

Practical tips for a Hong Kong company to hold virtual or hybrid general meetings

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Hong Kong law will permit fully virtual or a hybrid mode of virtual and physical general meetings from 28 April 2023 onwards.

We would like to share with the readers the new statutory provisions and some practical tips.

Statutory provisions which will become part of the Companies Ordinance of Hong Kong from 28 April 2023

A company incorporated in Hong Kong may hold a general meeting (i.e., a meeting of its shareholders/members):

- at a physical venue;
- by using virtual meeting technology; or
- both at a physical venue and by using virtual meeting technology (i.e., hybrid mode),

unless the company's articles expressly preclude the holding of a general meeting by using virtual meeting technology or require a general meeting to be held only at a physical venue. Where the articles contain a provision that refers to a place for conducting a general meeting or requires a notice of general meeting to specify the physical venue of the meeting, such provision would not prohibit the company from holding a virtual or hybrid meeting.

Currently, the law allows a Hong Kong company to hold a general meeting at two or more physical places. So, combined with the new provisions, a general meeting may be held at more than one physical place and via virtual meeting technology at the same time.

Technology to be used for holding fully virtual or hybrid meetings must allow participants to listen, speak and vote at the meetings.

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 another. The notice should include the virtual meeting technology to be used at the virtual or hybrid general meeting.

Practical tips for holding virtual or hybrid general meetings

Obviously, holding virtual or hybrid general meetings calls for the appropriate technology and may therefore arouse issues not commonly encountered in physical meetings. We set out some tips to deal with those issues below:

- It is good practice to provide detailed information on the notice of a virtual or hybrid general meeting, e.g., how members may attend by using the virtual

meeting technology, registration and verification steps, whether members are required to download or install a specific software or App, and instructions on how they may access documents, appoint proxies, submit questions and cast their votes via the technology.

- Security and authentication are crucial considerations. Companies should implement appropriate 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. The company should provide its members with clear instructions on the registration and authentication process (which should be a simple process). Common tools include unique login ID, password / access code, as well as one-time or unique verification code sent by SMS or email.

- To avoid ineligible persons attending the meeting, the company should request members not to share invitation links, login ID, password, access code or verification code with other persons. Members should also be reminded to ensure that up-to-date security (including anti-virus and anti-hacking) software has been installed to their connecting devices.
- The technology must allow a participant to listen, speak and vote without being physically present at the meeting.

- The virtual or hybrid meeting is preferably to be accessible in both video and audio formats.
- Members should have the right to speak at a general meeting and the company should not mute all members throughout the whole meeting. However, the chairman should decide on the appropriate time to allow members (including those attending on a virtual mode) to speak.

- The company should allow members to submit questions real-time during the meeting orally and electronically by typing into a dedicated meeting application or platform (e.g., question box, chat box). Any limitation on the length of questions should be reasonable.

- As to voting, 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. The company should have the necessary safeguards in place to validate votes submitted by its members, accurately count all votes cast at the meeting and provide record for verification purpose.
- In using a virtual meeting technology, especially for the first time in holding general meeting, the company should conduct a test run of the entire process or a mock meeting ahead of time.
- If the company provides troubleshooting support for technical issues arising before and during the virtual or hybrid meeting, it should, where practicable,

make it available to members both online and via a telephone number free of charge.

- 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, the company should consider adjourning the meeting until the issues are resolved, even if the

physical meeting in a hybrid case is not so affected.

- Hong Kong listed companies which are incorporated in Hong Kong should refer to “Guide on General Meetings”¹ issued by the Hong Kong Exchanges and Clearing Limited and updates provided on the issue.

Virtual/hybrid vs. traditional physical general meetings

There is no “one-size-fits-all” approach in deciding the mode of holding a general meeting. With the aim of maximizing members’ participation, the company may consider holding a fully virtual or hybrid general meeting with the physical venue being a place that is convenient to members. But if the membership size is not substantial and there is no particular hurdle for members to attend a general meeting physically, the company may stick to the physical mode because a virtual or hybrid meeting involves additional risks.



Companies should mitigate the possible risks of holding a fully virtual or hybrid meeting such as inadequate or unstable internet connectivity. Also, in choosing the technology for holding the meeting, the company may have to consider factors such as:

- the number of attendees
- the likelihood that they may encounter technical problems in using that technology (e.g., some platforms may not work well in certain jurisdictions)
- whether the technology requires uncommon software or App
- whether technical support is available before and throughout the meeting
- features of the registration and verification steps
- technology cost
- contingency plan in case of technical problems, e.g., providing dial-in or teleconferencing facility as alternatives to allow members to continue their participation

¹ https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Other-Resources/Listed-Issuers/Practices-and-Procedures-for-Handling-Listing-related-Matters/gm_guide.pdf

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