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Impacts to general meetings in light of the recent new regulation imposed by the HK Government

With the continuous widespread of COVID-19, many listed companies encounter unprecedented challenges in planning and holding their general meetings, including annual general meetings (“AGMs”) and extraordinary/special general meetings (“EGMs/SGMs”) in light of the public health measures imposed by the Hong Kong Government that deter large gatherings.

We would like to draw your attention to the latest Government announcement made pursuant to the introduction of a new regulation, “[Prevention and Control of Disease \(Prohibition on Group Gathering\) Regulation \(Chapter 599G\)](#)” on 28 March 2020, which prohibits group gatherings of more than four persons in any public place. This new regulation has come into effect starting from midnight on 29 March 2020 and will last for 14 days up to 11 April 2020. The Government also spelled out 12 Exempted Group Gatherings in Schedule 1 of the new regulation.

Referring to this new regulation, there are many concerns about how this regulation will impact the upcoming general meetings scheduled by listed issuers given the exemptions provided under Schedule 1.

Exemption No. 11 under Schedule 1 quotes “*Group gathering at a meeting of a body that must be held within a specified period in order to comply with any Ordinance or other regulatory instrument that governs the operation of the body or its business*”. As clarified with the Securities and Futures Commission (“SFC”), we come to an understanding on the following interpretation:

- ▶ 1. Exemption No. 11 applies to AGMs of the listed issuers as it is required under the Companies Ordinance of Hong Kong or companies law of other oversea jurisdictions and the Listing Rules to be held within a specified period.
- ▶ 2. EGMs or SGMs are not intended to be exempted under Exemption No. 11 unless the relevant meeting is required by specified regulations/laws/rules or court order to be held within a specified period.

Apart from the above understandings, there are certain grey areas on whether the EGMs/SGMs (other than AGMs) can still be held within the 14-day period. Many issues as raised out below may still need further clarification and/or consideration:

▶ 1. Can EGMs/SGMs still be held if the number of attendees on site in the meeting venue can be limited to not more than 4 at any one time? How to monitor the number of shareholders or other persons attending the meeting in person limited to four only at any one time and whether other attendees can attend via electronic means like audio/video conference are issues for the listed issuer to consider.

▶ 2. The new regulation prohibits group gathering at public place and general meetings are commonly held at function room of a hotel or conference centre or even the office of a listed issuer. Whether any of these meeting venues falls within the definition of public place is still an arguable issue.

In any case, for any general meetings that can be proceeded, we have more practical advice on the AGM arrangement for listed companies where we act as Hong Kong Share Registrar in preparation for their AGM during the COVID-19 outbreak. You may click [here](#) for the article and feel free to contact us if you are interested to know more.

We will seek update/clarification and further guidelines from the SFC and the Government and shall keep you informed as soon as practicable.

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