

- Section 447. Exemption applicable to dormant company 819
 Section 448. Liability for untrue or misleading statement in reports 820
 Section 449. Voluntary revision of financial statements etc. 822
 Section 450. Financial Secretary may make regulation regarding revision of financial statements etc. 823
 Section 451. Financial Secretary may make regulation regarding disclosures of certain information 826
 Section 452. Financial Secretary may make other regulations 826

PART 10 DIRECTORS AND COMPANY SECRETARIES**Division 1 Appointment, Removal and Resignation of Directors****Subdivision 1 Requirement to have Directors**

- Section 453. Public company and company limited by guarantee required to have at least 2 directors 835
 Section 454. Private company required to have at least one director 838
 Section 455. Nomination of reserve director of private company 839

Section 456.	Restriction on body corporate being director	841
Section 457.	Requirement to have at least one director who is natural person	843
Section 458.	Direction requiring company to appoint director	844

Subdivision 2 Appointment of Directors

Section 459.	Minimum age for appointment as director	849
Section 460.	Appointment of directors to be voted on individually	850
Section 461.	Validity of acts of director	851

Subdivision 3 Removal and Resignation of Directors

Section 462.	Resolution to remove director	853
Section 463.	Director's right to protest against removal	856
Section 464.	Resignation of director	858

Division 2 Directors' Duty of Care, Skill and Diligence

Section 465.	Duty to exercise reasonable care, skill and diligence	860
Section 466.	Civil consequences of breach of duty to exercise reasonable care, skill and diligence	869

Division 3 Directors' Liabilities

Section 467.	Interpretation and application	870
Section 468.	Avoidance of provisions protecting director from liability	871
Section 469.	Permitted indemnity provision	873
Section 470.	Permitted indemnity provision to be disclosed in directors' report	876
Section 471.	Place where copy of permitted indemnity provision must be kept	878
Section 472.	Right of member to inspect and request copy	880
Section 473.	Ratification of conduct by director involving negligence, etc.	881

Division 4 Appointment and Resignation of Company Secretaries

Section 474.	Company required to have a company secretary	883
Section 475.	Circumstances under which director may not be company secretary	884
Section 476.	Direction requiring company to appoint company secretary	885
Section 477.	Resignation of company secretary	887

Division 5 Miscellaneous Provisions Relating to Directors and Company Secretaries

Section 478.	Director vicariously liable for acts of alternate etc.	888
Section 479.	Avoidance of acts done by person in dual capacity as director and company secretary	889
Section 480.	Provisions as to undischarged bankrupt acting as director	890
Section 481.	Minutes of directors' meetings and directors' resolutions	891
Section 482.	Minutes as evidence	893
Section 483.	Written record of decision of sole director of private company	894

PART 11 FAIR DEALING BY DIRECTORS

Division 1 Preliminary

Section 484.	Interpretation	900
Section 485.	Circumstances constituting contravention	901
Section 486.	Connected entity	902
Section 487.	Family member of director or former director	905
Section 488.	Director or former director associated with body corporate	905
Section 489.	Company subject to more than one prohibition	907
Section 490.	Application to transaction or arrangement despite its governing law	908

Division 2 Loan, Quasi-loan and Credit Transaction

Subdivision 1 Preliminary

Section 491.	Interpretation	908
Section 492.	Body corporate controlled by director	910
Section 493.	Quasi-loan	911
Section 494.	Credit transaction	913
Section 495.	Person for whom transaction or arrangement entered into	914
Section 496.	Prescribed approval of members	916
Section 497.	Value of transaction or arrangement etc.	921
Section 498.	Total exposure amount	923
Section 499.	Preservation of effect of members' unanimous consent	929

Section 456.	Restriction on body corporate being director	841
Section 457.	Requirement to have at least one director who is natural person	843
Section 458.	Direction requiring company to appoint director	844

Subdivision 2 Appointment of Directors

Section 459.	Minimum age for appointment as director	849
Section 460.	Appointment of directors to be voted on individually	850
Section 461.	Validity of acts of director	851

Subdivision 3 Removal and Resignation of Directors

Section 462.	Resolution to remove director	853
Section 463.	Director's right to protest against removal	856
Section 464.	Resignation of director	858

Division 2 Directors' Duty of Care, Skill and Diligence

Section 465.	Duty to exercise reasonable care, skill and diligence	860
Section 466.	Civil consequences of breach of duty to exercise reasonable care, skill and diligence	869

Division 3 Directors' Liabilities

Section 467.	Interpretation and application	870
Section 468.	Avoidance of provisions protecting director from liability	871
Section 469.	Permitted indemnity provision	873
Section 470.	Permitted indemnity provision to be disclosed in directors' report	876
Section 471.	Place where copy of permitted indemnity provision must be kept	878
Section 472.	Right of member to inspect and request copy	880
Section 473.	Ratification of conduct by director involving negligence, etc.	881

Division 4 Appointment and Resignation of Company Secretaries

Section 474.	Company required to have a company secretary	883
Section 475.	Circumstances under which director may not be company secretary	884
Section 476.	Direction requiring company to appoint company secretary	885
Section 477.	Resignation of company secretary	887

Division 5 Miscellaneous Provisions Relating to Directors and Company Secretaries

Section 478.	Director vicariously liable for acts of alternate etc.	888
Section 479.	Avoidance of acts done by person in dual capacity as director and company secretary	889
Section 480.	Provisions as to undischarged bankrupt acting as director	890
Section 481.	Minutes of directors' meetings and directors' resolutions	891
Section 482.	Minutes as evidence	893
Section 483.	Written record of decision of sole director of private company	894

PART 11 FAIR DEALING BY DIRECTORS

Division 1 Preliminary

Section 484.	Interpretation	900
Section 485.	Circumstances constituting contravention	901
Section 486.	Connected entity	902
Section 487.	Family member of director or former director	905
Section 488.	Director or former director associated with body corporate	905
Section 489.	Company subject to more than one prohibition	907
Section 490.	Application to transaction or arrangement despite its governing law	908

Division 2 Loan, Quasi-loan and Credit Transaction

Subdivision 1 Preliminary

Section 491.	Interpretation	908
Section 492.	Body corporate controlled by director	910
Section 493.	Quasi-loan	911
Section 494.	Credit transaction	913
Section 495.	Person for whom transaction or arrangement entered into	914
Section 496.	Prescribed approval of members	916
Section 497.	Value of transaction or arrangement etc.	921
Section 498.	Total exposure amount	923
Section 499.	Preservation of effect of members' unanimous consent	929

Subdivision 2 Prohibitions

Section 500.	Company must not make loan etc. to director or body corporate controlled by director	930
Section 501.	Specified company must not make quasi-loan etc. to director	934
Section 502.	Specified company must not make loan or quasi-loan etc. to connected entity	936
Section 503.	Specified company must not enter into credit transaction etc. as creditor for director or connected entity	939
Section 504.	Company must not take part in arrangement purporting to circumvent sections 500 to 503	942

Subdivision 3 Exceptions to Subdivision 2

Section 505.	Exception for loan, quasi-loan and credit transaction of value not exceeding 5% of net assets or called-up share capital	946
Section 506.	Exception for expenditure on company business	949
Section 507.	Exception for expenditure on defending proceedings etc.	951
Section 508.	Exception for expenditure in connection with investigation or regulatory action	953
Section 509.	Exception for home loan	955
Section 510.	Exception for leasing goods and land etc.	959
Section 511.	Exception for transaction entered into in ordinary course of business	961
Section 512.	Exception for intra-group transaction	963

Subdivision 4 Consequences of Contravention

Section 513.	Civil consequences of contravention	963
Section 514.	Affirmation of contravening transaction or arrangement	968
Section 515.	Provisions supplementary to section 514	970

Division 3 Payment for Loss of Office**Subdivision 1 Preliminary**

Section 516.	Interpretation	975
Section 517.	Payment for loss of office	978
Section 518.	Prescribed approval of members or affected members	981

Section 519.	Preservation of effect of members' or affected members' unanimous consent	984
Section 520.	This Division does not affect operation of other Ordinance or law	985

Subdivision 2 Prohibitions

Section 521.	Company must not make payment for loss of office to director or former director	986
Section 522.	Person must not make payment for loss of office to director or former director in connection with transfer of company's undertaking or property	988
Section 523.	Person must not make payment for loss of office to director or former director in connection with transfer of shares resulting from takeover offer	990

Subdivision 3 Exceptions to Subdivision 2

Section 524.	Exception for payments in discharge of legal obligation etc.	993
Section 525.	Exception for small payment	995

Subdivision 4 Consequences of Contravention

Section 526.	Interpretation	996
Section 527.	Civil consequences of contravention of section 521	997
Section 528.	Civil consequences of contravention of section 522	998
Section 529.	Civil consequences of contravention of section 523	998

Division 4 Directors' Service Contract

Section 530.	Interpretation	1000
Section 531.	Service contract	1001
Section 532.	Prescribed approval of members	1002
Section 533.	Preservation of effect of members' unanimous consent	1004
Section 534.	Company must not agree to director's long-term employment	1005
Section 535.	Civil consequences of contravention of section 534	1007

**Division 5 Material Interests in Transaction,
Arrangement or Contract**

Section 536.	Director must declare material interests	1008
Section 537.	Declaration to directors: timing	1012
Section 538.	Declaration to directors: procedures	1013
Section 539.	Declaration to directors in case of company with sole director	1016
Section 540.	Application of Division to shadow director	1017
Section 541.	Companies must send general notices to other directors	1018
Section 542.	Offence	1019

Division 6 Miscellaneous

Section 543.	Disclosure of management contract	1020
Section 544.	Right of member to inspect and request copy	1022
Section 545.	Contract with sole member who is also director	1023
Section 546.	Financial Secretary may amend certain sums or percentage figures	1024

CONTENTS

Volume 2

PART 12 COMPANY ADMINISTRATION AND PROCEDURE

Division 1 Resolutions and Meetings

Subdivision 1 Preliminary

Section 547.	Interpretation	3
--------------	----------------	---

Subdivision 2 Written Resolution

Section 548.	Written resolution	5
Section 549.	Power to propose written resolution	7
Section 550.	Company's duty to circulate written resolution proposed by directors	8
Section 551.	Members' power to request circulation of written resolution	9
Section 552.	Company's duty to circulate written resolution proposed by members	9
Section 553.	Circulation of written resolution	10
Section 554.	Application not to circulate accompanying statement	13
Section 555.	Company's duty to notify auditor of proposed written resolution	14
Section 556.	Procedure for signifying agreement to proposed written resolution	15
Section 557.	Agreement signified by eligible members who are joint holders of shares	16
Section 558.	Period for agreeing to proposed written resolution	17
Section 559.	Company's duty to notify members and auditor that written resolution has been passed	18

Section 560.	Sending document relating to written resolution by electronic means	18
Section 561.	Relationship between this Subdivision and provisions of company's articles	19
Subdivision 3 Resolutions at Meetings		
Section 562.	General provisions	20
Section 563.	Ordinary resolution	21
Section 564.	Special resolution	22
Subdivision 4 Calling Meetings		
Section 565.	Directors' power to call general meeting	24
Section 566.	Members' power to request directors to call general meeting	25
Section 567.	Directors' duty to call general meeting requested by members	27
Section 568.	Members' power to call general meeting at company's expense	28
Section 569.	Members' power to call general meeting when there is no director etc.	29
Section 570.	Power of Court to order meeting	30
Subdivision 5 Notice of Meetings		
Section 571.	Notice required of general meeting	32
Section 572.	Manner in which notice to be given	34
Section 573.	Publication of notice of general meeting on website	35
Section 574.	Persons entitled to receive notice of general meeting	36
Section 575.	Duty to give notice of general meeting to auditor	37
Section 576.	Contents of notice of general meeting	38
Section 577.	Explanation of improving director's emoluments to be set out in notice of general meeting	40
Section 578.	Resolution requiring special notice	41
Section 579.	Accidental omission to give notice of meeting or resolution	43
Subdivision 6 Members' Statements		
Section 580.	Members' power to request circulation of statement	43
Section 581.	Company's duty to circulate members' statement	45
Section 582.	Expenses of circulating members' statement	46
Section 583.	Application not to circulate members' statement	47

Subdivision 7 Procedure at Meetings		
Section 584.	Meeting at 2 or more places	48
Section 585.	Quorum at meeting	49
Section 586.	Chairperson of meeting	50
Section 587.	Resolution passed at adjourned meeting	51
Subdivision 8 Voting at Meetings		
Section 588.	General rules on votes	51
Section 589.	Votes of joint holders of shares	53
Section 590.	Declaration by chairperson on show of hands	54
Section 591.	Right to demand poll	55
Section 592.	Chairperson's duty to demand poll	56
Section 593.	Voting on poll	57
Section 594.	Company's duty to record result of poll in minutes of general meeting	57
Section 595.	Saving for provisions of articles as to determination of entitlement to vote	58
Subdivision 9 Proxies and Corporate Representatives		
Section 596.	Right to appoint proxy	59
Section 597.	Notice of meeting to contain statement of rights etc.	60
Section 598.	Notice required of appointment of proxy etc.	61
Section 599.	Sending documents relating to proxies in electronic form	62
Section 600.	Company-sponsored invitations to appoint proxies	62
Section 601.	Requirement as to instrument of proxy issued by company	63
Section 602.	Chairing meeting by proxy	64
Section 603.	Company-sponsored proxy's duty to vote in the way specified in appointment of proxy	64
Section 604.	Notice required of termination of proxy's authority	66
Section 605.	Effect of member's voting in person on proxy's authority	68
Section 606.	Representation of body corporate at meetings	69
Section 607.	Representation of recognized clearing house at meetings	70
Section 608.	Saving for more extensive rights given by articles	71
Subdivision 10 Annual General Meetings		
Section 609.	Interpretation	71

Section 610.	Requirement to hold annual general meeting	72
Section 611.	Exemption of dormant company from requirement to hold annual general meeting	79
Section 612.	Circumstances in which company not required to hold annual general meeting	80
Section 613.	Dispensation with annual general meeting	82
Section 614.	Revocation of resolution dispensing with annual general meeting	84
Section 615.	Members' power to request circulation of resolution for annual general meeting	85
Section 616.	Company's duty to circulate resolution for annual general meeting	87
Subdivision 11 Records of Resolutions and Meetings		
Section 617.	Written record where company has only one member	88
Section 618.	Records of resolutions and meetings, etc.	89
Section 619.	Place where records must be kept	90
Section 620.	Right to inspect and request copy	92
Section 621.	Records as evidence of resolutions etc.	94
Section 622.	Registration of and requirements relating to certain resolutions, etc.	95
Subdivision 12 Application to Class Meetings		
Section 623.	Application to class meetings of companies with share capital	99
Section 624.	Application to class meetings of companies without share capital	101
Division 2 Registers (other than Register of Significant Controllers)		
Subdivision 1 Preliminary		
Section 625.	Interpretation	103
Subdivision 2 Register of Members		
Section 626.	Interpretation	103
Section 627.	Register of members	104
Section 628.	Place where register must be kept	106
Section 629.	Statement that company has only one member	108

Section 630.	Index of members	109
Section 631.	Right to inspect and request copy	110
Section 632.	Power to close register of members	113
Section 633.	Power of Court to rectify register	114
Section 634.	Trusts not to be entered in register	120
Section 635.	Register to be proof in the absence of contrary evidence	122
Section 636.	Branch register of members	122
Section 637.	Keeping of branch register	123
Section 638.	Transactions in shares registered in branch register	125
Section 639.	Discontinuance of branch register	125
Section 640.	Provisions as to branch registers of non-Hong Kong companies kept in Hong Kong	126
Subdivision 3 Register of Directors		
Section 641.	Register of directors	127
Section 642.	Right to inspect and request copy	129
Section 643.	Particulars of directors to be registered	130
Section 644.	Protection of certain particulars from inspection	135
Section 645.	Duty to notify Registrar of appointment and change	136
Section 646.	Duty of director to make disclosure	138
Section 647.	Registrar to keep an index of directors	138
Subdivision 4 Register of Company Secretaries		
Section 648.	Register of company secretaries	140
Section 649.	Right to inspect and request copy	142
Section 650.	Particulars of company secretaries to be registered	143
Section 651.	Protection of identification number from inspection	146
Section 652.	Duty to notify Registrar of appointment and change	147
Section 653.	Duty of company secretary to make disclosure	148
Division 2A—Register of Significant Controllers		
Subdivision 1—Preliminary		
Section 653A.	Interpretation	151
Section 653B.	Law enforcement officer	153

Section 653C.	Registrable person	154
Section 653D.	Registrable legal entity	155
Section 653E.	How to determine whether person has significant control over applicable company	156
Section 653F.	Registrable change	162
Section 653G.	Related person	162

Subdivision 2—Keeping of Significant Controllers Register

Section 653H.	Keeping of register	163
Section 653I.	Contents of register	164
Section 653J.	Entering of particulars in register—registrable person	165
Section 653K.	Entering of particulars in register—registrable legal entity	166
Section 653L.	When may entries in register be destroyed	167
Section 653M.	Place at which register must be kept	167
Section 653N.	Change in place at which register is kept	169

Subdivision 3—Investigation and Obtaining Information by Applicable Company

Section 653O.	Interpretation	170
Section 653P.	Company's duty to investigate and obtain information	170
Section 653Q.	Notice under section 653P(2)	172
Section 653R.	Notice under section 653P(3)	173
Section 653S.	Circumstances where notice under section 653P not required	174

Subdivision 4—Applicable Company to Keep Information Up-to-date

Section 653T.	Company's duty to keep information up-to-date	175
Section 653U.	Notice under section 653T	176
Section 653V.	Circumstances where notice under section 653T not required	177

Subdivision 5—Inspection of Significant Controllers Register

Section 653W.	Right to inspect and request copy of register	178
Section 653X.	Register be available for inspection etc. by law enforcement officer	179
Section 653Y.	Court order relating to inspection of register	180
Section 653Z.	Court order relating to making copy of register	181

Subdivision 6—Miscellaneous or Related Matters

Section 653ZA.	Addressee of notice to comply with requirements made under section 653Q, 653R or 653U	182
Section 653ZB.	Legal professional privilege	183
Section 653ZC.	Designated representative	183
Section 653ZD.	Power of Court to order rectification of register	184
Section 653ZE.	Offence for false information	185
Section 653ZF.	Applicable company not to be affected with notice of certain rights or put on enquiry as to certain rights	186
Section 653ZG.	Financial Secretary may make regulations	187
Section 653ZH.	Transitional provision for section 653J	188
Section 653ZI.	Transitional provision for section 653K	188
Section 653ZJ.	Transitional provisions for section 653P	188
Section 653ZK.	Transitional provision for section 653S	189

Division 3 Company Records

Section 654.	Meaning of <i>company records</i>	189
Section 655.	Form of company records	190
Section 656.	Duty to take precautions against falsification	192
Section 657.	Regulations about keeping and inspection of company records and provision of copies	192

Division 4 Registered Office and Publication of Company Names

Section 658.	Registered office of company	195
Section 659.	Requirement to disclose company name, etc.	197
Section 660.	Criminal consequences of failure to make required disclosures	198
Section 661.	Civil consequence of failure to make required disclosures	199

Division 5 Annual Return

Section 662.	Requirement to deliver annual return	200
Section 663.	Exemption of dormant company from requirement to deliver annual return	203
Section 664.	Contents of annual return	204
Section 665.	Construction of reference to annual return	206

**PART 13 ARRANGEMENTS, AMALGAMATION,
AND COMPULSORY SHARE ACQUISITION IN
TAKEOVER AND SHARE BUY-BACK**

Division 1 Preliminary

Section 666. Interpretation	213
Section 667. Associate	214

Division 2 Arrangements and Compromises

Section 668. Interpretation	219
Section 669. Application of Division	220
Section 670. Court may order meeting of creditors or members to be summoned	222
Section 671. Explanatory statements to be issued or made available to creditors or members	223
Section 672. Directors and trustees must notify company of interests under arrangement or compromise etc.	226
Section 673. Court may sanction arrangement or compromise	227
Section 674. Provision supplementary to section 673(1): agreement to arrangement or compromise	240
Section 675. Court's additional powers to facilitate reconstruction or amalgamation	248
Section 676. Court may order costs	253
Section 677. Company's articles to be accompanied by order of Court	255

Division 3 Amalgamation of Companies within Group

Section 678. Interpretation	258
Section 679. Solvency statement	259
Section 680. Vertical amalgamation	261
Section 681. Horizontal amalgamation	265
Section 682. Directors of amalgamating company must notify secured creditors of proposed amalgamation	268
Section 683. Director of amalgamating company must issue certificate on solvency statement	270

Section 684. Registration of amalgamation	272
Section 685. Effective date of amalgamation	273
Section 686. Court may intervene in amalgamation proposal in certain cases	278

Division 4 Compulsory Acquisition after Takeover Offer

Subdivision 1 Preliminary

Section 687. Interpretation	281
Section 688. Application of Division to convertible securities and debentures	282
Section 689. Takeover offer	283
Section 690. Non-communication etc. does not prevent offer from being takeover offer	286
Section 691. Shares to which takeover offer relates	287
Section 692. Revised offer not to be regarded as fresh offer	290

Subdivision 2 "Squeeze-out"

Section 693. Offeror may give notice to buy out minority shareholders	291
Section 694. Notice to minority shareholders	294
Section 695. Offeror's right to buy out minority shareholders	296
Section 696. Obligations of offeror with right to buy out minority shareholders	298
Section 697. Company must register offeror as shareholder	299
Section 698. Company must hold consideration paid by offeror on trust	300
Section 699. Provisions supplementary to section 698	300

Subdivision 3 "Sell-out"

Section 700. Offeror may be required to buy out minority shareholders	302
Section 701. Offeror must notify minority shareholders of right to be bought out	304
Section 702. Notice to minority shareholders	305
Section 703. Minority shareholders' right to be bought out by offeror	306
Section 704. Shareholder to be regarded as not having exercised right to be bought out in certain circumstance	307

**Division 5 Compulsory Acquisition after General
Offer for Share Buy-back**

Subdivision 1 Preliminary

Section 705.	Interpretation	310
Section 706.	Application of Division to convertible securities and debentures	312
Section 707.	General offer	313
Section 708.	Non-communication etc. does not prevent offer from being general offer	316
Section 709.	Shares to which general offer relates	317
Section 710.	Revised offer not to be regarded as fresh offer	319
Section 711.	Member may give notice that member will not tender shares for buy-back under general offer	320

Subdivision 2 "Squeeze-out"

Section 712.	Repurchasing company may give notice to buy out minority shareholders	321
Section 713.	Notice to minority shareholders	325
Section 714.	Repurchasing company's right to buy out minority shareholders	326
Section 715.	Obligations of repurchasing company with right to buy out minority shareholders	327
Section 716.	Repurchasing company must pay for shares to which notice relates	328
Section 717.	Provisions supplementary to section 716	329

Subdivision 3 "Sell-out"

Section 718.	Repurchasing company may be required to buy out minority	330
Section 719.	Repurchasing company must notify minority shareholders of right to be bought out	333
Section 720.	Notice to minority shareholders	334
Section 721.	Minority shareholders' right to be bought out by repurchasing company	335

**PART 14 REMEDIES FOR PROTECTION OF
COMPANIES' OR MEMBERS' INTERESTS**

Division 1 Preliminary

Section 722.	Interpretation	345
--------------	----------------	-----

**Division 2 Remedies for Unfair Prejudice
to Members' Interests**

Section 723.	Interpretation	347
Section 724.	When Court may order remedies	348
Section 725.	Remedies that Court may order	360
Section 726.	Alteration of articles by order of Court	366
Section 727.	Chief Justice may make rules	367

**Division 3 Remedies for Others' Conduct in
relation to Companies etc.**

Section 728.	Application of section 729	368
Section 729.	Court may order remedies	371
Section 730.	Provisions supplementary to section 729	374

**Division 4 Derivative Action for Remedies for Misconduct
against Companies etc.**

Section 731.	Interpretation	374
Section 732.	Member of company or of associated company may bring or intervene in proceedings	375
Section 733.	Leave of Court to bring or intervene in proceedings	377
Section 734.	Approval or ratification of conduct does not bar derivative action	383
Section 735.	No discontinuance or settlement of proceedings without leave of Court	385
Section 736.	Court may dismiss derivative proceedings brought by member under common law etc.	385
Section 737.	Court's general powers to order and direct	386
Section 738.	Court may order costs	388

Division 5 Members' Inspection of Company's Records

Section 739. Interpretation	390
Section 740. Court may order inspection of records or documents	391
Section 741. Preservation of secrecy	397
Section 742. Legal professional privilege	399
Section 743. Protection of personal data	399

PART 15 DISSOLUTION BY STRIKING OFF OR DEREGISTRATION**Division 1 Striking off****Subdivision 1 Registrar's Power to Strike off Name of Company not in Operation or Carrying on Business**

Section 744. Registrar may send inquiry letter to company	403
Section 745. Registrar must follow up under certain circumstances	405
Section 746. Registrar may strike off company's name	407

Subdivision 2 Striking off under Other Circumstances

Section 747. Registrar's duty to act in case of company being wound up	407
Section 748. Court may strike off name of company not appropriate to be wound up	410

Division 2 Deregistration

Section 749. Interpretation	410
Section 750. Application for deregistration	412
Section 751. Registrar may deregister company	415

Division 3 Property of Dissolved Company and Other Miscellaneous Matters

Section 752. Dissolved company's property vested in Government	416
Section 753. Disclaimer of dissolved company's property	418
Section 754. Effect of disclaimer	420
Section 755. Court may make vesting order	421
Section 756. Liabilities of directors etc. of dissolved company continue	421

Section 757. Registrar may act as dissolved company's or liquidator's representative	422
Section 758. Former director must keep dissolved company's books and papers for 6 years	424
Section 759. Court's power to wind up dissolved companies	425

Division 4 Restoration to Companies Register**Subdivision 1 Administrative Restoration by Registrar**

Section 760. Application to Registrar for restoration of company	426
Section 761. Conditions for granting application	427
Section 762. Registrar's decision on application	429
Section 763. Registrar may restore company deregistered by mistake	429
Section 764. Effect of restoration	430

Subdivision 2 Restoration by Order of Court

Section 765. Application to Court for restoration	431
Section 766. When application must be made	433
Section 767. Court's decision on application	435
Section 768. Effect of restoration	439

Subdivision 3 Supplementary Provisions

Section 769. Company's name on restoration	440
Section 770. Company must change prohibited name	440
Section 771. Registrar may direct company to change same or similar name etc.	442
Section 772. Registrar may change company name in case of failure to comply with direction	444
Section 773. Effect of restoration on bona vacantia property or right	446

PART 16 NON-HONG KONG COMPANIES**Division 1 Preliminary**

Section 774. Interpretation	452
Section 775. Certified copy	456

Division 2 Registration

- Section 776. Certain non-Hong Kong companies must apply for registration 457
 Section 777. Registration of non-Hong Kong company 460

Division 3 Addition, Change or Cessation of Corporate Name

- Section 778. Company must notify Registrar of addition, change or cessation of name or translation of name 461
 Section 779. Registration of corporate name 464

Division 4 Regulation of Names Used by Registered Non-Hong Kong Companies to Carry on Business in Hong Kong

- Section 780. Registrar may serve notice to regulate use of corporate names or approved names 466
 Section 781. Effect of notice 469
 Section 782. Registration of approved name for carrying on business in Hong Kong 470
 Section 783. Withdrawal of notice 472
 Section 784. Appeal against decision to serve notice 473
 Section 785. Change of approved name 474

Division 5 Authorized Representatives of Registered Non-Hong Kong Companies

- Section 786. Company must keep authorized representative's required details registered in Companies Register 475
 Section 787. Termination of authorization 477

Division 6 Returns and Accounts of Registered Non-Hong Kong Companies

- Section 788. Company must deliver annual return for registration 479
 Section 789. Company must deliver accounts for registration 480
 Section 790. Directors may revise accounts not complying with certain requirement 482
 Section 791. Company must deliver return for registration in case of change of certain particulars 484

Division 7 Other Obligations

- Section 792. Non-Hong Kong company must state names, place of incorporation, etc. 487
 Section 793. Registered non-Hong Kong company must notify Registrar of commencement of liquidation etc. 489
 Section 794. Registered non-Hong Kong company must notify Registrar of cessation of place of business in Hong Kong 491
 Section 795. Authorized representative of registered non-Hong Kong company must notify Registrar of dissolution 493

Division 8 Striking off

- Section 796. Registrar may send inquiry letter to registered non-Hong Kong company 495
 Section 797. Registrar must follow up under certain circumstances 496
 Section 798. Registrar may strike off registered non-Hong Kong company's name 499
 Section 799. Application to Registrar for restoration of non-Hong Kong company 500
 Section 800. Conditions for granting application 501
 Section 801. Registrar's decision on application 502

Division 9 Miscellaneous

- Section 802. Registrar to keep index of directors 503
 Section 803. Service of processor notice 504
 Section 804. Financial Secretary may make regulations 507
 Section 805. Financial Secretary may make regulations 508
 Section 805A. Requirement to disclose non-Hong Kong company's name etc. 509
 Section 805B. Criminal consequences of failure to make required disclosures 509

PART 17 COMPANIES NOT FORMED, BUT REGISTRABLE, UNDER THE COMPANIES ORDINANCE**Division 1 Preliminary**

- Section 806. Interpretation 514

Division 2 Registration of Eligible Companies

Section 807.	Registrar may register eligible company	515
Section 808.	General restrictions on Registrar's power to register	517
Section 809.	Registrar must not register without members' assent	518
Section 810.	Registrar must not register without resolution declaring amount of guarantee	519
Section 811.	Eligible company must pay registration fee	520
Section 812.	Registrar must issue certificate of registration	520

Division 3 Consequences of Registration

Section 813.	Application of Division	521
Section 814.	Status, property, rights and liabilities of eligible company	521
Section 815.	Continuation of existing proceedings	522
Section 816.	Continuation of existing constitutional document	523
Section 817.	Eligible company may substitute articles for non-statutory constitutional document	523
Section 818.	This Ordinance applies to eligible company	525
Section 819.	Exceptions to section 818(1)	526
Section 820.	Eligible company's power to alter constitution	526

PART 18 COMMUNICATIONS TO AND BY COMPANIES**Division 1 Preliminary**

Section 821.	Interpretation	543
Section 822.	Minimum period specified for purposes of sections 828(3), 831(4) and 833(6)	545
Section 823.	Period specified for purposes of sections 828(7)(a), 831(7)(a) and 833(12)(b)	548
Section 824.	Time specified for purposes of sections 828(7)(b), 829(5)(a), 831(7)(b) and 832(5)(a)	550
Section 825.	Address specified for purposes of sections 831(3)(b)(iii) and 832(2)(b)	551
Section 826.	Effect of this Part on sending documents etc. to Registrar	552

Division 2 Service of Document on Company

Section 827.	Service of document	553
--------------	---------------------	-----

Division 3 Other Communication to Company by Person who is not Company

Section 828.	Communication in electronic form	554
Section 829.	Communication in hard copy form	557
Section 830.	Communication in other forms	558

Division 4 Other Communication by Company to Another Person

Section 831.	Communication in electronic form	559
Section 832.	Communication in hard copy form	562
Section 833.	Communication by means of website	564
Section 834.	Communication in other forms	571
Section 835.	Joint holders of shares or debentures	571
Section 836.	Death or bankruptcy of holder of shares	572
Section 837.	Member or debenture holder may require hard copy	573

PART 19 INVESTIGATIONS AND ENQUIRIES**Division 1 Preliminary**

Section 838.	Interpretation	577
--------------	----------------	-----

Division 2 Investigation of Company's Affairs by Inspectors**Subdivision 1 Preliminary**

Section 839.	Interpretation	580
--------------	----------------	-----

Subdivision 2 Appointment by Financial Secretary of Inspectors to Investigate Company's Affairs

Section 840.	Appointment of inspector on application by company or members	581
Section 841.	Appointment of inspector on Court's or Financial Secretary's initiative	585
Section 842.	Notice of appointment as inspector to be delivered to Registrar	587

Subdivision 3 Financial Secretary's Powers to Give Directions to Inspectors

Section 843.	General power of Financial Secretary to give directions regarding investigation	587
Section 844.	Financial Secretary may give directions regarding subject matter of investigation etc.	588
Section 845.	Financial Secretary may give directions to terminate or suspend investigation	589

Subdivision 4 Inspectors' Powers

Section 846.	Inspector may require production of records and documents etc.	590
Section 847.	Inspector may require production of director's accounts	595
Section 848.	Provisions supplementary to sections 846 and 847: powers to require explanation etc.	596
Section 849.	Inspector may exercise powers in relation to associated body corporate	598
Section 850.	Delegation of powers by inspector	599

Subdivision 5 Resignation, Removal and Replacement of Inspectors

Section 851.	Resignation of inspector	599
Section 852.	Revocation of appointment of inspector by Financial Secretary	600
Section 853.	Appointment of replacement inspector	600
Section 854.	Former inspector must hand over documents etc.	601

Subdivision 6 Reports by Inspectors

Section 855.	Interim report to be made by inspector etc.	602
Section 856.	Final report to be made by inspector etc.	603
Section 857.	Interim report or final report may cover affairs of associated body corporate	604
Section 858.	Inspector must send report to affected persons etc.	605
Section 859.	Financial Secretary to file copies of inspector's report with Court	606
Section 860.	Financial Secretary may send copies of inspector's report to applicants of investigation etc.	607
Section 861.	Publication of inspector's report	608
Section 862.	Inspector's report to be evidence	609

Subdivision 7 Miscellaneous

Section 863.	Offences for failing to comply with requirements under Subdivision 4 etc.	609
Section 864.	Inspector may apply to Court to inquire into failure to comply with requirements under Subdivision 4	613
Section 865.	Use of incriminating evidence in proceedings	614
Section 866.	Expenses of investigation	616

Division 3 Enquiry into Company's Affairs by Financial Secretary

Section 867.	Interpretation	620
Section 868.	Circumstances under which Financial Secretary may enquire into company's affairs	621
Section 869.	Financial Secretary may require production of records and documents etc.	621
Section 870.	Financial Secretary may delegate powers under section 869	624
Section 871.	Offences for failing to comply with requirements under section 869 etc.	624
Section 872.	Use of incriminating evidence in proceedings	627

Division 4 Enquiry by Registrar

Section 873.	Registrar may require production of records and documents etc.	630
Section 874.	Registrar may delegate powers under section 873	633
Section 875.	Offences for failing to comply with requirements under section 873 etc.	633
Section 876.	Use of incriminating evidence in proceedings	636

Division 5 Supplementary Provisions to Divisions 2, 3 and 4

Subdivision 1 Supplementary Provisions Applicable to Divisions 2 and 3

Section 877.	Magistrate's warrants	637
Section 878.	Officers must give assistance in prosecution instituted as a result of investigation etc.	641
Section 879.	Proceedings on specified materials	642
Section 880.	Preservation of secrecy	644
Section 881.	Permitted disclosure and restrictions	646
Section 882.	Offences on breach of secrecy	650

Subdivision 2 Supplementary Provisions Applicable to Divisions 2, 3 and 4

Section 883.	Interpretation	651
Section 884.	Protection in relation to certain disclosures	652
Section 885.	Protection of informers etc.	653
Section 886.	Legal professional privilege	655
Section 887.	Immunity	656
Section 888.	Production of information in information systems etc.	656
Section 889.	Lien claimed on records or documents	657
Section 890.	Destruction of documents	658
Section 891.	Inspection of records or documents seized etc.	659

Division 6 Investigation of Company's Affairs by Persons Appointed by Company

Section 892.	Appointment of person by company to investigate its affairs	660
Section 893.	Court may inquire into failure of officer or agent to attend before appointed person etc.	661
Section 894.	Report by appointed person	662

PART 20 MISCELLANEOUS**Division 1 Miscellaneous Offences**

Section 895.	Offence for false statement	664
Section 896.	Offence for improper use of "Limited" or "有限公司" etc.	665

Division 2 Miscellaneous Provisions relating to Investigation or Enforcement Measures

Section 897.	Court may order inspection or production of records or documents if offence suspected	667
Section 898.	Enforcement of requirements by order of Court	669
Section 899.	Registrar may give notice to suspected offender about not instituting proceedings under certain conditions	670
Section 900.	Limitation on commencement of proceedings	673
Section 901.	Application of fines	674

Division 3 Miscellaneous Provisions relating to Misconduct by Officer or Auditor of Company

Section 902.	Interpretation	674
Section 903.	Court may grant company officer etc. relief in proceedings for misconduct	675
Section 904.	Court may grant company officer etc. relief for misconduct on officer's application	676

Division 4 Other Miscellaneous Provisions

Section 905.	Costs in action by company etc.	677
Section 906.	Saving as to private prosecution	678
Section 907.	Saving for privileged communication	679
Section 908.	Paperless holding and transfer of shares and debentures	679
Section 909.	Power to make regulations	680
Section 910.	Supplementary provisions for regulations made under this Ordinance	681
Section 911.	Financial Secretary and Registrar may amend Schedules	681

PART 21 CONSEQUENTIAL AMENDMENTS, AND TRANSITIONAL AND SAVING PROVISIONS**Division 1 Consequential and Related Amendments**

Section 912.	Amendments to enactments	684
--------------	--------------------------	-----

Division 2 Transitional and Saving Provisions

Section 913.	Transitional and saving provisions	685
Section 914.	Extended effect of saving provision	686
Section 915.	Offence for false statement	688
Section 916.	Limitation on commencement of proceedings	688
Section 917.	Application of fines	689
Section 918.	Saving as to private prosecution	690
Section 919.	Saving for privileged communication	691

Division 3 Supplemental Provisions

Section 920.	This Part etc. not to derogate from section 23 of Cap.1	691
Section 921.	Continuity of law	692

SCHEDULES

Schedule 1	Parent Undertakings and Subsidiary Undertakings	704
Schedule 2	Content of Incorporation Form	709
Schedule 3	Specified Qualifying Conditions for Sections 361 to 366A	715
Schedule 4	Accounting Disclosures	721
Schedule 5	Contents of Directors' Report: Business Review	723
Schedule 5A	Significant Control over Applicable Company	725
Schedule 5B	Required Particulars of Significant Controllers	732
Schedule 5C	Additional Matters	735
Schedule 6	Information to be Contained in Annual Return and Documents by which Annual Return must be Accompanied	740
Schedule 7	Offences in respect of which Proceedings not Instituted under Certain Conditions	743
Schedule 8	Amendments relating to Paperless Holding and Transfer of Shares and Debentures	744
Schedule 9	Consequential and Related Amendments to Companies Ordinance (Cap.32) and its Subsidiary Legislation	749
Schedule 10	<i>(Omitted as spent—E.R. 1 of 2014)</i>	750
Schedule 11	Transitional and Saving Provisions	751

SUBSIDIARY LEGISLATION

<i>Introduction</i>		811
---------------------	--	-----

COMPANIES (WORDS AND EXPRESSIONS IN COMPANY NAMES) ORDER (CAP.622A)

Section 1.	Commencement	822
Section 2.	Specification of words and expressions for purposes of section 100(2)(b) of Ordinance	822
Schedule	Words and expressions	823

COMPANIES (DISCLOSURE OF COMPANY NAME AND LIABILITY STATUS) REGULATION (CAP.622B)

Section 1.	Commencement	826
Section 2.	Interpretation	826
Section 3.	Display of registered name at registered office, etc	827
Section 4.	Registered name to appear in communication documents, etc.	829
Section 4A.	Display of English and Chinese registered names	830
Section 5.	Duty to disclose company's status of limited liability or otherwise	831
Section 6.	Adequacy of certain descriptions of companies	833
Section 7.	Offences	834

COMPANIES (ACCOUNTING STANDARDS (PRESCRIBED BODY)) REGULATION (CAP.622C)

Section 1.	Commencement	838
Section 2.	Prescribed body	838

COMPANIES (DIRECTORS' REPORT) REGULATION (CAP.622D)

Section 1.	Commencement	841
Section 2.	Interpretation	841
Section 3.	Directors' interests	842
Section 4.	Donations	844
Section 5.	Shares issued	846
Section 5A.	Debentures issued	846
Section 6.	Equity-linked agreements	847
Section 7.	Recommended dividend	849
Section 8.	Reasons for resignation, etc.	850
Section 9.	Permitted indemnity provision	851
Section 10.	Material interests in transaction, arrangement or contract	852

**COMPANIES (SUMMARY FINANCIAL REPORTS)
REGULATION (CAP.622E)**

Part 1 Preliminary

Section 1. Commencement	858
Section 2. Interpretation	858

Part 2 Summary Financial Report

Section 3. Form and contents of summary financial report: general	860
Section 4. Form and contents of summary financial report: auditor's report and opinion	862
Section 5. Form and contents of summary financial report: other matters	864
Section 6. Other requirements in relation to form of summary financial report	866

Part 3 Notification and Notice of Intent, etc.

Section 7. Form and contents of notification for seeking member's intent on receiving summary financial report	866
Section 8. Additional provisions as to contents of notification under section 7	870
Section 9. Company may include other information in notification	872
Section 10. Notification attached with card or document	872
Section 11. Postage	873

**COMPANIES (REVISION OF FINANCIAL STATEMENTS
AND REPORTS) REGULATION (CAP.622F)**

Part 1 Preliminary

Section 1. Commencement	876
Section 2. Interpretation	877

Part 2 Contents of Revised Documents

Section 3. Requirements regarding contents of revised financial statements	881
Section 4. Offences relating to section 3	883
Section 5. Matters to be included in revised directors' report	885
Section 6. Matters to be included in revised summary financial report	888

Part 3 Approval and Signature of Revised Documents

Section 7. Approval and signature of revised statement of financial position	890
Section 8. Approval and signature of revised directors' report	892
Section 9. Approval and signature of revised summary financial report	893

Part 4 Effect of Revised Documents

Section 10. Effect of revised of financial statements	895
Section 11. Effect of revised directors' report	896
Section 12. Effect of revised of summary financial report	897

Part 5 Auditor's Report on Revised Financial Statements

Section 13. Auditor's report on revised financial statements	898
Section 14. Opinion on revised financial statements	899
Section 15. Opinion on other matters	900
Section 16. Offences relating to contents of auditor's report on revised financial statements	901
Section 17. Auditor's reports on revised financial statements to be signed	902
Section 18. Qualified privileges of person preparing auditor's report on revised financial statements etc.	904
Section 19. Rights of person preparing auditor's report on revised financial statements	905
Section 20. Offences relating to section 19	907
Section 21. Auditor's reports on revised financial statements to be attached to revised financial statements in certain cases	909

Part 6 Company's Obligations Regarding Revised Documents

Section 22. Company to send revised financial statements or revised directors' report	910
Section 23. Exception to section 22	912
Section 24. Company to notify recipient of summary financial report after revising financial statements	913
Section 25. Communication for purposes of sections 22 and 24 by website	916
Section 26. Company to lay revised financial statements or revised directors' report etc. before general meeting	918
Section 27. Company to deliver revised financial statements or revised directors' report to Registrar	919

**COMPANIES (DISCLOSURE OF INFORMATION
ABOUT BENEFITS OF DIRECTORS)
REGULATION (CAP.622G)**

Part 1 Preliminary

Section 1. Commencement	925
Section 2. Interpretation	925

**Part 2 Disclosure of Directors' Emoluments and
Retirement Benefits, Payments in Respect
of Termination of Directors' Services and
Consideration for Directors' Services**

Division 1 Interpretation

Section 3. Interpretation of Part 2	926
-------------------------------------	-----

**Division 2 Information to be Contained in Notes to
Financial Statements**

Section 4. Information about directors' emoluments	929
Section 5. Information about directors' retirement benefits	931
Section 6. Information about payments made or benefit provided in respect of termination of directors' services	933
Section 7. Information about consideration provided to or receivable by third parties for making available directors' services	935

Division 3 Supplementary Provisions

Section 8. Only information contained in company's records required to be given	936
Section 9. Amounts paid or receivable in which period to be shown	937
Section 10. Payments made by or to which person to be shown	938
Section 11. Payments accounted for not to be included until liability released or not enforced	939
Section 12. How to distinguish between different payments	940

**Part 3 Disclosure of Loans, Quasi-loans and Other
Dealings in Favour of Directors**

Division 1 Interpretation

Section 13. Interpretation of Part 3	941
Section 14. Application of Part 3	943

**Division 2 Information to be Contained in Notes to
Financial Statements**

Section 15. Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities	944
--	-----

**Division 3 Other Requirements Prescribed for
Purposes of this Part**

Section 16. Provisions for statement in lieu of information prescribed by section 15	949
Section 17. Provisions applicable to company that is or where its subsidiary undertaking is authorized financial institution	951

Division 4 Supplementary Provisions

Section 18. Exemption for employee	956
Section 19. How to determine value of transaction	957

**Part 4 Disclosure of Directors' Material Interests in
Transactions, Arrangements or Contracts**

Division 1 Interpretation

Section 20. Interpretation of Part 4	958
Section 21. Application of Part 4	958

**Division 2 Information to be Contained in Notes to
Financial Statements**

Section 22. Information about material interests of directors in transactions, arrangements or contracts	959
--	-----

Division 3 Supplementary Provisions

Section 23. Exemption under Part 4	962
------------------------------------	-----

COMPANIES (MODEL ARTICLES) NOTICE (CAP.622H)

Section 1. Commencement	965
Section 2. Model articles for public companies limited by shares	965
Section 3. Model articles for private companies limited by shares	966
Section 4. Model articles for companies limited by guarantee	967
Section 5. Saving	967
Schedule 1 Model Articles For Public Companies Limited By Shares Contents	968

Part 1 Interpretation

Section 1. Interpretation	968
---------------------------	-----

Part 2 Directors And Company Secretary**Division 1 Directors' Powers and Responsibilities**

Section 2. Directors' general authority	970
Section 3. Members' reserve power	970
Section 4. Directors may delegate	970
Section 5. Committees	971

Division 2 Decision-Taking By Directors

Section 6. Directors to take decision collectively	971
Section 7. Calling directors' meetings	971
Section 8. Participation in directors' meetings	971
Section 9. Quorum for directors' meetings	972
Section 10. Meetings if total number of directors less than quorum	972
Section 11. Chairing of directors' meetings	972
Section 12. Voting at directors' meetings: general rules	973
Section 13. Chairperson's casting vote at directors' meetings	973
Section 14. Alternates voting at directors' meetings	973
Section 15. Conflicts of interest	973

Section 16. Supplementary provisions as to conflicts of interest	975
Section 17. Proposing directors' written resolutions	976
Section 18. Adoption of directors' written resolutions	976
Section 19. Effect of directors' written resolutions	976
Section 20. Validity of acts of meeting of directors	977
Section 21. Record of decisions to be kept	977
Section 22. Directors' discretion to make further rules	977

Division 3 Appointment and Retirement of Directors

Section 23. Appointment and retirement of directors	977
Section 24. Retirement of directors by rotation	978
Section 25. Retiring director eligible for reappointment	979
Section 26. Composite resolution	979
Section 27. Termination of director's appointment	980
Section 28. Directors' remuneration	980
Section 29. Directors' expenses	980

Division 4 Alternate Directors

Section 30. Appointment and removal of alternates	981
Section 31. Rights and responsibilities of alternate directors	981
Section 32. Termination of alternate directorship	982

Division 5 Managing Directors

Section 33. Appointment of managing directors and termination of appointment	983
Section 34. Powers of managing directors	983

Division 6 Directors' Indemnity and Insurance

Section 35. Indemnity	984
Section 36. Insurance	985

Division 7 Company Secretary

Section 37. Appointment and removal of company secretary	985
--	-----

Part 3 Decision-Taking by Members**Division 1 Organization of General Meeting**

Section 38.	General meetings	986
Section 39.	Notice of general meetings	986
Section 40.	Persons entitled to receive notice of general meetings	987
Section 41.	Accidental omission to give notice of general meetings	988
Section 42.	Attendance and speaking at general meetings	988
Section 43.	Quorum for general meetings	988
Section 44.	Chairing general meetings	989
Section 45.	Attendance and speaking by non-members	989
Section 46.	Adjournment	989

Division 2 Voting at General Meetings

Section 47.	General rules on voting	990
Section 48.	Errors and disputes	991
Section 49.	Demanding a poll	991
Section 50.	Number of votes a member has	992
Section 51.	Votes of joint holders of shares	992
Section 52.	Votes of mentally incapacitated members	992
Section 53.	Content of proxy notices	992
Section 54.	Execution of appointment of proxy on behalf of member appointing the proxy	993
Section 55.	Delivery of proxy notice and notice revoking appointment of proxy	993
Section 56.	Effect of member's voting in person on proxy's authority	994
Section 57.	Effect of proxy votes in case of death, mental incapacity, etc. of member appointing the proxy	994
Section 58.	Amendments to proposed resolutions	995

Division 3 Restrictions on Members' Rights

Section 59.	No voting of shares on which money owed to company	996
-------------	--	-----

Division 4 Application of Rules to Class Meetings

Section 60.	Class meetings	996
-------------	----------------	-----

Part 4 Shares and Distributions**Division 1 Issue of Shares**

Section 61.	Powers to issue different classes of shares	996
Section 62.	Payment of commissions on subscription for shares	996

Division 2 Interests in Shares

Section 63.	Company only bound by absolute interests	997
-------------	--	-----

Division 3 Share Certificates

Section 64.	Certificates to be issued except in certain cases	998
Section 65.	Contents and execution of share certificates	998
Section 66.	Consolidated share certificates	998
Section 67.	Replacement share certificates	999

Division 4 Partly Paid Shares

Section 68.	Company's lien over partly paid shares	999
Section 69.	Enforcement of company's lien	999
Section 70.	Call notices	1001
Section 71.	When call deemed to be made	1001
Section 72.	Liability to pay calls	1001
Section 73.	When call notice need not be issued	1002
Section 74.	Failure to comply with call notice: automatic consequences	1002
Section 75.	Notice of intended forfeiture	1002
Section 76.	Directors' power to forfeit shares	1003
Section 77.	Effect of forfeiture	1003
Section 78.	Procedure following forfeiture	1004
Section 79.	Surrender of shares	1004

Division 5 Transfer and Transmission of Shares

Section 80.	Transfer of shares	1005
Section 81.	Power of directors to refuse transfer of shares	1005
Section 82.	Power of directors to suspend registration of transfer of shares	1006
Section 83.	Transmission of shares	1006

Section 84.	Transmittees' rights	1007
Section 85.	Exercise of transmittees' rights	1007
Section 86.	Transmittees bound by prior notices	1008

**Division 6 Alteration and Reduction of Share Capital,
Share Buy-Backs and Allotment of Shares**

Section 87.	Alteration of share capital	1008
Section 88.	Reduction of share capital	1008
Section 89.	Share buy-backs	1008
Section 90.	Allotment of shares	1008

Division 7 Distributions

Section 91.	Procedure for declaring dividends	1009
Section 92.	Calculation of dividends	1009
Section 93.	Payment of dividends and other distributions	1010
Section 94.	Deductions from distributions in respect of sums owed to company	1010
Section 95.	No interest on distributions	1011
Section 96.	Unclaimed distributions	1011
Section 97.	Non-cash distributions	1012
Section 98.	Waiver of distributions	1012

Division 8 Capitalization of Profits

Section 99.	Capitalization of profits	1012
-------------	---------------------------	------

Part 5 Miscellaneous Provisions

Division 1 Communications to and by Company

Section 100.	Means of communication to be used	1013
Section 101.	Failure to notify contact details	1013

Division 2 Administrative Arrangements

Section 102.	Company seals	1014
Section 103.	No right to inspect accounts and other records	1014
Section 104.	Auditor's insurance	1015

Section 105.	Winding up	1015
Schedule 2	Model articles for private companies limited by shares contents	1030

Part 1 Interpretation

Section 1.	Interpretation	1030
------------	----------------	------

Part 2 Private Company

Section 2.	Company is private company	1031
------------	----------------------------	------

Part 3 Directors and Company Secretary

Division 1 Directors' Powers and Responsibilities

Section 3.	Directors' general authority	1032
Section 4.	Members' reserve power	1032
Section 5.	Directors may delegate	1032
Section 6.	Committees	1033

Division 2 Decision-taking by Directors

Section 7.	Directors to take decision collectively	1033
Section 8.	Unanimous decisions	1033
Section 9.	Calling directors' meetings	1034
Section 10.	Participation in directors' meetings	1034
Section 11.	Quorum for directors' meetings	1034
Section 12.	Meetings if total number of directors less than quorum	1035
Section 13.	Chairing of directors' meetings	1035
Section 14.	Chairperson's casting vote at directors' meetings	1035
Section 15.	Alternates voting at directors' meetings	1035
Section 16.	Conflicts of interest	1036
Section 17.	Supplementary provisions as to conflicts of interest	1037
Section 18.	Validity of acts of meeting of directors	1038
Section 19.	Record of decisions to be kept	1038
Section 20.	Written record of decision of sole director	1038
Section 21.	Directors' discretion to make further rules	1039

Division 3 Appointment and Retirement of Directors

Section 22.	Appointment and retirement of directors	1039
Section 23.	Retiring director eligible for reappointment	1040

Section 24.	Composite resolution	1040
Section 25.	Termination of director's appointment	1040
Section 26.	Directors' remuneration	1041
Section 27.	Directors' expenses	1041

Division 4 Alternate Directors

Section 28.	Appointment and removal of alternates	1041
Section 29.	Rights and responsibilities of alternate directors	1042
Section 30.	Termination of alternate directorship	1043

Division 5 Directors' Indemnity and Insurance

Section 31.	Indemnity	1043
Section 32.	Insurance	1044

Division 6 Company Secretary

Section 33.	Appointment and removal of company secretary	1045
-------------	--	------

Part 4 Decision-taking by Members

Division 1 Organization of General Meetings

Section 34.	General meetings	1045
Section 35.	Notice of general meetings	1046
Section 36.	Persons entitled to receive notice of general meetings	1047
Section 37.	Accidental omission to give notice of general meetings	1047
Section 38.	Attendance and speaking at general meetings	1047
Section 39.	Quorum for general meetings	1048
Section 40.	Chairing general meetings	1048
Section 41.	Attendance and speaking by non-members	1049
Section 42.	Adjournment	1049

Division 2 Voting at General Meetings

Section 43.	General rules on voting	1050
Section 44.	Errors and disputes	1050
Section 45.	Demanding a poll	1051
Section 46.	Number of votes a member has	1051

Section 47.	Votes of joint holders of shares	1052
Section 48.	Votes of mentally incapacitated members	1052
Section 49.	Content of proxy notices	1052
Section 50.	Execution of appointment of proxy on behalf of member appointing the proxy	1053
Section 51.	Delivery of proxy notice and notice revoking appointment of proxy	1053
Section 52.	Effect of member's voting in person on proxy's authority	1054
Section 53.	Effect of proxy votes in case of death, mental incapacity, etc. of member appointing the proxy	1054
Section 54.	Amendments to proposed resolutions	1054

Division 3 Application of Rules to Class Meetings

Section 55.	Class meetings	1055
-------------	----------------	------

Part 5 Shares and Distributions

Division 1 Issue of Shares

Section 56.	All shares to be fully paid up	1055
Section 57.	Powers to issue different classes of shares	1055

Division 2 Interests in Shares

Section 58.	Company only bound by absolute interests	1056
-------------	--	------

Division 3 Share Certificates

Section 59.	Certificates to be issued except in certain cases	1056
Section 60.	Contents and execution of share certificates	1057
Section 61.	Consolidated share certificates	1057
Section 62.	Replacement share certificates	1057

Division 4 Transfer and Transmission of Shares

Section 63.	Transfer of shares	1058
Section 64.	Power of directors to refuse transfer of shares	1058
Section 65.	Transmission of shares	1059
Section 66.	Transmittees' rights	1059

Section 67. Exercise of transmittees' rights	1060
Section 68. Transmittees bound by prior notices	1060

**Division 5 Alteration and Reduction of Share Capital,
Share Buy-backs and Allotment of Shares**

Section 69. Alteration of share capital	1061
Section 70. Reduction of share capital	1061
Section 71. Share buy-backs	1061
Section 72. Allotment of shares	1061

Division 6 Distributions

Section 73. Procedure for declaring dividends	1061
Section 74. Payment of dividends and other distributions	1062
Section 75. No interest on distributions	1063
Section 76. Unclaimed distributions	1063
Section 77. Non-cash distributions	1063
Section 78. Waiver of distributions	1064

Division 7 Capitalization of Profits

Section 79. Capitalization of profits	1064
---------------------------------------	------

Part 6 Miscellaneous Provisions

Division 1 Communications to and by Company

Section 80. Means of communication to be used	1064
---	------

Division 2 Administrative Arrangements

Section 81. Company seals	1065
Section 82. No right to inspect accounts and other records	1066
Section 83. Auditor's insurance	1066
Section 84. Winding up	1066
Schedule 3 Model articles for private companies limited by guarantee	1076

Part 1 Interpretation

Section 1. Interpretation	1076
---------------------------	------

Part 2 Directors and Company Secretary

Division 1 Directors' Powers and Responsibilities

Section 2. Directors' general authority	1077
Section 3. Members' reserve power	1077
Section 4. Directors may delegate	1078
Section 5. Committees	1078

Division 2 Decision-taking by Directors

Section 6. Directors to take decision collectively	1078
Section 7. Unanimous decisions	1078
Section 8. Calling directors' meetings	1079
Section 9. Participation in directors' meetings	1079
Section 10. Quorum for directors' meetings	1080
Section 11. Meetings if total number of directors less than quorum	1080
Section 12. Chairing of directors' meetings	1080
Section 13. Chairperson's casting vote at directors' meetings	1080
Section 14. Alternates voting at directors' meetings	1081
Section 15. Conflicts of interest	1081
Section 16. Supplementary provisions as to conflicts of interest	1082
Section 17. Validity of acts of meeting of directors	1083
Section 18. Record of decisions to be kept	1083
Section 19. Directors' discretion to make further rules	1083

Division 3 Appointment and Retirement of Directors

Section 20. Appointment and retirement of directors	1084
Section 21. Retiring director eligible for reappointment	1084
Section 22. Composite resolution	1084
Section 23. Termination of director's appointment	1085
Section 24. Directors' remuneration	1085
Section 25. Directors' expenses	1085

Division 4 Alternate Directors

Section 26. Appointment and removal of alternates	1086
Section 27. Rights and responsibilities of alternate directors	1086
Section 28. Termination of alternate directorship	1087

Division 5 Directors' Indemnity and Insurance		
Section 29.	Indemnity	1088
Section 30.	Insurance	1089
Division 6 Company Secretary		
Section 31.	Appointment and removal of company secretary	1089
Part 3 Members		
Division 1 Becoming and Ceasing to be Member		
Section 32.	Application for membership	1089
Section 33.	Termination of membership	1090
Division 2 Organization of General Meetings		
Section 34.	General meetings	1090
Section 35.	Notice of general meetings	1090
Section 36.	Persons entitled to receive notice of general meetings	1091
Section 37.	Accidental omission to give notice of general meetings	1092
Section 38.	Attendance and speaking at general meetings	1092
Section 39.	Quorum for general meetings	1092
Section 40.	Chairing general meetings	1093
Section 41.	Attendance and speaking by non-members	1093
Section 42.	Adjournment	1093
Division 3 Voting at General Meetings		
Section 43.	General rules on voting	1094
Section 44.	Errors and disputes	1095
Section 45.	Demanding a poll	1095
Section 46.	Number of votes a member has	1095
Section 47.	Votes of mentally incapacitated members	1096
Section 48.	Content of proxy notices	1096
Section 49.	Execution of appointment of proxy on behalf of member appointing the proxy	1097
Section 50.	Delivery of proxy notice and notice revoking appointment of proxy	1097

Section 51.	Effect of member's voting in person on proxy's authority	1097
Section 52.	Effect of proxy votes in case of death, mental incapacity, etc. of member appointing the proxy	1098
Section 53.	Amendments to proposed resolutions	1098
Part 4 Miscellaneous Provisions		
Division 1 Communications to and by Company		
Section 54.	Means of communication to be used	1099
Division 2 Administrative Arrangements		
Section 55.	Company seals	1099
Section 56.	No right to inspect accounts and other records	1100
Section 57.	Auditor's insurance	1100
COMPANY RECORDS (INSPECTION AND PROVISION OF COPIES) REGULATION (CAP.622I)		
Part 1 Preliminary		
Section 1.	Commencement	1112
Section 2.	Interpretation	1112
Part 2 Place for Keeping Company Records etc.		
Section 3.	Prescribed place for keeping company records etc.	1113
Part 3 Inspection of Company Records		
Section 4.	Interpretation of Part 3	1114
Section 5.	Prescribed manner for making request for inspection	1115
Section 6.	Prescribed inspection fee	1115
Section 7.	Making company records available for inspection	1116
Section 8.	Making copy of company records during inspection	1117
Section 9.	Order of Court relating to inspection of company records	1118
Part 4 Provision of Copy of Company Records by Company		
Section 10.	Interpretation of Part 4	1119
Section 11.	Provision of copy of company records	1120

Section 12.	Prescribed fees for provision of copy of company records	1121
Section 13.	Order of Court relating to provision of copy of company records	1122

COMPANIES (NON-HONG KONG COMPANIES) REGULATION (CAP.622J)

Part 1 Preliminary

Section 1.	Commencement	1124
Section 2.	Interpretation	1125

Part 2 Particulars and Documents Required for Application for Registration

Section 3.	Particulars to be contained in application for registration	1125
Section 4.	Documents to accompany application for registration	1128

Part 3 Certified Translation of Domestic Name

Section 5.	Company may include certified translation of domestic name: application for registration	1132
Section 6.	Company may include certified translation of domestic name: change of domestic name	1133
Section 7.	Contents of application under section 5 and return under section 6	1136

Part 4 Notice of Termination of Authorized Representative

Section 8.	Documents to accompany notice of termination	1137
------------	--	------

Part 5 Particulars Required for Annual Return

Section 9.	Particulars to be contained in annual return	1138
------------	--	------

Part 6 Revision of Accounts under Section 790 of Ordinance

Section 10.	Interpretation	1141
Section 11.	Company to deliver revised accounts to Registrar	1142
Section 12.	Effect of revision after delivery of revised accounts to Registrar	1146

Part 7 Change of Registered Particulars

Section 13.	Particulars to be contained in a return under section 791 of Ordinance	1147
Section 14.	Documents to accompany a return under section 791 of Ordinance	1148

COMPANIES (FEES) REGULATION (CAP.622K)

Section 1.	Commencement	1153
Section 2.	Fees payable in relation to registration of companies or for registration of documents	1153
Section 3.	Fees for inspecting or obtaining documents or information	1154
Section 4.	Fees for Registrar's approval or licence	1155
Section 5.	Miscellaneous fees payable under Ordinance	1155
Schedule 1	Fees Payable in Relation to Registration of Companies or for Registration of Documents	1156

Part 1 Fees Payable in Relation to Company Having Share Capital

Part 2 Fees Payable in Relation to Company Limited by Guarantee

Part 3 Fees Payable in Relation to Registered Non-Hong Kong Company

Schedule 2	Fees for inspecting or obtaining documents or information	1161
------------	---	------

Part 1 Interpretation of Schedule 2

Part 2 Fees for Inspecting or Obtaining Documents or Information

Schedule 3	Fees payable for obtaining registrar's approval or licence	1179
Schedule 4	Miscellaneous fees payable under ordinance	1179

Part 1 Miscellaneous Fees Payable to Registrar

Part 2 Miscellaneous Fees Payable to Financial Secretary

**COMPANIES (UNFAIR PREJUDICE PETITIONS)
PROCEEDINGS RULES (CAP.622L)**

Section 1. Commencement	1185
Section 2. Interpretation	1185
Section 3. Application	1186
Section 4. Presentation of petition	1188
Section 5. Service of petition	1189
Section 6. Return of petition	1190
Section 7. Drawing up of order	1191
Section 8. Service of order, etc.	1191
Section 9. Advertisement of order	1192
Schedule Petition on ground that members unfairly prejudiced	1192
<i>Index</i>	1195

PROVIEW EXCLUSIVE CONTENT

1. Glossary of Terms
2. Comparative Table
3. List of New Forms