



公 司 註 冊 處
COMPANIES REGISTRY

**Guidance Note –
Good Practice on
Holding Virtual or Hybrid
General Meetings**

With effect from 28 April 2023

1. INTRODUCTION

- 1.1 The Companies Ordinance (Cap. 622) (“CO”) requires a company to hold an annual general meeting (“AGM”) within the prescribed time¹. A general meeting other than an AGM may also be held from time to time as necessary². The manner of holding a general meeting is governed by the provisions in the CO, the Companies (Model Articles) Notice (Cap. 622H) (“Model Articles”), as well as provisions of the company’s articles of association (“articles”).
- 1.2 In view of the advancement of technology in electronic communication, amendments to the CO and the Model Articles have been introduced under the Companies (Amendment) Ordinance 2023 (“Amendment Ordinance”) to provide companies with greater flexibility to hold their general meetings (i) at physical location(s); (ii) as fully virtual general meetings without the requirement for presence of members at any physical locations; or (iii) in a mixed mode of such virtual general meetings with some members attending at physical location(s), i.e. hybrid general meetings. The Amendment Ordinance will come into operation on 28 April 2023.
- 1.3 This Guidance Note is intended to provide general information and good practices on the holding of fully virtual or hybrid general meetings by companies formed and registered under the CO or a former Companies Ordinance, namely **locally incorporated companies**. Companies should choose the most appropriate mode of meeting and will need to consider, in addition to convening a valid meeting in accordance with the law and their articles, whether a physical meeting continues to be the most appropriate mode or that holding a fully virtual or hybrid general meeting may promote better engagement with and maximize participation by members.

¹ According to section 610 of the CO, a private company and a company limited by guarantee must, in respect of each financial year of the company, hold an annual general meeting within 9 months after the end of its accounting reference period; and any other company must, in respect of each financial year of the company, hold an annual general meeting within 6 months after the end of its accounting reference period.

² For example, on alteration of company’s articles of association; change of company name; company registered as an unlimited company to be re-registered as a company limited by shares; reduction of share capital; share buy-back, etc.

1.4 This Guidance Note does not constitute legal advice and does not in any way amend or vary a company's obligations under the relevant statutory requirements. In case of doubt, companies should seek legal advice as they see fit.

2. CALLING GENERAL MEETINGS

2.1 Statutory provisions for calling a general meeting are set out in Subdivision 4 of Division 1 of Part 12 of the CO.

Statutory provisions – Calling General Meetings

- Depending on the circumstances, a general meeting can be called –
 - (a) by directors of a company³;
 - (b) by directors at the request of members of the company representing at least 5% of the total voting rights of all the members having a right to vote at general meetings⁴;
 - (c) by members who request a general meeting or any of them representing more than one half of the total voting rights of all of them if the directors fail to call the general meeting requested by such members⁵;
 - (d) by any director, or any 2 or more members representing at least 10% of the total voting rights of all the members having a right to vote at general meetings, if at any time a company does not have any director or does not have sufficient directors capable of acting to form a quorum⁶;
 - (e) by the court, on its own motion or on application by a director of the company or a member of the company who would be entitled to vote at the meeting, where for any reason it is impracticable –
 - to call a general meeting in any manner in which general meetings may be called; or
 - to conduct the meeting in the manner prescribed by the company’s articles or the CO⁷.

³ Please refer to section 565 of the CO.

⁴ Section 566(1) and (2) of the CO.

⁵ Section 568(1) of the CO.

⁶ Section 569(1) of the CO. Pursuant to section 569(2) of the CO, section 569(1) has effect in so far as the articles of the company do not make other provision in that behalf.

⁷ Section 570(1) and (2) of the CO.

3. NOTICE OF GENERAL MEETINGS

3.1 Statutory provisions for notice of general meetings are set out in Subdivision 5 of Division 1 of Part 12 of the CO.

Notice Period

Statutory provisions – Notice of General Meetings

- An annual general meeting (“AGM”) of a company must be called by notice of at least 21 days. In the case of any other general meeting, the notice period is at least 14 days for a limited company, and at least 7 days for an unlimited company.⁸ If the company’s articles require a longer period of notice, the meeting must be called by notice of that longer period.⁹

- A general meeting can be called by notice shorter than that set out above or in the company’s articles if –
 - (a) (in the case of an AGM) it is so agreed by all the members entitled to attend and vote at the meeting¹⁰; and
 - (b) (in the case of any other general meeting) it is so agreed by a majority in number of the members having the right to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the members¹¹.

⁸ Please refer to section 571(1) of the CO.

⁹ Section 571(2) of the CO.

¹⁰ Section 571(3)(a) of the CO.

¹¹ Section 571(3)(b) of the CO.

Service of Notice

Statutory provisions – Service of Notice

- Notice of a general meeting shall be given to all members in hard copy form or in electronic form, or by making the notice available on a website, or partly by one of those means and partly by another¹². In this regard, companies should comply with the requirements under Part 18 of the CO¹³.
- If notice of a general meeting is given by a company by making it available on a website, the company should note that –
 - (a) the notification for notifying a member of the availability of the notice on the website must:
 - state that it concerns a notice of a company meeting;
 - specify the date and time of the meeting;
 - specify –
 - ◆ if the notice specifies only the physical venue of the meeting – the physical venue;
 - ◆ if the notice specifies only the virtual meeting technology to be used for holding the meeting – the virtual meeting technology; or
 - ◆ if the notice specifies both the physical venue of the meeting and the virtual meeting technology to be used for holding the meeting – both the physical venue and the virtual meeting technology; and
 - in the case of an AGM, state that it is an AGM¹⁴; and
 - (b) the notice must be made available on the website throughout the period beginning on the date of the notification mentioned in paragraph (a) above and ending on the conclusion of the meeting¹⁵.

¹² Please refer to section 572(1) of the CO.

¹³ Part 18 (Communications to and by Companies) of the CO relates to communications in electronic or hard copy form between a company and its members, debenture holders, and other persons. It also deals with communications sent by a company to its members and debenture holders by means of a website.

¹⁴ Section 573(1) and (2) of the CO.

¹⁵ Please refer to section 573(3) of the CO.

- 3.2 Where notice of a general meeting is given by a company by making it available on a website, it is a good practice to dedicate a section or webpage of the company website to also inform members of the details of the meeting as stated in paragraph 3.5 below, including any updates and changes in a timely manner.

Persons Entitled to Receive Notice of General Meeting

Statutory provisions – Persons Entitled to Receive Notice of General Meeting

- Notice of a general meeting of a company must be given to –
 - (a) every member of the company¹⁶; and
 - (b) every director of the company¹⁷;

- If notice of a general meeting of a company or any other document relating to the general meeting is required to be given to a member, the company must give a copy of it to its auditor (if more than one auditor, to each of them) at the same time as the notice or the other document is given to the member¹⁸.

¹⁶ Section 574(1)(a) of the CO.

¹⁷ Section 574(1)(b) of the CO.

¹⁸ Section 575(1) of the CO.

Contents of Notice

Statutory provisions – Contents of Notice

- All notices of general meetings must –
 - (a) specify the date and time of the meeting;
 - (b) specify either or both of the following –
 - the physical venue of the meeting (and if 2 or more physical venues are specified in the notice of the meeting, specify the principal venue, and the other venue or venues, of the meeting);
 - the virtual meeting technology to be used for holding the meeting;
 - (c) state the general nature of the business to be dealt with at the meeting;
 - (d) in the case of a notice calling an AGM, state that the meeting is an AGM; and
 - (e) if a resolution is intended to be moved at the meeting –
 - include notice of the resolution; and
 - (where the company is not a wholly owned subsidiary) include a statement containing the information and explanation, if any, that is reasonably necessary to indicate the purpose of the resolution¹⁹.

- Paragraph (a), (b) and (c) has effect subject to any provision of the company's articles²⁰.

¹⁹ Section 576(1) of the CO.

²⁰ Section 576(2) of the CO.

Statutory provisions – Contents of Notice (Cont'd)

- In the notice calling a general meeting, there must appear, with reasonable prominence, a statement informing members of –
 - (a) the rights to appoint another person (whether a member or not) as a proxy to exercise all or any of a member's rights to attend and to speak and vote at the meeting and in the case of a company having a share capital, a member may appoint separate proxies to represent respectively the number of the shares held by the member that is specified in their instruments of appointment; and
 - (b) the requirement that in the case of a company limited by guarantee, the company's articles may require that a proxy must be a member of the company and if the company's articles so require, a member of the company may only appoint another member as a proxy²¹.

- 3.3 In drafting the notice, it is a good practice to use plain and simple language and avoid legal jargon so that members can understand the information in the notice easily. The information should also be presented in an easy-to-read manner (e.g. proper use of headings and numberings etc.).
- 3.4 Companies should ensure that the information contained in the notice of meeting is accurate and complete in all material respects. A clear and adequate explanation of matters to be considered at a general meeting should be provided so that members can make properly informed decision.
- 3.5 If virtual meeting technology (e.g. by “live” webcast, video conference, etc.) is to be used for holding a fully virtual or hybrid general meeting, it is a good practice to provide detailed information on the meeting arrangements in the notice of the meeting. For example –

²¹ Section 597(1) of the CO.

- (a) the arrangements for members to attend the meeting using the virtual meeting technology (e.g. the link to access a “live” webcast of the AGM), what the technology may cover (e.g. whether the technology will allow members to ask questions both orally and in writing and cast their votes), the device members need to participate in the meeting (i.e. desktop computer, laptop, tablet or mobile phone);
- (b) if pre-registration and verification are required, the relevant information (e.g. the link to relevant website, login ID and password) for members to pre-register and verify their identity for access to and participate in the meeting;
- (c) if members are required to download or install a specific software or App in order to use the virtual meeting technology to attend the meeting, clear instructions as to how to download or install the software or App;
- (d) instructions to members on how they may:
 - access to any documents (including proxy forms) or information relating to the business to be dealt with at the meeting;
 - appoint proxies and corporate representatives by submission of proxy forms and authorisation documents before the deadline prior to the meeting to facilitate registration, obtain information for proxies and corporate representatives to access to and participate in the meeting and instruct proxies and corporate representatives to attend and vote at the meeting;
 - participate in the meeting, including the option to submit their questions prior to the meeting (e.g. by email) or raise their questions at the meeting (e.g. by dial-in conference call, video conferencing, etc.) with the deadline for submission of questions specified and how relevant questions would be responded (e.g. by grouping and moderation of similar or same questions to avoid repetition);
 - contact technical support, if available, for troubleshooting before and during the meeting; and
 - cast their votes (e.g. through an online electronic voting system or App); and
- (e) some tips to note can also be provided to participants such as:
 - a reliable internet connection which is fast enough to support video streaming and participation is required;

- if the internet connection is not fast enough to keep pace with the proceedings of the meeting, some part of the meeting may be skipped and missed; and
- if internet connection is inadequate or interrupted, attendance at the meeting may terminate and the participant's ability to ask questions or vote may be affected.

4. DOCUMENTS

- 4.1 For documents that are required to be provided or laid before a general meeting (e.g. proxy forms, the financial statements of the company, etc.), subject to the provisions of the CO, it is a good practice to send such documents together with the notice of the meeting.

- 4.2 Companies should consider using electronic communication as far as practicable (if so permitted under Part 18 of the CO and the companies' articles) so as to facilitate members' timely access to the documents and information relating to the general meeting.

5. MODE OF HOLDING GENERAL MEETINGS

Statutory provisions – Mode of Holding General Meetings

- Subject to the provisions of the company's articles, a general meeting may be held –
 - (a) at a physical venue (i.e. a physical meeting);
 - (b) by using virtual meeting technology (i.e. a fully virtual meeting); or
 - (c) both at a physical venue and by using virtual meeting technology (i.e. a hybrid meeting).²²

- Subject to the provisions of the company's articles, if the general meeting is held at 2 or more physical venues (whether or not also by using the virtual meeting technology specified in the notice of the meeting), the company must use any technology that allows its members who are not together at the same physical venue to listen, speak and vote at the meeting.²³

5.1 In the case of a physical or hybrid general meeting, it is a good practice to arrange the meeting to be held at a time that is convenient to the largest possible number of members to attend at the physical venue.

²² Please refer to section 583A(1) and (2) of the CO.

²³ Section 584(1) and (2) of the CO.

Statutory provisions – Mode of Holding General Meetings (Cont'd)

- Companies may hold a fully virtual or hybrid general meeting by using virtual meeting technology unless their articles –
 - (a) expressly preclude the holding of a general meeting by using virtual meeting technology; or
 - (b) require a general meeting to be held only at a physical venue.²⁴

- For the avoidance of doubt, a provision of the company's articles having the effect of requiring a notice of general meeting to specify the physical venue of the meeting is not in itself a provision that requires a general meeting to be held only at a physical venue for the purposes of paragraph (b) above.²⁵

5.2 To maximise members' participation, companies may consider holding a fully virtual or hybrid general meeting by using virtual meeting technology (i.e. technology that allows a person to listen, speak and vote at a meeting without being physically present at the meeting²⁶) to give their members the option to participate in the meeting virtually.

5.3 Companies are advised to review their articles to see if a fully virtual or hybrid general meeting is permissible.

5.4 Different modes of general meetings bring different benefits. There is no "one-size fits all" approach to the holding of physical, virtual or hybrid general meetings. Ultimately, in deciding the mode of holding general meetings, companies should aim to promote engagement with members and encourage their participation at meetings and, having considered the best interest of their members, opt for the most appropriate mode of meeting. The mode of meeting should not be a means of managing attendance or limiting the ability of members to participate in meetings and raise questions.

²⁴ Section 583A(3)(a) of the CO.

²⁵ Section 583A(3)(b) of the CO.

²⁶ "Virtual meeting technology" is defined in section 547(1) to mean a technology that allows a person to listen, speak and vote at a meeting without being physically present at the meeting.

- 5.5 In considering the mode of holding general meetings, companies may also need to assess their own situations, their members' base and profile and resource restraints. For example, while the costs incurred for holding physical general meetings by some companies with a large number of members may be saved by holding fully virtual or hybrid general meetings, it may not be cost-effective for other companies, especially where the costs involve engagement of service providers to supply hardware and software components with advanced information technology system and network availability to conduct such meetings.
- 5.6 Different virtual meeting technology is available in the market to facilitate holding of general meetings, ranging from free or subscription version of popular meeting platforms to advanced digital solution for virtual and hybrid meetings with sophisticated end-to-end workflows and functionalities.
- 5.7 In choosing the technology for holding a general meeting, companies may consider some of the following factors which are not meant to be exhaustive:
- (a) how much will the technology cost?
 - (b) how many attendees are expected and what is the limit on the number of participants for the technology to be used?
 - (c) how long is the meeting expected to run and is there a time limit on the length of the meeting for the technology?
 - (d) are there help and support available to companies for holding meetings using the technology?
 - (e) what are the features available to facilitate presentation and participation at the meeting?
 - (f) how are features on facilitating access of participants, verification of identity of participants and voting included in the technology?
- 5.8 Companies are advised to consider and mitigate any possible risks of holding a fully virtual or hybrid meeting such as inadequate or unstable internet connectivity. To minimise the likelihood of connection issues, companies may consider providing a way for members to check their devices for connecting to the technology (e.g. internet speed and performance) in advance of the meeting. Companies may also consider

providing technical support to members who may encounter technical difficulties or require assistance prior to or during the meeting.

- 5.9 Companies should strive to foster transparency and accountability to ensure that members are properly informed and can cast their votes in a well-informed manner.

6. CONDUCT OF GENERAL MEETINGS

Security and Authentication

- 6.1 Security and authentication are crucial considerations. Companies should consider implementing necessary security measures to ensure that no unauthorised persons are allowed to attend the meeting, and members with the right to attend are not excluded from the meeting.
- 6.2 Where a fully virtual or hybrid general meeting is held and registration and authentication of members (including their proxies or corporate representatives) are required to access the general meetings, members should be provided with the relevant information for registration and authentication prior to the meeting. For example, if registration and authentication are through an online electronic platform or website using login details provided by the company, each member should be provided with the invitation link to the platform or website together with a meeting login ID and a password or access code that, where possible, is unique to that member. Other secure methods of authentication, such as SMS and email authentication by sending a one-time unique personal identification number to a member's phone number or email address may also be used to enable such member to access the electronic platform or website for registration and participation in the meeting. However, the registration and authentication process should be simple so as not to become an attendance barrier.
- 6.3 For meetings using video conferencing software in general, security measures adopted by the host of the meeting may include:
- (a) setting up a unique meeting ID as well as strong and unique password for the meeting;
 - (b) where possible, arranging one more host to deal with administrative, technical and other contingent issue during the meeting;
 - (c) setting up a virtual waiting room and validating participants' identities before allowing them to join the meeting;
 - (d) locking the meeting when all participants have been admitted to prevent unauthorised access; and

(e) informing all participants and obtaining their consents before recording the meeting.

6.4 Participants of general meetings who use video conferencing software should also pay heed to the general security measures to be adopted. It is therefore a good practice for companies using video conferencing software for holding general meetings to remind members not to share invitation links, meeting login ID and password or access code to anyone else and to ensure that up-to-date security software (e.g. antivirus) has been installed to their connecting device. Members should also be reminded to ensure that the video conferencing software is up-to-date and the latest security patches have been installed. In case of confidential and sensitive information, members should be reminded to join the meeting from a secured location without accessibility or disturbance by third parties.

6.5 However, security and authentication measures should not be used as a means to deprive or limit any entitled members to attend the general meetings.

Use of Virtual Meeting Technology

6.6 Where a fully virtual or hybrid general meeting is held, the virtual meeting technology used for holding the meeting must allow a person to listen, speak and vote without being physically present at the meeting. The meeting should preferably be accessible in both video and audio formats.

6.7 Companies should make the necessary arrangements to enable those attending a general meeting to exercise their rights to speak or vote at it. The most appropriate virtual meeting technology or mix of virtual meeting technologies for a particular meeting will often depend on a variety of factors specific to the company and its members. Companies are encouraged to use tailored and high-performing virtual meeting technology that best suit their circumstances for conducting the meetings. Companies should also ensure the adequacy and functionality of the technology used to enable members to follow the proceedings of and participate in the meeting uninterrupted.

Quorum

Statutory provisions – Quorum

- Where a company has more than one member, subject to the provisions of the company's articles, two members present in person or by proxy is a quorum of a general meeting of the company.²⁷
- A person who attends a general meeting by using the virtual meeting technology specified in the notice of the meeting is to be regarded as being present while so attending.²⁸

6.8 All persons attending the meeting virtually at the time that the quorum is called must be counted for the purposes of determining whether there is a quorum.

Questions

6.9 Members should have the right to speak at a general meeting. In relation to any virtual element of a general meeting, the virtual meeting technology used for holding the meeting should preferably allow members to submit real-time questions during the meeting orally and electronically by typing into a dedicated meeting application or platform. Any limitation on the length of questions submitted via such application or platform should be reasonable.

6.10 It is a good practice to give the opportunity to members to submit questions within a reasonable time prior to general meetings. They should be provided with a clear timeframe as to when and where questions should be sent. Members should also be allowed to submit their questions by electronic means (e.g. by email) or by post.

²⁷ Please refer to section 585(3) of the CO.

²⁸ Section 585(4A) of the CO.

- 6.11 Companies are encouraged to respond to all substantial and relevant questions promptly. In order to facilitate members' votes, companies may consider answering questions ahead of the general meetings where practicable (e.g. by publishing the answers on the company's website).
- 6.12 To foster transparency, companies should consider explaining how questions would be responded to (e.g. by grouping and moderation of similar or same questions to avoid repetition) and the number and nature of questions asked and not answered.
- 6.13 Where a hybrid general meeting is held, companies should make effort to ensure a fair and balanced representation of questions from those members physically present as well as those virtually are addressed and responded to.

Voting and Proxy

- 6.14 Members attending a general meeting virtually should be able to cast their votes by electronic means in real-time during a fully virtual or hybrid general meeting.
- 6.15 Whether members cast their votes electronically or otherwise, companies should ensure that the necessary safeguards are implemented to validate votes submitted by their members. For example, where an electronic voting system is used, it should accurately count all votes cast at the meeting and provide record for audit and verification of accuracy.

Statutory provisions – Proxies

- A member is entitled to appoint another person (whether a member or not) as a proxy to exercise all or any of the member's rights to attend and to speak and vote at a general meeting.²⁹
- Multiple proxies may be appointed in the case of a company having a share capital.³⁰
- Companies should ensure that members are informed of their rights to appoint proxies in the notice of the meeting.³¹
- If a company has given an electronic address in –
 - (a) an instrument of proxy issued by the company in relation to a general meeting; or
 - (b) an invitation to appoint a proxy issued by the company in relation to the meeting,it is to be regarded as having agreed that any document or information relating to proxies for that meeting may be sent by electronic means to that address (subject to any conditions or limitations specified in the instrument or invitation).³²
- Where an instrument of proxy is issued to a member for use to appoint a proxy to attend and vote at a general meeting, such instrument of proxy must enable the member, according to the member's intention, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise the proxy's discretion in respect of) each resolution dealing with any business to be transacted at the meeting.³³

²⁹ Please refer to section 596(1) of the CO. Section 596(1) is subject to section 596(2) of the CO, which provides that in the case of a company limited by guarantee, the company's articles may require that a proxy must be a member of the company and if the company's articles so require, a member of the company may only appoint another member as a proxy.

³⁰ Section 596(3) of the CO.

³¹ Section 597(1)(a) of the CO.

³² Section 599(1) of the CO.

³³ Section 601(1) and (2) of the CO.

- 6.16 Companies are encouraged to give an electronic address in an instrument of proxy or an invitation to appoint a proxy issued by the company such that their members may send the instrument of proxy to that address by electronic means, as an alternative to physical delivery.

Test Run and Mock

- 6.17 In using a virtual meeting technology, especially for the first time in holding general meeting, it is always advisable to conduct a test run of the entire process or a mock meeting ahead of time to avoid hiccups during meeting arising from the unfamiliar usage of the technology.

Technical Issues During a Fully Virtual or Hybrid General Meeting

- 6.18 Where a fully virtual or hybrid general meeting is held and technical support is available for troubleshooting in case technical issues arise before and during the meeting, this support should, where practicable, be made available to members both online and via a telephone number free of charge.
- 6.19 Companies should also consider contingency planning for technical issues, for example, by providing alternative means such as dial in or teleconferencing facility to allow members to continue to participate in the meeting if internet connection is lost or disrupted.
- 6.20 If technical issues cannot be overcome in a short period of time or result in a number of members being unable to participate in the meeting, companies should consider adjourning the meeting until the issues are resolved.

7. LISTED COMPANIES

- 7.1 For listed companies (as defined in the CO³⁴), this Guidance Note should be read together with the “Guide on General Meetings” issued by the Hong Kong Exchanges and Clearing Limited together with any updates provided on the issue.

³⁴ Pursuant to section 2(1) of the CO, “listed company” is defined to mean a company that has any of its shares listed on a recognized stock market and “recognized stock market” has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap.571).