

**Bills Committee on  
Companies (Amendment) Bill 2002**

**List of follow-up actions arising from the discussion  
at the meeting on 22 October 2002**

- (1) To include an undertaking in the speech to be delivered by the Secretary for Financial Services and Treasury at the resumption of Second Reading debate on the Bill that the Administration will examine the cost implications on requisitionists and whether provisions such as forfeitable deposits should be introduced. If so, consideration should be given to including such provisions in the Companies (Amendment) Bill 2003 to be introduced in May 2003.
- (2) To advise the difference in expenses incurred by a requisitionist to propose a resolution at an annual general meeting under section 111 and an extraordinary general meeting under section 113.
- (3) To advise whether the proposed removal of directors by ordinary resolution applies to statutory bodies or public companies, including the Stock Exchange of Hong Kong (SEHK) and the Mass Transit Railway Corporation, and whether the directors so removed can be eligible for re-appointment.
- (4) To advise the difference between “director” and “shadow director”; how the definition of “shadow director” operates; past court cases where shadow directors were prosecuted for negligence or fraud; the liability of shadow directors of listed public companies such as SEHK; and penalty for failure to keep a register of directors and secretaries under section 158.
- (5) To advise whether the scope of “shadow director” covers those who act as consultants/advisers to organizations and secured creditors such as banking institutions.
- (6) To review new section 161B since there may be circumstances where auditors are not aware of the existence of shadow directors in the course of preparing the accounts of loans to officers.
- (7) To provide the number of prosecutions under the Crimes Ordinance (Cap. 200) for making false declaration under the Companies Ordinance (Cap. 32).
- (8) To advise the different scopes of the existing and past section 349; whether the proposed level of penalty under section 349 is sufficient; and the measures which the Administration will put in place to enhance enforcement against the making of false statement.